

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

T +91 124 462 8000
F +91 124 462 8001

Independent Auditor's Report

To the Members of Indian Furniture Product Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Indian Furniture Products Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. 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 these financial statements are free from material misstatement.



6. 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on these financial statements.

Basis for Qualified Opinion

8. Financial assets in Note 5(b) to the financial statements include ₹1,125.00 lacs (previous year: ₹1,125.00 lacs), representing inter-company deposit and interest thereon up to 31 March 2010, recoverable from Straight Curve Ideas Private Limited ("SCIPL"). Based on factors described in Note 41 to the financial statements, the management is confident of recovery of the aforementioned receivables outstanding as at 31 March 2018. However, in view of the legal uncertainties' involved and significant lapse of time, we believe that the chances of recovery of such amount are remote and the same should be impaired in accordance with expected loss principles of Ind AS 109. Had the Company followed the principles of Ind As 109 ,other expenses and net loss for the year ended 31 March 2018 would have been higher by ₹1,125.00 lacs (previous year ₹1,125.00 lacs),and the financial assets and the other equity would have been lower by such amount.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph the aforesaid 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

10. The financial statements of the Company for the year ended 31 March 2017, were audited by predecessor auditor who expressed a qualified opinion in the audit report dated 16 May 2017.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure A, as required by Section 143(3) 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 purpose of our audit;
 - b) except for the effects of the matter described in the Basis for Qualified Opinion paragraph 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 financial statements dealt by this report are in agreement with the books of account;



Walker Chandiok & Co LLP

- d) except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
- e) the matter described in paragraph 8 under the Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
- h) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report 22 May 2018 as per Annexure B expressed disclaimer of opinion; and
- i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 29 to the financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514



Place: Gurugram
Date: 22 May 2018

Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Indian Furniture Products Limited, on the financial statements for the year ended 31 March 2018

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets in the nature of property, plant and equipment, and intangible assets.
- (b) The Property, Plant & equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'Property, Plant & equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Section 185 and 186 of the Act in respect of investment and guarantees given. Further, the Company has complied with the provisions of Section 186 of the Act in respect of loan given.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products / services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Indian Furniture Products Limited, on the financial statements for the year ended 31 March 2018

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
The Income tax Act, 1961	14.94	-	Assessment Year: 2008-09 to 2009-10	Hon'ble Madras High Court
The Income tax Act, 1961	4.61	-	Assessment Year: 2011-12	Commissioner of Income Tax (Appeals)
The Finance Act, 1994	4.01	-	January 2007 to December 2007	Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	2.48	-	July 2008 to May 2009	Adjudicating Authority
The Finance Act, 1994	85.65	15.00	December 2005 to December 2006	Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	18.87	6.25	January 2007 to October 2007	Central Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	30.24	-	September 2008 to March 2011	Adjudicating Authority
The Central Excise Act, 1944	8.42	0.50	November 2007 to August 2008	Hon'ble Madras High Court
The Central Excise Act, 1944	3.50	-	August 2005 to July 2006	Adjudicating Authority
The Central Excise Act, 1944	0.15	-	April 2006 to December 2006	Central Excise and Service Tax Appellate Tribunal
West Bengal Sales Tax Act, 1954	22.82	-	Financial year: 2003-04	Deputy Commissioner (Appeals)
Uttar Pradesh Sales Tax Act, 1948	94.00	-	Financial year: 2014-15	Deputy Commissioner (Appeals)



Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Indian Furniture Products Limited, on the financial statements for the year ended 31 March 2018

Name of the tatute	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Sales Tax Act, 1948	6.16	6.16	Financial year: 2014-15	Deputy Commissioner (Appeals)
Uttar Pradesh Sales Tax Act, 1948	0.30	0.30	Financial year: 2015-16	Deputy Commissioner (Appeals)
Uttar Pradesh Sales Tax Act, 1948	103.80	-	Financial year: 2012-13	Appellate Authority
West Bengal- VAT Act, 2002	7.63	7.48	Financial year: 2003-04	West Bengal Sales Tax Revision Board
West Bengal- VAT Act, 2002	59.03	-	Financial year: 2004-05	West Bengal Sales Tax Appellate Office
West Bengal- VAT Act, 2002	11.52	-	Financial year: 2006-07	Joint Commissioner
West Bengal- VAT Act, 2002	3.94	-	Financial year: 2009-10	West Bengal Sales Tax Appellate Office
Bombay Sales Tax Act, 1959	5.35	3.75	Financial year: 2011-12	Deputy Commissioner (Appeals)
Madhya Pradesh Vat Act, 2002	9.38	9.38	Financial year: 2014-15	Deputy Commissioner (Appeals)
Kerala Value Added Tax Act, 2003	3.24	0.81	Financial year: 2010-11	Deputy Commissioner (Appeals)
Kerala Value Added Tax Act, 2003	13.70	3.92	Financial year: 2009-10	Deputy Commissioner (Appeals)
Karnataka Value Added Tax Act, 2003	327.44	-	Financial year: 2011-12	Assistant Commissioner



Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Indian Furniture Products Limited, on the financial statements for the year ended 31 March 2018

- (viii) There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has not defaulted in repayment of loans/borrowing to financial institutions. Further, the Company has defaulted in repayment of loans/borrowings to the following banks and financial institutions which were paid on or before the balance sheet date:

Name of Financial institutions	Period of default (till date of payment)	Interest (in ₹)	Total amount of default (in ₹)
ICICI Bank	0-5 days	13.78	13.78

- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xiv) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514



Place: Gurugram
Date: 22 May 2018

Annexure B to the Independent Auditor's Report of even date to the members of Indian Furniture Products Limited on the financial statements for the year ended 31 March 2018

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Indian Furniture Products Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Walker Chandiok & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Indian Furniture Products Limited on the financial statements for the year ended 31 March 2018

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

8. The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31 March 2018.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2018, and the disclaimer does not affect our opinion on the financial statements of the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514



Place: Gurugram
Date: 22 May 2018

Indian Furniture Products Limited
Balance Sheet as at 31 March 2018
(All amounts in ₹ lacs, unless stated otherwise)

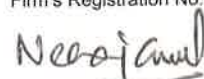
	Notes	As at 31 March 2018	As at 31 March 2017
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(a)	903.80	13,116.48
(b) Investment property	4	12,048.60	-
(c) Other intangible assets	3(b)	-	7.66
(d) Financial assets			
(i) Investments	5(a)	1,413.00	1,413.00
(ii) Loans	5(b)	2,573.52	1,644.57
(iii) Other financial assets	5(c)	763.18	-
(e) Other non-current assets	6	220.65	2.11
(f) Non-current tax assets (net)		213.20	194.36
		18,135.95	16,378.18
Current assets			
(a) Inventories	7	1,912.55	3,450.64
(b) Financial assets			
(i) Trade receivables	8	1,030.53	2,362.43
(ii) Cash and cash equivalents	9	151.14	145.21
(iii) Bank balances other than (ii) above	10	551.07	425.44
(iv) Loans	5(b)	-	31.87
(v) Others	5(c)	60.17	24.85
(c) Other current assets	6	192.12	349.56
		3,897.58	6,790.00
		22,033.53	23,168.18
Total assets			
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	7,009.95	7,009.95
(b) Other equity	12	(475.95)	(173.87)
		6,534.00	6,836.08
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	13	7,556.27	2,769.82
(b) Provisions	18	4.37	253.48
(c) Deferred tax liabilities(net)	19	2,309.16	2,311.23
		9,869.80	5,334.53
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,544.44	4,679.06
(ii) Trade payables	15	2,245.77	3,801.39
(iii) Other financial liabilities	16	1,463.58	1,202.96
(b) Other current liabilities	17	365.76	1,288.13
(c) Provisions	18	10.18	26.03
		5,629.73	10,997.57
		22,033.53	23,168.18
Total equity and liabilities			

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Neeraj Goel
Partner
Membership No.: 099514



For and on behalf of the Board of Directors of
Indian Furniture Products Limited


Pervesh Kumar Gandhi
Whole Time Director
DIN No. 06369107


R.S. Raghavan
Director
DIN No. 00362555

Place: Gurugram
Date: 22 May 2018

Indian Furniture Products Limited
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts in ₹ lacs, unless stated otherwise)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
I Revenue			
Revenue from operations	20	4,378.40	11,422.75
Other income	21	1,541.12	211.84
Total Revenue (I)		5,919.52	11,634.59
II EXPENSES			
Cost of raw materials and components consumed	22	808.19	2,310.12
Purchase of traded goods	22.1	851.72	2,268.62
Changes in inventories of finished goods, work-in-progress and traded goods	23	1,050.57	1,108.13
Excise duty on sale of goods	23.1	186.84	779.13
Employee benefits expense	24	70.05	1,705.46
Finance costs	25	1,209.27	1,052.14
Depreciation and amortisation expense	26	171.74	230.22
Other expenses	27	1,875.29	4,250.79
Total expenses (II)		6,223.67	13,704.61
III Loss before tax (I-II)		(304.15)	(2,070.02)
IV Tax expense:	19		
Deferred Tax		(2.07)	(2.70)
V Loss for the year (III-IV)		(302.08)	(2,067.32)
VI Other Comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans	19	-	(24.65)
Income tax effect		-	-
Total other comprehensive loss		-	(24.65)
VII Total comprehensive income for the year (V + VI)		(302.08)	(2,091.97)
VIII Loss per share (in ₹)			
(1) Basic	28	(0.43)	(2.95)
(2) Diluted	28	(0.43)	(2.95)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Neeraj Goel
Partner
Membership No.: 099514



For and on behalf of the Board of Directors of
Indian Furniture Products Limited


Pervesh Kumar Gandhi
Whole Time Director
DIN No. 06369107


R.S. Raghavan
Director
DIN No. 00362555

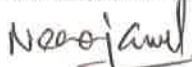
Place: Gurugram
Date: 22 May 2018

Indian Furniture Products Limited
Cash Flow Statement for the year ended 31 March 2018
 (By indirect method)
 (All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flows from operating activities		
Loss before tax	(304.15)	(2,070.02)
Adjustments to reconcile loss before tax to net cash flows:		
Loss on sale of PPE (net)	-	6.17
Depreciation and amortisation expense	171.74	230.22
Assets written off	150.48	27.10
Interest income	(102.31)	(24.13)
Unclaimed balances, provisions and liabilities written back	(944.56)	(187.71)
Finance costs	1,209.27	1,052.14
Provision for doubtful receivables	480.00	259.92
Advances written off	-	209.50
Operating profit/(loss) before working capital changes	660.47	(496.81)
Working capital adjustments:		
Movement in inventories	1,538.09	1,244.03
Movement in trade receivables	851.90	(742.25)
Movement in loans and advances	(1,038.70)	(68.75)
Movement in other current assets	(61.10)	78.57
Movement in trade payables	(611.06)	688.11
Movement in other liabilities	(572.26)	65.02
Movement in provisions	(264.97)	432.32
Cash generated from operations	502.37	1,200.24
Income tax paid	(18.84)	(95.63)
Net cash flows from operating activities	483.53	1,104.61
B Cash flows from investing activities		
Purchase of property, plant and equipments	-	(15.18)
Investment in deposits	(888.81)	-
Redemption of deposits	-	18.47
Investment in joint venture	-	(1,400.50)
Interest received	58.14	24.13
Net cash used in investing activities	(830.67)	(1,373.08)
C Cash flows from financing activities		
Repayment of current borrowings (net)	(3,134.63)	(1,871.81)
Proceeds received from non-current borrowings	7,400.00	3,065.31
Repayment of non-current borrowings	(2,841.62)	-
Interest paid	(1,070.68)	(1,052.14)
Net cash flows from financing activities	353.07	141.36
D Net increase/(decrease) in cash and cash equivalents (A + B + C)	5.93	(127.11)
Cash and cash equivalents at the beginning of the year	145.21	272.32
Cash and cash equivalents at the end of the year	151.14	145.21
Components of cash and cash equivalents as at year end		
Cash in hand	20.09	50.03
Cheques in hand	-	31.08
Balances with scheduled banks		
- in current accounts	131.05	64.10
- in deposit accounts	-	-
	151.14	145.21

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandio & Co LLP
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013


 Neeraj Goel
 Partner
 Membership No.: 099514



For and on behalf of the Board of Directors of
 Indian Furniture Products Limited


 Hervesh Kumar Gandhi
 Whole Time Director
 DIN No. 06369107


 R.S. Raghavan
 Director
 DIN No. 00362555

Place: Gurugram
 Date: 22 May 2018

Indian Furniture Products Limited
Statement of Changes in Equity for the year ended 31 March 2018
 (All amounts in ₹ lacs, unless stated otherwise)

(a) Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid

Particulars	Number of shares	Amount
As at 31 March 2017	70,099,470	7,009.95
Issue of share capital	-	-
As at 31 March 2018	70,099,470	7,009.95

(b) Other equity

Particulars	Reserves and surplus			Total
	Equity component of 7% Redeemable convertible non-cumulative preference shares	Securities premium reserve	Retained earnings / general reserve	
As at 1 April 2016	771.69	53.33	1,093.11	1,918.13
Loss for the period	-	-	(2,067.35)	(2,067.35)
Other comprehensive income	-	-	(24.65)	(24.65)
Total comprehensive income as at 31 March 2017	771.69	53.33	(998.89)	(173.87)
As at 1 April 2017	771.69	53.33	(998.89)	(173.87)
Loss for the period	-	-	(302.08)	(302.08)
Other comprehensive income	-	-	-	-
Total comprehensive income as at 31 March 2018	771.69	53.33	(1,300.97)	(475.95)

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
 Indian Furniture Products Limited

Neeraj Goel

Neeraj Goel
 Partner
 Membership No.: 099514



Pervesh Kumar Gandhi
 Pervesh Kumar Gandhi
 Whole Time Director
 DIN No. 06369107

R.S. Raghavan
 R.S. Raghavan
 Director
 DIN No. 00362555

Place: Gurugram
 Date: 22 May 2018

Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

1. Corporate information

The financial statements of "Indian Furniture Products Limited" ("the Company" or "IFPL") are for the year ended 31 March 2018. Indian Furniture Products Limited ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at G-106 Sidco Industrial Estate, Kakkalur, Thiruvallur, Tamil Nadu - 602003

The Company is engaged in manufacturing and trading Ready to Assemble Furniture (RTAF). The Company markets the product under the brand name of Style Spa and Zuari.

The Company is a subsidiary of Zuari Global Limited. Information on related party relationships of the Company is provided in refer note 32.

The financial statements were approved for issue in accordance with a resolution of the directors on 22 May 2018.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ('Ind AS') and comply with requirements of Ind AS, stipulations contained in Schedule III (revised) as applicable under Section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/provisions of applicable laws.

The financial statements have been prepared on a historical cost basis.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III to the Act, unless otherwise stated.

2.1 Summary of significant accounting policies

a. Basis of classification of current and non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

b. Property, plant and equipment ('PPE')

PPE and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of PPE shall be recognised as an asset if, and only if:

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred. Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during-the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit and Loss.

Nature of tangible asset	Useful life (years)
Buildings	30
Electrical installations	10
Plant and machinery	10 – 15
Furniture and fittings	10
Office equipment's	5
Vehicles	8
Computers	3 – 6
Leasehold improvements	Over the period of lease

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization impairment losses, if any.

Recognition:

The costs of intangible asset are recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Intangibles representing computer software are amortized using the straight line method over their estimated useful lives of five years.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end and adjusted prospectively, if appropriate treating them as changes in accounting estimates. The maintenance expenses on intangible assets with finite lives is recognised in the statement of profit and loss, unless such expenditure forms part of carrying value of an asset and satisfies recognition criteria.

Gains/(losses) arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

Assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

d. Investment in subsidiaries, associates and joint ventures

Investment in joint ventures are accounted for at cost in financial statements.

e. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 01 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as lessor

Rental income is recognised on straight line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

f. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

g. Foreign currency transactions and translations

Functional and presentation currency

The Company's financial statements are presented in INR, which is also its functional currency.

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

h. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



i. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

The company estimates the liability for the purposes of recognising and measuring the provisions for warranty obligations, in relation to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are recognised when the risks and rewards of ownership of the goods are sold or service is provided. In order to determine the level of provision, various factors are taken into consideration, including estimations based on past experience with the nature and amount of claims, technical evaluations etc. These estimations also involve assessing the future level of potential repair costs other factors. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost. No reimbursements are expected.

j. Revenue recognition

Revenue from sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company has concluded that it is the principal in all of its revenue arrangements.

Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods have passed to the customers, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Based on the clarifications on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rendering of services

Revenue from management services are recognized as and when the services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Other items of revenue

Interest income: Revenue is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

k. Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories at their present location and condition. Inventories are valued at the lower of cost and net realizable value.

The cost of various categories of various inventories are determined as follows:

- (a) Stores and spares, raw materials and packing materials: at moving weighted average basis.
- (b) Work in progress and finished goods: Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- (c) Cost of finished goods includes excise duty. Cost is determined on a moving weighted average basis.

Traded goods are valued at lower of cost and net realisable value. Cost include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Net realisable value is estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



i. Borrowing costs

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised up to the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m. Income tax

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit or Loss (either in other comprehensive income or in equity).

n. Retirement and other employee benefits

Provident fund and family pension fund

Retirement benefit in the form of pension fund and National Pension Scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



Gratuity:

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Leave encashment:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

o. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. All investments are carried at fair value.



p. Dividend

Dividend declared is recognized as a liability only after it is approved by the shareholders in the general meeting.

q. Fair value measurement

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that



require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortised cost
- b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading.

For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

election on an instrument by - instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

s. Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

u. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

v. Earning 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 weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

w. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



x. Key sources of estimations

The preparation of financial statements in conformity with Ind AS requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

y. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

i) Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Provisions

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Impairment of assets

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.



c) Evaluation of impairment of assets

The evaluation of applicability of indicator of impairment of asset require assessment of several internal and external factors which could result in deterioration of recoverable amount of assets.

d) Recoverability of advance/receivable

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

b) Valuation of investment property

Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property as per Schedule II as mentioned in the policy of Depreciation.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

c) Recognition of deferred tax

The extent to which deferred tax asset to be recognized is based on the assessment of the probability of the future taxable income against which the deferred tax asset can be utilized.

d) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e) Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the Company also estimate expected loss due to shrinkage, pilferage etc. along with NRV impact on old inventory taking into account most reliable information available at the reporting date.

f) Recoverability of advance/receivable

At each reporting date, based on the aging of the receivable the management assessed the expected credit losses on the outstanding receivable and advances.

g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

z. Recent Accounting pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018 via notification dated 28 March 2018 to further amend Companies (Indian Accounting Standards) Rules, 2015, notifying a new revenue recognition standard Ind AS 115, 'Revenue from Contracts with Customer'. This amendment replaces Ind AS 18, 'Revenue' and Ind AS 11, 'Construction Contracts'. Also notifying an insertion of Appendix B, 'Foreign currency transaction and advance consideration' to Ind AS 21, 'The effect of change in foreign exchange rate', amendment to Ind AS 40, 'Investment property' and amendment to Ind AS 12, 'Income taxes'. The amendments are applicable to the Company from 01 April 2018.

Notification of Ind AS 115:

The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- a. Identify the contract(s) with a customer;
- b. Identify the performance obligations;
- c. Determine the transaction price;
- d. Allocate the transaction price to the performance obligations;
- e. Recognize revenue when or as an entity satisfies performance obligation.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.



Insertion of Appendix B to Ind AS 21:

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income (or part of it). The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognising related expense/income on the settlement of said asset/liability.

This Appendix does not apply when an entity measures the related asset, expense or income on initial recognition:

- a. At fair value; or
- b. At the fair value of the consideration paid or received at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability arising from advance consideration.

An entity is not required to apply this Appendix to:

- a. income taxes; or
- b. insurance contracts (including reinsurance contracts) that it issues or reinsurance contracts that it holds.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.



Indian Furniture Products Limited
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
 (All amounts in ₹ lacs, unless stated otherwise)

3(a) : Property, plant and equipment

Particulars	Land	Building	Plant and machinery	Computers	Furniture and fixtures	Office equipment	Leasehold improvements	Electrical installations	Vehicles	Total
As at 1 April 2016	11,555.00	606.80	1,030.68	16.67	170.11	71.34	88.59	44.44	4.62	13,588.25
Additions	-	-	6.99	1.12	1.88	2.02	-	3.17	-	15.18
Disposals	-	-	-	(1.28)	(18.38)	-	-	-	-	(19.66)
Adjustments [refer note 3(a)(i)]	-	-	-	-	(24.15)	-	(88.59)	-	-	(112.74)
As at 31 March 2017	11,555.00	606.80	1,037.67	16.51	129.46	73.36	-	47.61	4.62	13,471.03
As at 1 April 2017	11,555.00	606.80	1,037.67	16.51	129.46	73.36	-	47.61	4.62	13,471.03
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer to investment property [refer note 3(a)(ii)]	11,555.00	606.80	-	-	-	-	-	-	-	12,161.80
As at 31 March 2018	-	-	1,037.67	16.51	129.46	73.36	-	47.61	4.62	1,309.23
Accumulated amortisation									18.48	
As at 1 April 2016	-	42.10	88.34	7.25	18.55	29.77	45.10	4.18	2.16	237.45
Charge for the year	-	42.12	88.39	4.64	20.49	15.33	39.29	4.16	1.80	216.22
Disposals	-	-	-	(1.12)	(12.36)	-	-	-	-	(13.48)
Adjustments [refer note 3(a)(i)]	-	-	-	-	(1.25)	-	(84.39)	-	-	(85.64)
As at 31 March 2017	-	84.22	176.73	10.77	25.43	45.10	-	8.34	3.96	354.55
As at 1 April 2017	-	84.22	176.73	10.77	25.43	45.10	-	8.34	3.96	354.55
Charge for the year	-	-	96.92	-	15.62	8.08	-	14.48	-	135.10
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer to investment property [refer note 3(ii)]	-	(84.22)	-	-	-	-	-	-	-	(84.22)
As at 31 March 2018	-	-	273.65	10.77	41.05	53.18	-	22.82	3.96	405.43
Carrying amount (net)										
As at 31 March 2017	11,555.00	522.58	860.94	5.74	104.03	28.26	-	39.27	0.66	13,116.48
As at 31 March 2018	-	-	764.02	5.74	88.41	20.18	-	24.79	0.66	903.80

Note 3(a)(i) : On 18 January 2017, the Company has entered into joint venture agreement with Fabryki Mebli Forte S.A., Poland whereby it has been agreed by the Company to transfer by way lease land, building and plant and machinery to Forte Furniture Products India Private Limited (the joint venture company) with effect from 1 April 2017 and all the products will be manufactured and sold by the joint venture company. Based on terms of agreement, the Company has written off assets which cannot be leased to joint venture company.

Note 3(a)(ii) : From 1 April 2017, land and building cover under the lease arrangement transfer to investment property.

Note 3(a)(iii) : As on the transition date April 01, 2015, the company has adopted fair value of the land based on an independent report.

Note 3(a)(iv) : Refer note 38 for information on PPE pledge as security by the Company.



(This space is intentionally left blank)

Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
 (All amounts in ₹ lacs, unless stated otherwise)

3(b) : Other Intangible assets

Particulars	Software
Cost or Deemed Cost	
As at 1 April 2016	42.58
Additions	-
Deletion	-
As at 31 March 2017	42.58
As at 1 April 2017	42.58
Additions	-
Deletion	-
As at 31 March 2018	42.58
Accumulated amortisation	
As at 1 April 2016	20.92
Additions	14.00
Deletion	-
As at 31 March 2017	34.92
As at 1 April 2017	34.92
Additions	7.66
Deletion	-
As at 31 March 2018	42.58
Carrying amount (net)	
As at 31 March 2017	7.66
As at 31 March 2018	-



(This space is intentionally left blank)

Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

4. Investment property

The changes in the carrying value of investment properties for the year ended 31 March 2018 are as follows :

	As at 31 March 2018
Gross block	
As at 1 April 2017	-
Additions	-
Adjustment [refer note 3(a)(ii)]	12,161.80
Deletion	-
As at 31 March 2018	12,161.80
Depreciation	
As at 1 April 2017	-
Additions	28.98
Adjustment [refer note 3(a)(ii)]	84.22
Deletion	-
As at 31 March 2018	113.20
Net block	
As at 31 March 2017	-
As at 31 March 2018	12,048.60

(i) Amount recognised in statement of profit and loss for investment properties

Particulars	For the year ended 31 March 2018
Rental income	444.83
Direct operating expenses from property (including repairs and maintenance) that generating rental income	-
Direct operating expense from property that did not generated rental income	-
Prfit from investment property before depreciation	444.83
Depreciation	(28.98)
Profit arising from investment properties	415.85

(ii) Leasing arrangements

During the year the Company has leased out its land and factory building under the opertaing lease. The lease term is range from 1-5 years are further renewable by mutual consent on mutually agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases.

Particulars	31 March 2018	31 March 2017
Receivable within 1 year	494.25	-
Receivable between 1-5 years	1,482.76	-
Receivable after 5 years	-	-

(iii) Fair value

Particulars	As at 31 March 2018
Fair value	12,100.00

Fair value hierarchy and valuation technique

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company considers information from a variety of sources including -

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All the resulting fair value estimates for investment properties are included in level 3.

These valuations are based on valuations performed by S V Kushte, an accredited independent valuer. Mr. Kushte is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Note: Refer note 38 for information on investment property pledge as security by the Company.

(The space has been intentionally left blank)



Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory Information for the year ended 31 March 2018
 (All amounts in ₹ lacs, unless stated otherwise)

5. Financial assets

5 (a). Investment in subsidiaries and joint ventures

	As at 31 March 2018	As at 31 March 2017
Non- current Investments		
Investments in unquoted equity instruments carried at cost (fully paid-up)		
Investments in joint venture		
Forte Furniture Products India Private Limited 14,000,500 shares (31 March 2017: 14,000,500 shares) @ ₹10 per share	1,400.50	1,400.50
Investment in subsidiaries		
Soundarya IFPL Interiors Limited 125,001 shares (31 March 2017: 125,001) @ ₹10 per share	12.50	12.50
Total	<u>1,413.00</u>	<u>1,413.00</u>
Aggregate amount of unquoted Investments	<u>1,413.00</u>	<u>1,413.00</u>

5(b). Loans

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Loans (Unsecured considered good unless otherwise stated)				
Inter corporate deposits				
To related party (refer note 32)	1,250.00	-	-	-
To others	1,125.00	1,125.00	-	-
Security deposits	198.52	519.57	-	31.87
Total	<u>2,573.52</u>	<u>1,644.57</u>	<u>-</u>	<u>31.87</u>

5(c). Other financial assets

	Non Current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Margin money deposits*	763.18	-	-	-
Interest accrued but not due on deposits	-	-	60.17	15.98
Advances recoverable in cash or kind	-	-	-	8.87
Total	<u>763.18</u>	<u>-</u>	<u>60.17</u>	<u>24.85</u>

*Margin money deposit with carrying amount of ₹763.18 lacs (31 March 2017 ₹Nil) are subject to first charge to secure the debt service reserve account (DSRA).



(This space has been intentionally left blank)

Indian Furniture Products Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

(All amounts in ₹ lacs, unless stated otherwise)

6. Other assets

	Non-current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Balance with statutory authorities	220.65	2.11	-	83.46
Advances to vendors	-	-	190.86	249.17
Prepaid expenses	-	-	1.26	16.93
Total	220.65	2.11	192.12	349.56

7. Inventories

(Valued at lower of cost and net realisable value)

	As at 31 March 2018	As at 31 March 2017
Raw materials	123.47	473.98
Work-in-progress	78.34	220.56
Finished goods	109.51	1,696.20
Traded goods	1,496.46	904.61
Stores and spares	100.93	142.81
Packing materials	3.84	12.48
Total inventories at the lower of cost and net realisable value	1,912.55	3,450.64

During the year ended 31 March 2018: ₹112.71 lacs (31 March 2017: ₹305.31 lacs) was recognised as an expense for inventories carried at net realisable value.



(This space has been intentionally left blank)

Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
 (All amounts in ₹ lacs, unless stated otherwise)

8. Trade receivables

	As at 31 March 2018	As at 31 March 2017
Receivables from related parties (refer note 32)	147.80	847.16
Receivables from other parties	882.73	1,515.27
Total	1,030.53	2,362.43
Break-up for security details:		
Secured – considered good	-	2,260.67
Unsecured – considered good	1,030.53	101.76
Unsecured – considered doubtful	861.44	381.44
Total (i)	1,891.97	2,743.87
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered doubtful	(861.44)	(381.44)
Total (ii)	(861.44)	(381.44)
Total (i+ii)	1,030.53	2,362.43

9. Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017
a. Balances with banks		
- On current accounts	131.05	64.10
- Deposits with original maturity less than 3 months		
b. Cash on hand	20.09	50.03
c. Cheque on hand	-	31.08
Total	151.14	145.21

10. Other bank balances

	As at 31 March 2018	As at 31 March 2017
Balances with banks:		
Margin money deposit*	426.28	142.02
Fixed deposit	124.79	283.42
Total	551.07	425.44

*Margin money deposit with carrying amount of ₹426.28 lacs (31 March 2017 ₹142.02 lacs) are subject to first charge to secure the Company's bank guarantee.



(This space has been intentionally left blank)

11. Share capital

Authorised share capital

	Equity Shares of ₹10 each		7% Redeemable Convertible non-cumulative Preference Shares of ₹100 each	
	Number of shares	Amount	Number of shares	Amount
As at 1 April 2016	72,600,000	7,260.00	1,130,220	1,130.22
Increase/(decrease) during the year	-	-	-	-
As at 31 March 2017	72,600,000	7,260.00	1,130,220	1,130.22
Increase/(decrease) during the year	-	-	-	-
As at 31 March 2018	72,600,000	7,260.00	1,130,220	1,130.22

Issued, subscribed and fully paid-up:

	As at 31 March 2018	As at 31 March 2017
70,099,470 (31st March 2016: 70,099,470) equity shares of ₹10/- each fully paid	7,009.95	7,009.95
Total	7,009.95	7,009.95

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	70,099,470	7,009.95	70,099,470	7,009.95
Issued during the year	-	-	-	-
Outstanding at the end of the year	70,099,470	7,009.95	70,099,470	7,009.95

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms of conversion/ redemption of redeemable convertible non-cumulative preference shares

During the year ended 31 March 2016, the Company issued 1,000,000 redeemable convertible non-cumulative preference shares of ₹100 each fully paid-up per share. Redeemable convertible non-cumulative preference shares carry cumulative dividend @ 7% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of redeemable convertible non-cumulative preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to redeemable convertible non-cumulative preference shares.

If redeemable convertible non-cumulative preference share holders do not exercise conversion option, all preference shares are redeemable at par at the end of 12th year from the date of issue. In the event of liquidation of the Company before conversion/ redemption of redeemable convertible non-cumulative preference shares, the holders of redeemable convertible non-cumulative preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

d. Details of shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% Holding	Number of shares	% Holding
Equity shares of ₹10 each fully paid up				
Zuari Global Limited	50,785,714	72.45%	50,785,714	72.45%
Zuari Investment Limited	7,044,643	10.05%	7,044,643	10.05%
Adventz Investment Company Private Limited	7,071,429	10.09%	7,071,429	10.09%
Others	5,197,684	7.41%	5,197,684	7.41%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e) No shares were issued as bonus shares, shares issued for consideration other than cash and shares buy back during the five years immediately preceding the reporting date except:

- 23,599,390 shares of ₹10 each fully paid issued during the financial year 2014-15 pursuant to a scheme of amalgamation of Style Spa Furniture Limited.
- 10,000,000 equity shares issued pursuant to conversion of Inter-corporate deposits from M/s Zuari Global Limited aggregating ₹1,000 in to equity share capital in financial year 2014-15.



Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts in ₹ lacs, unless stated otherwise)

12. Other equity

	As at 31 March 2018	As at 31 March 2017
Securities premium account	53.33	53.33
Equity component of convertible preference shares of ₹100 each (issued and fully paid)	771.69	771.69
Retained earnings	(1,300.97)	(998.89)
Total	(475.95)	(173.87)

Description of nature and purpose of each reserve

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

Equity component of convertible preference shares ('CCPS') of ₹100 each (issued and fully paid)

This reserve contain equity portion of compound instrument issued by the Company in the for of CCPS.

Retained earnings

Retained earnings are created from the profit / loss of the Company.

13. Borrowings- Non-current

	Non-current portion		Current maturities	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
(Measured at amortised cost)				
From bank				
Secured borrowings				
Term loans [refer note (i)]	-	1,028.32	-	514.12
Working capital term loan [refer note (i)]	-	93.71	-	-
	-	1,122.03	-	514.12
From others				
Secured borrowings				
Term loans from non banking financial corporation [refer note (ii)]	7,259.05	1,385.00	297.90	100.00
	7,259.05	1,385.00	297.90	100.00
Liability component of compound financial instrument				
Redeemable Preference Shares (unsecured) [refer note (iii)]	297.22	262.79	-	-
Sub-total	297.22	262.79	-	-
Less : Current maturities of long term borrowings disclosed in Other financial liabilities (Refer Note 16)	-	-	(297.90)	(614.12)
Total	7,556.27	2,769.82	-	-

i) Borrowings taken from banks:

Terms and condition of borrowing taken from banks has been mentioned below. Further during the year, the Company had pre-paid all these borrowing.

1) The term loan facility of Nil (31 March 2017 - ₹144 lacs) from Axis bank was taken during the year 2013-14 and it carries an annual Interest @15%. The loan is repayable in 48 equal instalments starting from April 2014 onwards. The term loan is secured against first charge on the immovable and movable fixed asset purchased and constructed under the term loan. The loan is also secured by hypothecation of entire inventory and trade receivables of the Company. Further, the loan has been guaranteed by corporate guarantee of M/s.Zuari Global Limited (formerly M/s.Zuari Industries Limited). The outstanding book balance as on 31 March 2018 is Nil (previous year - ₹16.61 lacs).

2) The term loan facility of Nil (31 March 2017 - ₹1,500 lacs) from ICICI bank was taken during the year 2015-16 and it carries an annual Interest @12.10%. The loan is repayable in 48 equal instalments, first instalment is due from January 2017 (13 months from the drawdown date). The term loan is secured against first charge on the immovable and movable fixed asset purchased. The second pari passu charge is secured by hypothecation of entire current assets (both present and future) of the Company. Further, the loan has been guaranteed by corporate guarantee of M/s.Zuari Global Limited (Formerly M/s.Zuari Industries Limited). The outstanding book balance as on 31 March 2018 is Nil (previous year - ₹1,400.83 lacs).

3) The Working Capital Term Loan ("WCTL") facility of Nil (31 March 2017 - ₹500 lacs) from Axis bank was taken during the financial year 2013-14 and it carries an annual Interest @13.50% - 14.00%. The loan is repayable in 48 equal monthly instalment of for ₹10.40 lacs starting from January 2015. The WCTL is secured against paripasu first charge with Ratnakar bank over the entire Current Assets of the Company, both present and future, first charge over the movable fixed assets of the Company funded out of Axis Bank Term Loan (Second Paripassu charge will be ceded to secure WC Limit). Further, the loan has been guaranteed by corporate guarantee of M/s.Zuari Global Limited (Formerly M/s.Zuari Industries Limited), the holding company. The outstanding book balance as on 31 March 2018 is Nil (previous year - ₹218.71 lacs).

ii) Borrowings taken from others:

Terms and condition of borrowing obtained from financial institutions is as follow:

1) The term loan facility of ₹1,500 lacs (31 March 2017 - ₹1,500 lacs) from Infrastructure Leasing and Financial Services (IL&FS) was taken during financial year 2016-17 and it carries an annual Interest @12.50%. It is repayable in 5 quarterly instalments of ₹300 lacs starting from 30 June 2017. The term loan is secured by way of :-

1. First exclusive charge by way of equitable/ mortgage of unencumbered land parcels and factory building at Kakallur, Chennai.
2. First exclusive charge and hypothecation on entire fixed and current assets (inventory, book debts, receivable and advances) of the borrower both present and future.
3. First exclusive charge on

(a) lease rentals/ fees/ revenues accruing from the lease agreement with Forte Furniture Products India Private Limited

(b) Management fees being received from Soundariya IFPL Interiors Limited.

The outstanding book balance as on 31 March 2018 is ₹297.90 lacs (previous year - ₹1,485.00 lacs).



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

2) The term loan facility of ₹4,000 lacs (previous year - Nil) was taken from Tata Capital Financial Services Limited during the year and it carries an annual interest at floating rate of 11.30% p.a. for current year i.e. Long Term Lending Rate (LTLR) less 7.75% maximum of 10.00% p.a. It is repayable in 15 equal quarterly instalment of ₹266.67 lacs payable from 5 May 2019 with an initial moratorium of 15 months. The term loan is secured by way of :-

1. Collateral - First pari passu charge on immovable fixed assets owned by the Company.
2. Collateral - First pari passu charge by way of hypothecation over all present and future moveable fixed and current assets of the Company.
3. Escrow of annual lease rental receivables of the borrower from FFPL.
4. Entire management fees received from Soundarya IFPL interiors Limited in the form and manner as acceptable to TCFSL.
5. DSRA equals to 3 months interest and 1 quarter principal required to maintain by the Company.
6. Irrevocable and unconditional corporate guarantee of Zuari Global Limited (i.e. the holding company)

The outstanding book balance as on 31 March 2018 is ₹3,628.60 lacs (previous year - Nil).

3) The term loan facility of ₹4,000 lacs (previous year - Nil) was taken from Bajaj Finance Limited (BFL) during the year and it carries an annual interest at floating rate of 10.50% p.a. linked to BFL base rate. It is repayable in 15 equal quarterly instalment of ₹266.67 lacs payable from 5 May 2019 with an initial moratorium of 15 months. The term loan is secured by way of :-

1. Collateral - First pari passu charge on immovable fixed assets owned by the Company.
2. Collateral - First pari passu charge by way of hypothecation over all present and future moveable fixed and current assets of the Company.
3. Escrow of annual lease rental receivables of the borrower from FFPL.
4. Entire management fees received from Soundarya IFPL interiors Limited in the form and manner as acceptable to TCFSL.
5. DSRA equals to 3 months interest and 1 quarter principal required to maintain by the Company.
6. Irrevocable and unconditional corporate guarantee of Zuari Global Limited (i.e. the holding company)

The outstanding book balance as on 31 March 2018 is ₹3,630.45 lacs (previous year - Nil).

iii) Terms of conversion/ redemption of redeemable convertible non-cumulative preference shares

During the year ended March 31, 2016, the Company issued 1,000,000 Redeemable convertible non-cumulative preference shares of Rs. 100 each fully paid-up per share. Redeemable convertible non-cumulative preference shares carry cumulative dividend @ 7% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of redeemable convertible non-cumulative preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to redeemable convertible non-cumulative preference shares.

If redeemable convertible non-cumulative preference share holders do not exercise conversion option, all preference shares are redeemable at par at the end of 12th year from the date of issue. In the event of liquidation of the company before conversion/ redemption of redeemable convertible non-cumulative preference shares, the holders of redeemable convertible non-cumulative preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

13.1 Changes in liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:

Particular	Opening balance	Cash adjustment	Non-cash adjustment	Closing balance
A) Borrowings activity				
Opening balance	3,383.94	-	-	3,383.94
Proceeds received of non-current borrowings	-	7,400.00	-	7,400.00
Repayment of non-current borrowings	-	(2,841.62)	-	(2,841.62)
Interest recorded on preference shares	-	-	34.43	34.43
Transaction cost paid on borrowings taken during the year	-	(160.00)	-	(160.00)
Amortisation of transaction cost	-	-	37.42	37.42
Total	3,383.94	4,398.38	71.85	7,854.17
B) Finance cost activity				
Opening balance	-	-	-	-
Finance cost incurred during the period	-	-	1,297.41	1,297.41
Finance cost paid	-	(1,070.68)	-	(1,070.68)
Total	-	(1,070.68)	1,297.41	226.73

14. Borrowings- current

(Measured at amortised cost)

	As at 31 March 2018	As at 31 March 2017
From bank		
Loans repayable on demand (secured)		
Cash credit [refer note (i)]	466.44	3,882.83
Buyers credit [refer note (i)]	-	311.16
From others		
Unsecured loans		
Inter corporate deposits [refer note (ii)]	1,078.00	485.07
	1,544.44	4,679.06

This space is intentionally left blank



Indian Furniture Products Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

(All amounts in ₹ lacs, unless stated otherwise)

i) Short term borrowings taken from banks:

1) The cash credit facility of ₹3,782.00 lacs (31 March 2017 - ₹3,782.00 lacs) from Axis bank carries interest rate @ 13.75% - 14% p.a. This facility is secured against security on stocks and book debts and fixed assets as collateral. The outstanding book balance as on 31 March 2018 is ₹466.44 lacs (31 March 2017 - ₹3,882.83 lacs).

2) The cash credit facility of ₹1,641.00 lacs (31 March 2017 - ₹1,641.00 lacs) from Ratnakar Bank Limited (RBL) carries interest rate of 3% above RBL base rate prevailing from time to time. This facility is secured against first paripassu charge over all current assets of the Company both present and future and first paripassu charge over all fixed assets (except vehicles) of the Company both present and future. Further, unconditional and irrevocable corporate guarantee of Zuari Global Limited. The outstanding book balance as on 31 March 2018 is Nil (31 March 2017 - Nil).

3) Company has taken buyers credit of ₹Nil (31 March 2017 - ₹1,141.00 lacs) for the import LC payment. Each buyers credit will be payable to the buyers credit party with different agreed date along with interest. Buyers credit is secured against first paripassu charges on all current assets of the Company, both present and future. Holds first paripassu charge on all movable fixed assets (except vehicles & movable fixed assets funded out of term loan from Axis Bank Limited) of the Company, both present and future. Holds first pari passu charge on land and factory building of the Company located at G-106, SIDCO Industrial estate, Kakkalur, Tiruvallur, Tamilnadu. Second paripassu charge on movable fixed assets funded out of term loan from Axis Bank Limited. Further, the loan has been guaranteed by unconditional and irrevocable corporate guarantee of Zuari Global Limited (Formerly Zuari Industries Limited), the holding company. The outstanding book balance as on 31 March 2018 is Nil (31 March 2017 - ₹311.16 lacs).

ii) Inter-company deposits taken from others:

1) The Company has inter corporate deposit from Simon India Limited carries interest rate of 12.50%. The outstanding book balance as on 31 March 2018 is ₹678 lacs (31 March 2017 - Nil)

2) The Company has inter corporate deposit from M/s/ Duke Commerce Limited carries interest rate of 13.50%. The outstanding book balance as on 31 March 2018 is ₹400 lacs (31 March 2017 - ₹485.07 lacs)

15. Trade payables**(Measured at amortised cost)**

Trade payables (refer note 31 for details of dues to micro and small enterprises)

Total

	As at 31 March 2018	As at 31 March 2017
Trade payables (refer note 31 for details of dues to micro and small enterprises)	2,245.77	3,801.39
Total	2,245.77	3,801.39

This space is intentionally left blank

Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts in ₹ lacs, unless stated otherwise)

16. Other financial liabilities	As at 31 March 2018	As at 31 March 2017
(Measured at amortised cost)		
Current maturities of long term borrowings (refer note 13)	297.90	614.12
Interest payable and not due	226.73	-
Employee related payables	186.61	303.47
Advances received for sale of land (refer note 32 and 46)	700.00	-
Security deposits from dealers and employees	52.34	285.37
Total	1,463.58	1,202.96

17. Other current liabilities	As at 31 March 2018	As at 31 March 2017
Advances received for sale of land (refer note 32 and 46)	-	700.00
Payable to statutory authorities	140.27	274.23
Advances received from customers and others	225.49	313.90
Total	365.76	1,288.13

18. Provisions (current and non-current)	Non Current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Provision for gratuity	2.99	174.95	0.30	0.27
Provision for leave encashment	1.36	78.54	0.19	11.43
Provision for sick leave	-	-	6.62	-
Others provisions:				
Provision for warranty*	-	-	3.07	14.33
Total	4.37	253.48	10.18	26.03

* The movement for "provisions for warranty" during the year is as follows :-

	As at 31 March 2018	As at 31 March 2017
Opening balance	14.31	14.31
Additions during the year	-	14.31
Amount used during the year	(11.26)	(14.31)
Closing balance**	3.05	14.31

** The above provision is expected to be utilised within the next two years.

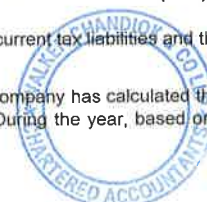
19 (a). Tax expense	As at 31 March 2018	As at 31 March 2017
Deferred tax:		
Relating to origination and reversal of temporary differences	(2.07)	(2.70)
Total deferred tax benefit	(2.07)	(2.70)

19 (b). Income tax expense for the year reconciled to the accounting profit	As at 31 March 2018	As at 31 March 2017
(Loss) before tax	(304.16)	(2,070.02)
Income tax expense calculated at 30.90%	(93.99)	(684.41)
Non recognition of tax deferred taxes due to inadequate of future profits	93.99	684.41
Tax effects of amortisation of fair value of land during the year (capital gains)	(2.07)	(2.70)
Income tax expense recognised in statement of profit and loss	(2.07)	(2.70)

Deferred tax:	As at 1 April 2016	Provided during the year to profit and Loss	As at 31 March 2017	Provided during the year to profit and Loss	As at 31 March 2018
Deferred tax liability:					
Fixed assets Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	21.21	(4.57)	16.64	(4.15)	12.49
Total deferred tax liability (A)	21.21	(4.57)	16.64	(4.15)	12.49
Deferred tax assets:					
Expenses allowable in Income tax on payment basis and deposition of Statutory dues (restricted to the extent of deferred tax liability)	16.79	(4.57)	12.22	(0.68)	11.54
Provision for warranties	4.42	-	4.42	(3.47)	0.95
Total deferred tax assets (B)	21.21	(4.57)	16.64	(4.15)	12.49
Deferred Tax Liability (Net) (A - B)	-	-	-	-	-
Deferred tax liability - Others					
Amortisation of fair value of land during the year (Capital gains)	2,313.93	(2.70)	2,311.23	(2.07)	2,309.16
Total deferred tax liability	2,313.93	(2.70)	2,311.23	(2.07)	2,309.16

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

On the transition date 1 April 2015, the Company has adopted fair value of the land based on an independent report. The Company has calculated the gain on account of such valuation and recognised deferred tax liability on account of virtual certainty of such gain on actual realisation. During the year, based on the indexation of cost, the Company has amortised the gain to that extent and accordingly the deferred tax liability has been reduced.



Indian Furniture Products Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

(All amounts in ₹ lacs, unless stated otherwise)

20. Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products (including excise duty)	4,357.93	10,420.80
Sale of services	20.00	1,129.30
Other operating revenue	0.47	(127.35)
Total	4,378.40	11,422.75

Sale of goods includes excise duty collected from customers of ₹186.84 lacs (31 March 2017: ₹779.13 lacs). Sale of goods net of excise duty is ₹4,171.09 lacs (31 March 2017: ₹9,641.66 lacs).

21. Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income:		
On bank deposits	48.90	24.13
Others	53.41	-
Unclaimed balances, provisions and liabilities written back	944.56	187.71
Rent income	494.25	-
Total	1,541.12	211.84

22. Cost of raw materials and components consumed

	For the year ended 31 March 2018	For the year ended 31 March 2017
Raw materials and components consumed		
Inventory at the beginning of the year	473.98	492.31
Add : Purchases	457.68	2,291.79
Less: inventory at the end of the year	123.47	473.98
Total	808.19	2,310.12

22.1 Purchase of traded goods

	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of traded goods	851.72	2,268.62
Total	851.72	2,268.62

(This space has been intentionally left blank)



Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts in ₹ lacs, unless stated otherwise)

23. Changes in inventories of finished goods, work-in-progress and traded goods

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year		
Work-in-progress	78.34	220.56
Traded goods	1,496.46	904.61
Finished goods	109.51	1,696.20
	<u>1,684.31</u>	<u>2,821.37</u>
Inventories at the beginning of the year		
Work-in-progress	220.56	30.44
Traded goods	904.61	1,552.21
Finished goods	1,696.20	2,452.17
	<u>2,821.37</u>	<u>4,034.82</u>
Decrease of excise duty and cess on inventories	(86.49)	(105.32)
	<u>(86.49)</u>	<u>(105.32)</u>
Decrease in inventories	<u>1,050.57</u>	<u>1,108.13</u>

23.1 Excise duty on goods

	For the year ended 31 March 2018	For the year ended 31 March 2017
Excise duty on sale of goods	186.84	779.13
Total	<u>186.84</u>	<u>779.13</u>

24. Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	62.26	1,576.80
Contribution to provident and other funds	5.60	78.02
Staff welfare expenses	2.19	50.64
Total	<u>70.05</u>	<u>1,705.46</u>

25. Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest costs	1,089.07	839.98
Other borrowing costs	120.20	212.16
Total	<u>1,209.27</u>	<u>1,052.14</u>

26. Depreciation and amortisation expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of tangible assets (Note 3a)	135.10	216.22
Amortisation of intangible assets (Note 3b)	7.66	14.00
Depreciation of investment property (Note 4)	28.98	-
Total	<u>171.74</u>	<u>230.22</u>

(This space has been intentionally left blank)



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

27. Other expense	For the year ended 31 March 2018	For the year ended 31 March 2017
Job work charges	475.87	-
Consignment charges	149.91	3.34
Power and fuel	7.87	288.58
Consumption of stores and spares	36.25	60.23
Consumption of packing materials	-	208.93
Repairs and maintenance:		
Buildings	0.94	3.60
Plant and machinery	0.43	17.12
Others	38.38	120.21
Outward freight and forwarding charges	139.17	821.69
Contract labour	-	130.61
Rent	18.14	1,115.84
Provision for doubtful receivables	480.00	259.92
Advances written off	-	209.50
Rates and taxes	186.72	128.78
Insurance	20.14	50.43
Travelling and conveyance	12.16	157.19
Legal and professional fees	64.31	95.08
Payment to auditors*	5.00	15.41
Communication costs	20.36	70.34
Advertising and sales promotion	49.74	315.28
Loss on sale of PPE (net)	-	6.17
Assets write off	150.48	27.10
Miscellaneous expenses	19.42	145.44
Total	1,875.29	4,250.79

*Payment to auditors	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor:		
Audit fees	4.00	12.37
Tax audit fees	1.00	2.29
In other capacity	-	-
Reimbursement of expenses	-	0.75
Total	5.00	15.41

28. Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Loss before tax	(302.08)	(2,067.32)
Weighted average number of equity shares used for computing EPS (basic & diluted)	70,099,470	70,099,470
Earning per share (basic and diluted) (₹)	(0.43)	(2.95)
Face value per share (₹)	10	10



(This space has been intentionally left blank)

Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

29. Contingent liabilities and Commitments

Particulars	As at 31 March 2018	As at 31 March 2017
Tax demands in excess of provisions:		
Income tax	19.56	122.59
Value added tax {net of provision ₹101.63 lacs (31 March 2017: Nil)}	566.70	109.62
Service tax and excise duty	144.90	126.11
Total	731.16	358.32

30. Lease Commitments

(A) Operating leases - lessee

Certain office premises are held on operating lease. The lease term is ranging upto 3 years and are further renewable by mutual consent on mutually agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

Further in current year due to transfer of operations from the Company major operating leases has been transferred.

Particulars	As at 31 March 2018	As at 31 March 2017
Lease payments made for the year	18.14	1,115.84
	18.14	1,115.84

Note:

The Company does not have any financial leases.

(B) Operating leases - lessor

During the year the Company has leased out its land, factory building and plant and machinery under the operating lease. The lease term is range from 1-5 years are further renewable by mutual consent on mutually agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases. The leases are non-cancellable.

Rental income recognised during the year amounts to ₹494.25 lacs (31 March 2017: ₹Nil).

Particulars	As at 31 March 2018	As at 31 March 2017
Receivable within 1 year	494.25	-
Receivable between 1-5 years	1,482.76	-
Receivable after 5 years	-	-

31. Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2018	As at 31 March 2017
i) Principal amount due to suppliers under MSMED Act	-	-
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
iv) Interest paid to suppliers under MSMED Act	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
v) Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
vi) Interest accrued and remaining unpaid at the end of the accounting year	-	-
vii) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-
	-	-

There are no dues to micro, small and medium enterprises which are outstanding for more than 45 days as at the balance sheet date and no interest has been paid to any such parties during the year. This is based on the information available with the Company.



32. Related party transactions and disclosures

a) The list of related parties as identified by the management are as under

Holding company:	Zuari Global Limited (ZGL)
Related parties with whom transactions have taken place during the year:	
Companies under common control	Chambal Fertiliser And Chemicals Limited (CFCL) Zuari Agro Chemicals Limited (ZACL) Adventz Infra World India Limited (AFIL) Zuari Fertilisers and chemicals Limited (ZFL)
Fellow subsidiaries	Simon India Limited (SIL) Lionel India Limited (LINEL) Zuari Investments Limited (ZINL) Gobind Sugar Mills Limited (GSML) Zuari Management Services Limited (ZMSL)
Joint ventures	Soundarya IFPL Interiors Limited (SIFL) Forte Furniture Products India Private Limited (FFPL)
Key Management Personnel:	Mr. P.K Gandhi, Whole Time Director Mr. Suresh Krishnan, Director (till 26 June 2017) Mr. K K Gupta, Director (till 24 October 2017) Mr. V K Sinha, Director (till 24 March 2018) Mr. Bhaskar Chatterjee, Director Mr. Soundaraghavan Rangachari, Director Mr. L M Chandrashekar, Director (appointed w.e.f. 20 December 2017) Mr. Prasanta Das, Chief Financial Officer (till 31 March 2017)

b) The following transactions were carried out with related parties in the ordinary course of business:-

S.No	Description	Holding company		Joint Venture		Company under common control		Key Management Personnel	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	ZGL								
	- Sale of Goods	0.21	-	-	-	-	-	-	-
	- Deposit received for appointment of Director	1.00	-	-	-	-	-	-	-
	- Deposit paid	1.00	-	-	-	-	-	-	-
	- Expenses - reimbursement paid	1.10	1.25	-	-	-	-	-	-
2	SIFL								
	- Sale of goods	-	-	-	55.50	-	-	-	-
	- Management fees	-	-	20.00	370.29	-	-	-	-
	- Expenses - reimbursement paid	-	-	96.80	838.54	-	-	-	-
	- Expenses reimbursement received	-	-	233.38	860.78	-	-	-	-
	- Interest received	-	-	-	2.73	-	-	-	-
	- Intercorporate deposits repaid	-	-	-	70.00	-	-	-	-
3	FFPL								
	- Sale of goods	-	-	1,873.91	105.00	-	-	-	-
	- Purchase of goods	-	-	394.58	-	-	-	-	-
	- Management fees	-	-	-	739.08	-	-	-	-
	- Interest on intercorporate deposits	-	-	53.41	-	-	-	-	-
	- Lease rental	-	-	494.25	-	-	-	-	-
	- Concersion charges	-	-	464.71	-	-	-	-	-
	- Consignment fees payable	-	-	152.62	-	-	-	-	-
	- Credit card / Bajaj Finance Limited (BFL) collection on there behalf	-	-	1,019.87	-	-	-	-	-
	- Intercorporate deposits given	-	-	400.00	-	-	-	-	-
	- Intercorporate deposits paid	-	-	200.00	-	-	-	-	-
	- Receivable converted to intercorporate deposits	-	-	1,050.00	-	-	-	-	-
4	ZACL								
	- Sale of goods	-	-	-	-	116.19	51.03	-	-
	- Expenses reimbursement received	-	-	-	-	-	0.02	-	-
5	ZINL								
	- Expenses - reimbursement paid	-	-	-	-	-	0.02	-	-
6	PPL								
	- Sale of goods	-	-	-	-	1.28	-	-	-
	- Advance received	-	-	-	-	6.45	10.42	-	-
7	SIL								
	- Interest paid	-	-	-	-	54.88	13.02	-	-
	- Expenses - reimbursement paid	-	-	-	-	0.08	0.06	-	-
	- Expenses reimbursement received	-	-	-	-	-	0.06	-	-
	- Intercorporate deposits Received	-	-	-	-	1,660.00	-	-	-
	- Intercorporate deposits repaid	-	-	-	-	982.00	115.67	-	-



S.No	Description	Holding company		Joint Venture		Company under common control		Key Management Personnel	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
8	GSML								
	- Sale of goods	-	-	-	-	-	209.38	-	-
	- Amount received	-	-	-	-	7.75	-	-	-
9	CFCL								
	- Sale of goods	-	-	-	-	-	5.67	-	-
	Managerial Remuneration								
10	Prasanta Das								
	- Salary and bonus (short term benefit)	-	-	-	-	-	-	-	31.75
11	Director Sitting Fees								
	Bhaskar Chatterjee	-	-	-	-	-	-	2.00	2.20
	K K Gupta	-	-	-	-	-	-	1.40	2.80
	L M Chandrashekar	-	-	-	-	-	-	0.60	-

c) Balance at the end of year:-

S.No	Description	Holding company		Joint Venture		Company under common control		Key Management Personnel	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	ZGL**	(3.08)	(2.25)	-	-	-	-	-	-
2	SIFL	-	-	63.48	177.09	-	-	-	-
3	FFPL	-	-	930.45	642.00	-	-	-	-
4	ZACL	-	-	-	-	(670.06)	(697.68)	-	-
5	ZINL	-	-	-	-	-	-	-	-
6	ZFCL	-	-	-	-	-	(0.05)	-	-
7	PPL	-	-	-	-	13.47	18.41	-	-
8	SIL	-	-	-	-	709.47	-	-	-
9	ZMSL	-	-	-	-	-	-	-	-
10	AIFL	-	-	-	-	-	(0.06)	-	-
11	GSML	-	-	-	-	20.14	27.89	-	-
12	CFCL	-	-	-	-	-	-	-	-

The remuneration to the key managerial personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

*The holding company has provided irrevocable and unconditional corporate guarantee in favour of the Company to lenders.

^ The Company has received financial support from its holding company i.e. Zuari Global Limited that the holding company will provide financial support to the Company whenever required to fulfil all its obligations for ensuring continuity of its operations.



(This space has been intentionally left blank)

Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts in ₹ lacs, unless stated otherwise)

33 Employee benefit

Employee benefit obligations

	31 March 2018			31 March 2017		
	Current	Non-current	Total	Current	Non-current	Total
Contribution to provident fund	1.82	-	1.82	21.29	-	21.29
Gratuity	0.30	2.99	3.29	0.27	174.95	175.22
Compensated absences	0.19	1.38	1.57	11.43	78.54	89.97
Total employee benefit obligations	2.31	4.37	6.68	32.99	253.49	286.48

(a) Balance sheet amounts- Gratuity

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	31 March 2018	31 March 2017
Opening Defined Obligation	175.22	140.32
Current service cost	0.51	17.57
Past service cost	-	-
Interest expense/(income)	0.21	10.87
Experience gains	(148.23)	-
Total amount recognised in profit or loss	(147.51)	28.44
<i>Remeasurements</i>		
Loss from change in demographic assumptions	-	0.38
Loss from change in financial assumptions	-	29.78
Experience gains	-	(5.51)
Total amount recognised in other comprehensive income	-	24.65
Benefit payments	(24.42)	(18.19)
Closing Defined Obligation	3.29	175.22

The net liability disclosed above relates to unfunded plans are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of funded obligations	3.29	175.22
Unfunded Provision	(3.29)	(175.22)

(b) Assumptions:

1. Economic assumptions

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	7.75%	7.50%
Salary growth rate	9% for 1st 2 years & 7.5% thereafter	9% for 1st 2 years & 7.5% thereafter

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.
The salary escalation rate is based on estimates of salary increases, which takes into account inflation, promotion and other relevant factors.

2. Demographic assumptions:

Particulars	As at 31 March 2018	As at 31 March 2017
Retirement age	60	60
Withdrawal rate, based on age		
Upto 30 years	10	10
From 31 to 44 years	10	10
Above 44 years	10	10
Mortality rate	100% of IALM	100% of IALM



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption	Decrease in assumption		
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Discount rate	- / +0.5%	- / +0.5%	(0.11)	(5.79)	0.11	6.15
Salary growth rate	- / +0.5%	- / +0.5%	0.11	6.12	(0.11)	(5.81)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(d) Risk exposure

Particulars	As at 31 March 2018	As at 31 March 2017
Weighted average duration (based on discounted cashflows)	7.83 years	8.08 years

(e) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Salary escalation risk: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount rate risk: Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability risk: Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure given above



(This space has been intentionally left blank)

Indian Furniture Products Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

(All amounts in ₹ lacs, unless stated otherwise)

34. Fair value measurements**Financial instruments by category**

	31 March 2018			31 March 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Loans						
- Inter corporate deposits	-	-	2,375.00	-	-	1,125.00
- Security deposits	-	-	198.52	-	-	551.44
Trade receivables	-	-	1,030.53	-	-	2,362.43
Cash and cash equivalents	-	-	151.14	-	-	145.21
Margin money deposits	-	-	426.28	-	-	142.02
Fixed deposit	-	-	124.79	-	-	283.42
Other receivable	-	-	823.35	-	-	24.85
Total	-	-	5,129.61	-	-	4,634.38
Financial liabilities						
Borrowings	-	-	9,100.71	-	-	7,448.88
Trade payables	-	-	2,245.77	-	-	3,801.39
Employee related payables	-	-	186.61	-	-	303.47
Other payables	-	-	1,276.97	-	-	899.48
Total	-	-	12,810.06	-	-	12,453.22

The management assessed that carrying value of financial assets and financial liabilities, carried at amortised cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheets.

(This space has been intentionally left blank)



35. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits, employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to interest risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Interest rate risk

Applicability - Financial liabilities

Long-term debt obligations with floating fixed interest rates.

- Term loans from banks
- Working capital term loan
- Preference share
- Loan from an Non banking financial Company

Short term loans with fixed interest rates

- Cash Credit from bank
- Buyers Credit
- Inter corporate deposits

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has taken floating rate borrowing, hence the interest rate risk is to be considered. The Company has used movement in bank rates by Reserve Bank of India for making a sensitivity analysis for interest rate risk.

	Increase /decrease in basis points	Effect on profit or loss before tax (Rs.)
31 March 2018		
INR	+50	(38.63)
INR	-50	38.63
31 March 2017		
INR	+50	(35.02)
INR	-50	35.02

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Applicability -

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The company management constantly keeps a track of the foreign currency movement and takes advice from the corporate treasury for hedging the foreign exchange rates. As the volume of transactions and outstanding position at a given point of time is very low and the risk due to foreign exchange fluctuation would not be material, the management decided not to hedge the foreign currency exposure.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and AED exchange rates, with all other variables held constant, the impact on the Company's profit before tax is due to changes in the fair value of monetary liabilities including non-designated foreign currency derivatives and embedded derivatives.

	Change in USD rate	Effect on profit or loss before tax	Effect on pre-tax equity
31 March 2018	+5%	-	-
	-5%	-	-
31 March 2017	+5%	(15.56)	-
	-5%	15.56	-
	Change in AED rate	Effect on profit or loss before tax	Effect on pre-tax equity
31 March 2018	+5%	3.37	-
	-5%	(3.37)	-
31 March 2017	+5%	3.43	-
	-5%	(3.43)	-



Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts in ₹ lacs, unless stated otherwise)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Applicability

Trade receivables
Inter Corporate Deposit
Deposits with Banks
Security deposits given
Loans to employees

Trade receivables

Customer credit risk is managed by monitoring individual category customers subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Based on the aging of receivables, the Company assesses the recoverability of the amount from each customer

An impairment analysis is performed at each reporting date on an individual basis for all clients. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Trade Receivables as of 31 March 2018	183.14	622.32	1,086.51	1,891.97
Trade Receivables as of 31 March 2017	532.65	1,810.00	401.23	2,743.87

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in fixed deposits with banks only. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company monitors its risk of a shortage of funds using future cash flow projections. The Company manages its liquidity needs by continuously monitoring cash flows from customers and by maintaining adequate cash and cash equivalents. The Company's objective is to maintain a balance between continuity of funding and flexibility through shareholder funds or borrowings from the holding company or sister concerns. Considering the stability of the company's holding company, liquidity risk of the Company is considered to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particular	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
31 March 2018						
Borrowings	466.44	211.13	1,711.38	9,485.63	297.22	12,171.80
Trade payables	2,245.77	-	-	-	-	2,245.77
Other financial liabilities	1,072.63	-	31.39	-	-	1,104.02
	3,784.84	211.13	1,742.77	9,485.63	297.22	15,521.59
Year ended						
31 March 2017						
Borrowings	4,367.90	445.16	480.12	2,507.03	262.79	8,063.00
Trade payables	3,398.91	402.48	-	-	-	3,801.39
Other financial liabilities	-	434.00	768.96	-	-	1,202.96
	7,766.81	1,281.64	1,249.08	2,507.03	262.79	13,067.35

The Company has access to following financing facilities which were undrawn as at the end of reporting periods mentioned :-

Undrawn financing facility	31 March 2018	31 March 2017
Secured working capital facilities		
Amount used	466.44	4,194.00
Amount unused	3,315.56	2,370.00
Total	3,782.00	6,564.00
Unsecured working capital facilities		
Amount used	1,078.00	485.07
Amount unused	-	-
Total	1,078.00	485.07



Indian Furniture Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

36. Offsetting financial assets and financial liabilities

	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
31 March 2018						
Financial liabilities						
Borrowings	7,854.17	-	7,854.17	-	5,129.61	2,724.56
Trade receivable	1,030.53					
31 March 2017						
Financial liabilities						
Borrowings	3,383.94	-	3,383.94	-	4,634.37	-
Trade receivable	2,362.43					

37. Disclosure required under Section 186 (4) of the Companies Act, 2013

Particulars of interest bearing inter-company deposits given:

Name of the party	Opening balance	Loan given	Loan repayment	Outstanding balance	Purpose
Forte Furniture Products India Private Limited	-	1,450.00	200.00	1,250.00	General Business Purpose
Straight Curve Ideas Private Limited	1,125.00	-	-	1,125.00	General Business Purpose

(This space has been intentionally left blank)



Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts in ₹ lacs, unless stated otherwise)

38 Assets pledged as security

The carrying amounts of asset pledged as security for current and non-current borrowings are:

	As at 31 March 2018	As at 31 March 2017
Current		
Financial assets		
i) Trade Receivable	1,030.53	2,362.43
ii) Cash and cash equivalent	151.14	145.21
iii) Other bank balances	551.07	425.44
iv) Other financial assets	60.17	24.85
v) Loans	-	31.87
Non-financial assets		
i) Inventories	1,912.55	3,450.64
Total current assets pledged as security	3,705.46	6,440.45
Non-current		
Financial assets		
i) Loans	2,573.52	1,644.57
ii) Other financial assets	763.18	-
Non-financial assets		
i) Property Plant and Equipment	903.80	13,116.48
ii) Investment Property	12,048.60	-
iii) Intangible Assets	-	7.66
Total non-current assets pledged as security	16,289.10	14,768.71
Total assets pledged as security	19,994.56	21,209.16

(This space has been intentionally left blank)



Indian Furniture Products Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

(All amounts in ₹ lacs, unless stated otherwise)

39 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

The management constantly monitors and reviews the debt to equity ratio. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.

The position on reporting date is summarized in the following table:

Particulars	As at 31 March 2018	As at 31 March 2017
	7,556.27	2,769.82
Long term borrowings (including financial liability part of non cumulative redeemable preference shares)	297.90	614.12
Current maturities of long-term borrowings	1,544.44	4,679.06
Short-term borrowings		
Less: Cash and cash equivalents	(151.14)	(145.21)
Total Debt (a)	9,247.47	7,917.79
Total Equity (b)	6,534.00	6,836.08
Capital gearing ratio (a/b)	1.42	1.16

40 Operating Segments

In the opinion of the management, there is only one reporting segment "Manufacturing and sale of Furniture" as envisaged by Ind As 108 "Operating Segments". The Company is operating only in India and there is no other significant geographical segment.

- 41 The Company had placed on 1 January 2009, inter corporate deposit (ICD) amounting to ₹1,000 lakhs to Straight Curve Ideas Private Limited ("SCIPL") for a period of 3 months. The deposit carried interest rate of 15% p.a. and out of the total interest accrued from the inception of the ICD to 31 March 2010 of ₹183.28 lakhs SCIPL has made payment (including Tax Deducted at Sources) aggregating to ₹58.28 lacs. On account of continuing default by SCIPL in respect of principal and interest, the Company has suspended accruing for further interest with effect from 1 April 2010. Further the Company has initiated legal proceedings for the recovery of the outstanding amount. The Company is of the view that since personnel guarantee has been provided by one of the director of the SCIPL and pledge of shares of SCIPL obtained as security, the amount outstanding is fully recoverable and no provision has been made in the financial statements in this regard. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and results of operations.
- 42 During the year ended 31 March 2018, the Company has incurred a book loss of ₹302.08 lacs besides also incurring a cash loss as on 31 March 2018, the accumulated losses of the Company amounted to ₹1,300.97 lacs. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The management of the Company is confident to generate sufficient profits and cash from operations in near future. Further, Zuari Global Limited (the holding company) has confirmed its intent as well as ability to extend continued financial support to the Company, as and when needed, so as to enable the Company continues its operations as a going concern in foreseeable future. In view of the same, the management of the Company is hopeful of generating sufficient cash flows in the future to meet the Company's financial obligations. Hence, these financial statements have been prepared on a going concern basis.
- 43 In accordance with section 203 of the Companies Act, 2013, a Public limited Company (not being a Listed Company) having paid up capital of ₹10 crore or more, is required to appoint key managerial personnel, which also includes a Company Secretary and Chief Financial Officer. The existing Company secretary and Chief Financial Officer has resigned from the Company on 28 October 2015 and 31 March 2017 respectively. However, subsequent to resignation, the Company is still in the process of appointing a Company secretary and Chief Financial Officer on a whole time basis.
- 44 Pursuant to sub-section 3 of section 129 of Companies Act, 2013 read with rule 6 of Companies (Accounts) Rules, 2014 and Companies (Accounts) Amendment Rules, 2016 (the "rules") published vide notification number G.S.R. 742(E) dated 27 July 2016, the Company has opted not to prepare consolidated financial statements of the Company, its subsidiaries and associates for the financial year ended 31 March 2016. With respect to this, the Company has taken necessary steps to ensure compliance with conditions specified in the rules for availing exemption as prescribed.
- 45 During the year ended 31 March 2018, the Company has reclassified provision of gratuity and leave encashment amounted to ₹174.95 lacs and ₹78.54 lacs respectively from current provision to non-current provision.



(This space has been intentionally left blank)

Indian Furniture Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts in ₹ lacs, unless stated otherwise)

- 46 On 28 March 2018, the Company has terminated the agreement dated 10 November 2014 entered between the Company and Zuari Agro Chemicals Limited ("ZACL") for sale of land under which the Company had received an advance of ₹700.00 lacs from ZACL. As per the agreement the Company has to transfer the land to ZACL on or before 10 November 2018 after obtaining permission from M/s Tamil Nadu Small Industrial Development Corporation Limited ("TNSIDCO") but despite of constant efforts and follow-ups TNSIDCO has not provided its sanction for transfer the land to ZACL. Hence, the Company has submitted its request to ZACL to terminate the agreement and refund the advance provided against purchase of land vide its letter dated 28 March 2018 and ZACL vide its letter dated 29 March 2018 has accepted this request. Hence as on 31 March 2018, advance received against sale of land has been reclassified from other current liabilities to other financial liabilities.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For **Walker Chandlok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Goel
Partner
Membership No.: 099514



For and on behalf of the Board of Directors of
Indian Furniture Products Limited



Ramesh Kumar Gandhi
Whole Time Director
DIN No. 06369107



R.S. Raghavan
Director
DIN No. 00362555

Place: Gurugram
Date: 22 May 2018