

Indian Furniture Products Limited
Balance Sheet as at March 31, 2016
(All amounts are in Indian rupees unless otherwise stated)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders funds			
Share capital	3	800,994,700	700,994,700
Reserve and surplus	4	(799,743,270)	(688,626,147)
		1,251,430	12,368,553
Non-Current Liabilities			
Long-term borrowings	5	164,224,745	44,688,882
Deferred tax liability (net)	6	-	-
Long-term provisions	7	20,043,713	27,873,802
		184,268,458	72,562,684
Current liabilities			
Short-term borrowings	8	438,617,088	530,271,488
Trade payables	9	330,098,706	283,814,908
Other current liabilities	10	200,287,202	216,168,366
Short-term provisions	7	4,828,628	4,967,414
		973,831,624	1,035,222,176
Total		1,159,351,512	1,120,153,413
ASSETS			
Non Current Assets			
Fixed assets			
Tangible asset	11a	189,448,418	211,987,540
Intangible asset	11b	2,166,497	4,201,482
Loans and advances	12	168,264,867	173,082,939
Other non-current assets	13	1,608,301	8,627,906
Non-current Investments	14	1,250,010	1,250,010
		362,738,093	399,149,877
Current Assets			
Inventories	15	469,467,577	480,998,811
Trade receivables	16	208,961,180	131,163,043
Cash and bank balances	17	70,014,809	65,220,260
Loans and advances	12	47,267,878	42,867,103
Other current assets	18	901,975	754,319
		796,613,419	721,003,536
Total		1,159,351,512	1,120,153,413

Summary of significant accounting policies 2.2

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


As per our report of even date.

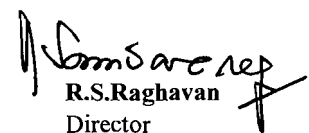
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

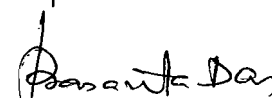
Aniruddh Sankaran
Partner
Membership No: 211107



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


Pervesh Kumar Gandhi
Whole Time Director


R.S. Raghavan
Director


Prasanta Das
Chief Financial Officer

Place: Chennai
Date: May 09, 2016

Place: Chennai
Date: May 09, 2016

Indian Furniture Products Limited
Statement of Profit and loss for the year ended March 31, 2016
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Revenue from operations (gross)		1,209,734,644	1,436,657,865
Less: Excise duty		(79,300,481)	(94,978,583)
Revenue from operations (net)	19	1,130,434,163	1,341,679,282
Other income	20	9,003,348	9,818,728
Total Revenue (A)		1,139,437,511	1,351,498,010
EXPENSES			
Cost of raw materials and components consumed	21	317,720,593	332,037,445
Purchase of traded goods		216,660,811	257,440,616
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	22	6,109,325	32,292,450
Employee benefits expense	23	174,342,389	237,934,498
Depreciation and amortisation expense	24	26,073,782	38,097,775
Finance costs	25	95,281,683	95,390,884
Other expenses	26	414,366,051	494,152,465
Total Expenses (B)		1,250,554,634	1,487,346,133
Loss before tax [(A) - (B)]		(111,117,123)	(135,848,123)
Tax expenses			
Current tax		-	-
Loss for the year		(111,117,123)	(135,848,123)
Earnings per share [Nominal value of share Rs.10 (March 31, 2015 : Rs.10)]			
Basic and diluted	27	(1.58)	(1.94)
Summary of significant accounting polices	2.2		

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

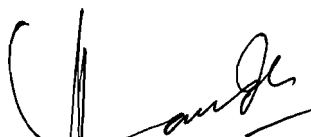
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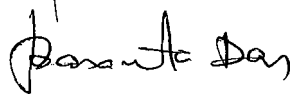


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Indian Furniture Products Limited
Cash Flow Statement for the year ended March 31, 2016
(All amounts are in Indian rupees unless otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash flow from Operating Activities		
Net profit/(loss) before taxation	(111,117,123)	(135,848,123)
Adjustments for:		
(Profit) / Loss on sale of fixed assets (net)	47,324	1,918,765
Depreciation /Amortisations on Tangible & Intangible Assets	26,073,782	38,097,775
Unrealised exchange difference (net)	641,879	5,853
Liabilities no longer required	1,455,788	-
Interest expense	77,117,695	76,156,419
Interest Income	(5,011,043)	(3,152,594)
Provision for doubtful debts and advances	10,824,877	6,909,089
Operating profit before working capital changes	33,179	(15,912,816)
Adjustment for :		
(Increase)/Decrease in Inventories	11,531,234	48,853,179
(Increase)/Decrease in Trade receivables	(88,623,014)	161,869,431
(Increase)/Decrease in Short term Loans and advances	(4,400,775)	(9,117,429)
(Increase)/Decrease in Long term Loans and advances	5,058,104	9,272,714
Decrease / (increase) in other current assets	-	565,388
Increase/(Decrease) in Trade payables	44,186,128	(164,999,427)
Increase/(Decrease) in Other current liabilities	(19,043,226)	64,254,026
Increase/(Decrease) in Provisions	(7,968,875)	(4,385,252)
Cash generated from / (used in) operations	(59,227,244)	90,399,814
Direct taxes paid	(240,032)	(480,908)
Net cash from / (used) in operating activities	(59,467,276)	89,918,906
B. Cash flow from Investing Activities		
Purchase of fixed assets, including Intangible assets & Capital Advances	(1,546,997)	(18,527,087)
Proceeds from sale of fixed assets	-	1,310,303
Investment in bank deposit (having original maturity of more than 3 months)	(127,429)	(30,925,392)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	2,479,515	-
Investment in subsidiary	-	(1,250,010)
Interest received	4,863,387	3,152,594
Net cash from / (used) in investing activities	5,668,476	(46,239,592)
C. Cash flow from Financing Activities		
Repayment of long-term borrowings	136,978,211	(5,393,130)
Proceeds from long term borrowings	(17,442,348)	-
Proceeds from issuance of preference share capital	100,000,000	-
Inter Corporate Deposit received / (repaid)	(90,000,000)	40,000,000
Repayment of short-term borrowings, net	(1,654,400)	(42,190,021)
Interest paid	(73,955,633)	(73,182,487)
Net Cash flows from / (used) in Financing Activities	53,925,830	(80,765,638)
Net increase in cash and cash equivalents (A + B + C)	127,030	(37,086,324)



Indian Furniture Products Limited
Cash Flow Statement for the year ended March 31, 2016
(All amounts are in Indian rupees unless otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
Cash and cash equivalents at the beginning of the year	41,306,812	78,393,136
Cash and cash equivalents at the end of the year	41,433,842	41,306,812
Components of cash and cash equivalents as at year end		
Cash in hand	4,426,488	4,363,596
Balances with scheduled banks		
- in current accounts	22,805,692	27,302,125
- in deposit accounts	44,390,929	42,182,445
	71,623,110	73,848,166
Less: Deposits having original maturity of more than 3 months	(30,189,268)	(32,541,354)
	41,433,842	41,306,812


As per our report of even date

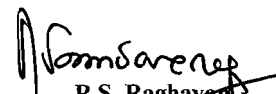
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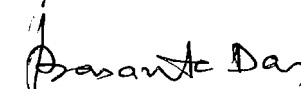
Aniruddh Sankaran
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Whole Time Director


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Chief Financial Officer

Place: Chennai
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Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

1. Corporate information

Indian Furniture Products Limited is a subsidiary of Zuari Global Limited (Formerly Zuari Industries Limited), domiciled in India. 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.

2. Basis of preparation of financial statements

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 (a) Operational outlook

As at March 31, 2016, the Company's accumulated losses of Rs.799,743,270 has nearly eroded 99% of the shareholders' funds of Rs. 800,994,700. Management believes that its business plans for the future are profitable and would strengthen the financial position of the Company in the coming years. The Company continues to focus its immediate efforts on developing a healthy sales order pipeline and also effectively managing liquidity and financing requirements. Further, Zuari Global Limited, the holding company, intends to provide financial and operational support in the foreseeable future to enable the Company to operate and settle its obligations as they become due. Accordingly, these financial statements have been prepared on a going concern assumption and do not include any adjustments relating to the recoverability and classification of carrying amounts of assets and the amount of liabilities that might result should the Company be unable to continue as a going concern.

2.2 Summary of significant accounting policies

a. Use of estimates

Preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed 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 period during which such expenses are incurred.

c. Depreciation on fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at, based on the useful lives as per Schedule II to the Companies Act, 2013 ("the Act"). The company has used the following rates to provide depreciation on its fixed assets.

Block of Assets	Useful lives (years)
Buildings	3 to 30
Plant and machinery	10 to 15
Computers	3 to 6
Furniture and fittings	10
Display Furniture	10
Office equipments	5
Electrical Installations	10
Vehicles	8 to 10
Lease Hold Improvement	3
Software	3



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

The residual values, useful lives and methods of depreciation of fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets in the nature of computer software are amortised over three years on a straight-line basis based on management's estimates.

Depreciation on assets costing less than Rs. 5,000/-

The Company is depreciating assets whose cost is less than Rs. 5,000/-, over their useful life as assessed from time to time.

d. Leases

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

e. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

f. Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of various categories of 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. 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 realizable value. Cost includes 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.

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

g. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenues are stated net of sales tax, VAT and sales returns.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from 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.

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.



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

h. Foreign currency translation

(i) 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.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) 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 statement, are recognised as income or as expenses in the year in which they arise except those arising from investments in non- integral operation.

i. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Contributions to the provident fund are made monthly at a predetermined rate.

The company operates a defined benefit scheme for its employees, viz., gratuity scheme. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss. Gratuity scheme is not funded.

Accumulated leave, which is expected to be utilized within the next 12 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. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after reporting date.

The company recognizes 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 12 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.

j. Income taxes

Tax expense comprises current and deferred tax. Provision for current income tax is made on assessable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

k. Segment Reporting

The Company considers business segment as its primary segment. The company's operations predominantly relates to sale of furnitures and accordingly, this is the only primary reportable segment. The company considers geographical segment as its secondary segment. The company's operations are predominantly within India and accordingly this is the secondary reportable segment.

l. Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders 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.

m. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n. Warranty provision - product warranty

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually. The Company gives warranty to products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future cash outflows and computed on total sales made during the year based on past experience. No reimbursements are expected.

o. 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 recognized 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 recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

p. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

3. Share capital

	March 31, 2016	March 31, 2015
Authorised shares		
72,600,000 (March 31, 2015: 72,600,000) equity shares of Rs. 10/- each	726,000,000	726,000,000
1,130,220 (March 31, 2015: 1,130,220) preference Shares of Rs. 100/- each	113,022,000	113,022,000
	839,022,000	839,022,000
Issued, subscribed and fully paid-up		
70,099,470 (March 31, 2015: 70,099,470) equity shares of Rs. 10/- each, fully paid up	700,994,700	700,994,700
1,000,000 (March 31, 2015: Nil) 7% Redeemable convertible non-cumulative preference shares of Rs. 100/- each, fully paid up	100,000,000	-
Total issued, subscribed and fully paid-up share capital	800,994,700	700,994,700

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

Equity shares

Particulars	March 31, 2016		March 31, 2015	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Shares outstanding at the beginning of the year	70,099,470	700,994,700	46,500,080	465,000,800
Issued during the year	-	-	23,599,390	235,993,900
Outstanding at the end of the year	70,099,470	700,994,700	70,099,470	700,994,700

Note: March 31, 2015 includes 10,000,000 equity shares issued pursuant to conversion of Inter-corporate deposits from M/s Zuari Global Limited aggregating Rs.100,000,000 in to equity share capital.

Preference shares

Particulars	March 31, 2016		March 31, 2015	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Shares outstanding at the beginning of the year	-	-	-	-
Issued during the year	1,000,000	100,000,000	-	-
Outstanding at the end of the year	1,000,000	100,000,000	-	-

b. Terms / Rights attached to equity shares :

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. 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.

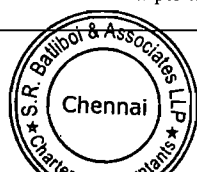
c. Terms of conversion/ redemption of redeemable convertible non-cumulative preference shares

During the year ended 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.

d. Shares held by holding/ultimate holding company and/or their subsidiaries/associates and shareholders holding more than 5% shares in the Cor

Name of the Shareholder	March 31, 2016		March 31, 2015	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
<i>Equity shares of Rs. 10 each fully paid up</i>				
Zuari Global Limited (formerly Zuari Industries Limited) (72.45%)	50,785,714	507,857,140	50,785,714	507,857,140
Zuari Investment Ltd (10.05%)	7,044,643	70,446,430	7,044,643	70,446,430
Adventz Investment Company Private Limited	7,071,429	70,714,290	7,071,429	70,714,290
Others (7.41%)	5,197,684	51,976,840	5,197,684	51,976,840
<i>Preference shares of Rs. 100 each fully paid</i>				
Zuari Global Limited (formerly Zuari Industries Limited) - 7% Redeemable convertible non-cumulative preference shares of Rs. 100 each per share fully paid-up (100%)	1,000,000	100,000,000	-	-
	71,099,470	800,994,700	70,099,470	700,994,700



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

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

	March 31, 2016	March 31, 2015
e. Aggregate number of shares issued for consideration other than cash		
Equity shares allotted as fully paid-up pursuant to amalgamation for consideration other than cash (Refer Note 39)	-	23,599,390
	-	23,599,390

4. Reserves and surplus

	March 31, 2016	March 31, 2015
Securities premium account		
Balance as per the last financial statements	5,333,400	5,333,400
(Deficit) in the statement of profit and loss		
Balance as per the last financial statements	(693,959,547)	(558,111,424)
Add: (Net Loss) for the current year	(111,117,123)	(135,848,123)
Net deficit in the statement of profit and loss	(799,743,270)	(688,626,147)

5. Long-term borrowings

	Non-current portion		Current portion	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term loans from banks	142,349,750	5,371,539	12,975,000	3,600,000
Working capital term loan (secured)	21,874,995	34,374,999	12,500,000	12,500,000
Deferred sales tax loan	-	4,942,344	4,942,344	11,276,786
Amount disclosed under the head "other current liabilities" (Refer Note 10)	-	-	(30,417,344)	(27,376,786)
	164,224,745	44,688,882	-	-

Deferred sales tax scheme is interest free and payable in 96 monthly Instalments of amounts, which varies from month to month based on the actual liability. The repayment had started from May 2008 onwards.

"Term loan from Axis bank was taken during the year 2013-14 and carries an annual Interest @15.25%. 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 pari passu charge of 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)."

Term loan from ICICI bank for Rs. 150 million, was taken during the year 2015-16 and carries an annual Interest @12.10%. The loan is repayable in 48 equal instalments of Rs. 3,945,234, first installment 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).

Working Capital Term Loan ("WCTL") from Axis bank was taken during the March 2014, and carries an annual Interest @13.50% - 14.00%. The loan is repayable in 48 equal monthly instalment of Rs.1.04 million starting from January 2015. The WCTL is secured against pari passu 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 Pari passu 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.

6. Deferred tax liability (Net)

	March 31, 2016	March 31, 2015
Deferred tax liability		
Fixed assets: Impact of the difference between income tax depreciation and depreciation/ amortization charged for the financial reporting	2,121,014	2,212,386
	2,121,014	2,212,386
Deferred tax asset		
Impact of expenditure charged to statement of Profit and Loss in the current year but allowed for tax purposes on payment basis, (restricted to the extent of deferred tax liability)	1,678,983	1,962,364
Provision for warranties	442,031	250,022
	2,121,014	2,212,386
Deferred tax liability (Net)	-	-

Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

The Company follows Accounting Standard (AS 22) "Accounting for Taxes on Income", as notified by Company Accounting Standards Rules, 2006. Due to losses, the Company has deferred tax asset with unabsorbed depreciation as a major component. However, deferred tax asset has been considered as nil and has been recognized only to the extent of deferred tax liability, since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly the Company has prudently decided not to recognize deferred tax asset on such timing differences.

7. Provisions

	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provision for employee benefits				
Provision for gratuity (Refer Note 37)	12,413,469	16,934,502	1,618,766	2,210,803
Provision for leave benefits	7,630,244	10,939,300	1,779,342	1,947,479
	20,043,713	27,873,802	3,398,108	4,158,282
Other provisions				
Provision for warranties	-	-	1,430,520	809,132
	20,043,713	27,873,802	4,828,628	4,967,414

Movement in provision for warranty

Particulars	March 31, 2016	March 31, 2015
Balance at the beginning of the year	809,132	868,604
Add: Additions	1,430,520	809,132
Less: Reversal of Provision made	(809,132)	(868,604)
Balance at the end of the period	1,430,520	809,132

8. Short-term borrowings

	March 31, 2016	March 31, 2015
a. Cash credit from bank (secured)	357,730,042	378,639,972
b. Inter corporate deposits (unsecured and repayable on demand)		
- From Others	50,000,000	140,000,000
c. Buyers Credit (Secured)	30,887,046	11,631,516
	438,617,088	530,271,488

Cash credit from Axis bank for Rs.20,73,53,820 (21,29,65,904) is secured against pari passu first charge with RBL over the entire current assets both present and future and fixed assets as collateral. The cash credit is repayable on demand and carries interest @ 13.75% p.a. Cash credit from RBL bank for Rs.15,03,76,222 (16,56,74,068) is secured against pari passu first charge over entire current and fixed assets (except vehicle) both present and future. The cash credit is repayable on demand and carries interest @ 14% p.a.

The Company during earlier years had received an inter corporate deposit from M/s. Simon India Limited for Rs.100,000,000 at an interest rate of 13.5%, out of which Rs. 90,000,000 has been repaid during the current year. Further, the Company had received an inter corporate deposit from M/s/ Duke Commerce Limited for Rs. 40,000,000 during the year 2010-11 at an interest rate of 13.5%, which is repayable on demand.

Company has taken buyers credit for the import LC payment. Each BC will be payable to the buyers credit party with different agreed date along with interest. Buyers credit is secured against first pari passu charges on all Current Assets of the company, both present and future. Holds first pari passu charge on all movable fixed assets (except vehicles & movable fixed assets funded out of term Loan from Axis bank) 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 pari passu charge on movable fixed assets funded out of term loan from Axis Bank Ltd. Further, the loan has been Guaranteed by Unconditional and Irrecoverable corporate guarantee of M/S Zuari Global Limited (Formerly M/s.Zuari Industries Limited), the holding company.

9. Trade payables

	March 31, 2016	March 31, 2015
Trade payables (Refer Note 29 for details of dues to micro and small enterprises)	330,098,706	283,814,908
	330,098,706	283,814,908

10. Other current liabilities

	March 31, 2016	March 31, 2015
Current maturities of long-term borrowing (Refer Note 5)	30,417,344	27,376,786
Interest accrued but not due on borrowings	390,668	3,552,730
Advances received from customers and others	17,799,447	13,042,226
Advances received for sale of land	70,000,000	70,000,000
Security deposits from dealers and employees	27,763,973	34,279,815
<u>Others</u>		
TDS payable	2,006,816	2,572,223
Excise & service tax payable	24,787,360	19,803,483
Employee related payables	19,404,019	28,692,713
Sales Tax and VAT	7,717,575	16,848,390
	200,287,202	216,168,366

Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

11. Fixed Assets
a) Tangible Assets

Particulars	Land	Building	Plant and Machinery	Computers	Furniture & Fittings	Office Equipments	Display Furniture	Lease hold improvement	Electrical Installations	Vehicles	Total
Cost or Valuation											
As at April 1, 2014	9,869,267	105,536,097	211,303,650	10,146,032	7,900,844	10,130,347	-	-	2,579,434	1,331,130	358,796,801
Acquisitions through amalgamation	-	1,144,350	-	10,955,241	29,483,142	23,615,971	9,756,896	39,837,938	23,022,806	25,030	137,841,374
Additions	-	218,580	443,132	815,420	5,294,821	933,664	1,832,932	10,693,476	714,085	-	20,946,110
Disposals	-	1,144,350	23,817	2,141,515	7,144,813	3,886,893	59,648	6,203,155	5,657,966	6,380	26,268,537
As at March 31, 2015	9,869,267	105,754,677	211,722,965	19,775,178	35,533,994	30,793,089	11,530,180	44,328,259	20,658,359	1,349,780	491,315,748
Additions	-	-	566,640	10,220	728,239	184,898	-	-	-	-	1,489,997
Disposals	-	-	-	-	243,348	39,315	-	-	-	-	282,663
As at March 31, 2016	9,869,267	105,754,677	212,289,605	19,785,398	36,018,885	30,938,672	11,530,180	44,328,259	20,658,359	1,349,780	492,523,082
Depreciations											
As at April 1, 2014	-	40,717,884	98,575,019	9,576,894	3,985,334	3,390,296	-	-	767,639	652,724	157,665,790
Acquisitions through amalgamation	-	272,353	-	9,271,841	25,928,276	14,803,508	4,159,288	35,144,535	20,438,207	25,030	110,043,038
Charge for the year	-	4,359,666	10,668,153	1,405,962	1,609,350	8,690,487	740,348	6,482,623	579,927	215,981	34,752,497
Disposals	-	275,407	21,521	2,136,439	5,846,633	3,079,332	37,866	6,157,757	5,571,782	6,380	23,133,117
As at March 31, 2015	-	45,074,496	109,221,651	18,118,258	25,676,327	23,804,959	4,861,770	35,469,401	16,213,991	887,355	279,328,208
Charge for the year	-	4,210,434	8,833,967	725,280	1,295,861	3,006,930	765,254	4,510,113	417,976	215,981	23,981,795
Disposals	-	-	-	-	205,768	29,571	-	-	-	-	235,339
As at March 31, 2016	-	49,284,930	118,055,618	18,843,538	26,766,420	26,782,318	5,627,024	39,979,514	16,631,967	1,103,336	303,074,664
Net Block											
As at March 31, 2015	9,869,267	60,680,181	102,501,314	1,656,920	9,857,667	6,988,130	6,668,410	8,858,858	4,444,368	462,425	211,987,540
As at March 31, 2016	9,869,267	56,469,747	94,233,987	941,860	9,252,465	4,156,354	5,903,156	4,348,745	4,026,392	246,444	189,448,418

Note:
1. Land includes land held for sale

Gross Block (as on 31st March 2015) 2,598,281

Accumulated Depreciation (as on 31st March 2015) -

Depreciation for the year -

Net Block (as on 31st March 2016) 2,598,281

2. The Company has not capitalised any amount in relation to borrowing costs or foreign exchange fluctuations in its financial statements.



b) Intangible Assets

Particulars	Software	Total
Gross Block		
As at April 1, 2014	14,578,471	14,578,471
Acquisitions through merger	15,961,439	15,961,439
Additions	1,609,749	1,609,749
Disposals	984,986	984,986
As at March 31, 2015	31,164,673	31,164,673
Additions	57,000	57,000
Disposals	-	-
As at March 31, 2016	31,221,673	31,221,673
Depreciations		
As at April 1, 2014	12,721,232	12,721,232
Acquisitions through merger	11,788,019	11,788,019
Charge for the year	3,345,279	3,345,279
Disposals	891,339	891,339
As at March 31, 2015	26,963,191	26,963,191
Charge for the year	2,091,985	2,091,985
Disposals	-	-
As at March 31, 2016	29,055,176	29,055,176
Net Block		
As at March 31, 2015	4,201,482	4,201,482
As at March 31, 2016	2,166,497	2,166,497



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

12. Loans and advances (Unsecured, considered good)

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Security Deposit	45,032,495	50,949,615	3,130,769	3,387,284
(A)	45,032,495	50,949,615	3,130,769	3,387,284
Inter Corporate Deposit (Refer Note 30)	112,500,000	112,500,000	7,000,000	7,000,000
(B)	112,500,000	112,500,000	7,000,000	7,000,000
Advances recoverable in cash or kind	-	-	18,841,478	15,372,958
(C)	-	-	18,841,478	15,372,958
Advance income tax (net of provision for tax)	9,873,356	9,633,324	-	-
Prepaid expenses	-	-	6,478,029	8,039,016
Loans to employee	-	-	-	639,432
Balances with customs, port trust and excise authorities	859,016	-	11,817,602	8,428,413
(D)	10,732,372	9,633,324	18,295,631	17,106,861
Total (A+B+C+D)	168,264,867	173,082,939	47,267,878	42,867,103

13. Other non-current assets

	March 31, 2016	March 31, 2015
Non-current bank balances	1,608,301	8,627,906
	1,608,301	8,627,906

14. Non-current investments

	March 31, 2016	March 31, 2015
Investment in Soundarya IFPL Interiors Ltd. 125,001 shares (March 31, 2015: 125,001) of Soundarya IFPL Interiors Ltd @ Rs. 10 per share	1,250,010	1,250,010
	1,250,010	1,250,010

15. Inventories (valued at lower of cost and net realizable value)

	March 31, 2016	March 31, 2015
Raw materials	49,230,798	60,174,271
Work-in-progress	3,044,303	1,803,338
Finished goods	200,315,578	171,148,109
Traded goods	200,123,090	231,059,434
Stores and spares	16,009,164	15,805,970
Packing materials	744,645	1,007,689
	469,467,577	480,998,811

Details of inventory - raw material

Particulars	March 31, 2016	March 31, 2015
Particle boards	15,133,204	20,702,219
Decorative papers	5,640,638	10,133,099
Others	28,456,956	29,338,953
	49,230,798	60,174,271

Details of inventory of traded goods

Furniture and accessories	200,123,090	231,059,434
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Details of inventory of finished goods

Furniture and accessories	200,315,578	171,148,109
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Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

16. Trade receivables

	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good, (Secured)	726,148	726,148
Considered good, (Unsecured)	39,817,033	19,284,918
Considered Doubtful, (Unsecured)	14,425,580	3,600,703
(A)	<u>54,968,761</u>	<u>23,611,769</u>
Other receivables		
Considered good, (Secured)	6,625,000	6,739,601
Considered good, (Unsecured)	161,792,999	104,412,376
(B)	<u>168,417,999</u>	<u>111,151,977</u>
Less: Provision for doubtful receivables	(14,425,580)	(3,600,703)
(C)	<u>(14,425,580)</u>	<u>(3,600,703)</u>
Total (A+B+C)	<u>208,961,180</u>	<u>131,163,043</u>

17. Cash and bank balances

	March 31, 2016	March 31, 2015
Cash and cash equivalents		
Balance with banks:		
- On current accounts	19,621,634	17,887,508
Cheques / draft on hand	3,184,058	9,414,617
Cash on hand	4,426,488	4,363,596
	<u>27,232,181</u>	<u>31,665,721</u>
Other bank balances		
- Margin money deposits	14,201,661	9,641,091
- Deposits with original maturity for more than 12 months	28,574,593	31,197,812
- Deposits with original maturity for more than 3 months but less than 12 months	1,614,675	1,343,542
	<u>71,623,110</u>	<u>73,848,166</u>
Amount disclosed under non-current assets (Refer Note 13)	<u>(1,608,301)</u>	<u>(8,627,906)</u>
	<u>70,014,809</u>	<u>65,220,260</u>

Margin money deposits given as security

Margin money deposits with carrying amount of Rs. 13,028,180 (March 31, 2015 - Rs.9,641,091) are subject to first charge to secure the Company's Bank Guarantee.

18. Other current assets

	March 31, 2016	March 31, 2015
Interest accrued on fixed deposits	901,975	754,319
	<u>901,975</u>	<u>754,319</u>



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

	For the year ended March 31, 2016	For the year ended March 31, 2015
19. Revenue from operations		
Sale of products		
Finished goods	801,651,300	892,596,862
Traded goods	385,956,120	540,510,027
Sale of Services	20,320,844	1,398,408
Other operating Revenue		
Scrap sales	1,806,380	2,152,568
Revenue from operations (Gross) #	<u>1,209,734,644</u>	<u>1,436,657,865</u>
	1,209,734,644	1,436,657,865

Excise duty on sales amounting to Rs. 79,300,481 (March 31, 2015 - Rs. 94,978,583) has been reduced from sales in the statement of profit and loss and excise duty on increase and decrease in stock amounting to Rs. 5,581,415 (March 31, 2015 - Rs. 2,769,309) has been considered as (increase)/decrease stock.

Details of product sold	March 31, 2016	March 31, 2015
Finished goods sold		
Furniture and related accessories	801,651,300	892,596,862
Traded goods sold		
Furniture and related accessories	385,956,120	540,510,027
	<u>1,187,607,420</u>	<u>1,433,106,889</u>

Details of service income		
Installation services	320,844	1,398,408
Fee for management services	20,000,000	-
	<u>20,320,844</u>	<u>1,398,408</u>

20. Other income	March 31, 2016	March 31, 2015
Interest income on bank deposits	5,011,043	3,152,594
Other Non-operating income	3,992,305	6,666,134
	<u>9,003,348</u>	<u>9,818,728</u>

21. Cost of raw material and components consumed	March 31, 2016	March 31, 2015
Raw materials consumed:		
Opening stock	60,174,271	79,499,877
Add : Purchases	278,029,980	283,477,858
Less: Closing stock	49,230,798	60,174,271
	<u>288,973,453</u>	<u>302,803,464</u>
Packing materials consumed:		
Opening stock	1,007,689	1,117,021
Add : Purchases	28,484,096	29,124,649
Less: Closing stock	744,645	1,007,689
	<u>28,747,140</u>	<u>29,233,981</u>
	<u>317,720,593</u>	<u>332,037,445</u>

22. (Increase)/decrease in inventories	March 31, 2016	March 31, 2015
Inventory at the end of the year		
Work-in-progress	3,044,303	1,803,338
Traded goods	200,123,090	231,059,434
Finished goods	200,315,578	171,148,109
Excise duty on finished goods	3,343,645	8,925,060
	<u>406,826,616</u>	<u>412,935,941</u>



Indian Furniture Products Limited**Notes to financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees unless stated otherwise)

Inventory at the beginning of the year

Work-in-progress	1,803,338	448,742
Traded goods	231,059,434	252,782,054
Finished goods	171,148,109	180,303,226
Excise duty on finished goods	8,925,060	11,694,369
	412,935,941	445,228,391

(Increase)/decrease in inventories

	6,109,325	32,292,450
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Details of inventory

	March 31, 2016	March 31, 2015
Furniture and accessories:		
Traded goods	200,123,090	231,059,434
Work-in-progress	3,044,303	1,803,338
Finished goods	200,315,578	171,148,109
	403,482,970	404,010,881

23. Employee benefits expense

	March 31, 2016	March 31, 2015
Salaries, wages, bonus and allowances	158,746,280	211,864,982
Contribution to provident and other funds	8,347,524	11,760,557
Gratuity expense (Also refer Note 37)	-	1,848,064
Staff welfare expenses	7,248,584	12,460,895
	174,342,389	237,934,498

24. Depreciation and amortisation expense

	March 31, 2016	March 31, 2015
Depreciation of tangible assets	24,030,048	34,410,269
Amortisation of intangible assets	2,043,734	3,687,506
	26,073,782	38,097,775

25. Finance cost

	March 31, 2016	March 31, 2015
Interest		
- to banks	59,352,162	59,737,141
- to others	17,765,533	16,419,278
Bank charges	18,163,988	19,234,465
	95,281,683	95,390,884

26. Other expenses

	March 31, 2016	March 31, 2015
Power, fuel and water	32,600,595	33,227,361
Stores and consumables	6,445,153	8,370,748
Repairs and maintenance:		
- Buildings	679,070	1,327,619
- Plant and machinery	1,196,825	1,613,239
- Others	15,623,452	23,014,283
Outward freight and handling	105,464,223	89,034,124
Contract labour	17,892,736	17,207,618
Commission	16,892,561	12,055,402
Rent	117,359,594	156,348,496
Provision for doubtful debts and advances	10,824,877	6,909,089
Rates and taxes	10,102,167	12,119,175
Insurance	6,069,037	8,266,801
Travel	17,496,496	24,814,837
Legal and Professional Charges	2,805,271	6,964,439
Payment to auditors (Refer details below)	1,540,600	1,310,960
Communication expenses	5,744,319	8,173,600
Advertisement	35,480,401	69,924,174
Provision for warranties	621,388	809,132
Loss on foreign exchange (net)	2,593,793	336,302
Loss on sale of fixed asset (net)	47,324	1,918,765
Miscellaneous expenses	6,886,170	10,406,301
	414,366,051	494,152,465



Indian Furniture Products Limited**Notes to financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees unless stated otherwise)

Payment to auditor	March 31, 2016	March 31, 2015
As auditor:		
- Statutory audit fees	1,236,600	1,011,240
- Tax audit fees	229,000	224,720
- Out of pocket expenses	75,000	75,000
	1,540,600	1,310,960

27. Earnings / (Loss) per share

	March 31, 2016	March 31, 2015
Loss after tax	(111,117,123)	(135,848,123)
Weighted average number of equity shares of Rs 10 each	70,241,936	70,099,470
Basic and diluted loss per share	(1.58)	(1.94)

28. Details of foreign currency exposures that are not hedged by derivative instruments or otherwise.

Particulars	Currency	Amount in foreign currency	Equivalent amount in Rs.
Payables	USD	706,692 (464,560)	46,821,896 (29,077,183)
	Euro	45,996 -	3,467,871 -
Receivables	AED	- (780,881)	- (13,105,030)

Figures in brackets are in respect of the previous year

29. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no dues to Micro, Small and Medium Enterprises which are out standing for more than 45 days as at 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.

30. The Company had placed on January 1, 2009, a short term intercorporate Deposit (ICD) amounting to Rs 100 million for a period of 3 months with M/s Straight Curve Ideas Private Ltd (Straight Curve). The deposit carried an interest rate of 15% p.a and out of the aggregate interest accrued from inception of deposit to March 31, 2010 of Rs. 18,328,767 Straight Curve has made payments (including Tax Deducted at Source) aggregating to Rs.5,828,767. On account of the continuing default by Straight Curve in respect of payment of principal and interest, the Company has suspended accruing for further interest with effect from April 1, 2010. Further the Company has initiated legal proceedings for the recovery of the outstanding amount. The Company is of the view that based on the actions initiated, personal guarantee provided by one of the directors of Straight Curve and pledge of shares of straight curve obtained as security, the amount outstanding is fully recoverable and hence, no provision has been made in the financial statements in this regard. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

31. Contingent liabilities

Based on the assessment made by the management, no provision is required for the below mentioned contingent liabilities.

Claims against the company not acknowledged as debts

Particulars	March 31, 2016	March 31, 2015
In respect of:		
- Income tax matters *	10,715,635	-
- Sales tax matters **	11,088,556	9,393,812
- Service tax matters ****	11,910,719	11,910,719
	33,714,910	21,304,531

* Amount includes deposits made under protest Rs. 380,442.

** Amount includes deposits made under protest for Rs. 473,254.

*** Amount includes deposits made under protest for Rs. 2,125,000.

The Company is contesting the demands raised by the respective tax authorities and the management, including its tax advisers, believe that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

There are no litigations, the outcome of which is considered probable and hence no provision has been made in this regard.

32

(a) Percentage of indigenous / imported raw materials consumed to total raw materials consumed

	March 31, 2016		March 31, 2015	
	%	Rs.	%	Rs.
Indigenous	53%	154,490,138	54%	163,234,102
Imported	47%	134,483,315	46%	139,569,362
	100%	288,973,453	100%	302,803,464

(b) Percentage of indigenous / imported consumption of stores and consumables consumed

	March 31, 2016		March 31, 2015	
	%	Rs.	%	Rs.
Indigenous	100%	6,445,153	100%	8,357,687
Imported	0%	-	0%	13,060
	100%	6,445,153	100%	8,370,747

33. Expenditure in foreign currency (accrual basis)

	March 31, 2016	March 31, 2015
Travelling	271,092	480,486
Commission	-	237,173
Interest	-	391,384
Salary	1,773,781	651,000
Rates and taxes	453,390	525,198
Expenses Reimbursement	418,625	177,655
	2,916,887	2,462,896

34. Value of imports calculated on CIF basis

	March 31, 2016	March 31, 2015
Raw materials	114,892,585	108,055,039
Spares & Consumables	362,910	123,407
Traded goods	80,662,718	71,451,081
	195,918,214	179,629,527



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

35. Operating lease commitments

The Company has entered into commercial leases on certain office premises. These leases have an average life of between three and nine years.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	March 31, 2016	March 31, 2015
Within one year	92,336,359	105,488,385
After one year but not more than five years	260,014,360	371,097,546
More than five years	40,044,820	86,599,355



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

36. Related party transactions

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

Holding company: Zuari Global Limited (ZGL) - (Formerly Zuari Industries Limited)

Related parties with whom transactions have taken place during the year:

Company under common control

- Chambal Fertiliser And Chemicals Ltd (CFCL)
- Zuari Agro Chemicals Limited (ZACL) (Formerly Zuari Holding Limited)
- Globex Limited
- Adventz Infra World India Limited (AFIL)
- Zuari Fertilisers and chemicals ltd (ZFL)
- Paradeep Phosphates Limited (PPL)
- Simon India Limited (SIL)
- Zuari Investments Limited (ZINL)
- Govind Sugal Mills Ltd (GSL)
- Zuari Management Services Limited (ZMSL)

Subsidiary: Soundarya IFPL Interiors Ltd (SIFL)

Key Management Personnel:

- Mr. Devender Kumar Jairath, Whole Time Director (From April 26, 2013 to September 02, 2014)
- Mr. P.K Gandhi, Whole Time Director (From September 03, 2014)
- Mr. A.T.Sudhakaran, Chief Financial Officer (resigned with effect from July 15, 2015)
- Ms. S.S.Simi, Company Secretary (resigned with effect from October 28, 2015)
- Mr. Prasanta Das, Chief Financial Officer (With effect from July 23, 2015)

The following transactions were carried out with the related parties during the year

S.No		Holding company	Subsidiary	Company under common control									Key Management Personnel
		ZGL	SIFL	ZACL	ZINL	ZFL	PPL	SIL	ZMSL	SSFL	GSL	CFCL	
1	Sale of goods	5,846,447	-	14,142,350	-	-	424,439	2,462,010	-	-	-	554,515	-
		-	-	(6,080,731)	-	-	(161,314)	-	-	-	(3,100,442)	-	-
2	Management fees	-	20,000,000	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
3	Interest paid	-	-	-	-	-	-	13,288,437	-	-	-	-	-
		-	-	-	-	-	-	(13,500,004)	-	-	-	-	-



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2016
(All amounts are in Indian Rupees unless stated otherwise)

36. Related party transactions

S.No	Holding company	Subsidiary	Company under common control										Key Management Personnel				
			ZGL	SIFL	ZACL	ZINL	ZFL	PPL	SIL	ZMSL	SSFL	GSL		CFCL			
4	-	-	-	-	(829,620)	-	(28,090)	-	-	24,343 (21,8772)	-	-	493 (428,618)	-	-	-	-
5	-	3,160,448 (5,654,119)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	-	1,000,230 221,558	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-	90,000,000	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-	-	-	-	(650,000)	-	-	-	-
10	-	-	-	-	(70,000,000)	-	-	-	-	-	-	-	-	-	-	-	-
11	(100,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,409,425)
a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,103,225 (3,424,672)
b	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

36. Related party transactions

S.No	Holding company	Subsidiary	Company under common control										Key Management Personnel	
			ZGL	SIFL	ZACL	ZINL	ZFL	PPL	SIL	ZMSL	SSFL	GSL		CFCL
c														
	Simi.S.S													
	Salary and bonus.	-	-	-	-	-	-	-	-	-	-	-	-	346,676
		-	-	-	-	-	-	-	-	-	-	-	-	(603,078)
d														
	Prasanta Das													1,337,966
	Salary and bonus.	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Balance due to	100,000	-	72,915,808	1,783	4,601	22,579	7,814,871	-	-	-	-	-	-
		(100,000)	(22,021)	70,028,991	(1,783)	(4,601)	(46,922)	102,995,888	(493)	-	-	-	-	-
14	Balance due from	-	30,148,466	-	-	-	-	-	-	-	-	-	-	-
		-	(7,000,000)	-	-	-	-	-	-	-	-	(57,975)	-	-

* Mr.Devender Kumar Jairath, Whole Time Director has resigned from the company with effect from September 2, 2014.

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

Figures in brackets pertain to the previous year



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

37. Employee benefits

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five year of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is non funded.

Defined benefit plans-as per Actuarial valuation		31-Mar-16	31-Mar-15
		Gratuity	Gratuity
A	Components of employer expenses		
	Current service cost	1,560,221	2,447,259
	Interest cost	1,365,651	1,691,189
	Actuarial (gain) /loss	(3,889,598)	(2,290,382)
	Past service cost	-	-
	Total expenses	(963,726)	1,848,066
B	Net asset / (liability) recognised in the balance sheet as at 31st March 2016		
	Present value of obligation	14,032,235	19,145,305
	Liability	(14,032,235)	(19,145,305)
C	Change in the obligation during the year		
	Present value of defined benefit obligation at the beginning of the year	19,145,305	19,668,633
	Current service cost	1,560,221	2,447,259
	Interest cost	1,365,651	1,691,189
	Actuarial (gain) / loss	(3,889,598)	(2,290,382)
	Benefits paid	(4,149,344)	(2,371,394)
	Present value of defined benefit obligation at the end of the year	14,032,235	19,145,305
D	Principal actuarial assumptions		
	Discount rate	7.75%	8.00%
	Salary escalation	5.00%	5.00%
	Attrition rate	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

38. Loans given to Soundarya IFPL Interiors Limited (subsidiary)

Balance as at 31 March 2016 Rs. 7,000,000 (31 March 2015: Rs. 7,000,000)

Maximum amount outstanding during the year Rs. 7,000,000 (31 March 2015: Rs. 7,000,000)

There is no repayment schedule in respect of this loan. It is repayable on demand.

39. Amalgamation with Style Spa Furniture Limited

The Honorable High Court of Madras, on 27 March 2014, sanctioned a scheme of amalgamation (the scheme) under sections 391 to 394 of the Companies Act, 1956. In accordance with the scheme, Style Spa Furniture Limited ("SSFL"/ transferor company) merges with the Company with effect from 1 April 2014. In accordance with the High Court order, the Company has taken over net liabilities aggregating to Rs. 86,292,126. The Company had issued 15 (Fifteen) Equity shares of IFPL of Rs.10 each (fully paid) as consideration for every 14 (Fourteen) Equity shares of Rs.10 (fully paid) of Style Spa Furniture Limited (SSFL) to the shareholders of SSFL. The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor company were adjusted in the reserves.



Indian Furniture Products Limited

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

(All amounts are in Indian Rupees unless stated otherwise)

40. Appointment of company secretary

In accordance with section 203 of the Companies Act, 2013, a Public limited Company (not being a Listed Company) having paid up capital of Rs. 10 crore or more, is required to appoint key managerial personnel, which also includes a Company Secretary. The existing Company secretary of the Company had resigned on October 28, 2015. However, subsequent to resignation, the Company is still in the process of appointing a Company secretary on a whole time basis.

41. Previous year comparatives

Previous year's figures have been regrouped where necessary to conform to current year's classification.

As per our report of even date.

For S.R. Batliboi & Associates LLP

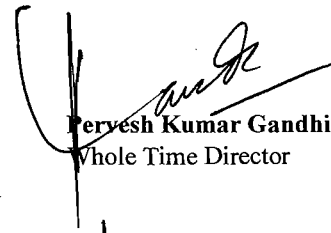
Chartered Accountants

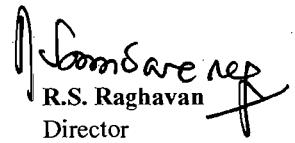
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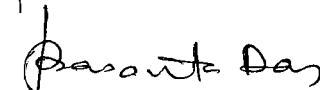
For and on behalf of the Board of Indian Furniture Products Limited

Aniruddh Sankaran
Partner
Membership No: 211107




Pervesh Kumar Gandhi
Whole Time Director


R.S. Raghavan
Director



Prasanta Das
Chief Financial Officer

Place : Chennai
Date: May 09, 2016

Place : Chennai
Date: May 09, 2016