

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Furniture Products Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Indian Furniture Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit. 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. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, 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 the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such internal control. An audit also includes evaluating the appropriateness of 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Basis for qualified opinion

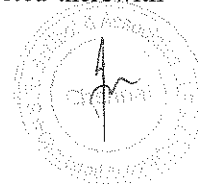
Loans and advances in Note 12 to the financial statements include Rs. 112.5 million (Previous year – Rs. 112.5 million), representing intercompany deposits and interest thereon upto March 31, 2010 recoverable from Straight Curve Ideas Private Limited (“SCIPL”). As more fully discussed in Note 30 to the financial statements, the Company has initiated legal proceedings against SCIPL, and is confident of recovery of the amount outstanding. In view of the legal uncertainties involved, we are unable to comment on the possible adjustments, if any, that may be required to be made to the financial statements in this regard. Our audit opinion on the financial statements for the year ended March 31, 2014 was also qualified in respect of this matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2015, of its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s report) Order, 2015 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, 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 possible effects of the matter(s) 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 appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

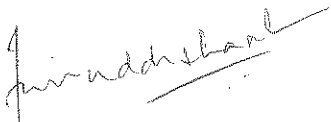


S.R. BATLIBOI & ASSOCIATES LLP

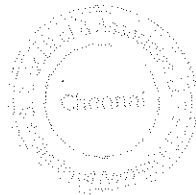
Chartered Accountants

- (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. To the extent discussed in the Basis for Qualified Opinion paragraph above, the Company has not recorded the impact of pending litigations on its financial position in its financial statements.
 - 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.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W



per **Aniruddh Sankaran**
Partner
Membership Number: 211107

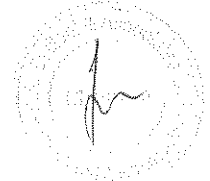


Place of Signature: Chennai
Date: April 28, 2015

Annexure referred to in paragraph 1 under the section 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Indian Furniture Products Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) (a) The Company has granted loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are re-payable on demand. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Company.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

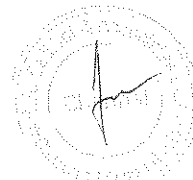
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. Undisputed statutory dues pertaining to sales-tax and value added tax have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Statute	Nature of dues	Amount (in millions)	Period to which amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1941	Sales Tax	1.97 (1.97)	2003-04	West Bengal Appellate and Revision Board
West Bengal Sales Tax Act, 1941	Value added Tax	0.74* (0.74)	2006-07	Joint Commissioner (Appeals)
Finance Act, 1994	Service Tax	9.00** (9.00)	2005-07	CESTAT
Finance Act, 1994	Service Tax	0.20 (.20)	2004-11	Commissioner (Appeals)
Finance Act, 1994	Service Tax	2.91 (2.91)	2007-08	CESTAT
West Bengal Sales Tax Act, 1941	Sales Tax	5.90 (5.90)	2004-05	Joint Commissioner, (Appeals)
Uttar Pradesh Sales tax Act, 1948	Sales Tax	0.27*** (0.27)	2012-13	Additional Commissioner, (Appeals)
West Bengal Sales Tax Act, 1941	Sales Tax	0.36 (0.36)	2001-02	Deputy Commissioner (Appeals)
West Bengal Sales Tax Act, 1941	Sales Tax	0.76 (0.76)	2003-04	Revision board
West Bengal Sales Tax Act, 1941	Sales Tax	0.39 (0.39)	2009-10	Commercial Tax Appellate Authority
Kerala VAT Act, 2003	Sales Tax	1.69 **** (1.69)	2009-11	Deputy Commissioner (Appeals)

* Amount includes deposit made under protest- Rs. 0.74

** Amount includes deposit made under protest- Rs. 2.12

*** Amount includes deposit made under protest- Rs. 0.27



S.R. BATLIBOI & ASSOCIATES LLP

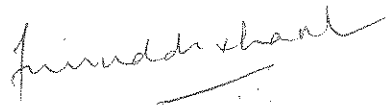
Chartered Accountants

**** Amount includes deposit made under protest- Rs. 0.47

Figures in brackets are in respect of the previous year

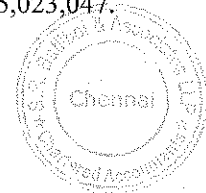
- (d) According to the information and explanations given to us, the provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to the company.
- (viii) Without considering the consequential effects, if any, of the matter(s) stated in the Basis for Qualified Opinion paragraph of our auditors' report, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) We have been informed that, during the year under audit, there have been seven instances of fraud on the Company in the nature of misappropriation of funds and inventory aggregating Rs. 5,828,326. The Company has dismissed the employees and withheld their terminal benefits amounting to Rs. 805,279. Investigations are in progress, pending which the Company has made a provision for the balance amount of Rs. 5,023,047.

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



per Aniruddh Sankaran
Partner
Membership Number: 211107

Place of Signature: Chennai
Date: April 28, 2015



Indian Furniture Products Limited
Balance Sheet as at March 31, 2015
(All amounts are in Indian rupees unless otherwise stated)

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders funds			
Share capital	3	700,994,700	465,000,800
Reserve and surplus	4	(688,626,147)	(230,492,001)
		<u>12,368,553</u>	<u>234,508,799</u>
Non-Current Liabilities			
Long- term borrowings	5	44,688,882	48,094,126
Deferred tax liability (net)	6	-	-
Long- term provisions	7	16,934,502	10,434,326
		<u>61,623,384</u>	<u>58,528,452</u>
Current liabilities			
Short - term borrowings	8	530,271,488	413,795,628
Trade payables	9	283,814,908	228,585,749
Other current liabilities	10	214,004,478	82,164,206
Short term provisions	7	15,906,714	8,919,088
		<u>1,043,997,588</u>	<u>733,464,671</u>
Total		<u><u>1,117,989,525</u></u>	<u><u>1,026,501,922</u></u>

ASSETS

Non Current Assets

Fixed assets	11		
Tangible asset	11a	211,987,540	201,131,011
Intangible asset	11b	4,201,482	1,857,239
Loans and advances	12	60,582,939	20,171,757
Other non - current assets	13	8,627,906	-
		<u>285,399,867</u>	<u>223,160,007</u>

Current Assets

Current Investments	14	1,250,010	-
Inventories	15	480,998,811	389,397,911
Trade receivables	16	131,163,043	267,999,671
Cash and bank balances	17	65,220,260	13,781,547
Loans and advances	12	153,203,215	131,504,863
Other current assets	18	754,319	657,923
		<u>832,589,658</u>	<u>803,341,915</u>
Total		<u><u>1,117,989,525</u></u>	<u><u>1,026,501,922</u></u>

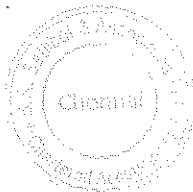
Summary of significant accounting policies 2.2

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

As per our report of even date.

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

Aniruddh Sankaran
Aniruddh Sankaran
Partner
Membership No: 211107



Place: Chennai
Date: April 28, 2015

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

Pervesh Kumar Gandhi
Pervesh Kumar Gandhi
Whole Time Director

Simi.S.S.
Simi.S.S.
Company Secretary
Place: Chennai
Date: April 28, 2015

R.S.Raghavan
R.S.Raghavan
Director

A.T.Sudhakaran
A.T.Sudhakaran
Chief Financial Officer

Indian Furniture Products Limited**Statement of Profit and loss for the year ended March 31, 2015***(All amounts are in Indian Rupees, unless otherwise stated)*

	Notes	March 31, 2015	March 31, 2014
INCOME			
Revenue from operations (gross)		1,435,594,911	1,226,600,280
Less: Excise duty		(94,978,583)	(81,530,945)
Revenue from operations (net)	19	1,340,616,328	1,145,069,335
Other income	20	9,818,728	733,748
Total Revenue (A)		1,350,435,056	1,145,803,083
EXPENSES			
Cost of raw materials and components consumed	21	332,037,445	387,315,078
Purchase of traded goods	21	257,440,616	391,228,199
(Increase)/decrease in inventories	22	32,292,450	(20,081,608)
Employee benefits expenses	23	253,822,346	138,559,011
Net depreciation and amortisation expenses	24	38,097,775	23,105,519
Finance costs	25	95,390,884	72,672,932
Other expenses	26	477,201,663	227,708,691
Total Expenses (B)		1,486,283,179	1,220,507,822
Loss before tax		(135,848,123)	(74,704,739)
Tax expenses			
Current tax		-	-
Current tax adjustment - relating to earlier years		-	(413,306)
Loss for the year		(135,848,123)	(74,291,433)

Earnings per share [Nominal value of share Rs.10
(March 31, 2014 : Rs.10)]

Basic and diluted	27	(1.94)	(2.24)
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Summary of significant accounting policies 2.2

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

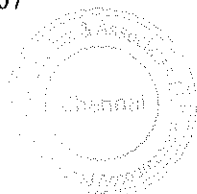
As per our report of even date.

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

Aniruddh Sankaran
Aniruddh Sankaran

Partner
Membership No: 211107

Place: Chennai
Date: April 28, 2015



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

Pervesh Kumar Gandhi
Pervesh Kumar Gandhi
Whole Time Director

Simi.S.S
Simi.S.S
Company Secretary
Place: Chennai
Date: April 28, 2015

R.S.Raghavan
R.S.Raghavan
Director

A.T.Sudhakaran
A.T.Sudhakaran
Chief Financial Officer

Indian Furniture Products Limited
Cash Flow Statement for the year ended March 31, 2015
(All amounts are in Indian rupees unless otherwise stated)

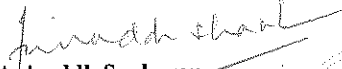
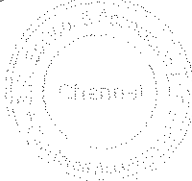
	Year ended March 31, 2015	Year ended March 31, 2014
A. Cash flow from Operating Activities		
Net profit/(loss) before taxation	(135,848,123)	(74,291,433)
Adjustments for:		
(Profit) / Loss on sale of fixed assets (net)	1,918,765	860,599
Depreciation /Amortisations on Tangible & Intangible Assets	38,097,775	23,105,519
Unrealised exchange difference (net)	5,853	(3,181,999)
Interest expense	76,156,419	62,956,219
Interest Income	(3,152,594)	(544,334)
Bad debts/advances written off	6,909,089	1,036,341
Operating profit before working capital changes	(15,912,816)	9,940,912
Adjustment for :		
(Increase)/Decrease in Inventories	48,853,179	(13,431,608)
(Increase)/Decrease in Trade receivables	161,869,431	(98,390,418)
(Increase)/Decrease in Short term Loans and advances	(9,117,429)	3,758,257
(Increase)/Decrease in Long term Loans and advances	9,272,714	2,416,148
Increase/(Decrease) in Trade payables	(164,999,427)	10,333,193
Decrease / (increase) in other current assets	565,388	-
Increase/(Decrease) in Other current liabilities	64,254,026	(4,328,252)
Increase/(Decrease) in Current Liabilities and Provisions	(4,385,252)	(2,065,445)
Cash generated from / (used in) operations	106,312,630	(101,708,125)
Cash generated from / (used in) operations	90,399,814	(91,767,213)
Direct taxes paid	(480,908)	(90,822)
Net cash from / (used) in operating activities	89,918,906	(91,858,035)
B. Cash flow from Investing Activities		
Purchase of fixed assets, including Intangible assets & Capital Advances	(18,527,087)	(1,532,600)
Proceeds from sale of fixed assets	1,310,303	804,558
Investment in bank deposit (having original maturity of more than 3 months)	(30,925,392)	(604,963)
Investment in subsidiary	(1,250,010)	-
Interest received	3,152,594	408,783
Net cash from / (used) in investing activities	(46,239,592)	(924,222)
C. Cash flow from Financing Activities		
Long term borrowings repaid	(5,393,130)	(22,500,000)
Proceeds from long term borrowings		28,000,441
Proceeds from issuance of equity share capital	-	35,000,000
Inter Corporate Deposit received	40,000,000	-
Proceeds from short term borrowings, net	(42,190,021)	107,354,439
Interest paid	(73,182,487)	(62,486,743)
Net Cash flows from / (used) in Financing Activities	(80,765,638)	85,368,137
Net increase in cash and cash equivalents (A + B + C)	(37,086,324)	(7,414,120)



Indian Furniture Products Limited
Cash Flow Statement for the year ended March 31, 2015
(All amounts are in Indian rupees unless otherwise stated)


	<u>Year ended</u> <u>March 31, 2015</u>	<u>Year ended</u> <u>March 31, 2014</u>
Components of cash and cash equivalents		
Cash and cash equivalents at the beginning of the year (refer note 2.1(b))	78,393,136	16,285,984
Cash and cash equivalents at the end of the year	41,306,812	8,871,864
Components of cash and cash equivalents as at year end		
Cash in hand	4,363,596	152,788
Balances with scheduled banks		
- in current accounts	27,302,125	8,719,076
- in deposit accounts	42,182,445	4,909,683
	73,848,166	13,781,547
Less: Deposits having original maturity of more than 3 months	(32,541,354)	(4,909,683)
	<u>41,306,812</u>	<u>8,871,864</u>

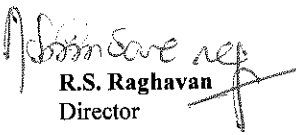
As per our report of even date


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

Aniruddh Sankaran
Partner
Membership No: 211107



Place: Chennai
Date: April 28, 2015

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


Pervesh Kumar Gandhi
Whole Time Director


R.S. Raghavan
Director


Simi.S.S
Company Secretary


A.T. Sudhakaran
Chief Financial Officer

Place: Chennai
Date: April 28, 2015

Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(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

2.1 (a) Operational outlook

As at March 31, 2015, the Company's accumulated losses of Rs. 693,959,547 has nearly eroded approximately 97% of the shareholders' funds of Rs. 706,328,100. 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.

2.1 (b) Amalgamation with Style Spa Furniture Limited

The Board of Directors at its meeting held on October 23, 2013 approved the scheme of amalgamation of Style Spa Furniture Limited ("SSFL") with the Company with the appointed date as April 01, 2014 ('Scheme of Amalgamation'). The Scheme of Amalgamation was sanctioned by an order dated March 27, 2014, of the High Court of Judicature of Madras effective from April 1, 2014. The Company has accounted for the merger as per the terms of the scheme of amalgamation, as more fully disclosed in Note 38.

2.2 Summary of significant accounting policies

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 except for the change in accounting policy explained below.

Change in accounting policy

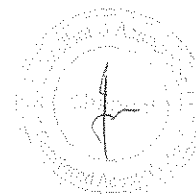
a. Depreciation on Fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

(i) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. Had the Company continued its earlier policy of depreciation based on Schedule XIV rates, profits for the current year would have been lower by Rs. 7,306,016.



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

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

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than Rs. 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the company for the current year.

b. 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.

c. 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.

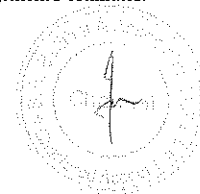
Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

d. 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
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

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



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

e. 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.

f. 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.

g. 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.



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

h. 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

Service income is recognised as and when the services are performed using percentage of completion method.

Interest

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.

i. 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.

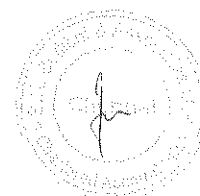
(iii) Exchange differences

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.

j. 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.



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

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.

k. 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.

l. Segment Reporting

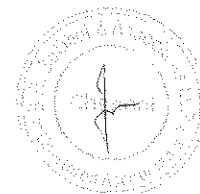
The Company considers business segment as its primary segment. The company's operations predominantly relates to sale of furnitures and accordingly, this is the only primary reportable segment. The company considers geographical segment as its secondary segment. The company's operations are predominantly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

m. 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.

n. 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.



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

o. 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.

p. 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.

q. 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.

r. Amalgamation accounting

The company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

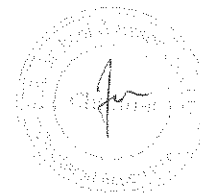
- (i) All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- (ii) Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.
- (iii) The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- (iv) The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- (v) The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The company accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires the company to recognize any non-cash element of the consideration at fair value. The company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor company is transferred to the general reserve. 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 is adjusted in reserves.

An amalgamation in the nature of purchase is accounted for using the purchase method. The cost of an acquisition/ amalgamation is measured as the aggregate of the consideration transferred, measured at fair value. Other aspects of accounting are as below:

- (i) The assets and liabilities of the transferor company are recognized at their fair values at the date of amalgamation. The reserves, whether capital or revenue, of the transferor company, except statutory reserves, are not recognized.
- (ii) Any excess consideration over the value of the net assets of the transferor company acquired is recognized as goodwill. If the amount of the consideration is lower than the value of the net assets acquired, the difference is treated as capital reserve.
- (iii) The goodwill arising on amalgamation is amortized to the statement of profit and loss on a systematic basis over its useful life not exceeding five years.



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

3. Share capital

	March 31, 2015	March 31, 2014
Authorised shares		
72,600,000 (March 31, 2014: 49,600,000) equity shares of Rs. 10/- each	726,000,000	496,000,000
1,130,220 (March 31, 2014: Nil) preference Shares of Rs. 100/- each	113,022,000	-
	839,022,000	496,000,000
Issued, subscribed and fully paid-up		
70,099,470 (March 31, 2014: 46,500,080) equity shares of Rs. 10/- each, fully paid up	700,994,700	465,000,800
Total issued, subscribed and fully paid-up share capital	700,994,700	465,000,800

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

Particulars	March 31, 2015		March 31, 2014	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Shares outstanding at the beginning of the year	46,500,080	465,000,800	33,000,080	330,000,800
Issued during the year	23,599,390	235,993,900	13,500,000	135,000,000
Outstanding at the end of the year	70,099,470	700,994,700	46,500,080	465,000,800

Note: March 31, 2014 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.

The shares issued during the year have been issued pursuant to the scheme of amalgamation as referred to in Note 2.2

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

Name of the Shareholder	March 31, 2015		March 31, 2014	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Zuari Global Limited (formerly Zuari Industries Limited) (72.45%)	50,785,714	507,857,140	46,500,080	465,000,800
Zuari Investment Ltd (10.05%)	7,044,643	70,446,430	-	-
Adventz Investment Company Private Limited (10.09%)	7,071,429	70,714,290	-	-
Others (7.41%)	5,197,684	51,976,840	-	-
	70,099,470	700,994,700	46,500,080	465,000,800

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



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

d. Aggregate number of shares issued for consideration other than cash

Equity shares allotted as fully paid-up pursuant to amalgamation for

March 31, 2015	March 31, 2014
23,599,390	-
23,599,390	-

4. Reserves and surplus

Securities premium account

Balance as per the last financial statements

March 31, 2015	March 31, 2014
5,333,400	-

(Deficit) in the statement of profit and loss

Balance as per the last financial statements

Add: (Net Loss) for the current year

Net deficit in the statement of profit and loss

(558,111,424)	(156,200,568)
(135,848,123)	(74,291,433)
(688,626,147)	(230,492,001)

5. Long-term borrowings

	Non-current portion		Current portion	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
a. Term loans from banks	5,371,539	-	3,600,000	12,309,825
b. Working capital term loan (secured)	34,374,999	31,874,999	12,500,000	3,125,001
c. Other loans				
Deferred sales tax loan	4,942,344	16,219,127	11,276,786	14,064,731
Amount disclosed under the head "other current liabilities" (note 10)			(27,376,786)	(29,499,557)
	44,688,882	48,094,126	-	-

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 bank was taken during the year 2011-12 and carries an annual Interest @13.50% - 13.75% [previous year 13.75%]. The loan is repayable in 48 equal instalments starting from April 2012 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).

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 WCLT 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.



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

6. Deferred tax liability (Net)

	March 31, 2015	March 31, 2014
Deferred tax liability		
Fixed assets: Impact of the difference between income tax depreciation and depreciation/ amortization charged for the financial reporting	2,212,386	14,596,366
	2,212,386	14,596,366
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	1,962,364	5,997,397
Unabsorbed depreciation and business loss	-	8,317,150
Provision for doubtful debts and advances	-	-
Provision for warranties	250,022	281,819
	2,212,386	14,596,366
Deferred tax liability (Net)	-	-

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, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for employee benefits				
Provision for gratuity (Also refer note 37)	16,934,502	10,434,326	2,210,803	1,471,595
Provision for leave benefits	-	-	12,886,779	6,578,889
	16,934,502	10,434,326	15,097,582	8,050,484
Other provisions				
Provision for warranties	-	-	809,132	868,604
	16,934,502	10,434,326	15,906,714	8,919,088

Movement in provision for warranty

Particulars	March 31, 2015	March 31, 2014
Balance at the beginning of the year	868,604	902,469
Add: Additions	809,132	868,604
Less: Reversal of Provision made	(868,604)	(902,469)
Balance at the end of the period	809,132	868,604



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

8. Short term borrowings

	March 31, 2015	March 31, 2014
a. Cash credit from bank (secured)	378,639,972	343,981,569
b. Inter corporate deposits (unsecured and repayable on demand)		
- From Others	140,000,000	30,000,000
c. Buyers Credit (Secured)	11,631,516	39,814,059
	530,271,488	413,795,628

Cash credit from bank is secured against security on stocks and book debts and fixed assets as collateral. The cash credit is repayable on demand and carries interest @ 13.75% p.a

The Company had received an inter corporate deposit from M/s. Simon India Limited of Rs.100,000,000 and M/s/ Duke Commerce Limited of Rs. 40,000,000 @ 13.5% interest in the year 2010-11 and the loan is repayable on demand.

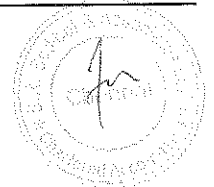
Company has taken buyers credit for the import LC payment. Each BC will be payable to the buyers credit party with different agreed date along with interest. Buyers credit is secured against first paripasu charges on all Current Assets of the company, both present and future. Holds first paripasu charge 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 paripasu 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, 2015	March 31, 2014
Trade payables	283,814,908	228,585,749
(Refer Note 29 for details of dues to micro, small and medium enterprises)		
	283,814,908	228,585,749

10. Other current liabilities

	March 31, 2015	March 31, 2014
Current maturities of long-term borrowing (Refer note	27,376,786	29,499,557
Interest accrued but not due on borrowings	3,552,730	469,476
Advances received from customers and others	13,042,226	3,340,772
Advances received for sale of land	70,000,000	-
Security deposits from dealers and employees	34,279,815	8,225,000
Others		
TDS payable	2,572,223	819,865
Excise & service tax payable	19,803,483	13,314,202
Employee related payables	28,692,713	17,000,274
Sales Tax and VAT	14,684,502	9,495,060
	214,004,478	82,164,206



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

12. Loans and advances (Unsecured, considered good)

	Non-Current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Security Deposit	50,949,615	14,386,848	3,387,284	3,395,135
(A)	50,949,615	14,386,848	3,387,284	3,395,135
Inter Corporate Deposit (Refer Note 30)	-	-	119,500,000	112,500,000
(B)	-	-	119,500,000	112,500,000
Advances recoverable in cash or kind	-	-	15,372,958	5,599,578
(C)	-	-	15,372,958	5,599,578
Others				
Advance income tax (net of provision for tax)	9,633,324	5,601,576	-	-
Prepaid expenses		173,592	8,039,016	5,448,177
Loans to employee	-	9,741	639,432	711,065
Balances with customs, port trust and excise authorities	-	-	6,264,525	3,850,908
(D)	9,633,324	5,784,909	14,942,973	10,010,150
Total (A+B+C+D)	60,582,939	20,171,757	153,203,215	131,504,863

13. Other non - current assets

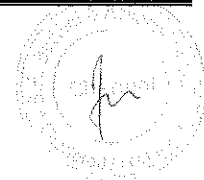
	March 31, 2015	March 31, 2014
Non-Current Bank Balances	8,627,906	-
	8,627,906	-

14. Current Investments

	March 31, 2015	March 31, 2014
Investment in Soundarya IFPL Interiors Ltd. 125,001 shares (March 31, 2014: Nil) of Soundarya IFPL Interiors Ltd @ Rs. 10 per share	1,250,010	-
	1,250,010	-

15. Inventories

	March 31, 2015	March 31, 2014
Raw materials	60,174,271	79,499,877
Work-in-progress	1,803,338	448,742
Finished goods	171,148,109	180,303,226
Traded goods	231,059,434	111,477,214
Stores and spares	15,805,970	16,551,831
Packing materials	1,007,689	1,117,021
	480,998,811	389,397,911



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

Details of Inventory - raw material

Particulars	March 31, 2015	March 31, 2014
Particle boards	20,702,219	19,884,942
Decorative papers	10,133,099	26,052,284
Others	29,338,953	33,562,651
	60,174,271	79,499,877

Details of inventory of traded goods

Furniture and accessories	231,059,434	111,477,214
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Details of inventory of finished goods

Furniture and accessories	171,148,109	180,303,226
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16. Trade receivables

	March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good, (Secured)	726,148	200,000
Considered good, (Unsecured)	19,284,918	5,841,267
Considered Doubtful, (Unsecured)	3,600,703	1,036,341
(A)	23,611,769	7,077,608
Other receivables		
Considered good, (Secured)	6,739,601	5,260,126
Considered good, (Unsecured)	104,412,376	256,698,278
(B)	111,151,977	261,958,404
Less: Provision for doubtful receivables	(C)	(3,600,703)
Total (A+B+C)	131,163,043	267,999,671

17. Cash and bank balances

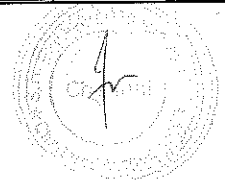
	March 31, 2015	March 31, 2014
Cash and cash equivalents		
Balance with banks:		
On Current accounts	17,887,508	3,683,216
Cheques / draft on hand	9,414,617	5,035,860
Cash on hand	4,363,596	152,788
	31,665,721	8,871,864
Other bank balances		
- Margin money deposits	9,641,091	4,909,683
- Deposits with original maturity for more than 12	31,197,812	-
- Deposits with original maturity for more than 3	1,343,542	-
	73,848,166	13,781,547
Amount disclosed under non-current assets (Note 13)	(8,627,906)	-
	65,220,260	13,781,547

Margin money deposits given as security

Margin money deposits with carrying amount of Rs.9,641,091 (March 31, 2014 - Rs.4,909,683) are subject to first charge to secure the Company's Bank Guarantee.

18. Other Current Assets

	March 31, 2015	March 31, 2014
Interest accrued on fixed deposits	754,319	657,923
	754,319	657,923



Indian Furniture Products Limited
Notes to financial statements for the year ended March 31, 2015
(All amounts are in Indian Rupees unless stated otherwise)

11. Fixed Assets

a) Tangible Assets

Particulars	Land	Building	Plant and Machinery	Computers	Furniture & Fixings	Office Equipments	Display Furniture	Lease hold improvement	Electrical Installations	Vehicles	Total
Cost or Valuation											
As at April 1, 2013	9,869,267	105,536,097	217,261,576	13,400,345	8,308,554	10,101,090	-	-	2,569,511	1,331,130	368,377,570
Additions	-	-	351,767	175,505	325,311	345,789	-	-	9,923	-	1,208,295
Disposals	-	-	6,309,693	3,429,818	733,021	316,532	-	-	-	-	10,789,064
As at March 31, 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
Depreciations											
As at April 1, 2013	-	37,194,340	88,374,618	12,196,613	3,637,909	2,987,541	-	-	645,514	526,267	145,562,802
Change for the year	-	3,523,544	15,657,792	810,099	492,936	493,942	-	-	122,125	126,457	21,226,895
Disposals	-	-	5,457,391	3,429,818	145,511	91,187	-	-	-	-	9,123,907
As at March 31, 2014	-	40,717,884	98,575,019	9,576,894	3,985,334	3,990,296	-	-	767,639	652,724	157,665,790
Acquisitions through amalgamation	-	272,353	-	9,271,841	25,928,276	14,803,508	4,159,288	35,144,555	20,438,207	25,030	110,043,038
Change for the year	-	4,359,666	10,668,153	1,609,350	8,690,487	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	6,157,257	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	279,238,208
Net Block											
As at March 31, 2014	9,869,267	64,818,213	112,728,631	569,138	3,915,510	6,740,051	-	-	1,811,795	678,406	201,131,011
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

Note:

1. Land includes land held for sale
Gross Block (as on 31st March 2014) 2,598,281
Accumulated Depreciation (as on 31st March 2014) -
Depreciation for the year -
Net Block (as on 31st March 2015) 2,598,281

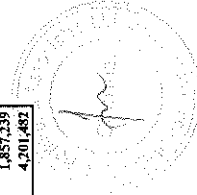
2. The Company has not capitalised any amount in relation to borrowing costs or foreign exchange fluctuations in its financial statements.



Indian Furniture Products Limited
 Notes to financial statements for the year ended March 31, 2015
 (All amounts are in Indian Rupees unless stated otherwise)

b) Intangible Assets

Particulars	Software	Total
Gross Block	14,254,166	14,254,166
As at April 1, 2013	324,305	324,305
Purchase	14,578,471	14,578,471
As at March 31, 2014	15,961,439	15,961,439
Acquisitions through merger	1,609,749	1,609,749
Additions	984,986	984,986
Disposals	31,164,673	31,164,673
As at March 31, 2015		
Depreciations	10,842,607	10,842,607
As at April 1, 2013	1,878,625	1,878,625
Charge for the year	-	-
Disposals	12,721,232	12,721,232
As at March 31, 2014		
Acquisitions through merger	11,788,019	11,788,019
Change for the year	3,345,779	3,345,779
Disposals	891,339	891,339
As at March 31, 2015	26,563,191	26,563,191
Net Block		
As at Mar 31, 2014	1,857,239	1,857,239
As at Mar 31, 2015	4,201,482	4,201,482



Indian Furniture Products Limited**Notes to financial statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

	For the year ended March 31, 2015	For the year ended March 31, 2014
19. Revenue from operations		
Manufacturing sales	892,596,862	713,257,971
Traded sales	539,447,073	510,062,541
Service income	1,398,408	13,350
Other operating Revenue		
Scrap sales	2,152,568	3,266,418
Revenue from operations (Gross)	1,435,594,911	1,226,600,280
	1,435,594,911	1,226,600,280

Excise duty on sales amounting to Rs. 94,978,583 (Mar 31, 2014, - Rs. 81,530,945) has been reduced from sales in the statement of profit and loss and excise duty on increase and decrease in stock amounting to Rs.2,769,309 (March 31 2014-Rs.4,762,539) has been considered as (increase)/decrease stock.

Details of product sold	March 31, 2015	March 31, 2014
Finished goods sold		
Furniture and related accessories	892,596,862	713,257,971
Traded goods sold		
Furniture and related accessories	539,447,073	510,062,541
	1,432,043,935	1,223,320,512

Details of service income

Instalation services	1,398,408	13,350
	1,398,408	13,350

20. Other income

	March 31, 2015	March 31, 2014
Interest income	3,152,594	544,334
Other Non-operating income	6,666,134	189,414
	9,818,728	733,748



Indian Furniture Products Limited**Notes to financial statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

21. Cost of raw material and components consumed

	March 31, 2015	March 31, 2014
Raw materials consumed:		
Opening stock	79,499,877	87,890,996
Add : Purchases	283,477,858	342,725,909
Less: Closing stock	60,174,271	79,499,877
	302,803,464	351,117,028
Packing materials consumed:		
Opening stock	1,117,021	1,862,675
Add : Purchases	29,124,649	35,452,396
Less: Closing stock	1,007,689	1,117,021
	29,233,981	36,198,050
	332,037,445	387,315,078

22. (Increase)/decrease in inventories

	March 31, 2015	March 31, 2014
Inventory at the end of the year		
Work-in-progress	1,803,338	448,742
Traded goods	231,059,434	111,477,214
Finished goods	171,148,109	180,303,226
Excise duty on finished goods	8,925,060	11,694,369
	412,935,941	303,923,551
Inventory at the beginning of the year		
Work-in-progress	448,742	2,174,490
Traded goods	252,782,054	129,728,052
Finished goods	180,303,226	135,482,493
Excise duty on finished goods	11,694,369	16,456,908
	445,228,391	283,841,943
(Increase)/decrease in inventories	32,292,450	(20,081,608)

Details of inventory

	March 31, 2015	March 31, 2014
Furniture and accessories:		
Traded goods	231,059,434	111,477,214
Work-in-progress	1,803,338	448,742
Finished goods	171,148,109	180,303,226
	404,010,881	292,229,182

23. Employee benefits expenses

	March 31, 2015	March 31, 2014
Salaries, wages, bonus and allowances	229,072,600	121,950,150
Contribution to provident and other funds	11,760,557	5,485,669
Gratuity expense (Also refer Note 37)	1,848,064	2,260,817
Staff welfare expenses	11,141,125	8,862,375
	253,822,346	138,559,011

24. Depreciation and amortisation expenses

	March 31, 2015	March 31, 2014
Depreciation of tangible assets	34,410,269	21,226,894
Amortisation of intangible assets	3,687,506	1,878,625
	38,097,775	23,105,519

25. Finance cost

	March 31, 2015	March 31, 2014
Interest		
- to banks	59,737,141	45,581,324
- to others	16,419,278	17,374,895
Bank charges	19,234,465	9,716,713
	95,390,884	72,672,932



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

26. Other expenses

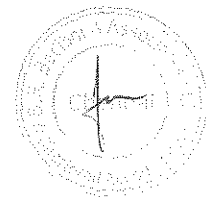
	March 31, 2015	March 31, 2014
Power, fuel and water	33,227,361	20,981,987
Stores and consumables	8,370,748	10,735,212
Repairs and maintenance:		
Buildings	1,327,619	1,015,221
Plant and machinery	1,613,239	1,890,843
Others	23,014,283	3,829,470
Outward freight and handling	93,930,623	73,026,327
Commission	10,698,932	15,672,000
Rent	156,348,496	32,484,364
Bad debts / advances written off	6,909,089	1,036,341
Rates and taxes	12,119,175	4,785,015
Insurance	8,266,801	4,816,819
Travel	21,531,624	9,388,215
Legal and Professional Charges	6,964,439	11,924,118
Payment to auditors (Refer details below)	1,310,960	750,000
Communication expenses	8,173,600	1,767,967
Advertisement	69,924,174	22,559,636
Provision for warranties	809,132	868,604
Loss on foreign exchange (net)	336,302	78,685
Loss on sale of fixed asset (net)	1,918,765	860,599
Miscellaneous expenses	10,406,301	9,237,268
	477,201,663	227,708,691

Payment to auditor

	March 31, 2015	March 31, 2014
As auditor:		
- Statutory audit fees	1,011,240	650,000
- Tax audit fees	224,720	100,000
- Out of pocket expenses	75,000	-
	1,310,960	750,000

27. Earnings / (Loss) per share

	March 31, 2015	March 31, 2014
Loss after tax	(135,848,123)	(74,291,433)
Weighted average number of equity shares of Rs 10 each	70,099,470	33,221,998
Basic and diluted loss per share	(1.94)	(2.24)



Indian Furniture Products Limited**Notes to financial statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

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	US Dollar	464,560	29,077,183
		(903,191)	(54,114,668)
	EURO	- (133,508)	- (11,039,139)
Receivables	AED	780,881	13,105,030
		-	-

Figures in brackets are in respect of the previous year

29. Disclosures on Micro, Small and Medium Enterprises

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, 2015

(All amounts are in Indian Rupees unless stated otherwise)

31. Contingent liabilities

Statute	Nature of dues	Amount (In Millions)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Sales tax Act, 1941	Sales tax	1.97 (1.97)	2003-2004	West Bengal Appellate and revision Board
West Bengal Sales tax Act, 1941	Value added tax	0.74* (1.15)	2006-2007	Joint Commissioner (Appeals)
West Bengal Sales Tax Act 1941	Value added tax	0.36 (0.36)	2001-02	Deputy Commissioner (Appeals)
West Bengal Sales Tax Act 1941	Value added tax	0.76 (0.76)	2003-04	Revision Board
West Bengal Sales Tax Act 1941	Value added tax	5.90 (5.90)	2004-05	Joint Commissioner (Appeals)
West Bengal Sales Tax Act 1941	Value added tax	0.39 (0.39)	2009-10	Commercial Tax Appellate Authority
Kerala Vat Act, 2003	Value added tax	1.69**** (1.69)	2009-11	Deputy Commissioner (Appeals)
Uttar Pradesh Sales Act, 1948	Value added tax	0.27*** (0.27)	2012-13	Additional Commissioner (Appeals)
Finance Act, 1994	Service tax	9.00** (9.00)	2005-2007	CESTAT
Finance Act, 1994	Service tax	0.20 (0.20)	2004-2011	Commissioner (Appeals)
Finance Act, 1994	Service tax	2.91 (0.00)	2007-08	CESTAT

*Amount includes deposits made under protest - Rs. 0.74 Million

**Amount includes deposits made under protest - Rs. 2.12 Million

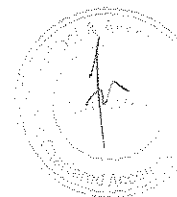
*** Includes Amount paid under protest : Rs. 0.03 Million

****Includes amount paid under protest : Rs.0.47 Million

Figures in brackets are in respect of the previous year.

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.



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

32

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

	March 31, 2015		March 31, 2014	
	%	Rs.	%	Rs.
Indigenous	53.9%	163,234,102	44.4%	156,048,209
Imported	46.1%	139,569,362	55.6%	195,068,819
	100.0%	302,803,464	100.0%	351,117,028

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

	March 31, 2015		March 31, 2014	
	%	Rs.	%	Rs.
Indigenous	99.8%	8,357,687	95.8%	10,287,676
Imported	0.2%	13,060	4.2%	447,536
	100.0%	8,370,747	100.0%	10,735,212

33. Expenditure in foreign currency

	March 31, 2015	March 31, 2014
Travelling	480,486	68,851
Commission	237,173	596,269
Interest	391,384	312,617
Salary	651,000	-
Rates and taxes	525,198	-
Expenses Reimbursement	177,655	-
	2,462,896	977,737

34. Value of imports on CIF basis

	March 31, 2015	March 31, 2014
Raw materials	108,055,039	156,184,197
Spares & Consumables	123,407	476,605
Traded goods	71,451,081	113,018,150
	179,629,527	269,678,952

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, 2015	March 31, 2014
Within one year	105,488,385	23,416,998
After one year but not more than five years	371,097,546	43,896,813
More than five years	86,599,355	14,837,153



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015
(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)
Adventz Infra World India Limited (AFLI)
Zuari Fertilisers and chemicals ltd(ZFL)
Paradeep Phosphates Limited(PPL)
Simon India Limited(SIL)
Zuari Investments Limited (ZINL)
Govind Sugai Mills Ltd (GSL)
Zuari Management Services Limited (ZMSL)

Subsidiary

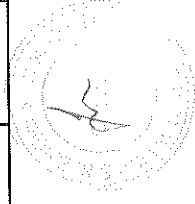
Soundarya IFPL Interior Ltd (SIFL)

Key Management Personnel:

Mr. Devender Kumar Jairath, Whole Time Director (From April 26, 2013 to September 2, 2014)
Mr. P.K.Gandhi-Whole Time Director (From September 3, 2014)
Mr.A.T.Sudhakaran- Chief Financial Officer
Ms. S.S.Simi -Company Secretary

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	-	-	6,080,731 (134,408)	-	-	-	-	161,314 (466,124)	-	-	-	3,100,442	-	-	-
2	Interest paid	(12,582,191)	-	-	-	-	-	-	-	13,500,004 (3,936,988)	-	-	-	(650,425,472)	-	-



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015
(All amounts are in Indian Rupees unless stated otherwise)

36. Related party transactions

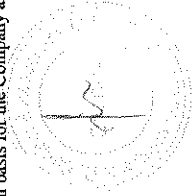
S.No	Holding company	Subsidiary	Company under common control										Key Management Personnel			
			ZGL	SIFL	ZACL	ZINL	ZFL	PPL	SIL	ZMSL	SSFL	GSL		CFCL		
3	-	-	829,620 (6,764)	28,090	8,149	21,872 (9,599)	-	428,618 (17,037)	-	-	-	-	-	-	-	
4	-	5,654,119	-	-	-	1,800	-	-	-	-	-	-	-	-	-	
5	-	221,558	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	-	7,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	(100,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	-	-	-	-	-	-	-	-	-	-	(161,000)	-	-	-	-	
9	-	-	-	-	-	-	-	650,000	-	-	-	-	-	-	-	
10	-	-	70,000,000	-	-	-	-	-	-	-	-	-	-	-	-	
11	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
															5,409,425	
																3,424,672
S.No	Holding company	Subsidiary	Company under common control										Key Management Personnel			
	ZGL	SIFL	ZACL	ZINL	ZFL	PPL	SIL	ZMSL	SSFL	GSL	CFCL					

Indian Furniture Products Limited
Notes to financial statements for the year ended March 31, 2015
 (All amounts are in Indian Rupees unless stated otherwise)

36. Related party transactions

c	Simi.S.S Salary and bonus.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	603,078
13	Balance due to	100,000	22,021	70,028,991	1,783	4,601	46,922	102,995,888 (30,000,000)	493	-	-	-	-	-	-	-	-	-	-
14	Balance due from	-	7,000,000	(209,311)	-	-	-	-	-	-	-	-	-	-	57,975	-	-	(2,780)	-

* 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
 Figures in brackets pertain to the previous year



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

37. Employee benefits

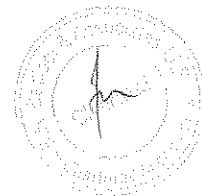
The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five year of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is non funded.

Defined benefit plans-as per Actuarial valuation		31-Mar-15	31-Mar-14
		Gratuity	Gratuity
A	Components of employer expenses		
	Current service cost	2,447,259	424,209
	Interest cost	1,691,189	748,455
	Actuarial (gain) /loss	(2,290,382)	1,088,153
	Past service cost	-	-
	Total expenses	1,848,066	2,260,817
B	Net asset / (liability) recognised in the balance sheet as at 31st March 2015		
	Present value of obligation	19,145,305	11,905,921
	Liability	(19,145,305)	(11,905,921)
C	Change in the obligation during the year		
	Present value of defined benefit obligation at the beginning of the year	19,668,633	11,136,709
	Current service cost	2,447,259	424,209
	Interest cost	1,691,189	748,455
	Actuarial (gain) / loss	(2,290,382)	1,088,153
	Benefits paid	(2,371,394)	(1,491,605)
Present value of defined benefit obligation at the end of the year	19,145,305	11,905,921	
D	Principal actuarial assumptions		
	Discount rate	8.00%	9.15%
	Salary escalation	5.00%	6.00%
	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. Accounting for Amalgamation

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. The transferor company was engaged in the business of trading furniture. The amalgamation is expected to channelize synergies and lead to better utilization of available resources and result in greater economies of scale.



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

In accordance with the High Court order, the Company has accounted for the scheme as below:

(i) The Company has taken over net liabilities aggregating to Rs. 86,292,126 as follows:

Particulars	Amount
Assets	
Tangible assets	27,798,336
Intangible assets	4,173,420
Capital work in progress	4,028,772
Long term loans and advances	49,683,896
Other non current assets	1,615,962
Short term loans and advances	12,100,015
Trade receivables	31,941,892
Inventories	140,454,079
Cash and bank balances	64,611,589
Other current assets	661,784
Total	337,069,745
Liabilities	
Long term borrowings	1,987,886
Long term provisions	6,967,116
Short term borrowings	10,905,938
Short term provisions	118,665,884
Trade payables	220,222,733
Other current liabilities	64,612,314
Total	423,361,871
Net liabilities taken over	86,292,126

(ii) All assets and liabilities (including reserves, if any) of the transferor company (SSFL), have been recorded in the books of the transferee company (IFPL), at their respective book values recorded in the books of SSFL.

(iii) 15 (Fifteen) Equity shares of IFPL of Rs.10 each (fully paid) shall be issued as consideration for every 14 (Fourteen) Equity shares of Rs.10 (fully paid) of Style Spa Furniture Limited (SSFL) to the shareholders of SSFL.

(iv) 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 has been adjusted in reserves.

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

Balance as at 31 March 2015 Rs. 7,000,000 (31 March 2014: Nil)

Maximum amount outstanding during the year Rs. 7,000,000 (31 March 2014: Nil)

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

40. Previous year comparatives

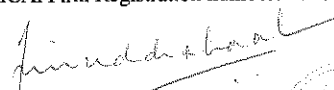
Previous year's figures have been regrouped where necessary to conform to current year's classification.

As per our report of even date.

For S.R. Batliboi & Associates LLP

Chartered Accountants

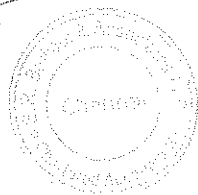
ICAI Firm Registration number: 101049W




Aniruddh Sankaran

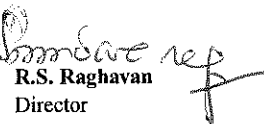
Partner


Membership No: 211107




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


Permesh Kumar Gandhi
Whole Time Director


R.S. Raghavan
Director


Simi.S.S
Company Secretary


A.T. Sudhakaran
Chief Financial Officer

Place : Chennai

Date: April 28, 2015

Place : Chennai

Date: April 28, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Furniture Products Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Indian Furniture Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary Soundaryaa IFPL Interiors Limited (the Holding Company and its subsidiary together referred to as "the Group"), comprising the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

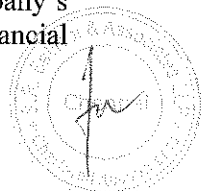
Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, 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. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial



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statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

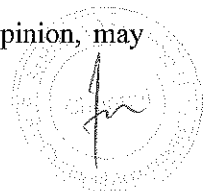
Loans and advances in Note 12 to the consolidated financial statements include Rs. 112.5 million, representing intercompany deposits and interest thereon upto March 31, 2010 recoverable from Straight Curve Ideas Private Limited ("SCIPL"). As more fully discussed in Note 28 to the consolidated financial statements, the Holding Company has initiated legal proceedings against SCIPL, and is confident of recovery of the amount outstanding. In view of the legal uncertainties involved, we are unable to comment on the possible adjustments, if any, that may be required to be made to the consolidated financial statements in this regard.

Qualified opinion

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(s) described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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, of consolidated the state of affairs of the Group as at March 31, 2015, of their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company and its subsidiary incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, to the extent applicable, we report that:
 - (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) Except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) Except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;



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- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31st March, 2015 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 above;
- (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, the consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements;
 - ii. Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, the Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.

Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs 88,877,822 as at March 31, 2015, and total revenues and net cash outflows of Rs Nil and Rs 75,402,521 respectively for the year ended on that date, in respect of its subsidiary which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report(s) of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

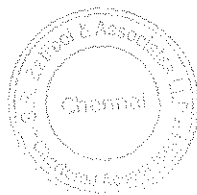
ICAI Firm Registration Number: 101049W


per **Aniruddh Sankaran**
Partner

Membership Number: 211107

Place of Signature: Chennai

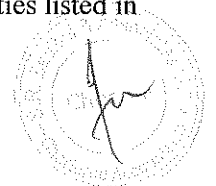
Date: April 28, 2015



Annexure referred to in paragraph 1 under the section 'Report on Other Legal and Regulatory Requirements' of our report of even date

The Group referred herein comprises Indian Furniture Products Limited ('Holding Company') and its subsidiary Soundaryaa IFPL Interiors Limited incorporated in India and to whom the provisions of the Order apply (referred to as "the Covered entity" in this report)

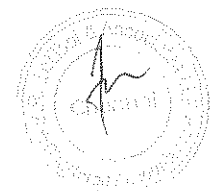
- (i) (a) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, the Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, the management of the Holding Company and the Covered entity has conducted physical verification of inventory at reasonable intervals during the year.
- (b) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the Covered entity and the nature of its business.
- (c) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, the Group is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) (a) The Holding Company has granted loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are re-payable on demand. We are informed that the Holding Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
As reported by the other auditor of the subsidiary company, that company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the covered entity and hence not commented upon.
- (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.



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- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, there is an adequate internal control system commensurate with the size of the Group and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit and as reported by the other auditor who audited the financial statements of the Covered entity, no major weakness or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entity was observed in respect of these areas.
- (v) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, the Holding Company and the Covered entity has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditor who audited the financial statements of the Covered entity, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Group.
- (vii) (a) In our opinion and according to the information and explanations given to us Holding Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. Undisputed statutory dues pertaining to sales-tax and value added tax have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
As reported by the Auditor of the subsidiary company, undisputed dues relating to income tax and other statutory dues applicable to that company have been deposited with appropriate authorities and there have been delays, which are not material.
- (b) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Holding Company and the records of the Covered entity as reported by other auditor who audited the financial statements of the Covered entity, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:



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Statute	Nature of dues	Amount (in millions)	Period to which amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1941	Sales Tax	1.97	2003-04	West Bengal Appellate and Revision Board
West Bengal Sales Tax Act, 1941	Value added Tax	0.74*	2006-07	Joint Commissioner (Appeals)
Finance Act, 1994	Service Tax	9.00**	2005-07	CESTAT
Finance Act, 1994	Service Tax	0.20	2004-11	Commissioner (Appeals)
Finance Act, 1994	Service Tax	2.91	2007-08	CESTAT
West Bengal Sales Tax Act, 1941	Sales Tax	5.90	2004-05	Joint Commissioner, (Appeals)
Uttar Pradesh Sales tax Act, 1948	Sales Tax	0.27***	2012-13	Additional Commissioner, (Appeals)
West Bengal Sales Tax Act, 1941	Sales Tax	0.36	2001-02	Deputy Commissioner (Appeals)
West Bengal Sales Tax Act, 1941	Sales Tax	0.76	2003-04	Revision board
West Bengal Sales Tax Act, 1941	Sales Tax	0.39	2009-10	Commercial Tax Appellate Authority
Kerala VAT Act, 2003	Sales Tax	1.69 ****	2009-11	Deputy Commissioner (Appeals)

* Amount includes deposit made under protest- Rs. 0.74

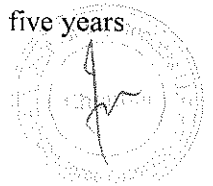
** Amount includes deposit made under protest- Rs. 2.12

*** Amount includes deposit made under protest- Rs. 0.27

**** Amount includes deposit made under protest- Rs. 0.47

***** All above amounts are pertaining to Holding Company.

- (d) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the Covered entity, the provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to the Group.
- (viii) Without considering the consequential effects, if any, of the matter(s) stated in the Basis for Qualified Opinion paragraph of our auditors' report, the Holding Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current and immediately preceding financial year. As reported by the other auditor who audited the financial statements of the Covered entity, the Covered entity has been registered for a period of less than five years and accordingly, this clause is not applicable to that company.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Holding Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
As reported by the other auditor who audited the financial statements of the Covered entity, the Covered entity did not have any outstanding dues in respect of a financial institution, bank or debenture holders during the year
- (x) According to the information and explanations given to us, the Holding Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company. According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from financial institutions.
As reported by the other auditor who audited the financial statements of the Covered entity, the Covered entity has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management of the Holding Company, term loans were applied for the purpose for which the loans were obtained.
As reported by the other auditor who audited the financial statements of the Covered entity, the Covered entity did not obtain any term loans during the year.
- (xii) We have been informed by the management of the Holding Company that, during the year under audit, there have been seven instances of fraud on the Holding Company in the nature of misappropriation of funds and inventory aggregating Rs. 5,828,326. The Holding Company has dismissed the employees and withheld their terminal benefits amounting to Rs. 805,279. Investigations are in progress, pending which the Company has made a provision for the balance amount of Rs. 5,023,047.
As reported by the other auditor who audited the financial statements of the Covered entity, we report that no fraud on or by the Covered entity has been noticed or reported during the year.

For S.R. Batliboi & Associates LLP

Chartered Accountants

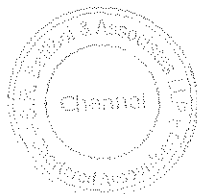
ICAI Firm Registration Number: 101049W



per Aniruddh Sankaran

Partner

Membership Number: 211107



Place of Signature: Chennai

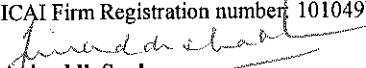
Date: April 28, 2015

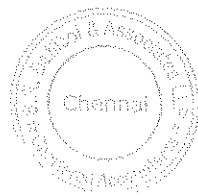
Indian Furniture Products Limited
Consolidated Balance Sheet as at March 31, 2015
(All amounts are in Indian rupees unless otherwise stated)

	Notes	As at March 31, 2015
EQUITY AND LIABILITIES		
Shareholders funds		
Share capital	3	700,994,700
Reserve & Surplus	4	(696,638,703)
		<u>4,355,997</u>
Non-Current Liabilities		
Long- term borrowings	5	44,688,882
Deferred tax liability (net)	6	26,522
Long- term provisions	7	16,934,502
		<u>61,649,906</u>
Current liabilities		
Short - term borrowings	8	530,271,488
Trade payables	9	284,019,966
Other current liabilities	10	302,391,245
Short term provisions	7	15,906,714
		<u>1,132,589,413</u>
Total		<u><u>1,198,595,316</u></u>
ASSETS		
Non Current Assets		
Fixed assets :	11	
(i) Tangible asset	11a	213,039,401
(ii) Intangible asset	11b	4,518,124
Loans and advances	12	60,582,939
Other non current assets	13	8,627,906
		<u>286,768,370</u>
Current Assets		
Inventories	14	486,016,904
Trade receivables	15	131,163,043
Cash and bank balances	16	140,622,781
Loans and advances	12	153,291,920
Other current assets	17	732,298
		<u>911,826,946</u>
Total		<u><u>1,198,595,316</u></u>

Summary of significant accounting policies 2.2

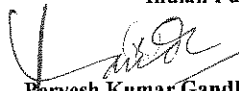
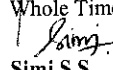
The accompanying notes are an integral part of the financial statements.
As per our report of even date.

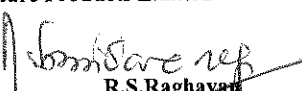

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W

Aniruddh Sankaran
Partner
Membership No:211107



Place: Chennai
Date: April 28, 2015

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


Pervesh Kumar Gandhi
Whole Time Director

Simi.S.S
Company Secretary


R.S. Raghavan
Director

A.T. Sudhakaran
Chief Financial officer

Place: Chennai
Date: April 28, 2015

Indian Furniture Products Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2015
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	<u>March 31, 2015</u>
INCOME		
Revenue from operations (gross)		1,435,594,911
Less: Excise duty		<u>(94,978,583)</u>
Revenue from operations (net)	18	1,340,616,328
Other income	19	<u>9,597,170</u>
Total Revenue (A)		<u>1,350,213,498</u>
EXPENSES		
Cost of raw materials and components consumed	20	334,161,625
Purchase of traded goods	20	257,440,616
(Increase)/decrease in inventories	21	28,191,021
Employee benefits expenses	22	259,353,386
Net depreciation and amortisation expenses	23	38,167,930
Finance costs	24	97,086,379
Other expenses	25	480,896,688
Total Expenses (B)		<u>1,495,297,645</u>
Earnings / (Deficit) before tax and exceptional items		(145,084,147)
(A) - (B)		
Loss before tax		<u>(145,084,147)</u>
Tax expenses		
Current tax		-
Deferred tax charge/(credit)		(26,522)
Share of Minority interest		(1,249,990)
Loss for the year		<u>(143,860,679)</u>

Earnings per share [Nominal value of share

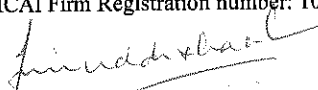
Basic and diluted 26 (2.05)

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



Aniruddh Sankaran
Partner
Membership No:211107

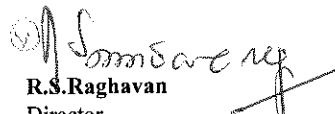



Place: Chennai
Date: April 28, 2015

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


Pervesh Kumar Gandhi
Whole Time Director


Simi.S.S
Company Secretary


R.S. Raghavan
Director

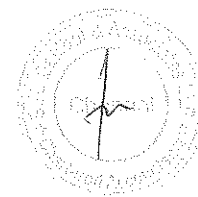

A.T. Sudhakaran
Chief Financial officer

Place: Chennai
Date: April 28, 2015

Indian Furniture Products Limited
Consolidated Cash Flow Statement for the year ended 31st March 2015
(All amounts are in Indian rupees unless otherwise stated)

Year ended
March 31, 2015

A. Cash flow from Operating Activities	
Net profit/(loss) before taxation	(143,834,157)
Adjustments for:	
(Profit) / Loss on sale of fixed assets (net)	1,918,765
Depreciation /Amortisations on Tangible & Intangible Assets	38,167,930
Unrealised exchange difference (net)	5,853
Interest expense	76,156,419
Interest Income	(2,931,036)
Bad debts/advances written off	6,909,089
Operating profit before working capital changes	(23,607,137)
Adjustment for :	
(Increase)/Decrease in Inventories	43,835,086
(Increase)/Decrease in Trade receivables	161,891,453
(Increase)/Decrease in Short term Loans and advances	(7,239,134)
(Increase)/Decrease in Long term Loans and advances	9,272,722
Increase/(Decrease) in Trade payables	(164,794,369)
Decrease / (increase) in other current assets	(6,446,556)
Increase/(Decrease) in Other current liabilities	155,614,725
Increase/(Decrease) in Current Liabilities and Provisions	(4,385,252)
Cash generated from / (used in) operations	164,141,537
Direct taxes paid	(2,447,908)
Net cash from / (used) in operating activities	161,693,629
B. Cash flow from Investing Activities	
Purchase of fixed assets, including Intangible assets & Capital Advances	(19,965,747)
Proceeds from sale of fixed assets	1,310,304
Investment in bank deposit (having original maturity of more than 3 months)	(32,541,354)
Interest received	2,931,036
Net cash from / (used) in investing activities	(48,265,761)
C. Cash flow from Financing Activities	
Long term borrowings repaid	(5,393,130)
Inter Corporate Deposit received	40,000,000
Proceeds from short term borrowings, net	(42,190,028)
Interest paid	(76,156,419)
Net Cash flows from / (used) in Financing Activities	(83,739,577)
Net increase in cash and cash equivalents (A + B + C)	29,688,291



Indian Furniture Products Limited
Consolidated Cash Flow Statement for the year ended 31st March 2015
(All amounts are in Indian rupees unless otherwise stated)

Year ended
March 31, 2015

Components of cash and cash equivalents

Cash and cash equivalents at the beginning of the year	78,393,136
Cash and cash equivalents at the end of the year	108,081,427
Components of cash and cash equivalents as at year end	
Cash in hand	4,374,823
Balances with scheduled banks	
- in current accounts	102,693,419
- in deposit accounts	33,554,539
	140,622,781
Less: Deposits having a maturity of more than 3 months	(32,541,354)
	108,081,427

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

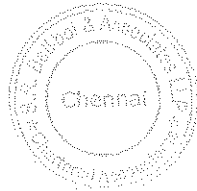
ICAI Firm Registration number: 101049W

Ahiruddh Sankaran

Ahiruddh Sankaran

Partner

Membership No:211107



Place: Chennai

Date: April 28, 2015

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

Pervesh Kumar Gandhi

Pervesh Kumar Gandhi

Whole Time Director

Simi.S.S

Simi.S.S

Company Secretary

R.S.Raghavan

R.S.Raghavan

Director

A.T.Sudhakaran

A.T.Sudhakaran

Chief Financial officer

Place: Chennai

Date: April 28, 2015

Indian Furniture Products Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

1. Description of the Group

Indian Furniture Products Limited ("IFPL" or "the Company") and its subsidiary, "Soundarya IFPL Interiors Limited", (collectively referred to as the Group") are primarily engaged in the business of manufacturing and trading of furniture and execution of commercial interior works. The Company is a subsidiary of Zuari Global Limited (Formerly Zuari Industries Limited).

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Indian Furniture Products Limited	2.84	12,368,553	0.94	(135,848,123)
Subsidiary				
Indian				
Soundarya IFPL Interiors Limited	(1.84)	(8,012,556)	0.06	(9,236,024)
Total	1.00	4,355,997	1.00	(145,084,147)

2. Basis of accounting

2.1 (a) Operational outlook

As at March 31, 2015, the Company's accumulated losses of Rs. 698,590,857 has nearly eroded approximately 99% of the shareholders' funds of Rs. 706,328,100. 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. 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. 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.

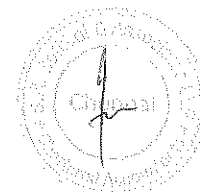
2.1 (b) Amalgamation with Style Spa Furniture Limited

The Board of Directors at its meeting held on October 23, 2013 approved the scheme of amalgamation of Style Spa Furniture Limited ("SSFL") with the Company with the appointed date as April 01, 2014 ("Scheme of Amalgamation"). The Scheme of Amalgamation was sanctioned by an order dated March 27, 2014, of the High Court of Judicature of Madras effective from April 1, 2014. The Company has accounted for the merger as per the terms of the scheme of amalgamation, as more fully disclosed in Note 31.

2.2 Summary of significant accounting policies

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 except for the change in accounting policy explained below.



Indian Furniture Products Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

b. 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.

c. 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.

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.

d. Depreciation on Fixed assets

Depreciation is provided as per the useful lives of the assets prescribed under schedule II of the Companies Act, 2013, as follows:

Block of Assets	Useful lives
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

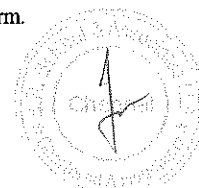
Intangible assets in the nature of computer software are amortised over three years on a straight-line basis based on management's estimates.

e. 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.



Indian Furniture Products Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

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.

Service income

Service income is recognised as and when the services are performed using percentage of completion method.

Revenue from construction contracts

Revenue from the construction contracts is recognised based on the percentage of completion method, measured by cost of work certified upto the reporting date bear to the estimated total costs of the contract.

As the project execution is in the early stages no revenue has been recognised, cost of work certified has been considered as construction Work in Progress, in line with AS-7

Interest Income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

h. Foreign currency translation

(i) Initial recognition

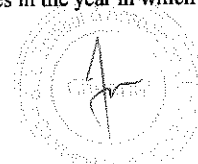
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(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.



Indian Furniture Products Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

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.

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 the Consolidated Financial Statements for the year ended March 31, 2015

(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



Indian Furniture Products Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

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.

r. Amalgamation accounting

The company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- (i) All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- (ii) Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.
- (iii) The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- (iv) The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- (v) The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The company accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires the company to recognize any non-cash element of the consideration at fair value. The company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor company is transferred to the general reserve. 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 is adjusted in reserves.

An amalgamation in the nature of purchase is accounted for using the purchase method. The cost of an acquisition/ amalgamation is measured as the aggregate of the consideration transferred, measured at fair value. Other aspects of accounting are as below:

- (i) The assets and liabilities of the transferor company are recognized at their fair values at the date of amalgamation. The reserves, whether capital or revenue, of the transferor company, except statutory reserves, are not recognized.
- (ii) Any excess consideration over the value of the net assets of the transferor company acquired is recognized as goodwill. If the amount of the consideration is lower than the value of the net assets acquired, the difference is treated as capital reserve.
- (iii) The goodwill arising on amalgamation is amortized to the statement of profit and loss on a systematic basis over its useful life not exceeding five

3. Share capital

Authorised shares

72,600,000 equity shares of Rs. 10/- each
1,130,220 preference Shares of Rs. 100/- each

Issued, subscribed and fully paid-up

70,099,470 equity shares of Rs. 10/- each, fully paid up

Total issued, subscribed and fully paid-up share capital

March 31, 2015

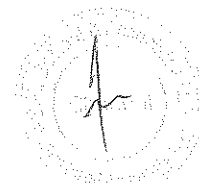
726,000,000

113,022,000

839,022,000

700,994,700

700,994,700



Indian Furniture Products Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

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

Particulars	March 31, 2015	
	No. of shares	Amount in Rs.
Shares outstanding at the beginning of the year	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

Note: March 31, 2014 includes 10,000,000 equity shares issued during the year, pursuant to conversion of Inter-corporate deposits from M/s Zuari Global Limited aggregating Rs.100,000,000 in to equity share capital..

The shares issued during the year have been issued pursuant to the scheme of amalgamation as referred to in Note 2.2

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

Name of the Shareholder	March 31, 2015	
	No. of shares	Amount in Rs.
Zuari Global Limited (formerly Zuari Industries Limited) (72.45%)	50,785,714	507,857,140
Zuari Investment Ltd (10.05%)	7,044,643	70,446,430
Adventz Investment Company Private Limited (10.09%)	7,071,429	70,714,290
Others (7.41%)	5,197,684	51,976,840
	70,099,470	700,994,700

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

d. 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

March 31, 2015

23,599,390

23,599,390

Indian Furniture Products Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

	March 31, 2015
4. Reserves and surplus	
Securities premium account	
Balance as per the last financial statements	5,333,400
(Deficit) in the statement of profit and loss	
Balance as per the last financial statements	(558,111,424)
Net loss for the current year	(143,860,679)
Net deficit in the statement of profit and loss	(696,638,703)

5. Long- term liabilities and borrowings

	March 31, 2015	
	Non current portion	Current portion
a. Term loans from banks	5,371,539	3,600,000
b. Working capital term loan (secured)	34,374,999	12,500,000
Deferred sales tax loan	4,942,344	11,276,786
Amount disclosed under the head "other current liabilities" (note 10)	-	(27,376,786)
	44,688,882	-

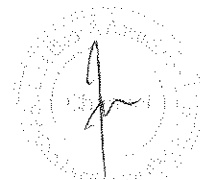
Deferred sales tax scheme is interest free and payable in 96 monthly Instalments of amounts, which varies from month to month based on the actual liability. The repayment had started from May 2008 onwards.

Term loan from bank was taken during the year 2011-12 and carries an annual Interest @13.50% - 13.75% [previous year 13.75%] . The loan is repayable in 48 equal instalments starting from April 2012 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).

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 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.

6. Deferred tax

	March 31, 2015
Deferred tax liability	
Fixed assets: Impact of the difference between income tax depreciation and depreciation/ amortization	2,238,908
	2,238,908
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	1,962,364
Provision for warranties	250,022
	2,212,386
Deferred tax liability (Net)	26,522



Indian Furniture Products Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

The group follows Accounting Standard (AS 22) "Accounting for Taxes on Income", as notified by Company Accounting Standards Rules, 2006. Due to losses, the parent 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**Provision for employee benefits**

Provision for gratuity (Also refer note 32)

Provision for leave benefits

Other provisions

Provision for warranties

	March 31, 2015	
	Long Term	Short Term
Provision for gratuity (Also refer note 32)	16,934,502	2,210,803
Provision for leave benefits	-	12,886,779
	16,934,502	15,097,582
Other provisions	-	809,132
Provision for warranties	16,934,502	15,906,714

Movement in provision for warranty**Particulars**

Balance at the beginning of the year

Add: Additions

Less: Amount utilised during the year and reversal of provision made

Balance at the end of the period

869,000

809,132

869,000

809,132

8. Short term borrowings

a. Cash credit from bank (secured)

- From Others

c) Buyers Credit (Secured)

March 31, 2015

378,639,972

140,000,000

11,631,516

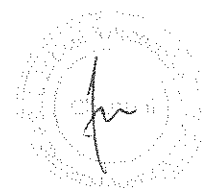
530,271,488

The above amount includes

Cash credit from bank is secured against security on stocks and book debts and fixed assets as collateral. The cash credit is repayable on demand and carries interest @ 13.75% p.a

The Company had received an inter corporate deposit from M/s. Simon India Limited of Rs.100,000,000 and M/s/ Duke Commerce Limited of Rs. 40,000,000 @ 13.5% interest in the year 2010-11 and the loan 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 paripasu charges on all current Assets of the company, both present and future. First paripasu 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. First pari passu charge on Land and factory building of the company located at G-106, SIDCO Industrial estate, Kakkalur, Tiruvallur, Tamilnadu. Second paripasu 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.



Indian Furniture Products Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

9. Trade payables

	March 31, 2015
Trade payables	284,019,966
(Refer Note 27 for details of dues to micro, small and Medium enterprises)	
	284,019,966

10. Other current liabilities

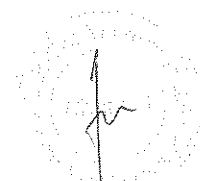
	March 31, 2015
Current maturities of long-term borrowings (Refer Note 26)	27,376,786
Interest accrued and due on borrowings	3,552,730
Advances received from customers	101,392,226
Advances received for sale of land	70,000,000
Security deposits from dealers and employees	34,279,815
TDS payable	2,608,990
Excise & service tax payable	19,803,483
Employee related payables	28,692,713
Sales Tax and VAT	14,684,502
	302,391,245

12. Loans and advances (Unsecured, considered good)

	March 31, 2015	
	Non current	Current
Security Deposit (A)	50,949,615	3,990,809
	50,949,615	3,990,809
Inter Corporate Deposit (Refer Note 28) (B)	-	112,500,000
	-	112,500,000
Advances recoverable in cash or kind (C)	-	15,412,029
	-	15,412,029
Advance income tax (net of provision for tax)	9,633,324	1,967,000
Prepaid expenses	-	11,879,319
Loans to employee	-	639,432
Balances with customs, port trust and excise authorities (D)	-	6,903,331
	9,633,324	21,389,082
Total (A+B+C+D)	60,582,939	153,291,920

13. Other non - current assets

	March 31, 2015
Non-Current Bank Balances	8,627,906
	8,627,906



Indian Furniture Products Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

14. Inventories

	<u>March 31, 2015</u>
Raw materials	60,174,271
Work-in-progress	6,821,431
Finished goods	171,148,109
Traded goods	231,059,434
Stores and spares	15,805,970
Packing materials	1,007,689
	<u>486,016,904</u>

15. Trade receivables

		<u>March 31, 2015</u>
Out standing for a period exceeding six months from the date they are due for payment		
Considered good, (Secured)		726,148
Considered good, (Unsecured)		19,234,018
Considered Doubtful, (Unsecured)		3,600,703
	(A)	<u>23,560,869</u>
Other debts		
Considered good, (Secured)		6,739,601
Considered good, (Unsecured)		104,463,276
	(B)	<u>111,202,877</u>
Less: Provision for doubtful receivables	(C)	<u>(3,600,703)</u>
Total (A+B+C)		<u><u>131,163,043</u></u>

16. Cash and bank balances

	<u>March 31, 2015</u>
Cash and cash equivalents	
Balance with banks:	
On Current accounts	93,278,802
Cheques / draft on hand	9,414,617
Cash on hand	4,374,823
	<u>107,068,242</u>
Other bank balances	
- Margin money deposits	9,641,091
- Deposits with original maturity for more than 12	31,197,812
- Deposits with original maturity for more than 3	1,343,543
	<u>149,250,687</u>
Amount disclosed under non-current assets (Note 13)	<u>(8,627,906)</u>
	<u><u>140,622,781</u></u>

Margin money deposits given as security

Margin money deposits with carrying amount of Rs.9,641,091 are subject to first charge to secure the Company's bank guarantee.

17. Other Current Assets

	<u>March 31, 2015</u>
Interest accrued on fixed deposits	732,298
	<u>732,298</u>



Indian Furniture Products Limited

Notes to financial statements for the year ended March 31, 2015
(All amounts are in Indian Rupees unless stated otherwise)

11. Fixed Assets

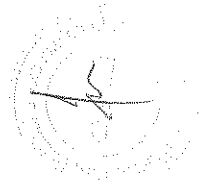
a) Tangible Assets

Particulars	Land	Building	Plant and Machinery	Computers	Furniture & Fittings	Office Equipments	Display Furniture	Lease hold improvement	Electrical Installations	Vehicles	Total
Cost or Valuation	9,869,267	105,536,097	217,261,576	13,400,345	8,308,554	10,101,090	-	-	2,569,511	1,331,130	368,377,570
As at April 1, 2013	-	-	351,767	175,505	325,311	345,789	-	-	9,923	-	1,208,295
Additions	-	-	6,309,693	3,429,818	733,021	316,532	-	-	-	-	10,789,064
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 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	511,137	1,034,927	6,047,621	981,624	1,832,932	10,693,476	714,088	-	22,034,382
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	26,268,337
As at March 31, 2015	9,869,267	105,754,677	211,790,970	19,994,685	36,286,794	30,841,049	11,530,180	44,328,259	20,658,359	1,349,780	492,404,020
Depreciations	-	-	-	-	-	-	-	-	-	-	-
As at April 1, 2013	-	37,194,340	88,374,618	12,196,613	3,637,909	2,987,541	-	-	645,514	526,267	145,562,802
Charge for the year	-	3,523,544	15,657,792	810,909	492,936	493,942	-	-	122,125	126,457	21,226,895
Disposals	-	-	5,457,391	3,429,818	145,511	91,187	-	-	-	-	9,123,907
As at March 31, 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	10,669,227	1,416,531	1,631,098	8,693,507	740,348	6,482,623	579,927	215,981	34,788,908
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	109,222,725	18,128,827	25,698,075	23,807,979	4,861,770	35,469,401	16,213,991	887,355	279,364,619
Net Block											
As at March 31, 2014	9,869,267	64,818,213	112,728,631	569,138	3,915,510	6,740,051	-	-	1,811,795	678,406	201,131,011
As at March 31, 2015	9,869,267	60,680,181	102,568,245	1,865,858	10,588,719	7,033,070	6,668,410	8,858,858	4,444,368	462,425	213,039,401

Note:

- Land includes land held for sale
Gross Block (as on 31st March 2014) 2,598,281
Accumulated Depreciation (as on 31st March 2014) -
Depreciation for the year -
Net Block (as on 31st March 2015) 2,598,281

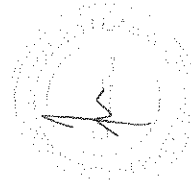
2. The Company has not capitalised any amount in relation to borrowing costs or foreign exchange fluctuations in its financial statements.



INDIAN FURNITURE PRODUCTS LIMITED
Notes to financial statements for the year ended MARCH 31, 2015
 (All amounts are in Indian Rupees unless stated otherwise)

b) Intangible Assets

Particulars	Software	Total
Gross Block		
As at April 1, 2013	14,254,166	14,254,166
Purchase	324,305	324,305
Internal development	-	-
As at March 31, 2014	14,578,471	14,578,471
Acquisitions through merger	15,961,439	15,961,439
Additions	1,960,133	1,960,133
Disposals	984,986	984,986
As at March 31, 2015	31,515,057	31,515,057
Depreciations		
As at April 1, 2013	10,842,607	10,842,607
Charge for the year	1,878,625	1,878,625
Disposals	-	-
As at March 31, 2014	12,721,232	12,721,232
Acquisitions through merger	11,788,019	11,788,019
Charge for the year	3,379,021	3,379,021
Disposals	891,339	891,339
As at March 31, 2015	26,996,933	26,996,933
Net Block		
As at Mar 31, 2014	1,857,239	1,857,239
As at Mar 31, 2015	4,518,124	4,518,124



Indian Furniture Products Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

	<u>For the year ended</u> <u>March 31, 2015</u>
18. Revenue from operations	
Manufacturing sales	892,596,862
Traded sales	539,447,073
Service income	1,398,408
Other operating Revenue	
Scrap sales	2,152,568
Revenue from operations (Gross)	<u>1,435,594,911</u>
Less: Excise duty#	<u>94,978,583</u>
	<u>1,340,616,328</u>
<p># Excise duty on sales amounting to 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.2,769,309 has been considered as (increase)/decrease stock.</p>	
19. Other income	<u>March 31, 2015</u>
Interest income	2,931,036
Other Non-operating income	6,666,134
	<u>9,597,170</u>
20. Cost of raw material and components consumed	<u>March 31, 2015</u>
Raw materials consumed:	
Opening stock	79,499,877
Add : Purchases	286,518,701
Less: Closing stock	61,090,934
	<u>304,927,644</u>
Packing materials consumed:	
Opening stock	1,117,021
Add : Purchases	29,124,649
Less: Closing stock	1,007,689
	<u>29,233,981</u>
	<u>334,161,625</u>
Details of purchase of traded goods	<u>March 31, 2015</u>
Furniture and accessories	257,440,616
	<u>257,440,616</u>



Indian Furniture Products Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

21. (Increase)/decrease in inventories

	March 31, 2015
Inventory at the end of the year	
Work-in-progress	5,904,767
Traded goods	231,059,434
Finished goods	171,148,109
Excise duty on finished goods	8,925,060
	417,037,370
Inventory at the beginning of the year	
Manufacturing work-in-progress	448,742
Traded goods	252,782,054
Finished goods	180,303,226
Excise duty on finished goods	11,694,369
	445,228,391
(Increase)/decrease in inventories	28,191,021

22. Employee benefits expenses

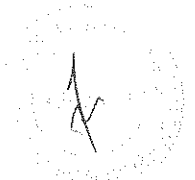
	March 31, 2015
Salaries, wages, bonus and allowances	234,603,640
Contribution to provident and other funds	11,760,557
Gratuity expense (Also refer Note 32)	1,848,064
Staff welfare expenses	11,141,125
	259,353,386

23. Depreciation and amortisation expenses

	March 31, 2015
Depreciation of tangible assets	34,446,682
Amortisation of intangible assets	3,721,248
	38,167,930

24. Finance cost

	March 31, 2015
Interest	
- to banks	59,737,141
- to others	16,419,278
Bank charges	20,929,960
	97,086,379



Indian Furniture Products Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

(All amounts are in Indian Rupees unless stated otherwise)

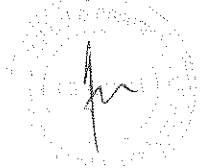
25. Other expenses

	March 31, 2015
Power, fuel and water	33,227,361
Stores and consumables	8,370,748
Repairs and maintenance:	
Buildings	1,327,619
Plant and machinery	2,788,152
Others	23,014,283
Outward freight and handling	94,474,126
Commission	10,698,932
Rent	156,827,179
Bad debts / advances written off	6,909,089
Rates and taxes	12,226,180
Insurance	8,893,045
Travel	21,531,624
Legal and Professional Charges	7,039,439
Payment to auditors (Refer details below)	1,310,960
Communication expenses	8,173,600
Advertisement	69,924,174
Provision for warranties	809,132
Loss on foreign exchange (net)	336,302
Loss on sale of fixed asset (net)	1,918,765
Miscellaneous expenses	11,095,978
	480,896,688

Payment to auditor

As auditor:

	March 31, 2015
- Statutory audit fees	1,011,240
- Tax audit fees	224,720
- Out of pocket expenses	75,000
	1,310,960



Indian Furniture Products Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

26. Earnings / (Loss) per share

	March 31, 2015
Loss after tax	(143,860,678.78)
Weighted average number of equity shares of Rs 10 each	70,099,470.00
Basic and diluted loss per share	(2.05)

27. Disclosures on Micro, Small and Medium Enterprises

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.

28. 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 had been made in the financial statements in this regard.

29. Contingent liabilities

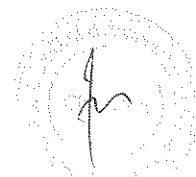
Statute	Nature of dues	Amount (In Millions)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Sales tax Act, 1941	Sales tax	1.97	2003-2004	West Bengal Appellate and revision Board
West Bengal Sales tax Act, 1941	Value added tax	0.74*	2006-2007	Joint Commissioner (Appeals)
West Bengal Sales Tax Act 1941	Value added tax	0.36	2001-02	Deputy Commissioner (Appeals)
West Bengal Sales Tax Act 1941	Value added tax	0.76	2003-04	Revision Board
West Bengal Sales Tax Act 1941	Value added tax	5.90	2004-05	Joint Commissioner (Appeals)
West Bengal Sales Tax Act 1941	Value added tax	0.39	2009-10	Commercial Tax Appellate Authority
Kerala Vat Act, 2003	Value added tax	1.69****	2009-11	Deputy Commissioner (Appeals)
Uttar Pradesh Sales Act, 1948	Value added tax	0.27***	2012-13	Additional Commissioner (Appeals)
Finance Act, 1994	Service tax	9.00**	2005-2007	CESTAT
Finance Act, 1994	Service tax	0.20	2004-2011	Commissioner (Appeals)
Finance Act, 1994	Service tax	2.91	2007-08	CESTAT

*Amount includes deposits made under protest - Rs. 0.74 Million

**Amount includes deposits made under protest - Rs. 2.12 Million

*** Includes Amount paid under protest : Rs. 0.03 Million

****Includes amount paid under protest : Rs.0.47 Million



Indian Furniture Products Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

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.

30. 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, 2015
Within one year	105,488,385
After one year but not more than five years	371,097,546
More than five years	86,599,355



Indian Furniture Products Limited

Notes to Consolidated financial statements for the year ended March 31, 2015
(All amounts are in Indian Rupees unless stated otherwise)

31. 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

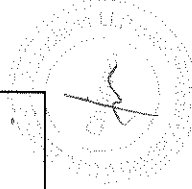
Chambal Fertiliser And Chemicals Ltd (CFCL)
Zuari Agro Chemicals Limited (ZACL) (Formerly Zuari Holding Limited) [demerged from Zuari Industries Limited w.e.f. March 23, 2012]
Adventz Infra World India Limited (AFL)
Zuari Fertilisers and chemicals ltd(ZFL)
Paradeep Phosphates Limited(PPL)
Simon India Limited(SIL)
Zuari Investments Limited (ZINL)
Govind Sugal Mills Ltd (GSL)
Zuari Management Services Limited (ZMSL)

Key Management Personnel:

Mr. Devender Kumar Jairath, Whole Time Director (From April 26, 2013 to 17/11/2015)
Mr. P.K Gandhi-Whole Time Director (Formerly Zuari Director (From September 3, 2014)
Mr.A.T.Sudhakaran- Chief Financial Officer
Ms. S.S.Sirni -Company Secretary

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

S.No	Holding company	Key Management Personnel								
		ZGL	ZACL	ZINL	ZFL	PPL	SIL	ZMSL	GSL	CFCL
1	Sale of goods	-	6,080,731	-	-	161,314	-	-	3,100,442	-
2	Interest paid	-	-	-	-	-	13,500,004	-	-	-



Indian Furniture Products Limited
Notes to Consolidated financial statements for the year ended March 31, 2015
 (All amounts are in Indian Rupees unless stated otherwise)

31. Related party transactions

S.No	Holding company											Key Management Personnel	
		ZGL	ZACL	ZINL	ZFL	PPL	SIL	ZMSL	GSL	CFCL			
3	-	829,620	28,090	8,149	21,872	-	428,618	-	-	-	-	-	-
4	-	-	-	-	1,800	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	650,000	-	-	-	-	-	-
6	-	70,000,000	-	-	-	-	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-	-	-	-	-
a	-	-	-	-	-	-	-	-	-	-	-	-	5,409,425
b	-	-	-	-	-	-	-	-	-	-	-	-	3,424,672
c	-	-	-	-	-	-	-	-	-	-	-	-	603,078
8	100,000	70,028,991	1,783	4,601	46,922	102,995,888	493	-	-	-	-	-	-
9	-	-	-	-	-	-	-	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 figures in brackets pertain to the previous year



Indian Furniture Products Limited

Notes to Consolidated financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees unless stated otherwise)

32. 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-15
		Gratuity
A	Components of employer expenses	
	Current service cost	2,447,259
	Interest cost	1,691,189
	Actuarial (gain) /loss	(2,290,382)
	Past service cost	-
	Total expenses	1,848,066
B	Net asset / (liability) recognised in the balance sheet as at 31st March 2015	
	Present value of obligation	19,145,305
	Liability	(19,145,305)
C	Change in the obligation during the year	
	Present value of defined benefit obligation at the beginning of the year	19,668,633
	Current service cost	2,447,259
	Interest cost	1,691,189
	Actuarial (gain) / loss	(2,290,382)
	Benefits paid	(2,371,393)
	Present value of defined benefit obligation at the end of the year	19,145,305
D	Principal actuarial assumptions	
	Discount rate	8.00%
	Salary escalation	6.00%
	Attrition rate	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.



33. Accounting for Amalgamation

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) merged with the company with effect from 1 April 2014. The transferor company was engaged in the business of trading furniture. The amalgamation is expected to channelize synergies and lead to better utilization of available resources and result in greater economies of scale.

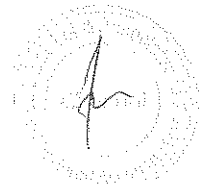
In accordance with the High Court order, the Company has accounted for the scheme as below:

Particulars	Amount
Assets	
Tangible assets	27,798,336
Intangible assets	4,173,420
Capital work in progress	4,028,772
Long term loans and advances	49,683,896
Other non current assets	1,615,962
Short term loans and advances	12,100,015
Trade receivables	31,941,892
Inventories	140,454,079
Cash and bank balances	64,611,589
Other current assets	661,784
Total	337,069,745
Liabilities	
Long term borrowings	1,987,886
Long term provisions	6,967,116
Short term borrowings	10,905,938
Short term provisions	118,665,884
Trade payables	220,222,733
Other current liabilities	64,612,314
Total	423,361,871
Net liabilities taken over	86,292,126

(ii) All assets and liabilities (including reserves, if any) of the transferor company (SSFL), have been recorded in the books of the transferee company (IFPL), at their respective book values recorded in the books of SSFL.

(iii) 15 (Fifteen) Equity shares of IFPL of Rs.10 each (fully paid) shall be issued as consideration for every 14 (Fourteen) Equity shares of Rs.10 (fully paid) of Style Spa Furniture Limited (SSFL) to the shareholders of SSFL.

(iv) 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 has been adjusted in reserves.

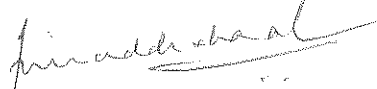


34. Previous year comparatives

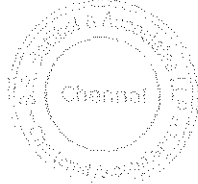
Since this is the first year of preparation of consolidated financial statements, these financial statements do not include comparative figures for the prior years.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W



Aniruddh Sankaran
Partner
Membership No:211107

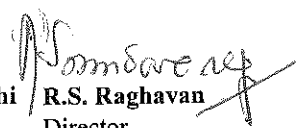


Place : Chennai
Date: April 28, 2015

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



Pervesh Kumar Gandhi
Whole Time Director



R.S. Raghavan
Director



Simi.S.S
Company Secretary



A.T. Sudhakaran
Chief Financial Officer

Place : Chennai
Date: April 28, 2015