

**Independent Auditor's Report**

To

The Shareholders of **SOUNDARYAA IFPL INTERIORS LIMITED**  
NO.G106, SIDCO INDUSTRIAL ESTATE,KAKALUR, TIRUVALLUR – 602 003.

We have audited the accompanying financial statements of **SOUNDARYAA IFPL INTERIORS LIMITED**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

**Scope of an Audit**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 and fair presentation of the Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
2. in the case of the Profit and Loss Account (including other comprehensive income), of the profit for the year ended on that date;
3. in the case of the Cash flows and changes in equity for the year ended on that date;

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order 2016 ("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 a statement on the matters specified in the paragraphs 3 and 4 of the order.

As required by section 143(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) 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, the Statement of Profit and Loss, Cash flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules 2014;





- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.
- f) In our opinion considering nature of business, size of operation and organisational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014 as amended, in our opinion & to the best of our information and according to the explanations given to us,
- a) The company does not have any pending litigations as at the reporting date
  - b) The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses
  - c) No amounts were required to be transferred to the Investor Education & Protection Fund, by the company

**For KNRSG & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN007236S

*CA. Sabari Girisan*



**CA.N.SABARI GIRISAN**  
PARTNER  
MEM NO:211930

DATE: 05/05/2018  
PLACE: CHENNAI

**ANNEXURE REFERRED TO IN OUR REPORT TO THE MEMBERS OF SOUNDARYAA IFPL INTERIORS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018. WE REPORT THAT:****i) PROPERTY PLANT AND EQUIPMENT:**

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of property plant and equipment.

(b) All the assets have been physically verified by the management during the year which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

**ii) INVENTORY:**

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii) The Company has not granted any loans to companies, firms and other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) & (b) of the Companies Auditor's report order 2016 are not applicable to the company.

iv) According to the explanation given to us, the company has neither granted any loans nor made any investments nor given any guarantee or provided any security pertaining to Section 185 & 186 of the Act

v) In our opinion and according to the explanation given to us, the company has not accepted any deposits from the public as provided in Section 73 to 76 or relevant provisions of the Act or rules framed there under.

vi) Maintenance of Cost Records have not been prescribed for the company

**vii) STATUTORY DUES:**

(a) According to the information and explanations furnished to us, during the year, undisputed statutory dues relating to income-tax, and other statutory dues applicable to it have been deposited with appropriate authorities and there have been delays, which are not material. There are no outstanding statutory dues at the last day of financial year for the period of more than six months from the date they became payable

(b) According to the information and explanations furnished to us, during the year, there is no dues relating to income-tax, and such other statutory dues as applicable, that are under dispute.





viii) According to the information and explanations furnished to us, the company has not obtained any loans from Banks or Government or Financial Institutions or Debenture Holders. Accordingly, Clause viii of CARO is not applicable

ix) According to the information and explanations furnished to us, the company has neither raised any monies from IPO or further public offer nor obtained any term loans. Accordingly, Clause ix of CARO is not applicable.

x) In our opinion and according to the information and explanation given to us and during the course of our audit, we have not noticed any fraud on or by the company.

xi) According to the information and explanations given to us, the company has neither paid nor provided for any managerial remuneration, due to inadequate profits. Accordingly, Clause (xi) Of CARO is not applicable.

xii) The company is not a Nidhi Company. Accordingly, Clause (xii) Of CARO is not applicable.

xiii) According to the information and explanations given to us, all the transactions with related parties are in compliance with section 177 & 188 of the Act and the details have been disclosed in the Financial Statements accordingly as required by the applicable accounting standards

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (xiv) Of CARO is not applicable.

xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, Clause (xv) Of CARO is not applicable.

xvi) In our Opinion and According to the information and explanations given to us, The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) Of CARO is not applicable.

**For KNRSG & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN007236S**

  
**CA.N.SABARI GIRISAN**  
PARTNER  
MEM NO:211930



DATE: 05/05/2018  
PLACE: CHENNAI

**Independent Auditor's Report**

To

The Shareholders of **SOUNDARYAA IFPL INTERIORS LIMITED**  
NO.G106, SIDCO INDUSTRIAL ESTATE,KAKALUR, TIRUVALLUR – 602 003.

We have audited the accompanying financial statements of **SOUNDARYAA IFPL INTERIORS LIMITED**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

**Scope of an Audit**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 and fair presentation of the Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
2. in the case of the Profit and Loss Account (including other comprehensive income), of the profit for the year ended on that date;
3. in the case of the Cash flows and changes in equity for the year ended on that date;

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order 2016 ("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 a statement on the matters specified in the paragraphs 3 and 4 of the order.

As required by section 143(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) 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, the Statement of Profit and Loss, Cash flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules 2014;





- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.
- f) In our opinion considering nature of business, size of operation and organisational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014 as amended, in our opinion & to the best of our information and according to the explanations given to us,
- a) The company does not have any pending litigations as at the reporting date
  - b) The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses
  - c) No amounts were required to be transferred to the Investor Education & Protection Fund, by the company

**For KNRSG & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN007236S



**CA. N. SABARI GIRISAN**  
PARTNER  
MEM NO:211930

DATE: 05/05/2018  
PLACE: CHENNAI

**ANNEXURE REFERRED TO IN OUR REPORT TO THE MEMBERS OF SOUNDARYAA IFPL INTERIORS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018. WE REPORT THAT:****i) PROPERTY PLANT AND EQUIPMENT:**

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of property plant and equipment.

(b) All the assets have been physically verified by the management during the year which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

**ii) INVENTORY:**

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii) The Company has not granted any loans to companies, firms and other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) & (b) of the Companies Auditor's report order 2016 are not applicable to the company.

iv) According to the explanation given to us, the company has neither granted any loans nor made any investments nor given any guarantee or provided any security pertaining to Section 185 & 186 of the Act

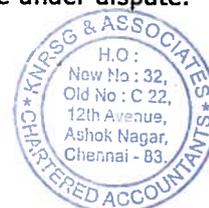
v) In our opinion and according to the explanation given to us, the company has not accepted any deposits from the public as provided in Section 73 to 76 or relevant provisions of the Act or rules framed there under.

vi) Maintenance of Cost Records have not been prescribed for the company

**vii) STATUTORY DUES:**

(a) According to the information and explanations furnished to us, during the year, undisputed statutory dues relating to income-tax, and other statutory dues applicable to it have been deposited with appropriate authorities and there have been delays, which are not material. There are no outstanding statutory dues at the last day of financial year for the period of more than six months from the date they became payable

(b) According to the information and explanations furnished to us, during the year, there is no dues relating to income-tax, and such other statutory dues as applicable, that are under dispute.





viii) According to the information and explanations furnished to us, the company has not obtained any loans from Banks or Government or Financial Institutions or Debenture Holders. Accordingly, Clause viii of CARO is not applicable

ix) According to the information and explanations furnished to us, the company has neither raised any monies from IPO or further public offer nor obtained any term loans. Accordingly, Clause ix of CARO is not applicable.

x) In our opinion and according to the information and explanation given to us and during the course of our audit, we have not noticed any fraud on or by the company.

xi) According to the information and explanations given to us, the company has neither paid nor provided for any managerial remuneration, due to inadequate profits. Accordingly, Clause (xi) Of CARO is not applicable.

xii) The company is not a Nidhi Company. Accordingly, Clause (xii) Of CARO is not applicable.

xiii) According to the information and explanations given to us, all the transactions with related parties are in compliance with section 177 & 188 of the Act and the details have been disclosed in the Financial Statements accordingly as required by the applicable accounting standards

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (xiv) Of CARO is not applicable.

xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, Clause (xv) Of CARO is not applicable.

xvi) In our Opinion and According to the information and explanations given to us, The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) Of CARO is not applicable.

**For KNRSG & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN0072365



**CA. N. SABARI GIRISAN**  
PARTNER  
MEM NO:211930

DATE: 05/05/2018  
PLACE: CHENNAI

**Independent Auditor's Report**

To

The Shareholders of **SOUNDARYAA IFPL INTERIORS LIMITED**  
NO.G106, SIDCO INDUSTRIAL ESTATE,KAKALUR, TIRUVALLUR – 602 003..

We have audited the accompanying financial statements of **SOUNDARYAA IFPL INTERIORS LIMITED**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

**Scope of an Audit**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 and fair presentation of the Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
2. in the case of the Profit and Loss Account (including other comprehensive income), of the profit for the year ended on that date;
3. in the case of the Cash flows and changes in equity for the year ended on that date;

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order 2016 ("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 a statement on the matters specified in the paragraphs 3 and 4 of the order.

As required by section 143(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) 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, the Statement of Profit and Loss, Cash flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules 2014;





- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.
- f) In our opinion considering nature of business, size of operation and organisational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014 as amended, in our opinion & to the best of our information and according to the explanations given to us,
- a) The company does not have any pending litigations as at the reporting date
  - b) The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses
  - c) No amounts were required to be transferred to the Investor Education & Protection Fund, by the company

**For KNRSG & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN007236S

*CA. N. Sabari Girisan*



**CA. N. SABARI GIRISAN**  
PARTNER  
MEM NO: 211930

DATE: 05/05/2018  
PLACE: CHENNAI

**ANNEXURE REFERRED TO IN OUR REPORT TO THE MEMBERS OF SOUNDARYAA IFPL INTERIORS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018. WE REPORT THAT:****i) PROPERTY PLANT AND EQUIPMENT:**

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of property plant and equipment.

(b) All the assets have been physically verified by the management during the year which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

**ii) INVENTORY:**

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii) The Company has not granted any loans to companies, firms and other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) & (b) of the Companies Auditor's report order 2016 are not applicable to the company.

iv) According to the explanation given to us, the company has neither granted any loans nor made any investments nor given any guarantee or provided any security pertaining to Section 185 & 186 of the Act

v) In our opinion and according to the explanation given to us, the company has not accepted any deposits from the public as provided in Section 73 to 76 or relevant provisions of the Act or rules framed there under.

vi) Maintenance of Cost Records have not been prescribed for the company

**vii) STATUTORY DUES:**

(a) According to the information and explanations furnished to us, during the year, undisputed statutory dues relating to income-tax, and other statutory dues applicable to it have been deposited with appropriate authorities and there have been delays, which are not material. There are no outstanding statutory dues at the last day of financial year for the period of more than six months from the date they became payable

(b) According to the information and explanations furnished to us, during the year, there is no dues relating to income-tax, and such other statutory dues as applicable, that are under dispute.





viii) According to the information and explanations furnished to us, the company has not obtained any loans from Banks or Government or Financial Institutions or Debenture Holders. Accordingly, Clause viii of CARO is not applicable

ix) According to the information and explanations furnished to us, the company has neither raised any monies from IPO or further public offer nor obtained any term loans. Accordingly, Clause ix of CARO is not applicable.

x) In our opinion and according to the information and explanation given to us and during the course of our audit, we have not noticed any fraud on or by the company.

xi) According to the information and explanations given to us, the company has neither paid nor provided for any managerial remuneration, due to inadequate profits. Accordingly, Clause (xi) Of CARO is not applicable.

xii) The company is not a Nidhi Company. Accordingly, Clause (xii) Of CARO is not applicable.

xiii) According to the information and explanations given to us, all the transactions with related parties are in compliance with section 177 & 188 of the Act and the details have been disclosed in the Financial Statements accordingly as required by the applicable accounting standards

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (xiv) Of CARO is not applicable.

xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, Clause (xv) Of CARO is not applicable.

xvi) In our Opinion and According to the information and explanations given to us, The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) Of CARO is not applicable.

**For KNRSG & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN007236S**

*CA. N. Sabari Girisan*

**CA.N.SABARI GIRISAN  
PARTNER  
MEM NO:211930**



DATE: 05/05/2018  
PLACE: CHENNAI



To  
The Board of Directors  
Soundaryaa IFPL Interiors Limited  
G-106, SIDCO Industrial Estate,  
Kakkalur,  
Tiruvallur - 602 003

Dear Sirs,

**Sub: Audit Engagement letter - Year ended 31st March, 2018**

We refer to the letter dated 16<sup>th</sup> September 2017 informing us about our ratification as auditors of the Soundaryaa IFPL Interiors Limited (the Company), you have requested that we audit the Balance sheet as at 31st March, 2018, the related Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Cash Flow and Statement of Changes in Equity of the Company prepared using Ind AS for the year ended on that date. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted with the objective of expressing our opinion on the Financial Statements.

The services covered by this letter are as follows:

- Statutory audit of the Balance Sheet of the company as at 31st Mar 2018, the related Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Cash Flow and Statement of Changes in Equity & Notes thereon for the year then ended, as required by the Companies Act, 2013(the Act) and
- Tax audit for the year ending 31<sup>st</sup> March 2018.
- Other Services

The basic objective of our audit is to express an opinion on the truth & fairness in all material aspects, of the presentation of the financial statements in conformity with accounting principles generally accepted in India and to comment on the matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) order, 2016 (as amended).



***Audit Responsibilities and Limitations:***

2. We will conduct our audits in accordance with the Standards on Auditing (SA's) issued by Institute of Chartered Accountants of India (ICAI) & deemed to be prescribed by the Central Government in accordance with 143(10) of the Act.

Those standards require that we obtain reasonable, rather than absolute, assurance, that the financial statements are free of material misstatement whether caused by error or fraud, however having regard to the test nature of an audit, evidence together with an inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatement of financial statements, resulting from fraud, and to a lesser extent error, if either exists, may remain undetected. Also, an audit is not designed to detect error or fraud that is immaterial to the financial statements.

3. We will ensure that appropriate members of management are informed of fraud and illegal acts, unless they are clearly inconsequential, of which we become aware in the regular course of our audit focussed on the financial statements. In addition to that we will inform appropriate members of management of significant audit adjustments and of reportable conditions noted during our audit procedures.

***Management responsibilities and representations***

4. The financial statements and other reports {Interim/Periodic Financial Results etc} are the responsibility of the management of the company (Management), which is also responsible for:

- Compliance with the applicable provisions of the Act.
- Proper maintenance of accounts and others matters connected therewith
- Safeguarding the assets of the company
- Prevention and detection of fraud, error & other irregularities
- Complying with relevant Accounting Standards
- Selection and consistent application of accounting policies
- Preparing accounts on a going concern basis
- Overall fair presentation of the financial statements.

Management is also responsible for providing proper explanation on material departures from Accounting Standards and for identifying and ensuring that the company complies with the laws and regulations applicable to its activities and for making judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the entity at the end of the financial year and of the Profit or Loss of the entity for the period.



## Internal Control Over Financial Reporting

Management is also responsible for

- Establishing and maintaining adequate and effective internal financial controls based on the Internal Control Over Financial Reporting issued by the Institute of Chartered Accountants of India for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.
- Making available to us, their evaluation and assessment of the adequacy and effectiveness of the company's internal financial controls, based on the control criteria as mentioned above
- To inform us regarding any communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.
- Providing their conclusions over the company's internal financial controls based on the control criteria set above as of the balance sheet date;
- Providing the component auditors' report under section 143(3)(i) in the case of components that are companies covered under the Act, that form part of the consolidated financial statements of the parent company

### 5. Identifying & informing us of

- All the pending litigations and confirming the impact of the pending litigations on the company's financial position has been disclosed in the financial statements;
- All material foreseeable losses, if any, on long term contracts including derivative contracts and the accrual for such losses as required under any law or accounting standards
- Any delay in transferring amounts if any, required to be transferred, to the Investor Education and Protection Fund, by the company.

6. Identifying & informing us as to whether any director is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of section 164(2) of the Act. This should be supported by written representation received from the directors as on 31<sup>st</sup> March 2018 and taken on record by the Board of Directors.

7. Identifying & informing us of financial transactions or matters that may have any adverse effect on the functioning of the company.



8. Identifying & informing us of the facts that may affect the financial statements, of which management may be aware during the period from the date of our report to the date the financial statements are issued
9. To Provide us with
  - Access, at all times, to all information, including the books, accounts, vouchers and other records and documentation of the Company, whether kept at the Head Office or elsewhere, of which the Management is aware that are relevant to the preparation of the financial statements such as records, documentation and other matters. This will include books of account maintained in electronic mode;
  - Access to reports, if any, relating to internal reporting on frauds, including those submitted by cost accountant or company secretary in practice to the extent it relates to their reporting on frauds in accordance with the requirements of Section 143(12) of the 2013 Act
  - Additional information that we may request from the Management for the purposes of our audit
  - Unrestricted access to persons within the Company from whom we deem it necessary to obtain audit evidence. This includes our entitlement to require from the officers of the Company such information and explanations as we may think necessary for the performance of our duties as the auditors of the Company; and
  - All the required support to discharge our duties as the statutory auditors as stipulated under the Act/ ICAI standards on auditing and such applicable guidance.
10. As required by Standards on Auditing (SA's) issued by ICAI, we will make specific inquiries to management about the representations contained in the financial statements and other reports as may be applicable and the effectiveness of internal control over financial reporting. Standards on Auditing (SA's) issued by ICAI also require that, at the conclusion of audit, we obtain representation letters from certain members of management about these matters. The responses to those enquiries, the written representations, and the results of our audit tests comprise the evidential matter we will rely upon in forming an opinion on the financial statements or other reports.

Given the importance of management's representations to an effective audit and review, the company agrees to release KNRSG and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management. Management is responsible for providing us with all financial records and related information on a timely basis and its failure to do so may cause us to delay our report, modify our procedures, or even terminate our engagement.



11. If you intend to publish or otherwise reproduce the financial statements or other reports together with our report (or otherwise make reference to our firm) in a document that contains other information, you agree to (a) provide us with a draft of the document to read, and (b) obtain our approval for inclusion of our report, before it is printed or distributed. The management of the Company is responsible for such document and our responsibility is restricted only to the documents that have been issued under our name.
12. In accordance with the provisions of Section 143(12) and 143(13) of the Act, if in the course of performance of our duties as auditor, We have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, We will be required to report to the Central Government, in accordance with the rules prescribed in this regard which, inter alia, requires us to forward our report to the Board or Audit Committee, as the case may be, seeking their reply or observations, to enable us to forward the same to the Central Government. Such reporting will be made in good faith and, therefore, cannot be considered as breach of maintenance of client confidentiality requirements or be subject to any suit, prosecution or other legal proceeding since it is done in pursuance of the Act or of any rules or orders made thereunder
13. The working papers prepared in conjunction with our audits are the property of our firm, constitute confidential information and will be retained by us in accordance with our firm's policies and procedures. However we hereby acknowledge that the details or data received from you for preparation of these working papers are confidential information of the company and will not be disclosed by us to any third party, except as set out in paragraph 14 below or when required by legislation, without the prior written consent from the company.
14. In accordance with the statement on Peer Review issued by the Institute of Chartered Accountants of India, our attestation services may be subject to a peer review to be conducted by an independent reviewer who can inspect, examine or take abstract of our work papers including those provided by you.

***Certification Services***

15. At your request, KNRSG may issue certificates on matters, which are required to be certified by the statutory auditors of the company or by a Chartered Accountant.



### ***Fees and Billings***

16. We estimate that our fee for our services as described in paragraph 1 of this letter will be as follows. Out-of-Pocket expenses and GST, as applicable will be levied separately

<b>Nature of Services</b>	<b>Amount in Rs.'000</b>
Statutory Audit for the year ending March 31, 2018	150.00
Tax Audit for the year ending March 31, 2018	50.00

For certification services, fee will be mutually agreed and would be communicated separately. In subsequent years, we will provide you with similar estimate of our fees and expenses prior to the commencement of our audit work. Our bills are payable promptly on presentation.

17. Our fees are based on the level of staff and the time required to complete each assignment. These would be reviewed every year, to consider the impact of increase /decrease in staff costs based on changes in payment scales, inflation and changes in assignment scope in your business.
18. Except to the extent finally determined to have resulted from KNRSRG's gross negligence or wilful neglect or misconduct, KNRSRG's maximum liability to the company, for any reason, relating to the services under this letter shall be limited to the fees paid to KNRSRG for the services or work product giving rise to liability and the company will indemnify and hold harmless KNRSRG and its personnel from any claims, liabilities, costs and expenses relating to our services under this letter.
19. In the event we are requested or authorized by the company or are required by government regulation, or other legal process to produce our documents or our personnel as witness with respect to our engagements for the company, the company will reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

### ***Other Matters***

20. Any additional services or any work for advisory Services that you may request, and that we agree to provide, will be subject to separate written agreements.
21. Should conditions not now anticipated preclude us from completing our audit and issuing a report as contemplated, we will advise you promptly and take action as we deem appropriate.



22. If any portion of this letter is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of this letter shall remain in effect.

Pursuant to our agreement as reflected in this letter, we will audit and report on the financial statements and other reports of the company for each of its subsequent fiscal years until either the company or we terminate this agreement.

If these arrangements are acceptable, please sign a copy of this letter and return it to us. We very much appreciate the opportunity to serve you and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. We trust our association will be a long and mutually beneficial one.

**For KNRSG & Associates**  
**Chartered Accountants**  
**FRN 007236S**

**Accepted For & On behalf of**  
**Soundaryaa IFPL Interiors Ltd**

For Soundaryaa IFPL Interiors Limited


**Sabari Girisan N**  
Partner  
M.No. 211930

  
Director/Authorised Signatory

**Suresh D**  
VP - Finance  
DIN - 00892008

Date: September, 16 2017  
Place: Chennai

Date: September, 16 2017  
Place: Chennai

# SOUNDARYAA IFPL INTERIORS LIMITED

G-106, SIDCO INDUSTRIAL ESTATE, KAKKALUR, TIRUVALLUR - 602 003

BALANCE SHEET AS AT 31st MARCH 2018

Particulars	Notes	As at 31 Mar, 2018 Rs.	As at 31 Mar, 2017 Rs.
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	126,570	324,393
(b) Deferred tax assets (net)		3,396	-
(c) Other non-current assets	2	4,466,813	3,540,165
<b>(2) Current Assets</b>			
(a) Inventories	3	937,879	50,634,925
<b>(b) Financial Assets</b>			
(i) Investments		-	-
(ii) Trade Receivables	4	9,898,585	17,056,833
(iii) Cash and cash equivalents	5	2,578,750	130,907
(c) Current Tax Assets (net)		-	-
(d) Other Current Assets	6	9,610,572	12,139,575
<b>TOTAL ASSETS</b>		<b>27,622,565</b>	<b>83,826,799</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share Capital	7	2,500,000	2,500,000
<b>(a) Other Equity</b>			
(i) Reserves and Surplus	8	7,557,798	5,225,222
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			-
(b) Provisions		-	-
(c) Deferred Tax Liabilities (net)		-	14,955
(d) Other Non Current Liabilities		-	-
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	9	-	-
(ii) Trade Payables	10	15,761,789	57,965,748
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	11	502,979	11,390,297
(c) Provisions	12	1,300,000	6,730,577
(d) Current Tax Liabilities (net)		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,622,565</b>	<b>83,826,799</b>

**Summary of Significant Accounting Policies**

20

**for KNRS & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN - 007236S**

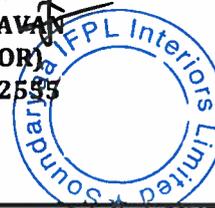
**For SOUNDARYAA IFPL INTERIORS LTD**

**SABARI GIRISAN N**  
**PARTNER**



**Membership No. : 211930**  
**PLACE: CHENNAI**  
**DATE : 05.05.2018**

**R.S. RAGHAVAN**  
**(DIRECTOR)**  
**DIN - 00362535**



**R. BALAJI**  
**(DIRECTOR)**  
**DIN - 00355163**

**SOUNDARYAA IFPL INTERIORS LIMITED**

G-106, SIDCO INDUSTRIAL ESTATE, KAKKALUR, TIRUVALLUR - 602 003  
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2018

Sr. No	Particulars	Notes	For the year ended 31st Mar, 2018	For the year ended 31st Mar, 2017
			Rs .	Rs .
I	<b>CONTINUING OPERATIONS</b>			
	Revenue from operations	13	69,529,051	406,360,372
II	Other Income	14	30,575	42,405
III	<b>Total Income (III)</b>	(I + II)	<b>69,559,626</b>	<b>406,402,777</b>
IV	<b>Expenses:</b>			
	Cost of materials Consumed	15	2,703,308	167,782,769
	Purchases of Stock in Trade		-	-
	Change in Inventories of FG, SIT & WIP	15	49,697,046	31,397,938
	Direct Operating Expenses	16	7,308,523	66,046,203
	Employee Benefit Expenses	17	169,727	10,523,959
	Financial Costs	18	-	302,958
	Depreciation and Amortization Expenses	1	197,823	230,389
	Other Expenses	19	6,615,993	161,903,897
	<b>Total Expenses (IV)</b>		<b>66,692,420</b>	<b>375,392,237</b>
V	Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)	<b>2,867,206</b>	<b>31,010,540</b>
VI	Exceptional Items		-	-
VII	Profit/(Loss) before tax	(V - VI)	<b>2,867,206</b>	<b>31,010,540</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		774,120	6,238,284
	(2) MAT Credit		(221,140)	(3,891,873)
	(3) Deferred tax		(18,350)	(20,021)
IX	Profit/(Loss) from Continuing Operations		<b>2,332,576</b>	<b>28,684,150</b>
X	Profit/(Loss) from Discontinued Operations		-	-
XI	Tax Expense of Discontinued Operations		-	-
XII	Profit/(Loss) from Discontinued Operations (after tax)	(X - XI)	-	-
XIII	Profit/(Loss) for the period	(IX + XII)	<b>2,332,576</b>	<b>28,684,150</b>
XIV	<b>Other Comprehensive Income</b>			
	A. (i) Items that will not be reclassified into Profit or Loss		-	-
	(ii) Income Tax relating to Items that will not be reclassified into Profit or Loss		-	-
	B. (i) Items that will be reclassified into Profit or Loss		-	-
	(ii) Income Tax relating to Items that will be reclassified into Profit or Loss		-	-
XV	<b>Total Comprehensive Income for the period</b>	(XIII + XIV)	<b>2,332,576</b>	<b>28,684,150</b>
XVI	Earning per equity share (for Continuing Operations)			
	(1) Basic		9.33	114.74
	(2) Diluted		9.33	114.74
XVII	Earning per equity share (for Discontinued Operations)			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earning per equity share (for Discontinued & Continuing Operations)			
	(1) Basic		9.33	114.74
	(2) Diluted		9.33	114.74

Summary of Significant Accounting Policies

19

for KNRS&G & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN - 007236S

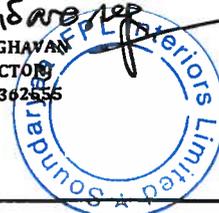
For SOUNDARYAA IFPL INTERIORS LTD

SABARI GIRISAN N  
PARTNER

R.S. RAGHAVAN  
(DIRECTOR)  
DIN - 00362855

R. BALAJI  
(DIRECTOR)  
DIN - 00355163

Membership No. : 211930  
PLACE: CHENNAI  
DATE : 05.05.2018



**SOUNDARYAA IFPL INTERIORS LIMITED**

G-106, SIDCO INDUSTRIAL ESTATE, KAKKALUR, TIRUVALLUR - 602 003  
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2018

PARTICULARS	YEAR ENDED 31/03/2018 Rs.	YEAR ENDED 31/03/2017 Rs.
<b>Cash Flows from Operating Activities</b>		
Net Profit before taxation & Extraordinary Items	2,867,206	31,010,540
Adjustments for		
Depreciation/Amortisation	197,823	230,389
Cash inflow from Interest	(30,575)	(42,405)
Interest Expenses	-	302,958
Operating Profit before working capital changes	3,034,454	31,501,482
Decrease/(Increase) in Sundry Debtors	7,158,248	10,621,245
Decrease/(Increase) in Inventories	49,697,046	(31,397,938)
Decrease/(Increase) in Other Non Current Assets	(926,648)	-
Decrease/(Increase) in Other Current Assets	2,529,003	(1,420,807)
Increase / (Decrease) in Liabilities	(58,521,855)	(29,380,685)
Cash Generated from Operations	2,970,248	20,076,703
Cash Flow from Taxes on Income	(552,980)	(2,346,411)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,417,268</b>	<b>22,423,114</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of fixed assets	-	-
Sale of Fixed Assets	-	588,272
Interest Received	30,575	42,406
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>30,575</b>	<b>630,678</b>
<b>Cash Flows from Financing Activities</b>		
Share Application/Share Capital received	-	-
Cash outflow from Interest	-	(302,958)
Short Term Borrowings	-	(7,000,000)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>(7,302,958)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>2,447,843</b>	<b>(29,095,394)</b>
Opening Balance of Cash and Cash Equivalents	130,907	29,226,302
Closing Balance of Cash and Cash Equivalents	2,578,750	130,907

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

for **KNRSG & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN - 007236S

For **SOUNDARYAA IFPL INTERIORS LTD**

**SABARI GIRISAN N**  
PARTNER

Membership No. : 211930  
PLACE: CHENNAI  
DATE : 05.05.2018



**R.S. RAGHAVAN**  
(DIRECTOR)  
DIN - 00362555



**R. BALAJI**  
(DIRECTOR)  
DIN - 00355163

**SOUNDARYAA IFPL INTERIORS LIMITED**  
G-106, SIDCO INDUSTRIAL ESTATE, KAKKALUR, TIRUVALLUR - 602 003  
STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2018

**A. Equity Share Capital**

Particulars	Note	As at 31 Mar, 2018	As at 31 Mar, 2017
Balance as at opening of reporting period	6	2,500,000	2,500,000
Changes in Equity Share Capital during the year	6	-	-
Balance as at end of reporting period	6	2,500,000	2,500,000

**B. Other Equity**

Particulars	Share application money pending allotment (in Rs.)	Equity component of compound financial instruments (in Rs.)	Reserves & Surplus				Debt instruments through OCI (in Rs.)	Effective portion of cash flow hedge (in Rs.)	Revaluation surplus (in Rs.)	Exchange differences on translating financial statement of foreign operations (in Rs.)	Other items of OCI (in Rs.)	Money received against share warrants (in Rs.)	Total (in Rs.)
			Capital Reserve (in Rs.)	Securities Premium Reserve (in Rs.)	Other Reserves (in Rs.)	Retained Earnings (in Rs.)							
As at 01st April 2017	-	-	-	-	-	-	-	-	-	-	-	-	5,225,222
Changes in accounting policy or Prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01st April 2017	-	-	-	-	-	-	-	-	-	-	-	-	5,225,222
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	2,332,576
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	-	-	-	-	-	-	-	-	-	-	-	-	7,557,798



Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus				Debt instruments through OCI	Effective portion of cash flow hedge	Revaluation surplus	Exchange differences on translating financial statement of foreign operations	Other items of OCI	Money received against share warrants	Total
	(in Rs.)	(in Rs.)	Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
As at 01st April 2016	-	-	-	-	-	23,458,928	-	-	-	-	-	-	23,458,928
Changes in accounting policy or Prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01st April 2016	-	-	-	-	-	23,458,928	-	-	-	-	-	-	23,458,928
Total Comprehensive Income for the year	-	-	-	-	-	28,684,150	-	-	-	-	-	-	28,684,150
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2017	-	-	-	-	-	5,225,222	-	-	-	-	-	-	5,225,222

for KNRS & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 FRN - 007236S



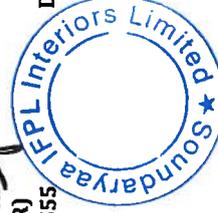
SABARI GIRISAN N  
 PARTNER

Membership No. : 211930  
 PLACE: CHENNAI  
 DATE : 05.05.2018

For SOUNDARYAA IPPL INTERIORS LTD

*R. Raghavan*  
 R.S. RAGHAVAN  
 (DIRECTOR)  
 DIN - 00362555

*R. Balaji*  
 R. BALAJI  
 (DIRECTOR)  
 DIN - 00355163



**SOUNDARYAA IFPL INTERIORS LIMITED**  
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2018

(Reconciliation statement as required by Ind AS 16 as at 31st March 2018)  
Notes 1: Fixed Asset

Rs.

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2017	WDV as on 31.03.2016
I	<b>Tangible Assets</b>										
1	Plant and Equipment	68,005	-	-	68,005	9,688	58,317	-	68,005	-	58,317
2	Furnitures & Fixtures	-	-	-	-	-	-	-	-	-	-
3	Computer & Accessories - End user	575,091	-	-	575,091	335,730	112,791	-	448,521	126,570	239,361
4	Office Equipment	47,960	-	-	47,960	21,245	26,715	-	47,960	-	26,715
	<b>SUB TOTAL (A)</b>	<b>691,056</b>	<b>-</b>	<b>-</b>	<b>691,056</b>	<b>366,663</b>	<b>197,823</b>	<b>-</b>	<b>564,486</b>	<b>126,570</b>	<b>324,393</b>
II	<b>Intangible Assets</b>										
III	<b>Intangible Assets under development</b>										
	<b>SUB TOTAL (B)</b>										
	<b>SUB TOTAL (C)</b>										
IV	<b>Intangible Assets Under Development</b>										
	<b>SUB TOTAL (D)</b>										
	<b>Total (Current Year)</b>	<b>691,056</b>	<b>-</b>	<b>-</b>	<b>691,056</b>	<b>366,663</b>	<b>197,823</b>	<b>-</b>	<b>564,486</b>	<b>126,570</b>	<b>324,393</b>
	<b>(Previous Year)</b>	<b>1,443,856</b>	<b>-</b>	<b>752,800</b>	<b>691,056</b>	<b>300,802</b>	<b>230,389</b>	<b>164,528</b>	<b>366,663</b>	<b>324,393</b>	<b>1,143,054</b>



**SOUNDARYAA IFPL INTERIORS LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2018**

<b>Notes : 2 Other Non Current Assets</b>		Rs.	Rs.
Sr. No	Particulars	As at 31st Mar, 2018	As at 31st Mar, 2017
1	TDS Receivable	14,79,628	78,11,449
2	Provision for Taxation	5,52,980	62,38,284
3	Income Tax refund receivable	35,40,165	19,67,000
<b>Total</b>		<b>44,66,813</b>	<b>35,40,165</b>

<b>Notes 3: Inventories</b>		Rs.	Rs.
Sr. No	Particulars	As at 31st Mar, 2018	As at 31st Mar, 2017
1	Raw Material	9,37,879	13,70,519
2	Work-in-Progress	-	4,92,64,406
3	Goods in Transit	-	-
<b>Total</b>		<b>9,37,879</b>	<b>5,06,34,925</b>

<b>Notes 4: Trade Recievables</b>		Rs.	Rs.
Sr. No	Particulars	As at 31st Mar, 2018	As at 31st Mar, 2017
1	<b>Outstanding for more than six months</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	87,18,586	-
	c) Doubtful	-	-
2	<b>Others</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	11,80,000	1,70,56,833
	c) Doubtful	-	-
<b>Total</b>		<b>98,98,585</b>	<b>1,70,56,833</b>

<b>Notes 5: Cash &amp; Cash Equivalent</b>		Rs.	Rs.
Sr. No	Particulars	As at 31st Mar, 2018	As at 31st Mar, 2017
1	<b>Cash-On-Hand</b>		
	Cash Balance	-	9,108
2	<b>Bank Balances</b>		
	Axis Bank - Chennai	25,78,750	1,21,799
3	<b>Fixed Deposits</b>	-	-
<b>Total</b>		<b>25,78,750</b>	<b>1,30,907</b>

<b>Notes 6: Other Current Assets</b>		Rs.	Rs.
Sr. No	Particulars	As at 31st Mar, 2018	As at 31st Mar, 2017
1	Capital Advances	-	-
2	Advances other than Capital Advances		
	a) Security Deposits	3,46,050	4,02,550
	b) Advance to related parties	-	-
	c) Other Advances - Advance to vendor	-	25,99,615
3	<b>Others</b>		
	a) Service Tax Input Credit	-	52,45,538
	b) GST Input Credit	53,72,650	-
	c) MAT Credit	38,91,873	38,91,873
<b>Total</b>		<b>96,10,573</b>	<b>1,21,39,575</b>



**SOUNDARYAA IFPL INTERIORS LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2018

**Notes 7: Share Capital**

Sr. No	Particulars	Rs.	
		As at Mar, 2018	As at 31st Mar, 2017
1	<b>AUTHORIZED CAPITAL</b> 2,50,000 Equity Shares of Rs. 10/- each.	25,00,000	25,00,000
2	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b> 2,50,000 Equity Shares of Rs. 10/- each.	25,00,000	25,00,000
	<b>Total</b>	<b>25,00,000</b>	<b>25,00,000</b>

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

Sr. No	Name of Shareholder	As at Mar, 2018	As at 31st Mar, 2017
1	Indian Furniture Products Ltd., Number of shares % of Shareholding	1,25,001 50.01%	1,25,001 50.01%
2	Soundarya Decorators Pvt Ltd., Number of shares % of Shareholding	1,24,999 49.99%	1,24,999 49.99%

**b. Reconciliation of Shares Outstanding**

Sr. No	Particulars	As at Mar, 2018	As at 31st Mar, 2017
	Shares Outstanding at beginning of the year	2,50,000	2,50,000
	Add: Shares Issued during the year	-	-
	Shares Outstanding at end of the year	2,50,000	2,50,000

**Notes 8: Other Equity**

Sr. No	Particulars	Rs.	
		As at Mar, 2018	As at 31st Mar, 2017
	<b>Retained Earnings</b>		
	Opening Balance	52,25,222	(2,34,58,928)
	Add: Profit/(Loss) for the period	23,32,576	2,86,84,150
	Closing Balance	75,57,798	52,25,222
	<b>Total</b>	<b>75,57,798</b>	<b>52,25,222</b>

**Notes 9: Borrowings**

Sr. No	Particulars	Rs.	
		As at Mar, 2018	As at 31st Mar, 2017
1	Loans repayable on demand	-	-
2	Loans from related parties a) Indian Furniture Products Limited	-	-
3	Deposits	-	-
4	Others	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Notes 10: Trades Payables**

Sr. No	Particulars	Rs.	
		As at Mar, 2018	As at 31st Mar, 2017
1	Sundry Creditors for Material/Supplies	19,17,530	1,60,38,361
2	Sundry Creditors for Others	1,38,44,259	4,19,27,387
	<b>Total</b>	<b>1,57,61,789</b>	<b>5,79,65,748</b>



## SOUNDARYAA IFPL INTERIORS LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

### Notes 11: Other Current Liabilities

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2018	As at 31st Mar, 2017
1	Revenue received in advance	-	-
2	Other advances	-	-
3	Others		
	a) Income Tax Payable	-	3,09,469
	b) VAT / CST Payable	-	2,623
	c) Service Tax Payable	5,02,980	35,33,158
	d) TDS Payable	-	75,45,048
	e) Mobilisation Advance From Customers	-	-
	<b>Total</b>	<b>5,02,980</b>	<b>1,13,90,298</b>

### Notes 12: Provisions

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2018	As at 31st Mar, 2017
1	Provision For Employees Benefit	-	-
2	Others		
	a) Expenses payable	13,00,000	67,30,577
	<b>Total</b>	<b>13,00,000</b>	<b>67,30,577</b>



**SOUNDARYAA IFPL INTERIORS LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2018

**Notes 13: Revenue from Operations**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2018	As at 31st Mar, 2017
1	Income from Projects (Domestic)		
	- Sale of Products (Site Made Items)	56,968,463	344,724,589
	- Sale of Services (Installation revenues)	12,560,588	61,635,783
	- Other Operating Revenues	-	-
	<b>Total</b>	<b>69,529,051</b>	<b>406,360,372</b>

**Notes 14: Other Income**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2018	As at 31st Mar, 2017
1	Interest on Fixed Deposits	30,575	-
2	Interest received from Income Tax	-	42,405
	<b>Total</b>	<b>30,575</b>	<b>42,405</b>

**Notes 15: Cost of Material Consumed**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2018	As at 31st Mar, 2017
1	Opening Stock	1,370,519	8,589,245
2	Opening WIP	49,264,406	10,647,742
3	Purchase of Raw Materials	2,703,308	167,782,769
4	Closing Stock	(937,879)	(1,370,519)
5	Closing WIP	-	(49,264,406)
	<b>Total</b>	<b>52,400,354</b>	<b>136,384,831</b>

**Notes 16: Direct Operating Cost**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2018	As at 31st Mar, 2017
	<b>DIRECT EXPENSES</b>		
1	Sub Contract Labour Charges	4,063,250	53,064,442
2	Power & Fuel	30,000	228,000
3	Discounts Paid	836,633	657,221
4	Freight Charges	-	373,145
5	Site Expenses	2,378,640	11,723,395
	<b>Total</b>	<b>7,308,523</b>	<b>66,046,203</b>

**Notes 17: Employment Benefit Expenses**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2018	As at 31st Mar, 2017
1	Salary & Wages	166,827	8,669,939
2	Provident Fund	-	389,751
3	ESI	-	28,364
4	Staff and Labour Welfare expenses	2,900	1,435,905
	<b>Total</b>	<b>169,727</b>	<b>10,523,959</b>

**Notes 18: Finance Cost**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2018	As at 31st Mar, 2017
1	Interest		
	- ICD	-	302,958
	<b>Total</b>	<b>-</b>	<b>302,958</b>

**Notes 19: Other Administrative Expenses**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2018	As at 31st Mar, 2017
1	Bank Charges & Guarantee Commission	813,115	4,125,805
2	Audit Fees	200,000	300,000
3	Administration Expenses	17,045	265,460
4	Management Fee	5,000,000	118,897,858
5	Service tax written off on Management Fee	-	17,456,315
6	Insurance	23,660	852,064
7	Professional Charges	215,500	379,025
8	Interest - Service Tax	39,592	62,245
9	Swacch Bharat & Krishi Kalyan Cess	210,000	941,920
10	Guest house Rent & Maintenance	34,800	441,969
11	Printing & Stationery	102	302,110
12	Rates & Taxes	-	31,000
13	Repairs & Maintenance	14,159	669,317
14	Reimbursement of OH	-	16,272,014
15	Travelling & Conveyance	38,054	760,075
16	Miscellaneous Expenses	9,966	146,720
	<b>Total</b>	<b>6,615,993</b>	<b>161,903,897</b>



## **SOUNDARYAA IFPL INTERIORS LIMITED**

### **Notes to Financial Statements for the Year ended 31<sup>st</sup> March 2018**

#### **1. CORPORATE INFORMATION**

Soundaryaa IFPL Interiors Ltd., is a subsidiary of Indian Furniture Products Ltd., The Company is engaged in executing commercial interior works .

The company is formed as Special purpose entity in the year 2014 between Soundarya Decorators Private Limited and Indian Furniture Products Limited for undertaking commercial interior contracts.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Basis of Preparation**

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended with reference to notification dated 30<sup>th</sup> March 2016 vide Companies (Indian Accounting Standards) (Amendment) Rules 2016 and further amendments as applicable.

For all the periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 4A of Companies (Account) Second Amendment Rules, 2015. Financial statements for the year ended 31 March 2017 has been prepared in accordance with IND-AS

The Financial statements for the year ended 31 March 2018 are prepared in accordance with IND-AS and as per schedule III as notified by Ministry of Corporate Affairs on 06<sup>th</sup> April 2016 along with the comparative period data as at and for the period ended 31<sup>st</sup> March 2017 as described in the significant accounting policies and further amendments as applicable.

##### *Current v/s Non-Current Classification*

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is,

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



A liability is current when,

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

### *Operating Cycle*

The operating cycle of the company varies due to different milestones of the project(s) undertaken. Hence as provided in Schedule III to Companies Act 2013 (as amended) and as per Ind AS 1, operating cycle has been assumed as 12 months.

### **b. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles and Indian Accounting Standards (Ind AS), which requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Examples of such estimates include computation of percentage of completion on contracts, provision for labour bills not received from contractors and sub-contractors, provision for doubtful debts, income taxes, and the useful lives of fixed tangible assets and intangible assets

Accounting estimates could change from period to period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

### **c. Financial Instruments**

#### *Financial Assets*

All financial assets are recognized initially at fair value plus, incase of financial assets not measured at fair value through profit or loss, transaction costs that are attributable to acquisition of such financial asset .



The company has recognized following Financial Assets during the year, which are non-derivative in nature

- a) Trade Receivables
- b) Cash & Cash Equivalents

#### ***Financial Liabilities***

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

The company has recognized following Financial Liabilities during the year which are non-derivative in nature

- a) Trade Payables
- b) Borrowings

The company based on the risk analysis performed, report that the credit risk to be minimal or negligible and have not recognized any expected credit losses as per IND AS 107 and IND AS 109

The Financial Assets and Financial Liabilities are presented at amortized cost as on the reporting date.

#### **d. Operating Segments**

The company does not have different reportable segments as per IND AS 108. Thus, the accounting treatments and disclosures prescribed under the standard are not applicable.

#### **Major Customers**

<b>Particulars</b>	<b>No of Customers</b>	<b>Revenue</b>	<b>% of Revenue</b>
Contribution to Revenue >10%	1	6,66,08,677	95.80%
Others	3	29,20,375	4.20%

#### **e. Fair Value Measurement**

As per IND AS 113, The company does not measure any of the asset or liability (financial or non-financial) on fair value basis other than those disclosed under respective standards if any.



#### **f. Management of Capital & Dividend Disclosure**

As envisaged by IND AS 1, Capital includes all equity share capital and reserves attributable to the equity holders. The primary objective of the company's capital management is to maximize shareholder value and manages the additional funding requirements through internal accruals.

The entity is not subject to any externally imposed capital requirements

The company has not proposed or declared any dividend during the year.

#### **g. Inventories**

Items of raw materials are valued on the principle laid down by IND AS 2 on 'Valuation of Inventories' at Cost or Net Realizable Value, whichever is lower. The cost is arrived on a weighted average basis.

<b>Particulars</b>	<b>As at 31<sup>st</sup> Mar'18</b>	<b>As at 31<sup>st</sup> Mar'17</b>
Carrying Amount of Inventory - Raw Materials	9,37,879	13,70,519
Material in Transit	-	-
<b><i>Carrying Amount of Inventory - Raw Materials</i></b>	<b><i>9,37,879</i></b>	<b><i>13,70,519</i></b>

Work in Progress for construction contracts has been valued as per IND AS 11.

#### **Cost Formula**

Cost of materials comprise cost of all purchase costs, costs of transport and handling costs.

#### **h. Statement of Cash Flows**

The company has prepared a detailed statement of cash flows, which is provided as annexure, as envisaged by IND AS 7 outlining the Cash flows from operating activities (Indirect method), Cash flows from investing activities and Cash flows from financing activities.

There are no cash and cash equivalents balances held, that are not available for use by the company

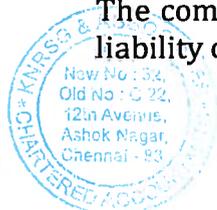
Cash flow from Interest and Dividend(Net) – Rs 30,475/- (PY Rs 42,405/-)

Cash flow from Income Taxes (net) – (Rs 5,52,980/- ) (PY Rs 23,46,411/-)

#### **i. Accounting Policies, Changes in Accounting Estimates and Errors**

There are no significant changes in accounting policies and accounting estimates.

The company has neither identified nor adjusted the carrying amounts of any asset or liability due to errors occurred in prior accounting periods as envisaged in IND AS 8.



**j. Construction Contracts**

The company generates its revenue from execution of Construction Contracts

As envisaged by IND AS 11,

- Method used to determine Contract revenue :  
Percentage Completion Method
- Method used to determine Stage of completion :  
Cost of work certified to Total estimated contract costs

<b>Particulars</b>	<b>For the year ended 31 March 2018 (Rs)</b>	<b>For the year ended 31 March 2017 (Rs)</b>
Contract revenue recognized during the year	6,95,29,201	40,63,60,372
Aggregate amount of Contract revenue recognized	54,67,55,137	47,72,26,086
Aggregate amount of Costs incurred till date	53,90,13,110	47,23,20,690
Aggregate of Profits/(Losses) recognized till date	75,57,798	52,25,222
Mobilization advances received during the year for contracts in progress	Nil	Nil
Mobilization advance outstanding at the end of the year	Nil	75,45,048
<b>Particulars</b>	<b>For the year ended 31 March 2018 (Rs)</b>	<b>For the year ended 31 March 2017 (Rs)</b>
Sundry advance received from customers remaining unadjusted	Nil	Nil
Retention money for contracts in progress	Nil	Nil
Retention money for completed contracts yet to be released by customers	Nil	Nil
Receivables from customers	98,98,586	1,70,56,833

Since the Company prepares financial statements based on mercantile system of accounting, retention money to the extent that is certified by the customer is accounted as Income, though the monies will be released by the customer only on completion of the contract.



Contract Costs (Cost of Work Certified) include cost directly relating to the contract like site labour costs including site supervision, cost of materials used in construction, depreciation of plant & machinery and other assets used in construction, hire charges of plant & equipments, design and technical assistance, cost of rectification and guarantee work including warranty costs, insurance costs, construction overheads & administration and selling costs directly attributable/allocable to the contract

*Construction Work In Progress*

Work-in-progress includes the balance amount of the cost of material delivered at the site, yet to be billed to the customer as per contractual terms. Construction Work in Progress as at 31<sup>st</sup> March 2018 is Rs Nil (PY Rs 4,92,64,406/-)

**k. Income Taxes**

The major components of income tax expense for the years ended 31<sup>st</sup> March 2018 and the comparatives as at 31<sup>st</sup> March 2017 are as follows :

*Statement of Profit & Loss:*

Particulars	As at 31.03.2018	As at 31.03.2017
<b><u>Current Income Tax</u></b>		
Current Income Tax Charge	7,74,120	62,38,284
<b><u>Deferred Tax</u></b>		
Relating to origination and reversal of temporary differences	(18,350)	(20,021)
<b><u>MAT Credit</u></b>		
MAT Credit set off/accruing during the year	(2,21,140)	(38,91,873)
<b>Income Tax expense reported in the statement of profit &amp; loss</b>	<b>5,34,630</b>	<b>23,26,390</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March 2018 & 31<sup>st</sup> March 2017



Particulars	As at 31.03.2018	As at 31.03.2017
Accounting profit before tax from continuing operations	28,67,206	310,10,540
Profit/(loss) before tax from discontinued operation	-	-
<b>Accounting profit before income tax</b>	<b>28,67,206</b>	<b>310,10,540</b>
Depreciation as per Companies Act 2013	1,97,823	2,30,389
Depreciation as per Income Tax Act, 1961	(58,738)	(1,10,223)
Brought forward losses	-	(235,37,142)
<b>Net Accounting income chargeable to tax</b>	<b>30,06,291</b>	<b>75,93,564</b>
Income Tax at India's Statutory income tax rate of 25% plus cess of 3% on income tax (IT Rate was 30% as at 31.03.2017)	7,74,120	23,46,411
Book Profit for MAT u/s 115JB of Income Tax Act, 1961	28,67,206	310,10,540
Lower of unabsorbed depreciation or brought forward business loss (set off)	-	(4,13,993)
<b>Net Book Profit for MAT u/s 115JB of Income Tax Act, 1961</b>	<b>28,67,206</b>	<b>305,96,547</b>
MAT at 18.5% plus surcharge of 7% & cess of 3% on MAT	5,46,346	62,38,284
<b>Income Tax expense (Higher of tax as per normal rates or MAT)</b>	<b>7,74,120</b>	<b>62,38,284</b>
MAT Credit set off/accruing during the year (Difference of Tax as per normal rates & MAT)	(2,21,140)	(38,91,873)
<b>Provision for taxation (Net) as reported in the statement of profit &amp; loss</b>	<b>5,52,980</b>	<b>23,46,411</b>

### Deferred Taxes

Deferred tax asset and/or Deferred tax liability is provided for in respect of deductible and/or taxable temporary differences that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets arising from carry-forward of unused tax losses are recognized only to the extent of availability (virtual certainty) of sufficient taxable temporary differences in future for set off by the company.

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Opening balance of Deferred Tax Assets/(Liabilities)</b>	<b>(14,955)</b>	<b>(34,976)</b>
Arising/(Reversal) during the year due to depreciation on Property Plant & Equipment	18,350	20,021
<b>Closing balance of Deferred Tax Assets/(Liabilities)</b>	<b>3,396</b>	<b>(14,955)</b>



There are no current and deferred tax that are charged directly to equity. As there are no components in the Other Comprehensive Income segment of statement of profit and loss, amount of income tax arising on the same is nil.

There are no changes in the applicable tax rate compared to previous year. The company does not have any deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognized in the balance sheet.

As the company does not hold any investment in subsidiaries, branches and associates, not entered into any joint arrangements, temporary differences associated with the same is nil. The company does not have any discontinued operations. Thus, tax impact on the same is nil.

## **I. Property Plant and Equipment**

Property plant and equipments are carried at transaction cost less accumulated depreciation. Such costs include cost of acquisition or construction/erection including taxes, duties, freight and other incidental expenses related to acquisition and installation. Interest on borrowing costs directly attributable to Fixed Assets and incurred during construction period, is capitalized.

Property plant and equipments are eliminated from the financial statements either on disposal or when no further benefit is expected from its use and disposal.

Depreciation on Property plant and equipments is provided on the Straight Line Method over the estimated useful lives of assets estimated by the Management commencing from the date the asset is available to the Company as described under Part C of Schedule II of The Companies Act, 2013. Depreciation for assets purchased/sold during the year is proportionately charged. The Management estimates the useful lives of the Property plant and equipments as follows:

Computer Servers	6 years
Plant & Machinery	15 years
Computers	3 years
Furniture	10 years
Office Equipments	5 years

Reconciliation of carrying amount at the beginning and end of the period is shown as separate schedule. In addition to the same, the company report that,

The company has not classified any assets as held for sale or included in disposal group classified as held for sale as per IND AS 105.

There are no acquisitions through business combinations.

The company has not done any revaluations and not recognized any impairment losses as per IND AS 36



The company does not have any foreign operations. Thus, the accounting treatment and disclosures regarding net exchange differences arising in translation of functional currency into presentation currency of the reporting entity is not applicable.

The company has not pledged any security as liabilities. Thus, there are no restrictions on its title. Also, the company has neither constructed any nor has contractual commitments regarding acquisition of property, plant & equipment during the year. There is no impairment or loss of property plant & equipment during the year. Thus, amount of compensation received from third parties for the same is not applicable.

**m. Leases**

As per IND AS 17, The Company does not have any arrangements in the nature of Finance Lease.

The company has taken premises in its site of operations as Operating Lease for the purpose of accommodation of labour force.

Lease payments are made on straight line basis according to the agreement & total lease payments during the year including amenities is Rs 1,74,000/- (PY Rs 9,18,650/-).

All the lease agreements are for a period of 11 months and are renewed based on future requirements as decided by the company. Thus all the future minimum lease payments are due within a year.

Particulars	Amount
Not later than one year	NIL
Later than one year but not later than five years	NIL
Later than five years	NIL

**n. Revenue**

Revenue earned by the Company fall into the following categories as per IND AS 18:

- a) Site Made Items
- b) Installation Revenues

During the course of the year 2017-18, the Company has recognized revenue as per IND AS 11 "Construction Contracts", as per the terms of the contract based on the certificates of completion received from client.



*Recognition of Costs (Other than Construction/Contract Costs as per Ind AS 11)*

Costs relating to the contract are expensed off in the books depending on the pro rata extent to which revenues have been recognized in the books.

As the company is currently executing only a single contract with M/S Shell India Markets Private Limited & as subcontracted by M/S Larsen & Toubro Limited, the entire expenses incurred are specific to this contract.

Costs incurred for future contract activities if any, have been considered as Construction Work in Progress.

**o. Employee Benefits**

The company being special purpose entity, does not have any employees directly under the payroll. However, it reimburses the employee benefits as incurred by the strategic partner M/S Soundarya Decorators Pvt Ltd and holding company M/S Indian Furniture Products Limited.

As envisaged in IND AS 19, The company incurs Short term employee benefits which are payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as Salaries, Wages, Performance Incentive, Paid Annual Leave, Bonus, Medical Allowance, Contributions to Provident Fund etc., are recognized as actual amounts due in the period in which the employee renders the related service.

Employee benefits as disclosed in the financial statements as per IND AS 1 – Rs 1,69,727/- (PY Rs 1,05,23,959/-) which includes reimbursement of salary costs to strategic partner M/S Soundarya Decorators Pvt Ltd Rs Nil (PY Rs 1,01,46,708/-) and holding company M/S Indian Furniture Products Ltd Rs 1,69,727/- (PY Rs 2,33,636) .

**p. Effects of Changes in Foreign Exchange Rates**

The company does not have any foreign exchange transactions during the year as per IND AS 21.

**q. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

The company has not capitalized any borrowing costs during the year as per IND AS 23.



**r. Related Party Disclosures**

a. By Ownership

Soundarya Decorators Private Limited  
Indian Furniture Products Limited

b. Summary of transactions with related parties (In Rs)

<b>Related Party</b>	<b>Nature of transaction</b>	<b>2017-18</b>	<b>2016-17</b>
Enterprises in which key management personnel have significant influence	<b>Soundarya Decorators Ltd</b>		
	a) (Purchase)/Sale of Goods & Fixed Assets	7,31,127	(3,26,05,763)
	b) Expenses Incurred	(29,14,794)	(2,50,17,124)
	c) Expenses Reimbursed	2,20,46,303	11,93,46,663
	d) Share Capital	(12,49,990)	(12,49,990)
	e) Management Fees	(32,40,000)	(8,43,55,916)
	f) Provision for doubtful debts	-	-
	g) Expense recognized on bad or doubtful debts	-	-
	<b>Indian Furniture Products Ltd</b>		
	a) Expenses Incurred	(97,99,586)	(6,68,52,038)
	b) Expenses Reimbursed	2,33,20,078	10,68,38,910
	c) Share Capital	(12,50,010)	(12,50,010)
	d) Management Fees	(21,60,000)	(3,45,41,942)
	e) Inter Corporate Loan	-	-
f) Interest on ICL	-	(3,02,958)	
h) Provision for doubtful debts	-	-	
i) Expense recognized on bad or doubtful debts	-	-	

**s. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Weighted Number of Equity shares outstanding during the year	2,50,000	2,50,000
Net Profit available for equity Shareholders	23,32,576	2,86,84,150
Net Profit excluding Extraordinary Items	23,32,576	2,86,84,150
Nominal Value of equity share (Rs)	10	10
Basic & Diluted Earnings per share	9.33	114.74
Basic & Diluted Earnings per share excluding Extraordinary Items	9.33	114.74

**t. Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

The company has not impaired any of its assets during the year. Thus, the accounting treatments and disclosures prescribed under IND AS 36 is not applicable

**u. Provisions, Contingent Liabilities and Contingent Assets**

The company as envisaged in IND AS 37, depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter.

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, has been made as a contingent liability in the Financial Statements.



<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Capital commitments (net of advances) not provided for	Nil	Nil
Bank guarantees	3,18,01,604	8,19,64,170
Unexpired Letters of Credit	Nil	Nil

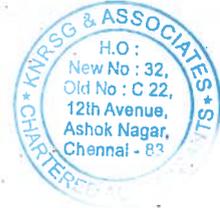
**v. CENVAT credit**

CENVAT credit under the Central Excise Act, 1944 and Customs Act, 1962 is accounted on accrual basis on purchase of eligible inputs and capital goods. The balance of CENVAT credit is reviewed at the end of each year and amount estimated to be ineligible for set off, is written off to the Profit & Loss account.

With the passing of Goods and Service Tax (CGST, SGST & IGST) acts passed during the year and its applicability from 01/07/2017, the closing balances of CENVAT Credit as applicable has been transferred as transitional credit into GST ledgers.

Amount of GST Tax Input Credit as at 31<sup>st</sup> March 2018 is Rs 53,72,650/-  
(PY Rs Nil/-)

The above are in conformity with the returns filed with the statutory authorities.



## Notes to the Financial Statements

### a) Operating Income & Profit

Operating Income for the year: Rs.6,95,29,051/- (PY: Rs. 40,63,60,372/-).

Operating Income for the year includes Sales derived from proportionate invoicing of site made materials of Rs 5,69,68,463/- (PY: Rs 34,47,24,589/-) and Installation of Rs 1,25,60,588/- (PY: Rs 6,16,35,783/-) based on the contractual terms of the project.

The Net profit arising out of operations are Rs. 23,32,576/- [PY: Rs. 2,86,84,150/-]

### b) Short Term Borrowings

The company did not have any short term borrowings during the year.

### c) Auditors Remuneration :

Particulars	In Rs (Excl Service Tax/GST)	
	2017-18	2016-17
Statutory audit fees	1,50,000	2,50,000
Tax Audit	50,000	50,000
Out of Pocket Expenses	Nil	Nil
<b>Total</b>	<b>2,00,000</b>	<b>3,00,000</b>

### d) Remuneration to Directors – Rs Nil (PY Rs NIL).

However the holding company M/S Indian Furniture Products Ltd & strategic partner M/S Soundarya Decorators Pvt Ltd, based on their agreement, claim a reimbursement viz., Management Fees for the services rendered.

Management fees for the year ended 31<sup>st</sup> March 2018 is Rs 50,00,000/- (PY Rs 11,88,97,858/-) with Rs 30,00,000/- (PY Rs 8,43,55,916/-) for M/S Soundarya Decorators Pvt Ltd and Rs 20,00,000/- (PY Rs 3,45,41,942/-) for M/S Indian Furniture Products Ltd.

e) While there could be micro, small & medium enterprises amongst the list of suppliers, the company has not identified this particular list; hence this information on dues to Small scale undertakings / MSMEs has not been disclosed as per MSMED Act, 2006. The Company is in the process of ascertaining balances if any payable to micro, small and medium enterprises

f) Capital commitments not provided for – Rs Nil (PY Rs Nil)

g) Third party balances including debtors are subject to confirmation. Wherever the balances not available, alternate procedures have been performed.



h) Amount earned in foreign currency during the year – Rs Nil (PY Rs Nil)

i) The previous year's figure have been re-worked, re-grouped, re-arranged and re-classified wherever necessary, to conform to current year's classifications.

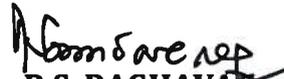
*vide our report of even date attached*

for KNRSG & ASSOCIATES,  
CHARTERED ACCOUNTANTS  
FRN No 006236S

for SOUNDARYAA IFPL  
INTERIORS LIMITED



**N SABARI GIRISAN**  
PARTNER  
Membership No. 211930  
Place : Chennai  
Date : 05.05.2018



**R.S. RAGHAVAN**  
DIRECTOR  
DIN - 00362555



**R. BALAJI**  
DIRECTOR  
DIN - 00355163

