

## **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, 2019, 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 (as amended). 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, 2019;
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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 2019, 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 KNRS& ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN007236S

sd/-

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

DATE: 08/05/2019  
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 2019. 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: The company did not hold any inventory as at 31<sup>st</sup> March 2019. Accordingly, the provisions of clause 3(ii) (a) to (c) of the Companies Auditor's report order 2016 are not applicable to the company.

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

sd/-

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

DATE: 08/05/2019  
PLACE: CHENNAI

**SOUNDARYAA IFPL INTERIORS LIMITED**  
**G-106, SIDCO INDUSTRIAL ESTATE, KAKKALUR, TIRUVALLUR - 602 003**  
**BALANCE SHEET AS AT 31st MARCH 2019**

Particulars	Notes	As at 31 Mar, 2019	As at 31 Mar, 2018
		Rs .	Rs .
<b>I.ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
(a) Property, Plant and Equipment	1	90,991	126,570
(b) Deferred tax assets (net)		4,001	3,396
(c) Other non-current assets	2	2,672,506	4,466,813
<b><u>(2) Current Assets</u></b>			
(a) Inventories	3	-	937,879
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	4	1,891,861	9,898,585
(iii) Cash and cash equivalents	5	10,514	2,578,750
(c) Current Tax Assets (net)		-	-
(d) Other Current Assets	6	9,611,705	9,610,572
<b>TOTAL ASSETS</b>		<b>14,281,578</b>	<b>27,622,565</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b><u>Equity</u></b>			
(a) Share Capital	7	2,500,000	2,500,000
(a) Other Equity			
(i) Reserves and Surplus	8	6,976,612	7,557,797
<b><u>Liabilities</u></b>			
<b><u>(1) Non-Current Liabilities</u></b>			
(a) Financial Liabilities			
(b) Provisions		-	-
(c) Deferred Tax Liabilities (net)		-	-
(d) Other Non Current Liabilities		-	-
<b><u>(2) Current Liabilities</u></b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	9	4,528,313	15,761,789
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	10	4,000	502,979
(c) Provisions	11	272,653	1,300,000
(d) Current Tax Liabilities (net)		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,281,578</b>	<b>27,622,565</b>

Summary of Significant Accounting Policies

18

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

For **SOUNDARYAA IFPL INTERIORS LTD**

sd/-  
**SABARI GIRISAN N**  
**PARTNER**

sd/-  
**R S RAGHAVAN**  
**(DIRECTOR)**  
**DIN - 00362555**

sd/-  
**SATHYAMURTHY D**  
**(DIRECTOR)**  
**DIN - 00355020**

**Membership No. : 211930**  
**PLACE: CHENNAI**  
**DATE : 08/05/2019**

**SOUNDARYAA IFPL INTERIORS LIMITED**  
G-106, SIDCO INDUSTRIAL ESTATE, KAKKALUR, TIRUVALLUR - 602 003  
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2019

Sr. No	Particulars	Notes	For the year ended 31st Mar, 2019	For the year ended 31st Mar, 2018
			Rs .	Rs .
	<b>CONTINUING OPERATIONS</b>			
I	Revenue from operations	12	-	69,529,051
II	Other Income	13	1,512,827	30,575
III	<b>Total Income (III)</b>	(I + II)	<b>1,512,827</b>	<b>69,559,626</b>
IV	<b>Expenses:</b>			
	Cost of materials Consumed	14	1,925	2,703,308
	Purchases of Stock in Trade		-	-
	Change in Inventories of FG, SIT & WIP	14	937,879	49,697,046
	Direct Operating Expenses	15	370,520	7,308,523
	Employee Benefit Expenses	16	-	169,727
	Financial Costs		-	-
	Depreciation and Amortization Expenses	1	35,579	197,823
	Other Expenses	17	748,714	6,615,993
	<b>Total Expenses (IV)</b>		<b>2,094,617</b>	<b>66,692,420</b>
V	Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)	<b>(581,790)</b>	<b>2,867,206</b>
VI	Exceptional Items		-	-
VII	Profit/(Loss) before tax	(V - VI)	<b>(581,790)</b>	<b>2,867,206</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		-	774,120
	(2) MAT Credit		-	(221,140)
	(3) Deferred tax		(605)	(18,350)
IX	<b>Profit/(Loss) from Continuing Operations</b>		<b>(581,185)</b>	<b>2,332,576</b>
X	<b>Profit/(Loss) from Discontinued Operations</b>		-	-
XI	Tax Expense of Discontinued Operations		-	-
XII	<b>Profit/(Loss) from Discontinued Operations (after tax)</b>	(X - XI)	-	-
XIII	<b>Profit/(Loss) for the period</b>	(IX + XII)	<b>(581,185)</b>	<b>2,332,576</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>(581,185)</b>	<b>2,332,576</b>
XVI	Earning per equity share (for Continuing Operations)			
	(1) Basic		(2.32)	9.33
	(2) Diluted		(2.32)	9.33
XVII	Earning per equity share (for Discontinued Operations)			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earning per equity share (for Discontinued & Continuing Operations)			
	(1) Basic		(2.32)	9.33
	(2) Diluted		(2.32)	9.33

Summary of Significant Accounting Policies

18

for KNRSG & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN - 007236S

For SOUNDARYAA IFPL INTERIORS LTD

sd/-  
SABARI GIRISAN N  
PARTNER

sd/-  
R S RAGHAVAN  
(DIRECTOR)  
DIN - 00362555

sd/-  
SATHYAMURTHY D  
(DIRECTOR)  
DIN - 00355020

Membership No. : 211930  
PLACE: CHENNAI  
DATE : 08/05/2019



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
			Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings							
	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)	(in Rs.)
As at 01st April 2017	-	-	-	-	-	5,225,221	-	-	-	-	-	-	5,225,221
Changes in accounting policy or Prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 01st April 2017	-	-	-	-	-	5,225,221	-	-	-	-	-	-	5,225,221
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	<b>2,332,576</b>	-	-	-	-	-	-	<b>2,332,576</b>
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	-	-	-	-	-	7,557,797	-	-	-	-	-	-	7,557,797

for KNRS& ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN - 007236S

For SOUNDARYAA IFPL INTERIORS LTD

sd/-  
SABARI GIRISAN N  
PARTNER

Membership No. : 211930  
PLACE: CHENNAI  
DATE : 08/05/2019

sd/-  
R S RAGHAVAN  
(DIRECTOR)  
DIN - 00362555

sd/-  
SATHYAMURTHY D  
(DIRECTOR)  
DIN - 00355020

## SOUNDARYAA IFPL INTERIORS LIMITED

G-106, SIDCO INDUSTRIAL ESTATE, KAKKALUR, TIRUVALLUR - 602 003  
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2019

PARTICULARS	YEAR ENDED 31/03/2019 Rs.	YEAR ENDED 31/03/2018 Rs.
<b><i>Cash Flows from Operating Activities</i></b>		
Net Profit before taxation & Extraordinary Items	(581,790)	2,867,206
Adjustments for		
Depreciation/Amortisation	35,579	197,823
Cash inflow from Interest	117,983	(30,575)
Interest Expenses	-	-
Operating Profit before working capital changes	<i>(428,228)</i>	<i>3,034,454</i>
Decrease/(Increase) in Sundry Debtors	8,006,724	7,158,248
Decrease/(Increase) in Inventories	937,879	49,697,046
Decrease/(Increase) in Other Non Current Assets	1,794,307	(926,649)
Decrease/(Increase) in Other Current Assets	(1,133)	2,529,003
Increase / (Decrease) in Liabilities	(12,759,802)	(58,521,855)
Cash Generated from Operations	(2,450,253)	2,970,247
Cash Flow from Taxes on Income	-	(552,980)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(2,450,253)</b>	<b>2,417,267</b>
<b><i>Cash Flows from Investing Activities</i></b>		
Purchase of Fixed assets	-	-
Interest Received	-	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b><i>Cash Flows from Financing Activities</i></b>		
Share Application/Share Capital received	-	-
Cash Flow from Interest	(117,983)	30,576
Short Term Borrowings	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(117,983)</b>	<b>30,576</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>(2,568,236)</b>	<b>2,447,843</b>
Opening Balance of Cash and Cash Equivalents	2,578,750	130,907
Closing Balance of Cash and Cash Equivalents	10,514	2,578,750

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

for KNRS& ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN - 007236S

For SOUNDARYAA IFPL INTERIORS LTD

sd/-  
SABARI GIRISAN N  
PARTNER

sd/-  
R S RAGHAVAN  
(DIRECTOR)  
DIN - 00362555

sd/-  
SATHYAMURTHY D  
(DIRECTOR)  
DIN - 00355020

Membership No. : 211930  
PLACE: CHENNAI  
DATE : 08/05/2019

**SOUNDARYAA IFPL INTERIORS LIMITED**  
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2019

(Reconciliation statement as required by Ind AS 16 as at 31st March 2019)

**Notes 1: Fixed Asset**

Rs.

Sr. No	Particulars	Gross Block				Depreciaton				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 31.03.2019	WDV as on 31.03.2018
<b>I</b>	<b><u>Tangible Assets</u></b>										
1	Plant and Equipment	68,005	-	-	68,005	68,005	-	-	68,005	-	-
2	Furnitures & Fixtures	-	-	-	-	-	-	-	-	-	-
3	Computer & Accessories	575,091	-	-	575,091	448,521	35,579	-	484,100	90,991	126,570
4	Office Equipment	47,960	-	-	47,960	47,960	-	-	47,960	-	-
	<b>SUB TOTAL (A)</b>	<b>691,056</b>	<b>-</b>	<b>-</b>	<b>691,056</b>	<b>564,486</b>	<b>35,579</b>	<b>-</b>	<b>600,065</b>	<b>90,991</b>	<b>126,570</b>
<b>II</b>	<b><u>Intangible Assets</u></b>										
	<b>SUB TOTAL (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III</b>	<b><u>Intangible Assets under development</u></b>										
	<b>SUB TOTAL (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IV</b>	<b><u>Intangible Assets Under Development</u></b>										
	<b>SUB TOTAL (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (Current Year)</b>	<b>691,056</b>	<b>-</b>	<b>-</b>	<b>691,056</b>	<b>564,486</b>	<b>35,579</b>	<b>-</b>	<b>600,065</b>	<b>90,991</b>	<b>126,570</b>
	<b>(Previous 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>

**SOUNDARYAA IFPL INTERIORS LIMITED**  
**Notes to Financial Statements for the year ended 31st March, 2019**

**Notes : 2 Other Non Current Assets**

Sr. No	Particulars	Rs.	Rs.
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	TDS Receivable	-	1,479,628
2	Provision for Taxation	-	(552,980)
3	Income Tax refund receivable	2,672,506	3,540,165
	<b>Total</b>	<b>2,672,506</b>	<b>4,466,813</b>

**Notes 3: Inventories**

Sr. No	Particulars	Rs.	Rs.
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Raw Material	-	937,879
2	Work-in-Progress	-	-
3	Goods in Transit	-	-
	<b>Total</b>	<b>-</b>	<b>937,879</b>

**Notes 4: Trade Recievables**

Sr. No	Particulars	Rs.	Rs.
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	<b>Outstanding for more than six months</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	1,891,861	8,718,585
	c) Doubtful	-	-
2	<b>Others</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	1,180,000
	c) Doubtful	-	-
	<b>Total</b>	<b>1,891,861</b>	<b>9,898,585</b>

**Notes 5: Cash & Cash Equivalent**

Sr. No	Particulars	Rs.	Rs.
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	<b>Cash-On-Hand</b>		
	Cash Balance	-	-
2	<b>Bank Balances</b>		
	Axis Bank - Chennai	10,514	2,578,750
3	Fixed Deposits	-	-
	<b>Total</b>	<b>10,514</b>	<b>2,578,750</b>

**Notes 6: Other Current Assets**

Sr. No	Particulars	Rs.	Rs.
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Capital Advances	-	-
2	Advances other than Capital Advances		
	a) Security Deposits	126,050	346,050
	b) Advance to related parties	-	-
	c) Other Advances - Advance to vendor	-	-
3	Others		
	a) Service Tax Input Credit	-	-
	b) GST Input Credit	5,372,642	5,372,649
	c) MAT Credit	4,113,013	3,891,873
	<b>Total</b>	<b>9,611,705</b>	<b>9,610,572</b>

**SOUNDARYAA IFPL INTERIORS LIMITED**  
Notes to Financial Statements for the year ended 31st March, 2019

**Notes 7: Share Capital**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	<b>AUTHORIZED CAPITAL</b> 2,50,000 Equity Shares of Rs. 10/- each.	2,500,000	2,500,000
		<b>2,500,000</b>	<b>2,500,000</b>
2	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b> 2,50,000 Equity Shares of Rs. 10/- each.	2,500,000	2,500,000
	<b>Total</b>	<b>2,500,000</b>	<b>2,500,000</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 31st Mar, 2019	As at 31st Mar, 2018
1	Indian Furniture Products Ltd., Number of shares % of Shareholding	125,001 50.01%	125,001 50.01%
2	Soundarya Decorators Pvt Ltd., Number of shares % of Shareholding	124,999 49.99%	124,999 49.99%

b. Reconciliation of Shares Outstanding

Sr. No	Particulars	As at 31st Mar, 2019	As at 31st Mar, 2018
	Shares Outstanding at beginning of the year	250,000	250,000
	Add: Shares Issued during the year	-	-
	Shares Outstanding at end of the year	250,000	250,000

**Notes 8: Other Equity**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
	<b>Retained Earnings</b>		
	Opening Balance	7,557,797	5,225,221
	Add: Profit/(Loss) for the period	(581,185)	2,332,576
	Closing Balance	6,976,612	7,557,797
	<b>Total</b>	<b>6,976,612</b>	<b>7,557,797</b>

**Notes 9: Trades Payables**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Sundry Creditors for Material/Services	871,319	1,917,530
2	Sundry Creditors for Others	3,656,994	13,844,259
	<b>Total</b>	<b>4,528,313</b>	<b>15,761,789</b>

**Notes 10: Other Current Liabilities**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Others a) TDS Payable	4,000	502,979
	<b>Total</b>	<b>4,000</b>	<b>502,979</b>

**Notes 11: Provisions**

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Provision For Employees Benefit	-	-
2	Others a) Expenses payable	272,653	1,300,000
	<b>Total</b>	<b>272,653</b>	<b>1,300,000</b>

## SOUNDARYAA IFPL INTERIORS LIMITED

Notes to Financial Statements for the year ended 31st March, 2019

### Notes 12: Revenue from Operations

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Income from Projects (Domestic)		
	- Sale of Products (Site Made Items)	-	56,968,463
	- Sale of Services (Installation revenues)	-	12,560,588
	- Other Operating Revenues	-	-
	<b>Total</b>	<b>-</b>	<b>69,529,051</b>

### Notes 13: Other Income

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Interest on Fixed Deposits	-	30,575
2	Interest received from Income Tax	117,983	-
3	Other Income- Reversals	1,394,844	-
	<b>Total</b>	<b>1,512,827</b>	<b>30,575</b>

### Notes 14: Cost of Material Consumed

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Opening Stock	937,879	1,370,519
2	Opening WIP	-	49,264,406
3	Purchase of Raw Materials	1,925	2,703,308
4	Closing Stock	-	(937,879)
5	Closing WIP	-	-
	<b>Total</b>	<b>939,804</b>	<b>52,400,354</b>

### Notes 15: Direct Operating Cost

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
	<b>DIRECT EXPENSES</b>		
1	Sub Contract Labour Charges	81,350	4,063,250
2	Power & Fuel	-	30,000
3	Discounts Paid	-	836,633
4	Site Expenses	289,170	2,378,640
	<b>Total</b>	<b>370,520</b>	<b>7,308,523</b>

### Notes 16: Employment Benefit Expenses

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Salary & Wages	-	166,827
2	Staff and Labour Welfare expenses	-	2,900
	<b>Total</b>	<b>-</b>	<b>169,727</b>

### Notes 17: Other Administrative Expenses

Sr. No	Particulars	Rs.	
		As at 31st Mar, 2019	As at 31st Mar, 2018
1	Bank Charges & Guarantee Commission	2,600	813,115
2	Audit Fees	150,000	200,000
3	Administration Expenses	10,800	17,045
4	Management Fee	-	5,000,000
5	Insurance	-	23,660
6	Professional Charges	150,600	215,500
7	Interest - Service Tax	362,898	39,592
8	Swacch Bharat & Krishi Kalyan Cess	-	210,000
9	Guest house Rent & Maintenance	-	34,800
10	Printing & Stationery	-	102
11	Repairs & Maintenance	-	14,159
12	Travelling & Conveyance	54,742	38,054
13	Miscellaneous Expenses	17,074	9,966
	<b>Total</b>	<b>748,714</b>	<b>6,615,993</b>

## **SOUNDARYAA IFPL INTERIORS LIMITED**

### **Notes to Financial Statements for the Year ended 31<sup>st</sup> March 2019**

#### **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 issued from time to time.

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 2019 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 issued from time to time.

##### *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, in case 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

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 – Nil (The company did not recognize any operating revenue for the year)

#### **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 company did not have inventory as at 31<sup>st</sup> March 2019.

<b>Particulars</b>	<b>As at 31<sup>st</sup> Mar'19</b>	<b>As at 31<sup>st</sup> Mar'18</b>
Carrying Amount of Inventory - Raw Materials	-	9,37,879
Material in Transit	-	-
<i>Carrying Amount of Inventory - Raw Materials</i>	-	<b>9,37,879</b>

#### **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 1,17,983/- (PY Rs 30,475/-)

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

### **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. Revenue from Contracts with Customers**

The company had generated its revenue from execution of Construction Contracts. The company has entered into a contract with M/S Shell India Markets Private Limited which subcontracted by M/S Larsen & Toubro Limited in the FY 2014-15 and the performance obligations have been fully completed in FY 2017-18. The company has not executed any projects in the current FY 2018-19.

<b>Particulars</b>	<b>For the year ended 31 March 2019 (Rs)</b>	<b>For the year ended 31 March 2018 (Rs)</b>
Contract revenue recognized during the year	Nil	6,95,29,201
Aggregate amount of Contract revenue recognized	54,67,55,137	54,67,55,137
Aggregate amount of Costs incurred till date	54,11,07,728	53,90,13,110
Aggregate of Profits/(Losses) recognized till date	69,76,612	75,57,798
Mobilization advances received during the year for contracts in progress	Nil	Nil
Mobilization advance outstanding at the end of the year	Nil	Nil
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	18,91,861	98,98,586

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

**k. Income Taxes**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March 2019 & 31<sup>st</sup> March 2018

Particulars	As at 31.03.2019	As at 31.03.2018
Accounting profit before tax from continuing operations	(5,81,791)	28,67,206
Profit/(loss) before tax from discontinued operation	-	-
<b>Accounting profit before income tax</b>	<b>(5,81,791)</b>	<b>28,67,206</b>
Depreciation as per Companies Act 2013	35,579	1,97,823
Depreciation as per Income Tax Act, 1961	(38,585)	(58,738)
Brought forward losses	-	-
<b>Net Accounting income chargeable to tax</b>	<b>(5,84,797)</b>	<b>30,06,291</b>
Income Tax at India's Statutory income tax rate of 25% plus cess of 4% on income tax (Cess was 3% as at 31.03.2018)	-	7,74,120
Book Profit for MAT u/s 115JB of Income Tax Act, 1961	<b>(5,81,791)</b>	28,67,206
Lower of unabsorbed depreciation or brought forward business loss (set off)	-	-
<b>Net Book Profit for MAT u/s 115JB of Income Tax Act, 1961</b>	<b>(5,81,791)</b>	<b>28,67,206</b>
MAT at 18.5% plus surcharge of 7% & cess of 4% on MAT	-	5,46,346
<b>Income Tax expense (Higher of tax as per normal rates or MAT)</b>	<b>-</b>	<b>7,74,120</b>
MAT Credit set off/accruing during the year (Difference of Tax as per normal rates & MAT)	-	(2,21,140)
<b>Provision for taxation (Net) as reported in the statement of profit &amp; loss</b>	<b>-</b>	<b>5,52,980</b>

The major components of income tax expense for the years ended 31<sup>st</sup> March 2019 and the comparatives as at 31<sup>st</sup> March 2018 are as follows :

*Statement of Profit & Loss:*

Particulars	As at 31.03.2019	As at 31.03.2018
<u>Current Income Tax</u>		
Current Income Tax Charge	-	7,74,120
<u>Deferred Tax</u>		
Relating to origination and reversal of temporary differences	(605)	(18,350)
<u>MAT Credit</u>		
MAT Credit set off/accruing during the year	-	(2,21,140)
<b>Income Tax expense reported in the statement of profit &amp; loss</b>	<b>(605)</b>	<b>5,34,630</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.

<b>Particulars</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Opening balance of Deferred Tax Assets/(Liabilities)</b>	<b>3,396</b>	<b>(14,955)</b>
Arising/(Reversal) during the year due to depreciation on Property Plant & Equipment	605	18,350
<b>Closing balance of Deferred Tax Assets/(Liabilities)</b>	<b>4,001</b>	<b>3,396</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 equipment as follows:

Computer Servers	6 years
Plant & Machinery	15 years
Computers – End user	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 had 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 83,265/- (PY Rs 1,74,000/-).

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.

<b>Particulars</b>	<b>Amount</b>
Not later than one year	NIL
Later than one year but not later than five years	NIL
Later than five years	NIL

**n. 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 Nil (PY Rs 1,69,727/-) which pertains to reimbursement of salary costs to holding company M/S Indian Furniture Products Ltd

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

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

**p. 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.

**q. 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>2018-19</b>	<b>2017-18</b>
Enterprises in which key management personnel have significant influence	<b>Soundarya Decorators Pvt Ltd</b>		
	a) (Purchase)/Sale of Goods & Fixed Assets	- (8,18,775)	7,31,127 (29,14,794)
	b) Expenses Incurred	63,07,765	2,20,46,303
	c) Expenses Reimbursed	(12,49,990)	(12,49,990)
	d) Share Capital	-	(32,40,000)
	e) Management Fees	-	-
	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)
	b) Expenses Reimbursed	46,48,273	2,33,20,078
	c) Share Capital	(12,50,010)	(12,50,010)
	d) Management Fees	-	(21,60,000)
	e) Inter Corporate Loan	-	-
	f) Interest on ICL	-	-
h) Provision for doubtful debts	-	-	
i) Expense recognized on bad or doubtful debts	-	-	

r. 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>2018-19</b>	<b>2017-18</b>
Weighted Number of Equity shares outstanding during the year	2,50,000	2,50,000
Net Profit available for equity Shareholders	(5,81,185)	23,32,576
Net Profit excluding Extraordinary Items	(5,81,185)	23,32,576
Nominal Value of equity share (Rs)	10	10
Basic & Diluted Earnings per share	(2.32)	9.33
Basic & Diluted Earnings per share excluding Extraordinary Items	(2.32)	9.33

**s. 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

**t. 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>2018-19</b>	<b>2017-18</b>
Capital commitments (net of advances) not provided for	Nil	Nil
Bank guarantees	Nil	3,18,01,604
Unexpired Letters of Credit	Nil	Nil

## Notes to the Financial Statements

### a) Operating Income & Profit

Operating Income for the year: Rs.Nil (PY: Rs. 6,95,29,051/-).

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

The Net profit arising out of operations are (Rs. 5,81,185/-)

[PY: Rs. 23,32,576/-]

### 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)	
	2018-19	2017-18
Statutory audit fees	1,50,000	1,50,000
Tax Audit	Nil	50,000
Out of Pocket Expenses	Nil	Nil
<b>Total</b>	<b>1,50,000</b>	<b>2,00,000</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 2019 is Rs Nil (PY Rs 50,00,000/-) with Rs Nil (PY Rs 30,00,000/-) for M/S Soundarya Decorators Pvt Ltd and Rs Nil (PY Rs 20,00,000/-) 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 007236S

for SOUNDARYAA IFPL  
INTERIORS LIMITED

**sd/-**  
**N SABARI GIRISAN**  
PARTNER  
Membership No. 211930  
Place : Chennai  
Date : 08-05-2019

**sd/-**  
**RS RAGHAVAN**  
DIRECTOR  
DIN – 00362555

**sd/-**  
**SATHYAMURTHY D**  
DIRECTOR  
DIN - 00350020

## MANAGEMENT REPRESENTATION LETTER – IND AS FINANCIAL STATEMENTS

To,  
**M/s. KNRS& Associates**  
Chartered Accountants  
New No 32, Old No C22,  
Second Floor, 12th Avenue,  
Ashok Nagar,  
Chennai – 600 083

Dear Sir,

### **Re.: Audit of the accounts of the Company for the year ended 31st March 2019**

We confirm to the best of our knowledge and belief, this representation is provided in connection with the statutory audit of the Ind AS financial statements of **SOUNDARYAA IFPL INTERIORS LIMITED** for the year ended March 31, 2019 for the purpose of expressing an opinion as to whether the Ind AS financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows and that there are no material misstatements that should be made to be in conformity with the generally accepted accounting principles.

In accordance with the normal practice, we hereby confirm, to the best of our knowledge and belief and having made appropriate enquiries of other officials of the Company, the information and representations which have been provided to you during the review of the financial results of the Company as of the aforesaid date.

We understand that your examination included such tests and procedures, as you considered necessary for the purpose of expressing an opinion on the financial statements. We also understand that such tests and procedures would not necessarily detect fraud, irregularities or error, should any exist. We acknowledge that control over and responsibility for the prevention and detection of fraud, irregularities, and error remains with us.

In connection with your audit we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

#### **1. Financial Statement & records**

- 1.1. The financial statements are free of material errors and omissions and present fairly the financial position of the Company and the results of its operations in accordance with Generally Accepted Accounting Principles .

- 1.2. We acknowledge our responsibility for preparation of financial statements in accordance with the requirements of the Schedule III & such other provisions of Companies Act, 2013, Income-tax Act, 1961 and of other relevant statute and recognized accounting policies and practices, including the Ind AS and necessary Interpretations as issued, as referred to in Section 129(1) & Section 133 of the Companies Act, 2013, Guidance Notes and Auditing Review and such other Standards issued by the Institute of Chartered Accountants of India.
- 1.3. We have made available to you all accounting and financial records and related data of the Company.
- 1.4. There have been no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- 1.5. The management believes that the assets set forth in the balance sheet are shown in the aggregate at amounts not exceeding their realizable or market value.
- 1.6. There have been no events subsequent to balance sheet date which require adjustment of or disclosure in the financial statements or notes thereto.
- 1.7. There are no communications from the MCA or other regulatory agencies concerning non-compliance with, or deficiencies in, compliances that could have a material effect on the financial statements.
- 1.8. There are no inconsistencies between the Management report and the financial statements.

## **2. Accounting Policies**

- 2.1. The accounting policies which are material or critical in determining the results of operations for the year or financial position are set out in the Ind AS financial statements and are consistent with those adopted in the financial statements for the previous year after giving necessary effect to transition provisions as per Ind AS 101. The Ind AS financial statements are prepared on accrual basis.
- 2.2. The accounting policies adopted by the company are in accordance with the Ind AS and generally accepted accounting principles in India.

## **3. Internal Control Structure**

We acknowledge the responsibility for the implementation of adequate and effective internal control on the operations of the business, finance, and accounting designed as to prevent and detect fraud and error and our representation for the same is provided to you separately with regard to your Audit of Internal Financial Controls over Financial Reporting.

#### 4. Fixed Assets

##### Property Plant & Equipment

- 1.1. The net book value at which Property Plant & Equipment (PPE) are stated in the financial statements are arrived at:
  - 1.1.1. after taking into account all capital expenditure on additions thereto, but no expenditure properly chargeable to revenue;
  - 1.1.2. after eliminating the cost and accumulated depreciation relating to items sold, discarded demolished or destroyed;
  - 1.1.3. after providing adequate depreciation on PPE during the period.
  - 1.1.4. after providing for discrepancies found during physical verification.
- 1.2. The Company has satisfactory title to all owned PPE and there are no liens or encumbrances on the company's assets except those are duly disclosed in the financial statements.
- 1.3. All PPE capitalized and depreciation charged there on during the financial year have been installed, commissioned and put to use during the financial year.
- 1.4. All the PPE have been physically verified during the year and discrepancies if any noticed on such verification have been properly dealt within the books of account.
- 1.5. Adequate records have been maintained for PPE showing inter-alia, location of the type/nature of the asset and cost and that such record are fully reconciled with financial records.
- 1.6. We have carried out a detailed exercise for impairment as at the Balance Sheet date as required by Ind AS 36 and based on such exercise, we certify that there is no impairment on of any PPE at any of the cash generating units of the Company other than the amount provided in the financial statements.
- 1.7. The figures related to fixed assets as reflected in the financial statements as at the Balance Sheet date are in agreement with the PPE register maintained by the Company.

### **Intangible Assets**

- 1.8. The net book value at which Intangible Assets are stated in the financial statements are arrived at:
- 1.8.1. after taking into account all capital expenditure on the additions / development thereto, but no expenditure properly chargeable to revenue;
- 1.8.2. after eliminating the cost and accumulated amortization relating to Intangible Assets discarded or where the economic useful life of the asset has come to an end;
- 1.8.3. after providing adequate amortization on Intangible assets during the period which is being consistently followed;
- 1.9. Expenditure incurred during the research phase has been expensed and not capitalized.
- 1.10. We have carried out a detailed exercise for impairment as at the Balance Sheet date as required by Ind AS 38 and based on such exercise; we certify that there is no impairment to the carrying amount of software products.
- 1.11. The figures related to Intangible Assets as reflected in the financial statements as at the Balance Sheet date are in agreement with the assets register / accounting records maintained by the Company.

Value of Total PPE (Net Block) as at 31<sup>st</sup> March 2019 as depreciated and/or amortized as per above is Rs 90,991/-

### **5. Capital Commitments**

At the balance sheet date, there were no outstanding commitments for capital expenditure.

### **6. Investments**

We confirm there are no investment contracts entered into during the year.

### **7. Inventories:**

Inventories at the year-end: Rs Nil

### **8. Trade Receivables, Loans and Advances and other current assets :**

- 8.1. Trade Receivables and Loans and Advances appearing in the books as at the date of the Balance Sheet are considered good and fully recoverable, with the exception of those specifically shown as “doubtful” in the Balance Sheet.

Trade receivable: Outstanding for a period of less than 180 days	-
Trade receivable: Outstanding for a period of more than 180 days	18,91,862
Security deposits	- Short Term 1,26,050
Other current assets	- Short Term 95,56,913
Other non current assets	26,72,506

- 8.2. No provision for bad and doubtful debts is necessary except for those if any provided for in the accounts.
- 8.3. Trade Receivables, Loans and Advances denominated in foreign currencies if any at the year end have been correctly restated as required by Ind AS 21.
- 8.4. Balances due from/to related parties have been suitably disclosed in the financial statements under notes to accounts as per Ind AS 24.
- 8.5. The employees to whom loans or advances in the nature of loans have been given, the company is recovering the same as per company's policy.
- 8.6. In the opinion of the Board of Directors, other current assets have a value on realization in the ordinary course of the Company's business, which is at least equal to the amount at which they are stated in the balance sheet.

9 **Secured/Unsecured Loans Taken**

- 9.1 The company has not taken any Term Loan/Secured loan during the year
- 9.3 No loan(s) has/have been guaranteed by manager and/or directors of the Company.
- 9.4 Loans given by directors or relatives of KMP or concerns in which directors are interested or related parties included in the above loans, Secured Rs.Nil and Unsecured Rs.Nil/-

10 **Trade payable, Liabilities and Provisions:**

- 10.1 We have recorded all known liabilities in the financial statements.
- 10.2 The Company has initiated the process of identifying Micro, Small and Medium Enterprises (MSMEs) as per Micro, Small and Medium Enterprises Development Act, 2006 and based on the information obtained none of the creditors come under the category of MSMEs.
- 10.3 Amounts Outstanding as at 31<sup>st</sup> March 2019 consist of

Trade Payables (Creditors for Expenses)	– Rs 45,28,315/-
Other Current Liabilities : Statutory Dues	– Rs 4,000/-

11 **Contingent Liabilities**

- 11.1 We have disclosed in notes to the financial statements all guarantees that we have given to bank, financial institution and third parties and all other contingent liabilities.
- 11.2 Contingent liabilities disclosed in the notes to the financial statements do not include any contingencies which are likely to result in a loss and which, therefore, require adjustment of assets of liabilities.

11.3 There have been no violations or possible violations of laws or regulations the effect of which should be considered for disclosure in the financial statements as the basis for recording a contingent loss.

11.4 No guarantees made by the Company on behalf of an affiliate, director, officer or any other third party.

## **12 Provision for Claims & Losses**

12.1 Adequate provisions have been made for all known material liabilities in the accounts and there are no known liabilities at the year end for which provision is considered necessary as per Ind AS 37 for all known liabilities, litigations, claims and losses wherever considered necessary except the following.

12.2 The provisions made for expenses are not in excess and are reasonable and we have taken enough care to ensure that there is no duplicate provisioning.

12.3 The Company is responsible for determining and maintaining the adequacy of the allowance for doubtful debts, and accounts receivable, as well as estimates used to determine such amounts.

12.4 Total provisions recognized as at 31<sup>st</sup> March 2019 is Rs.2,72,653/-

## **13 Cash on Hand & Bank Balance**

13.1 Cash on hand as appearing in the Cash Book of the Company as on the date of the Balance Sheet is Rs. Nil/-.

13.2 The bank balances as at Balance Sheet date is as follows:

- In Current Accounts : Rs. 10,514/-
- In Fixed Deposit Accounts : Rs. Nil

13.3 None of the director/his relative is interested in any of the aforesaid Banks (Other than Scheduled Banks)

## **14 Taxation**

14.1 The Company has generally complied with the provisions relating to deduction of taxes at source under the Income Tax Act, 1961.

14.2 All the taxes provisions/adjustments/disclosures as reflected in the financial statements are approved by the management and the same are correct. All the assessment orders and intimations received from the tax authorities are appropriately accounted for/disclosed in the financial statements to the extent the Company has not gone for any further appeal to the higher tax authorities.

14.3 The company has accounted for Deferred Tax based on the guidance given under Ind AS 12 as issued by the ICAI.

14.4 Deferred Tax Asset as at 31<sup>st</sup> March 2019 is Rs 4,001/- & Deferred Tax Liability is Rs Nil.

#### **15 Disqualification of Directors**

15.1 We confirm that none of the directors of the Company as on March 31, 2019 are disqualified under Section 164(2) of the Companies Act, 2013. We further confirm that all these confirmations have been received and noted by the Board of Directors at its meeting held.

#### **16 Related parties**

16.1 There are no instances where an officer or an employee of the company has an interest in a company with which the company does business that would be a “conflict of interest”. Even where the interest exists, the transactions have been made at prices, which are reasonable having regard to prevailing market prices and are not prejudicial to the interests of the company

16.2 We have identified all the related parties and transactions with such related parties. The information provided to you is complete in all respects. Proper disclosure has been made in the financial statements.

16.3 The related party transactions have been duly authorized and have been conducted at an arm’s length.

16.4 The disclosures made in the financial statements are adequate having regard to the framework under which the financial statements have been drawn.

16.5 The financial statements are free from material misstatements including omissions with regard to related parties and transactions with related parties.

#### **17 Statement of Profit and Loss**

Except as disclosed in the financial statements, the results for the year were not materially affected by:

- a. Transactions of any nature not usually undertaken by the Company;
- b. Circumstances of an exceptional or non-recurring nature;
- c. Charges or credits relating to prior years;
- d. Changes in accounting policies.

Revenue is recognized based on work certified & invoices raised during the year  
Rs Nil & Other Income (Interest & Misc reversals) of Rs 15,12,827/-

Net Profit/(Loss) from operations for the year ended 31<sup>st</sup> March 2019 is (Rs 5,09,929/-)

**18**      **General**

- 18.1      The followings have been properly recorded and, when appropriate, adequately disclosed in the financial statements:
- a.        Losses arising from sale and purchase commitments
  - b.        Agreements and options to buy back assets previously sold
  - c.        Assets pledged as collateral.
- 18.2      There are no violations or possible violations of laws, regulations or contractual arrangements whose effects should be considered as a basis for recording a contingency loss, and there are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed. We have carefully examined, with our legal advisers, the various elements of our commitments, contingent liabilities, law suits, and open tax returns, as well as possible claims or litigation, and we consider that the provisions in the financial results in respect thereof are adequate.
- 18.3      There has been no change in the status of the Company during the year.
- 18.4      The Company has followed proper cut-off procedures for the purpose of financial statements for accruing income/expenditure.
- 18.5      There have been no irregularities involving management or employees who have a significant role in the system of internal control that could have a material effect on the financial statements.
- 18.6      The financial statements are free of material misstatements, including omissions.
- 18.7      The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 18.8      The Company is not exposed to any environmental, product and other risks.

- 18.9 We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- 18.10 The annual accounts have been unanimously approved in the meeting of the Board of Directors of the Company.

We, the undersigned, confirm that we are authorized to sign this letter of representation on behalf of the Company.

Thanking you,  
Yours truly,

**For Soundaryaa IFPL Interiors Ltd**

sd/-  
**RS Raghavan**  
**Director**  
DIN – 00362555

sd/-  
**Sathyamurthy D**  
**Director**  
DIN - 00355020

Place: Chennai  
Date: 08/05/2019

**MANAGEMENT REPRESENTATION LETTER – INTERNAL FINANCIAL CONTROLS  
OVER FINANCIAL REPORTING**

To,  
**M/s. KNRS& Associates**  
Chartered Accountants  
New No 32, Old No C22,  
Second Floor, 12th Avenue,  
Ashok Nagar,  
Chennai – 600 083

Dear Sir,

**Re.: Audit of the Internal Financial Controls over Financial reporting of the Company for the year ended 31st March 2019**

We confirm to the best of our knowledge and belief, this representation is provided in connection with the statutory audit of the Internal Financial Controls Over Financial Reporting of **SOUNDARYAA IFPL INTERIORS LIMITED** for the year ended March 31, 2017 for the purpose of expressing an opinion as to whether the Company had, in all material respects, an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the 2013 Act, to the extent applicable to an audit of internal financial controls over financial reporting.

In accordance with the normal practice, we hereby confirm, to the best of our knowledge and belief and having made appropriate enquiries of other officials of the Company, the information and representations which have been provided to you during the review of the Internal financial control over financial reporting of the Company as of the aforesaid date.

1. We are responsible for establishing and maintaining adequate and effective internal financial controls based on the control criteria as envisaged in the guidance note by the Institute of Chartered Accountants of India and the preparation and presentation of the financial statements as set out in the terms of the audit engagement dated 01<sup>st</sup> October 2018 and, in particular, the assertions to you on the internal financial controls in accordance with the aforementioned criteria.
2. We have performed an evaluation and made an assessment of the adequacy and effectiveness of the company's internal financial controls and based on the aforesaid control criteria

3. We have not used the procedures performed by you during the audit of internal financial controls over financial reporting as part of the basis for our assessment of the effectiveness of internal financial controls.
4. Based on the assessment carried out by us and the evaluation of the results of the assessment, we conclude that the Company has adequate internal financial controls system that was operating effectively as at the March 31, 2019
5. There were no instances of fraud resulting in a material misstatement to the company's financial statements and any other fraud that does not result in a material misstatement to the company's financial statements but involves senior management or management or other employees who have a significant role in the company's internal financial controls
6. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices
7. We have provided you with
  - a) All information, such as records and documentation, and other matters that are relevant to your assessment of internal financial controls
  - b) Additional information that you have requested from us; and
  - c) Unrestricted access to those within the entity.
8. There are no changes in the internal financial controls system from March 31, 2019 till the date of this representation letter.

We, the undersigned, confirm that we are authorized to sign this letter of representation on behalf of the Company.

Thanking you,  
Yours truly,

**For SOUNDARYAA IFPL INTERIORS LTD**

sd/-  
**RS Raghavan**  
**Director**  
DIN – 00362555

sd/-  
**Sathyamurthy D**  
**Director**  
DIN - 00355020

Place: Chennai  
Date: 08/05/2019

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, 2019**

With regard to your letter informing our appointment as auditors of the Soundaryaa IFPL Interiors Limited (the Company), you have requested that we audit the Balance sheet as at 31st March, 2019, 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 2019, 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
- 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 2019 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 2019 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, 2019	150.00

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 KNRSG's gross negligence or wilful neglect or misconduct, KNRSG's maximum liability to the company, for any reason, relating to the services under this letter shall be limited to the fees paid to KNRSG for the services or work product giving rise to liability and the company will indemnify and hold harmless KNRSG 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 KNRS& Associates**  
**Chartered Accountants**  
**FRN 007236S**

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

**Sd/-**  
**Sabari Girisan N**  
Partner  
M.No. 211930

**Sd/-**  
**Sathyamurthy D**  
Director  
DIN - 00355020

Date: October 01, 2018

Place: Chennai