



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, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended as at March 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 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 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 financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the 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 financial statements.

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





Opinion

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

1. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
2. in the case of the Profit and Loss Account, of the profit for the year ended on that date;
3. in the case of the Cash Flow Statement, cash flows 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 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report as Annexed
- 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, 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 loses
 - 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
New No : 32,
Old No : C 22,
Ashok Nagar,
Chennai - 83
MEM NO: 030

DATE: 05/05/2016
PLACE: CHENNAI



ANNEXURE REFERRED TO IN OUR REPORT TO THE MEMBERS OF SOUNDARYAA IFPL INTERIORS LIMITED FOR THE YEAR ENDED 31ST MARCH 2016. WE REPORT THAT:

i) FIXED ASSETS:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(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
FRN0072205

CA. N. Sabari Girisan
CA. N. SABARI GIRISAN
PARTNER
MEM NO: 211950



DATE: 05/05/2016
PLACE: CHENNAI



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF SOUNDARYAA IFPL INTERIORS
LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

To the Members of SOUNDARYAA IFPL INTERIORS LIMITED,

We have audited the internal financial controls over financial reporting of SOUNDARYAA IFPL INTERIORS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

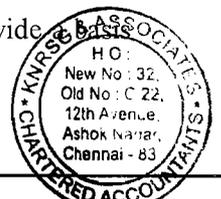
The Company's Management is responsible for establishing and maintaining internal financial controls based on [the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide for our audit opinion on the internal financial controls system over financial reporting.





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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

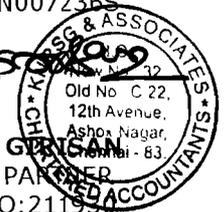
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, [based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India].

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report on the even date Unqualified opinion expressed

For KNRSG & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN007236S


CA. N. SABARI
PARTNER
MEM NO: 211990



DATE: 05/05/2016
PLACE: CHENNAI

SOUNDARYAA IFPL INTERIORS LIMITED

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

BALANCE SHEET AS AT 31st MARCH 2016

| Particulars | Notes | As at 31 Mar, 2016 | As at 31 Mar, 2015 |
|---------------------------------------|-------|-----------------------|-----------------------|
| | | Rs . | Rs . |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 25,00,000 | 25,00,000 |
| (b) Reserves and Surplus | 3 | (234,58,928) | (92,62,546) |
| (2) Deferred Tax Liability | | 34,976 | 26,522 |
| (4) Current Liabilities | | | |
| (a) Short-Term Borrowings | 4 | 70,00,000 | 70,00,000 |
| (b) Trade Payables | 5 | 303,29,662 | 24,007 |
| (c) Other Current Liabilities | 6 | 786,12,437 | 883,86,767 |
| (d) Short-Term Provisions | 7 | 27,63,492 | 2,03,072 |
| Total Equity & Liabilities | | 977,81,639 | 888,77,822 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 8 | 11,43,054 | 13,68,501 |
| (2) Current Assets | | | |
| (a) Inventories | 9 | 192,36,987 | 50,18,093 |
| (b) Trade receivables | 10 | 276,78,077 | - |
| (c) Cash and cash equivalents | 11 | 292,26,302 | 754,02,521 |
| (d) Short-term loans and advances | 12 | 204,97,219 | 70,88,707 |
| Total Assets | | 977,81,639 | 888,77,822 |

Summary of Significant Accounting Policies

1

for KNRSG & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 007236S

For SOUNDARYAA IFPL INTERIORS LTD



SABARI GIRISAN N
PARTNER

PRASANTA DAS
(DIRECTOR)

SURESH D
(DIRECTOR)

Membership No. : 211930
PLACE: CHENNAI
DATE : 05/05/2016

SOUNDARYAA IFPL INTERIORS LIMITED

G-106, SIDCO INDUSTRIAL ESTATE, KAKKALUR, TIRUVALLUR - 602 003
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

| Sr. No | Particulars | Notes | For the year ended 31st Mar, 2016 | | For the year ended 31st Mar, 2015 | |
|--------|--|------------|-----------------------------------|-----|-----------------------------------|-----|
| | | | Rs. | Rs. | Rs. | Rs. |
| I | Revenue from operations | 13 | 708,65,714 | - | - | - |
| II | Other Income | 14 | 26,38,787 | - | - | - |
| III | III. Total Revenue (I + II) | | 735,04,501 | - | - | - |
| IV | Expenses: | | | | | |
| | Cost of materials Consumed | 15 | 361,92,791 | - | 19,77,250 | - |
| | Direct Operating Expenses | 16 | 112,25,272 | - | 17,18,416 | - |
| | Employee Benefit Expenses | 17 | 90,77,628 | - | 55,31,040 | - |
| | Financial Costs | 18 | 10,00,230 | - | 2,21,558 | - |
| | Depreciation and Amortization Expenses | 8 | 2,30,647 | - | 70,155 | - |
| | Other Administrative Expenses | 19 | 299,65,861 | - | 36,72,105 | - |
| | Total Expenses (IV) | | 876,92,429 | - | 92,36,024 | - |
| V | Profit/(Loss) before exceptional and extraordinary items and tax | (III - IV) | (141,87,928) | - | (92,36,024) | - |
| VI | Extraordinary Items - Prior Period Expenses | | - | - | - | - |
| VII | Profit/(Loss) before tax | | (141,87,928) | - | (92,36,024) | - |
| VIII | Tax expense: | | | | | |
| | (1) Current tax - MAT | | - | - | - | - |
| | (2) Deferred tax | | 8,454 | - | 26,522 | - |
| IX | Profit/(Loss) for the period | | (141,96,381) | - | (92,62,546) | - |
| X | Earning per equity share: | | | | | |
| | (1) Basic & Diluted | | (56.79) | - | (57.55) | - |
| | (2) Diluted excluding Extraordinary Items | | (56.79) | - | (57.55) | - |

Summary of Significant Accounting Policies

1

for KNRS & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 007236S

For SOUNDARYAA IFPL INTERIORS LTD

Sabari Girisan N
SABARI GIRISAN N
PARTNER



Prasanta Das

PRASANTA DAS
(DIRECTOR)

Suresh D

SURESH D
(DIRECTOR)

Membership No. : 211930
PLACE: CHENNAI
DATE : 05/05/2016

SOUNDARYAA IFPL INTERIORS LIMITED

Notes to Financial Statements for the Year ended 31st March 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Policy

The financial statements of the Company are prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'), under the historical cost convention and on an accrual basis. Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (The Act) read with rule 7 of the Companies (Account) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

b. Presentation and disclosure of financial statements

As Envisaged in Rule 4A of Companies (Account) Second Amendment Rules, 2015, The Financial statements for the year ended 31 March 2016 has been prepared in accordance with schedule III notified under the Companies act, 2013, that has become applicable for the preparation and presentation of financial statements with effect from FY 2014-15. The adoption of the schedule III does not impact recognition and measurement principles followed for preparation of financial statements.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.



d. Revenue Recognition

Revenues earned by the Company fall into the following categories:

- a) Site Made Items
- b) Installation Revenues

During the course of the year 2015-16, the Company has recognized revenue as per AS 7 "Construction Contracts", as per the terms of the contract based on the certificates of completion received from client.

e. Recognition of Costs

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, have been considered as Work in Progress.

f. Fixed Assets and Depreciation

Fixed Assets are stated at 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.

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

Depreciation on tangible and intangible assets 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 Tangible Fixed Assets as follows:

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



g. Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation.

h. 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 profit and loss account.

i. Investments

The company has not made any Investments during the year.

j. Inventories

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

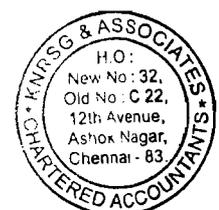
Work in Progress has been valued as per AS 7. Accordingly, WIP with respect to materials installed at site (where the work has not been certified) was arrived at by aggregating the cost of materials and related labour costs of installing the materials, and Work in progress with respect to materials not yet installed, was arrived at by considering the cost of materials only.

Work-in-progress also includes the balance amount of the cost of material delivered at the site, yet to be billed to the customer as per contractual terms.

k. Employee Benefits

Short term employee benefits

All employee benefits 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.



l. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition 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.

m. Taxation

- a) Current Tax is determined as the amount of Tax payable to the Taxation Authorities in respect of Taxable Income for the period.
Income Tax Provision made for the year is Rs.Nil (PY Rs Nil)
- b) Deferred Tax is provided in respect of timing differences that originate in one period and are capable of reversal in one or more subsequent periods.
- c) Deferred Tax asset are recognized only if there is a reasonable certainty of their realization.

Deferred Tax Asset on business losses & unabsorbed depreciation is recognized only upon virtual certainty of sufficient future taxable business income against which DTA can be realized

n. Foreign Currency Transactions

- a) Transactions in foreign exchange are normally recorded at the exchange rate prevailing on the date of the transaction.
- b) At the year-end, all monetary assets & liabilities denominated in foreign currency are restated at the year-end exchange rates.
- c) Exchange differences arising on actual payment / realization and year-end reinstatement referred to above are adjusted:
 - i) in respect of Fixed Assets : to the related cost of Fixed Assets
 - ii) in all other cases : to the related expenses account

The company does not have any foreign exchange transactions during the year

o. 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.



p. Contingent liabilities and provisions

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.

q. 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.

r. Segment Reporting

The Standard AS 17 is not applicable as there are no identifiable segments.



Notes to the Financial Statements

a) Operating Income & Profit

Operating Income for the year: Rs.7,08,65,714/- (PY: Rs. Nil).

Operating Income for the year includes Sales derived from proportionate invoicing of site made materials of Rs 5,90,47,430/- (PY: Rs Nil) and Installation of Rs 1,18,18,284 (PY: Rs Nil) based on the contractual terms of the project.

The Net profit arising out of operations are (Rs. 1,41,96,381/-)
[PY: (Rs.92,62,546/-)]

b) Short Term Borrowings

Inter Corporate Loan obtained from M/S Indian Furniture Products Limited for Rs 70,00,000/- during Previous Financial Year 2014-15 has been renewed for additional period of 1 year and the same as been shown under Short Term Borrowings.

c) Cenvat Credit

Amount of Service Tax Input Credit as at 31st March 2016 is Rs 42,78,058/-
Amount of VAT Input Credit as at 31st March is Rs NIL
The above are in conformity with the returns filed with the Statutory authorities.

d) Prior period Transactions

During the course of the year, there were no items of expenses that have been identified as not pertaining to the operations of the current year.

e) Details of contract revenue and costs

| Particulars | For the year ended 31 March 2016 (Rs) | For the year ended 31 March 2015 (Rs) |
|--|--|--|
| Contract revenue recognized during the year | 7,08,65,714 | Nil |
| Mobilization advances received during the year for contracts in progress | Nil | 8,83,50,000 |
| Mobilization advance outstanding at the end of the year | 7,46,74,456 | 8,83,50,000 |
| 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 | 2,76,78,079 | Nil |



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.

f) Details of shares held by each shareholder holding more than 5% shares

Equity shares with Voting rights

| Name of the shareholder | As of 31st March 2016 | | As of 31st March 2015 | |
|--------------------------------------|-----------------------|-----------|-----------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| Indian Furniture Products Limited | 1,25,001 | 50.01% | 1,25,001 | 50.01% |
| Soundarya Decorators Private Limited | 1,24,999 | 49.99% | 1,24,999 | 49.99% |

g) Earnings Per Share

| Particulars | 2015-16 | 2014-15 |
|--|---------------|-------------|
| Weighted Number of Equity shares outstanding during the year | 2,50,000 | 1,60,959 |
| Net Profit available for equity Shareholders | (1,41,96,381) | (92,62,546) |
| Net Profit excluding Extraordinary Items | (1,41,96,381) | (92,62,546) |
| Nominal Value of equity share (Rs) | 10 | 10 |
| Basic & Diluted Earnings per share | (56.79) | (57.55) |
| Basic & Diluted Earnings per share excluding Extraordinary Items | (56.79) | (57.55) |

h) Deferred taxation

Closing balances of Deferred Taxes as at 31st March 2016.

| (Rs) | | | | |
|-------------------------------|--------|---------------|---------------------|---------------|
| Particulars | Nature | Opening | Arising / Reversing | Closing |
| Fixed Assets and Depreciation | DTL | 26,522 | 8,454 | 34,976 |
| TOTAL | | 26,522 | 8,454 | 34,976 |



i) Contingent Liabilities

| Particulars | 2015-16 | 2014-15 |
|--|--------------|--------------|
| Capital commitments (net of advances) not provided for | Nil | Nil |
| Bank guarantees | 17,00,00,000 | 18,00,00,000 |
| Unexpired Letters of Credit | Nil | Nil |

j) Related Party Transactions

a. By Ownership

Soundarya Decorators Private Limited
Indian Furniture Products Limited

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

| Related Party | Nature of transaction | 2015-16 | 2014-15 |
|--|--------------------------------------|---------------|-------------|
| Enterprises in which key management personnel have significant influence | Soundarya Decorators Ltd | | |
| | a) Purchase of Goods & Fixed Assets | (54,55,638) | (36,97,706) |
| | b) Expenses Incurred | (1,32,84,695) | (94,65,868) |
| | c) Expenses Reimbursed | 2,16,67,855 | 1,31,67,368 |
| | d) Share Capital | (12,49,990) | (12,49,990) |
| | Indian Furniture Products Ltd | | |
| | a) Expenses Incurred | (31,17,796) | (54,32,696) |
| | b) Expenses Reimbursed | 29,72,364 | 56,54,119 |
| | c) Share Capital | (12,50,010) | (12,50,010) |
| | d) Management Fees | (2,00,00,000) | 0 |
| e) Inter Corporate Loan | (70,00,000) | (70,00,000) | |
| f) Interest on ICL | (10,00,230) | (1,99,402) | |

k) Auditors Remuneration : In Rs Lakhs

| Particulars | 2015-16 | 2014-15 |
|------------------------|-----------------|---------------|
| Statutory audit fees | 1,00,000 | 75,000 |
| Tax Audit | 50,000 | Nil |
| Out of Pocket Expenses | Nil | Nil |
| Total | 1,50,000 | 75,000 |



- l) Employee benefits pertain to the reimbursement of salary costs incurred by Strategic Partner M/S Soundaya Decorators Pvt Ltd – Rs 86,88,167/- (PY Rs 55,31,040/-)
- m) 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
- n) 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 KNRS&G & ASSOCIATES
CHARTERED ACCOUNTANTS
Frn No 006236S

N Sabari Girisan



N SABARI GIRISAN
PARTNER
Membership No. 211930
Place : Chennai
Date : 05-05-2016

for SOUNDARYAA IFPL
INTERIORS LIMITED

Prasanta Das

PRASANTA DAS
DIRECTOR

Suresh D

SURESH D
DIRECTOR

SOUNDARYAA IFPL INTERIORS LIMITED

Notes to Financial Statements for the year ended 31st March, 2016

Notes 2: Share Capital

| Sr. No | Particulars | Rs. | |
|--------|---|----------------------|----------------------|
| | | As at 31st Mar, 2016 | As at 31st Mar, 2015 |
| 1 | AUTHORIZED CAPITAL | | |
| | 2,50,000 Equity Shares of Rs. 10/- each. | 25,00,000 | 25,00,000 |
| | | 25,00,000 | 25,00,000 |
| 2 | ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL | | |
| | 2,50,000 Equity Shares of Rs. 10/- each. | 25,00,000 | 25,00,000 |
| | Total | 25,00,000 | 25,00,000 |

Notes 3: Reserve & Surplus

| Sr. No | Particulars | Rs. | |
|--------|-----------------------------------|----------------------|----------------------|
| | | As at 31st Mar, 2016 | As at 31st Mar, 2015 |
| | Surplus (Profit & Loss Account) | | |
| | Opening Balance | (92,62,547) | - |
| | Add: Profit/(Loss) for the period | (141,96,381) | (92,62,546) |
| | Closing Balance | (234,58,928) | (92,62,546) |
| | Total | (234,58,928) | (92,62,546) |

Notes 4: Short Term Borrowings

| Sr. No | Particulars | Rs. | |
|--------|-----------------------------------|----------------------|----------------------|
| | | As at 31st Mar, 2016 | As at 31st Mar, 2015 |
| 1 | Inter Corporate Loan | | |
| | Indian Furniture Products Limited | 70,00,000 | 70,00,000 |
| | Total | 70,00,000 | 70,00,000 |

Notes 5: Trades Payable

| Sr. No | Particulars | Rs. | |
|--------|---|----------------------|----------------------|
| | | As at 31st Mar, 2016 | As at 31st Mar, 2015 |
| 1 | -Sundry Creditors for Material/Supplies | 92,06,022 | 24,007 |
| 2 | -Sundry Creditors for Others | 211,23,641 | 0 |
| | Total | 303,29,662 | 24,007 |

Notes 6: Other Current Liabilities

| Sr. No | Particulars | Rs. | |
|--------|-------------------------------------|----------------------|----------------------|
| | | As at 31st Mar, 2016 | As at 31st Mar, 2015 |
| 1 | VAT / CST Payable | 18,49,151 | - |
| 2 | Service Tax Payable | 20,852 | - |
| 3 | TDS Payable | 20,67,978 | 36,767 |
| 4 | Mobilisation Advance From Customers | 746,74,456 | 883,50,000 |
| | Total | 786,12,437 | 883,86,767 |

Notes 7: Short Term Provisions

| Sr. No | Particulars | Rs. | |
|--------|--------------------|----------------------|----------------------|
| | | As at 31st Mar, 2016 | As at 31st Mar, 2015 |
| | Others | | |
| 1 | Expenses payable | 26,13,492 | 1,26,302 |
| 2 | Audit Fees Payable | 1,50,000 | 76,770 |
| | Total | 27,63,492 | 2,03,072 |



SOUNDARYAA IFPL INTERIORS LIMITED

Notes to Financial Statements for the year ended 31st March, 2016

| Sr. No | Particulars | Rs. | |
|--------|------------------|--------------------|-------------------|
| | | As at Mar, 2016 | 31st Mar, 2015 |
| 1 | Raw Material | 73,50,554 | 9,16,664 |
| 2 | Work-in-Progress | 106,47,742 | 41,01,429 |
| 3 | Goods in Transit | 12,38,691 | - |
| | Total | 192,36,987 | 50,18,093 |

| Sr. No | Particulars | Rs. | |
|--------|---------------------------------|--------------------|-------------------|
| | | As at Mar, 2016 | 31st Mar, 2015 |
| 2 | Others | | |
| | a) Secured, Considered Good : | 0 | - |
| | b) Unsecured, Considered Good : | 276,78,077 | - |
| | c) Doubtful | | |
| | Total | 276,78,077 | - |

| Sr. No | Particulars | Rs. | |
|--------|------------------------------|--------------------|-------------------|
| | | As at Mar, 2016 | 31st Mar, 2015 |
| 1 | Cash-On-Hand | | |
| | Cash Balance | 1,747 | 11,227 |
| | Sub Total (A) | 1,747 | 11,227 |
| 2 | Bank Balances | | |
| | Axis Bank - Chennai | 17,24,555 | 753,91,294 |
| | Sub Total (B) | 17,24,555 | 753,91,294 |
| 3 | Fixed Deposits | 275,00,000 | - |
| | Sub Total (C) | | |
| | Total [A + B + C +D] | 292,26,302 | 754,02,521 |

| Sr. No | Particulars | Rs. | |
|--------|--|--------------------|-------------------|
| | | As at Mar, 2016 | 31st Mar, 2015 |
| | Deposits | | |
| | Rental Deposit | 7,91,000 | 4,85,000 |
| | Security Deposit | 4,28,075 | 1,18,525 |
| 2 | Others | | |
| | <i>Advance Recoverable in cash or in kind or for value to be considered good</i> | | |
| | Advance Income Tax/Refund Due | | |
| | Tax Deducted at Source | 10,83,673 | 19,67,000 |
| | VAT Input Credit | 0 | 4,48,988 |
| | Service Tax Input Credit | 42,78,059 | 1,89,818 |
| | Interest Receivable on FD's | 4,25,558 | - |
| | Advance to Vendors | 119,02,427 | 39,071 |
| | Prepaid Expenses | 15,88,424 | 38,40,303 |
| | Total | 204,97,216 | 70,88,705 |



SOUNDARYAA IFPL INTERIORS LIMITED
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2016

Notes 10: 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 31.03.2016 | WDV as on 31.03.2015 |
| I | Tangible Assets | | | | | | | | | | |
| 1 | Plant and Equipment | 68,005 | - | - | 68,005 | 1,074 | 4,307 | | 5,381 | 62,624 | 66,931 |
| 2 | Furnitures & Fixtures | 7,52,800 | - | - | 7,52,800 | 21,749 | 71,516 | | 93,265 | 6,59,535 | 7,31,051 |
| 3 | Computer & Accessories - End user | 5,69,891 | 5,200 | - | 5,75,091 | 44,311 | 1,45,712 | | 1,90,023 | 3,85,068 | 5,25,580 |
| 4 | Office Equipment | 47,960 | - | - | 47,960 | 3,021 | 9,112 | | 12,133 | 35,827 | 44,939 |
| | SUB TOTAL (A) | 14,38,656 | 5,200 | - | 14,43,856 | 70,155 | 2,30,647 | - | 3,00,802 | 11,43,054 | 13,68,501 |
| II | Intangible Assets | | | | | | | | | | |
| | SUB TOTAL (B) | - | - | - | - | - | - | - | - | - | - |
| III | Intangible Assets under development | | | | | | | | | | |
| | SUB TOTAL (C) | - | - | - | - | - | - | - | - | - | - |
| IV | Intangible Assets Under Development | | | | | | | | | | |
| | SUB TOTAL (D) | - | - | - | - | - | - | - | - | - | - |
| | Total (Current Year) | 14,38,656 | 5,200 | - | 14,43,856 | 70,155 | 2,30,647 | - | 3,00,802 | 11,43,054 | 13,68,501 |
| | (Previous Year) | - | 14,38,656 | - | 14,38,656 | - | 70,155 | - | 70,155 | 13,68,501 | - |



SOUNDARYAA IFPL INTERIORS LIMITED

Notes to Financial Statements for the year ended 31st March, 2016

| Notes 13: Revenue from Operations | | Rs. | |
|--|---------------------------------|--------------------|--------------------|
| Sr. No | Particulars | As at Mar, 2016 | As at Mar, 2015 |
| 1 | Income from Projects (Domestic) | | |
| | - From Sale of Site Made Items | 590,47,430 | - |
| | - From supply to customer sites | | |
| | - Installation revenues | 118,18,284 | - |
| | Total | 708,65,714 | - |

| Notes 14: Other Income | | Rs. | |
|-------------------------------|----------------------------|--------------------|--------------------|
| Sr. No | Particulars | As at Mar, 2016 | As at Mar, 2015 |
| 1 | Interest on Fixed Deposits | 26,38,787 | - |
| | Total | 26,38,787 | - |

| Notes 15: Cost of Material Consumed | | Rs. | |
|--|---------------------------|--------------------|--------------------|
| Sr. No | Particulars | As at Mar, 2016 | As at Mar, 2015 |
| 1 | Opening Stock | 9,16,664 | - |
| 2 | Opening WIP | 41,01,429 | - |
| 3 | Purchase of Raw Materials | 504,11,685 | 30,40,843 |
| 4 | Closing Stock | (85,89,245) | (9,16,664) |
| 5 | Closing WIP | (106,47,742) | (41,01,429) |
| | Total | 361,92,791 | (19,77,250) |

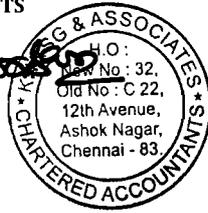
| Notes 16: Direct Operating Cost | | Rs. | |
|--|-----------------------------|--------------------|--------------------|
| Sr. No | Particulars | As at Mar, 2016 | As at Mar, 2015 |
| | DIRECT EXPENSES | | |
| 1 | Sub Contract Labour Charges | 102,51,519 | 11,74,913 |
| 2 | Power & Fuel | 1,80,339 | - |
| 3 | Freight Charges | 1,02,160 | - |
| 4 | Site Expenses | 6,91,254 | 5,43,503 |
| | Total | 112,25,272 | 17,18,416 |

| Notes 17: Employment Benefit Expenses | | Rs. | |
|--|-----------------------------------|--------------------|--------------------|
| Sr. No | Particulars | As at Mar, 2016 | As at Mar, 2015 |
| 1 | Salary & Wages | 76,23,488 | 55,31,040 |
| 2 | Provident Fund | 3,17,457 | - |
| 3 | ESI | 4,953 | - |
| 4 | Staff and Labour Welfare expenses | 11,31,730 | - |
| | Total | 90,77,628 | 55,31,040 |

| Notes 18: Financial Cost | | Rs. | |
|---------------------------------|--------------|--------------------|--------------------|
| Sr. No | Particulars | As at Mar, 2016 | As at Mar, 2015 |
| 1 | Interest | | |
| | - ICD | 10,00,230 | 2,21,558 |
| | Total | 10,00,230 | 2,21,558 |

| Notes 19: Other Administrative Expenses | | Rs. | |
|--|-------------------------------------|--------------------|--------------------|
| Sr. No | Particulars | As at Mar, 2016 | As at Mar, 2015 |
| 1 | Bank Charges & Guarantee Commission | 43,23,894 | 16,95,495 |
| 2 | Audit Fees | 1,50,000 | - |
| 3 | Administration Expenses | 2,55,975 | - |
| 4 | Hire Charges | 18,32,327 | - |
| 5 | Management Fee | 200,00,000 | - |
| 6 | Insurance | 12,17,027 | 6,26,244 |
| 7 | Professional Charges | 1,09,763 | - |
| 8 | Interest - Service Tax | 6,176 | - |
| 9 | Swachh Bharat Cess | 1,54,649 | - |
| 10 | Guest house Rent & Maintenance | 7,75,005 | - |
| 11 | Printing & Stationery | 1,14,035 | - |
| 12 | Rates & Taxes | 7,893 | 1,07,005 |
| 13 | Repairs & Maintenance | 3,42,722 | - |
| 14 | Travelling & Conveyance | 5,71,657 | - |
| 15 | Miscellaneous Expenses | 1,04,738 | 12,43,361 |
| | Total | 299,65,861 | 36,72,105 |



| SOUNDARYAA IFPL INTERIORS LIMITED | | |
|---|---|--|
| G-106, SIDCO INDUSTRIAL ESTATE, KAKKALUR, TIRUVALLUR - 602 003 | | |
| CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2016 | | |
| PARTICULARS | YEAR ENDED 31-03-2016 Rs. | YEAR ENDED 31-03-2015 Rs. |
| Cash Flows from Operating Activities | | |
| Net Profit before taxation & Extraordinary Items | (141,87,928) | (92,36,024) |
| Adjustments for | | |
| Depreciation/Amortisation | 2,30,647 | 70,155 |
| Interest Income | (26,38,787) | - |
| Interest Expenses | 10,00,230 | 2,21,558 |
| Operating Profit before working capital changes | (155,95,838) | (89,44,311) |
| Decrease/(Increase) in Sundry Debtors | (276,78,077) | - |
| Decrease/(Increase) in Inventories | (142,18,894) | (50,18,093) |
| Decrease/(Increase) in Loans and Advances | (134,08,512) | (70,88,707) |
| Increase / (Decrease) in Liabilities | 230,91,745 | 886,13,846 |
| Cash Generated from Operations | 478,09,576 | 675,62,735 |
| NET CASH FROM OPERATING ACTIVITIES | 478,09,576 | 675,62,735 |
| Cash Flows from Investing Activities | | |
| Purchase of fixed assets | (5,200) | (14,38,656) |
| Interest Received | 26,38,787 | - |
| NET CASH FROM INVESTING ACTIVITIES | 26,33,587 | (14,38,656) |
| Cash Flows from Financing Activities | | |
| Share Application/Share Capital received | - | 25,00,000 |
| Interest paid | (10,00,230) | (2,21,558) |
| Short Term Borrowings | - | 70,00,000 |
| NET CASH FROM FINANCING ACTIVITIES | (10,00,230) | 92,78,442 |
| Net increase in Cash and Cash Equivalents | (461,76,219) | 754,02,521 |
| Opening Balance of Cash and Cash Equivalents | 754,02,520 | - |
| Closing Balance of Cash and Cash Equivalents | 292,26,301 | 754,02,521 |
| <p>This is Cash Flow Statement referred to in our Report of even date. for KNRSG & ASSOCIATES For SOUNDARYAA IFPL INTERIORS LTD CHARTERED ACCOUNTANTS</p> | | |
|  SABARI GIRISAN N PARTNER |  PRASANTA DAS (DIRECTOR) |  SURESH D (DIRECTOR) |
|  | | |
| Membership No. : 211930 PLACE: CHENNAI DATE : 05/05/2016 | | |