

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Indian Furniture Products Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting 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 the Company's 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include 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.

Annexure B to the Independent Auditor's Report of even date to the members of Indian Furniture Products Limited on the financial statements for the year ended 31 March 2024(cont'd)

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2024, 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.

For **R S J V & Associates**
Chartered Accountants
Firm's Registration No.: 02881S



S Venkateswara Rao
Partner
Membership No.: 027713
UDIN:24027713BKCBLT5463
Place: Chennai
Date: 2nd May 2024



Annexure A to the Independent Auditor's Report on the Financial Statements of Indian Furniture Products Limited for the year ended 31 March 2024

(Referred to in paragraph 14 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) i. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").
ii. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company as at the balance sheet date.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year end, written confirmations have been obtained by the management. No material discrepancies of 10% or more in aggregate for each class of inventories were noticed on such verification.
- (b) The company has not been sanctioned working capital limits in excess of INR 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. According to the information and explanation given to us, the company is not required to file any quarterly returns or stock statements with financial institutions. The company has not been sanctioned any working capital facility from the Banks.
- iii. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment in mutual fund scheme during the year.
 - a. The company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity during the year. Accordingly, paragraph No 3(iii) (a)(A), 3(iii) (a)(B) are not applicable.
 - b. (i) The company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity during the year.

(ii) In our opinion, investment made during the year are, prima facie, not prejudicial to the Company's interest.

- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given to Straight Curve Ideas Private Limited, the principal and interest is overdue as on 31st March 2024

Name of Entity	Amount (in Crs)	Due Date	Extent of Delay	Remarks, if any
Straight Curve Ideas Private Limited (SCIPL)	6.00	31/03/2023	365	The Company had originally given loan to SCIPL in 2010 to be repaid by 31-03-2010. However the Company entered into a Settlement agreement with Straight Curve Ideas Pvt Ltd and also received Rs 2 Crs during the F.Y 2022-23 and the balance of Rs 8 Crs to be received by 31-3-2023. However this amount was not received by 31-03-2023. The Company has received 2 Crs during the F.Y 2023-2024. No interest income has been provided for.

- d. On the basis of our examination of the records of the company, consequent to the Settlement agreement entered into between the Company and Straight Curve Ideas Pvt Ltd., the loan is crystallised at Rs 10 Crs and payable by 31-03-2023. The Company has received Rs 2 Crs during the year 2022-23 and Rs 2 Core received during the year 2023-24.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same part
- f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment
- iv. According to the information and explanation given to us, the Company has not entered into any transactions covered under section 185 and 186 of the act in respect of guarantees given. Further, the company has complied with the provisions of sections 185 and 186 the Act in respect of loans granted, investments made and securities provided, as applicable
- v. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act in respect of Company's Product/ Services. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

- vii. (a) In our opinion and according to the information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2024 on account disputes are given below:

Name of the statute	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	4.01	-	January 2007 to December 2007	Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	2.48	-	July 2008 to May 2009	Adjudicating Authority
The Central Excise Act, 1944	3.50	-	August 2005 to July 2006	Adjudicating Authority
The Central Excise Act, 1944	0.15	-	April 2006 to December 2006	Central Excise and Service Tax Appellate Tribunal
West Bengal Sales Tax Act, 1954	22.82	-	2003-04	Deputy Commissioner (Appeals)
Uttar Pradesh Sales Tax Act, 1948	94.00	-	2014-15	Deputy Commissioner (Appeals)
Uttar Pradesh Sales Tax Act, 1948	6.16	6.16	2014-15	Deputy Commissioner (Appeals)
Uttar Pradesh Sales Tax Act, 1948	0.30	0.30	2015-16	Deputy Commissioner (Appeals)
Uttar Pradesh Sales Tax Act, 1948	103.80	-	2012-13	Appellate Authority
West Bengal- VAT Act, 2002	7.63	7.48	2003-04	West Bengal Sales Tax Revision Board
West Bengal- VAT Act, 2002	59.03	-	2004-05	West Bengal Sales Tax Appellate Office
West Bengal- VAT Act, 2002	11.52	-	2006-07	Joint Commissioner
West Bengal- VAT Act, 2002	3.94	-	2009-10	West Bengal Sales Tax Appellate Office
Madhya Pradesh Vat Act, 2002	9.38	9.38	2014-15	Deputy Commissioner (Appeals)

Name of the statute	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax Act, 2003	3.24	0.81	2010-11	Deputy Commissioner (Appeals)
Bihar Value Added Tax Act, 2003	133.69	133.69	2014-15	Commercial Taxes Tribunal (Appeals)
Andhra Pradesh Value Added Tax Act, 2005	3.27	-	2015-16	AsstCommissioner
Goa Value Added Tax Act, 2005	1.31	-	2017-18	AsstCommissioner
Labour Case	2.00	-		Additional Labour Court- Chennai
Goods and Service Tax	18.92	-	2017-18	Appellate authority.

- viii. In our opinion and according to the information and explanations given to us there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans from bank during the year for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the company, funds raised on short term basis have, prima facie not been used during the year for long-term purposes by the company.
- (e) During the year, the company has not taken any funds from any entity or person on account of or to meet the obligations of its associates or joint ventures or subsidiaries
- (f) The company has not raised any loans during the year on the pledge of securities held in its Joint ventures or associate companies or subsidiaries.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting on clause 3(ix)(f) of the order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable .
- xi. (a) No fraud by the company and no material fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed by the auditor in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has anadequate internal audit system commensurate with the size and nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the company during the year, in determining the nature, timing and extent of our audit procedures
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under clause 3(xvi)(a), (b), (c) of the order is not applicable
(b) According to the information and explanation provided to us, the group to which the company belongs doesn't have more than one CIC.
- xvii. The Company has incurred a cash loss of INR 972.01lacs in the financial year 2023-24and INR 1027.61in the immediately preceding financial year.
- xviii. There has been no resignation of statutory auditors of the company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
- xx. (a) The company is not covered under provisions of Section 135(1) if the act. Accordingly, paragraph 3(xx)(a), (b) of the order is not applicable.
- xxi. The Company does not have any subsidiary and consolidated financial statements is not applicable to the Company. Accordingly paragraph No 3 (xxi) of the Act is not applicable

For **R S J V & Associates**
Chartered Accountants
Firm's Registration No.: 02881S


S Venkateswara Rao
Partner
Membership No.: 027713
UDIN: 24027713BKCBLT5463
Place: Chennai
Date: 2nd May 2024



Independent Auditor's Report of even date to the members of Indian Furniture Products Limited on the financial statements for the year ended 31 March 2024 (Cont'd)

Independent Auditor's Report

To
The Members of
Indian Furniture Products Limited
Report on the audit of the Ind AS Financial Statements

Qualified Opinion

1. We have audited the accompanying Ind AS financial statements of Indian Furniture Products Limited ("the Company"), which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information ("the Ind AS Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in basis of qualified opinion* section of our report the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2024, and its losses (financial performance including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. Financial assets in Note 5(b) to the financial statements include ₹600 lacs (previous year: ₹800 lacs), representing inter-company deposit and interest thereon, recoverable from Straight Curve Ideas Private Limited ("SCIPL"). Based on factors described in Notes to the financial statements, the management is confident of recovery of the aforementioned receivables outstanding as at 31 March 2024. However, in view of the legal uncertainties involved and significant lapse of time, we believe that the chances of recovery of such amount are remote and the same should be impaired in accordance with expected credit loss principles of Ind AS 109. Had the Company followed the principles of Ind AS 109, other expenses and net loss for the year ended 31 March 2024 would have been higher by ₹ 600 lacs (previous year: ₹800 lacs), and the financial assets and the other equity would have been lower by such amounts.
4. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Ind AS Financial Statements.

Information other than the Ind AS Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Ind AS Financial Statements and our auditors' report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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), losses and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Ind AS Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process

Auditor's responsibilities for the audit of the Ind AS Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Ind AS Financial Statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("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" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

- a) we have sought and *except for the effects of the matters prescribed in the basis of qualified opinion paragraph*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) *except for the effects of the matters prescribed in the basis of qualified opinion paragraph*, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.
- d) *Except for the effects of the matters prescribed in the basis of qualified opinion paragraph*, in our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under section 133 of the Act;
- e) the matter described in paragraph 3 under the Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date and our report dated 2nd May 2024 as per Annexure B;
- h) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:
- i. the Company, as detailed in note 30 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
 - iv. (a) The management has represented to us that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on such audit procedures, considered

reasonable and appropriate, adopted by us, nothing has come to our notice indicating that such representation contains any material misstatement.


(b) The management has also represented to us that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on such audit procedures, considered reasonable and appropriate, adopted by us, nothing has come to our notice indicating that such representation contains any material misstatement.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any misstatement.

(d) The company has not declared any dividend during the year.

(e) According to Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility, the company have complied with the proviso and the company's Accounting Software has a feature for recording an audit trail (edit log) that is non configurable and the same has been operational throughout the year for all transactions recorded in the software

For **R S J V & Associates**
Chartered Accountants
Firm's Registration No.: 02881S


S Venkateswara Rao
Partner
Membership No.: 027713
UDIN: 24027713BKCBLT5463
Place: Chennai
Date: 2nd May 2024



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Statement of Profit and Loss for the year ended 31st March 2024

(All amounts in ₹ lacs, unless stated otherwise)

	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
I Revenue			
Revenue from operations	20	0.07	78.49
Other income	21	589.90	528.12
Total Revenue (I)		589.97	606.61
II EXPENSES			
Cost of raw materials and components consumed/Sold	22	0.11	0.22
Changes in inventories of finished goods, work-in-progress and traded	23	18.13	171.51
Employee benefits expense	24	32.48	52.21
Finance costs	25	1,436.97	1,192.19
Depreciation and amortisation expense	26	102.67	110.04
Other expenses	27	74.28	218.10
Total expenses (II)		1,664.65	1,744.25
III Loss before exceptional items and tax (I-II)		(1,074.68)	(1,137.64)
IV Exceptional Items	28	118.01	-
V Profit/ (Loss) before tax (I-II)		(1,192.68)	(1,137.64)
VI Tax expense:			
Current Tax		-	-
Deferred Tax	19	(4.49)	(3.70)
VII Profit/(Loss) for the year (III-IV)		(1,188.19)	(1,133.94)
VIII Other Comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans	32	0.20	0.12
Income tax effect		-	-
Total other comprehensive loss		(0.20)	(0.12)
XI Total comprehensive Profit/(Loss) for the year (V + VI)		(1,188.40)	(1,134.06)
X Loss per share (in ₹)			
(1) Basic	29	(1.70)	(1.62)
(2) Diluted	29	(1.70)	(1.62)
Summary of material accounting policies	2.1		

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

This is the Statement of Profit and Loss referred to in our report of even date.

For R S J V & Associates
Chartered Accountants
Firm's Registration No.: 02881S

S Venkateswara Rao
Partner
Membership No.: 027713

Place: Chennai
Date: 2nd May 2024



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

Alok Banerjee
Director
DIN No. 01371033
Place: Bangalore

Heerika Shukla
Company Secretary
M No A42570
Place: Gurugram

Nishant Dalal
Director
DIN No. 08972330
Place: Gurugram

Sandeep Kumar
Chief Financial Officer
PAN AMKPK2527L
Place: Gurugram



Indian Furniture Products Limited
CIN-U72200TN2000PLC089255
Balance Sheet as at 31st March 2024
(All amounts in ₹ lacs, unless stated otherwise)

	Notes	As at 31 Mar 2024	As at 31 March 2023
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(a)	306.26	385.35
(b) Investment property	4	11,897.80	11,922.93
(c) Other intangible assets	3(b)	-	-
(d) Financial assets			
(i) Investments	5(a)	-	118.01
(ii) Loans	5(b)	600.00	800.00
(iii) Other financial assets	5(c)	57.07	53.01
(e) Other non-current assets	6	187.53	185.38
(f) Non-current tax assets (net)		68.19	69.69
		<u>13,116.85</u>	<u>13,534.37</u>
Current assets			
(a) Inventories	7	126.26	145.00
(b) Financial assets			
(i) Trade receivables	8	1,975.02	1,876.35
(ii) Cash and cash equivalents	9	57.82	56.01
(iii) Bank balances other than (ii) above	10	44.82	44.69
(iv) Other financial assets	5(c)	3.07	2.32
(v) Investments	5(d)	38.26	23.34
(c) Other current assets	6	59.73	157.00
		<u>2,304.97</u>	<u>2,304.71</u>
Total assets		<u><u>15,421.83</u></u>	<u><u>15,839.08</u></u>
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	7,009.95	7,009.95
(b) Other equity	12	(7,519.46)	(6,331.06)
		<u>(509.51)</u>	<u>678.89</u>
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	13	7,646.16	10,748.59
(b) Provisions	18	149.21	148.86
(c) Deferred tax liabilities(net)	19	2,289.10	2,293.59
		<u>10,084.46</u>	<u>13,191.04</u>
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	4,994.89	400.00
(ii) Trade payables	15		
-Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
-Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		499.36	681.83
(iii) Other financial liabilities	16	127.24	315.98
(b) Other current liabilities	17	224.18	570.36
(c) Provisions	18	1.21	0.98
		<u>5,846.87</u>	<u>1,969.15</u>
Total equity and liabilities		<u><u>15,421.83</u></u>	<u><u>15,839.08</u></u>
Summary of material accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For R S J V & Associates
Chartered Accountants
Firm's Registration No.: 02881S

S Venkateswara Rao
Partner
Membership No.: 027713

Place: Chennai
Date: 2nd May 2024



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

Alok Banerjee
Director
DIN No. 01371033
Place: Bangalore

Heerika Shukla
Company Secretary
M No A42570
Place: Gurugram

Nishant Dalal
Director
DIN No. 08972330
Place: Gurugram

Sandeep Kumar
Chief Financial Officer
PAN AMKPK2527L
Place: Gurugram



Indian Furniture Products Limited
CIN-U72200TN2000PLC089255
Cash Flow Statement for the year ended 31st March 2024
(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
A Cash flows from operating activities		
Loss before tax	(1,192.68)	(1,137.64)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expense	102.67	110.03
Balances written off	-	2.00
Interest income	(5.55)	(29.84)
Unclaimed balances, provisions and liabilities written back	(83.53)	(1.41)
Finance costs	1,436.97	1,192.19
Loss on sale of FA	0.91	11.91
Net Gain on changes in Financial Asset	(1.08)	-
Short Term Capital Gain	(0.87)	-
Provision for warranties	-	0.11
Impairment of investment	118.01	-
Provision for doubtful receivables	-	-
Operating profit/(loss) before working capital changes	374.83	147.35
Working capital adjustments:		
Movement in inventories	18.74	171.96
Movement in trade receivables	(98.67)	(362.43)
Movement in loans and advances	(0.75)	124.93
Movement in other current assets	95.12	0.54
Movement in trade payables	(98.94)	(102.13)
Movement in other liabilities	(276.70)	3.07
Movement in provisions	0.58	0.05
Cash generated from operations	14.21	(16.68)
Income tax paid	1.50	50.07
Net cash flows from operating activities	15.71	33.39
B Cash flows from investing activities		
Redemption of FCD	200.00	200.00
Purchase/Sale of financial instruments	(13.00)	(2.09)
Redemption of / Investment in deposits (net)	(4.19)	370.03
Purchase of Fixed Asset	-	(0.62)
Proceeds from sale of Fixed Asset	0.58	1.66
Interest received	4.58	24.29
Short Term Capital Gain	0.87	-
Net cash flows from/(used in) investing activities	188.84	593.28
C Cash flows from financing activities		
Proceeds from/(repayment of) short-term borrowings (net)	(400.00)	-
Repayment of non-current borrowings	(510.88)	(3,207.10)
Proceeds received from non-current borrowings	2,326.40	3,731.38
Interest paid	(1,618.26)	(1,164.28)
Net cash flows (used in) / from financing activities	(202.74)	(640.01)
D Net increase/(decrease) in cash and cash equivalents (A + B + C)	1.81	(13.34)
Cash and cash equivalents at the beginning of the year	56.01	69.35
Cash and cash equivalents at the end of the year	57.82	56.01
Components of cash and cash equivalents as at year end		
Cash in hand	0.01	0.26
Cheques in hand	-	-
Balances with scheduled banks		
- in current accounts	57.81	55.75
- in deposit accounts	-	-
	57.82	56.01

The accompanying notes are an integral part of the financial statements.
This is the Cash Flow Statement referred to in our report of even date.

For R S J V & Associates
Chartered Accountants
Firm's Registration No.: 028815

S Venkateswara Rao
Partner
Membership No.: 027713

Place: Chennai
Date: 2nd May 2024

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

Alok Banerjee
Director
DIN No. 01371033
Place: Bangalore

Haverika Chukla
Company Secretary
M No A42570
Place: Gurugram

Nishant Datta
Director
DIN No. 08972330
Place: Gurugram

Sandeep Kumar
(Chief Financial Officer)
PAN AMKPK2527L
Place: Gurugram



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Statement of Changes in Equity for the year ended 31st March 2024

(All amounts in ₹ lacs, unless stated otherwise)

(a) Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid

(1) Current reporting period

Balance at the beginning of the current reporting period		Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period	
As at March 31, 2023					As at March 31, 2024	
No of Shares	Amount	-	-	-	No of Shares	Amount
7,00,99,470	7,009.95				7,00,99,470	7,009.95

(2) Previous reporting period

As at March 31, 2022		As at March 31, 2023	
No of Shares	Amount	No of Shares	Amount
7,00,99,470	7,009.95	7,00,99,470	7,009.95

B. Other equity

(1) Current reporting period

Particulars	Share application money pending allotment	Equity component of 7% Redeemable convertible non-cumulative preference shares	Reserves and surplus			Other comprehensive income	Money received against share warrants	Total
			Securities premium reserve	Other Reserves				
				Remeasurement gain/(loss) on defined benefit plan	Retained earnings	Effective portion of cash flow hedges		
Balance at the beginning of the current reporting period (as at April 01, 2023)	-	771.69	53.33	(26.66)	(7,129.42)			(6,331.06)
Profit/(loss) for the year					(1,188.19)			(1,188.19)
Other comprehensive income for the year				(0.20)	-			(0.20)
Total comprehensive income for the year				(0.20)	(1,188.19)			(1,188.40)
Any other change:								
Securities premium proceeds received on issue of equity shares								
Balance at the end of the current reporting period (as at March 31, 2024)	-	771.69	53.33	(26.86)	(8,317.61)			(7,519.46)

B. Other equity

(2) Previous reporting period

Particulars	Share application money pending allotment	Equity component of 7% Redeemable convertible non-cumulative preference shares	Reserves and surplus			Other comprehensive income	Money received against share warrants	Total
			Securities premium reserve	Other Reserves				
				Remeasurement gain/(loss) on defined benefit plan	Retained earnings	Effective portion of cash flow hedges		
Balance at the beginning of the current reporting period (as at April 01, 2022)	-	771.69	53.33	(26.54)	(5,995.48)			(5,197.00)
Profit/(loss) for the year					(1,133.94)			(1,133.94)
Other comprehensive income for the year				(0.12)	-			(0.12)
Total comprehensive income for the year				(0.12)	(1,133.94)			(1,134.06)
Any other change:								
Securities premium proceeds received on issue of equity shares								
Balance at the end of the current reporting period (as at March 31, 2023)	-	771.69	53.33	(26.66)	(7,129.42)			(6,331.06)



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

1. Corporate information

The financial statements of "Indian Furniture Products Limited" ("the Company" or "IFPL") are for the year ended 31 March 2024. Indian Furniture Products Limited ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at G-106 Sidco Industrial Estate, Kakkalur, Thiruvallur, Tamil Nadu - 602003

The Company is engaged in manufacturing and trading Ready to Assemble Furniture (RTAF). The Company markets the product under the brand name of Style Spa and Zuari.

The Company is a subsidiary of Zuari Industries Limited. Information on related party relationships of the Company is provided in Note 32.

2. Application of Indian Accounting Standards

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized (refer note 42) have been considered while preparing these financial statements.

2.1 Summary of material accounting policies

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ('Ind AS') and comply with requirements of Ind AS, stipulations contained in Schedule III (revised) as applicable under Section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2021 as amended from time to time and other pronouncements/ provisions of applicable laws.

The financial statements have been prepared on a historical cost basis. except for certain financial assets and non-financial assets measured at fair value or net realisable value as applicable.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III to the Act, unless otherwise stated.

b. Basis of classification of current and non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

An asset has been classified as current if

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or

- (b) it is held primarily for the purpose of being traded; or
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

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

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

c. Property, plant and equipment ('PPE')

PPE and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of PPE shall be recognised as an asset if, and only if:

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred. Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

Other indirect costs incurred during-the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit and Loss.

Nature of tangible asset	Useful life (years)
Buildings	30
Electrical installations	10
Plant and machinery	10 – 15
Furniture and fittings	10
Office equipments	5
Vehicles	8
Computers	3 – 6
Software	3
Leasehold improvements	3

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d. Intangible assets

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

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

e. Investment in subsidiaries, associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries. Investment in joint ventures is measured at cost.

f. Leases

As inception of the Contract, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in statement of profit and loss on a straight-line basis over the lease term.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

g. Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

h. Foreign currency transactions and translations

Functional and presentation currency

The Company's financial statements are presented in INR, which is also its functional currency.

Initial Recognition

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

Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

i. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

j. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty Provision

The company estimates the liability for the purposes of recognising and measuring the provisions for warranty obligations, in relation to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are recognised when the risks and rewards of ownership of the goods are sold or service is provided. In order to determine the level of provision, various factors are taken into consideration, including estimations based on past experience with the nature and amount of claims, technical evaluations etc. These estimations also involve assessing the future level of potential repair costs other factors. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost. No reimbursements are expected.

k. Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Identifying the performance obligations

Under Ind AS 115, the Company must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Company does not provide a significant service integrating, modifying or customizing it)

Determining the transaction price

Under Ind AS 115, the Company shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price excludes amounts collected on behalf of third parties. The consideration promised include fixed amounts, variable amounts, or both.

Where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance completed to date, the Company recognizes revenue in the amount to which it has a right to invoice.

Allocating the transaction price to the performance obligations

The transaction price is allocated to the separately identifiable performance obligations on the basis of their standalone selling price (in case of storage and distribution contracts where the customer pays a fixed rate per item for all the services provided). For services that are not provided separately, the standalone selling price is estimated using adjusted market assessment approach.

Recognizing revenue when/as performance obligation(s) are satisfied

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

The company recognises revenue when it transfers control of a product or service to a customer.

The company recognises revenue from the following major sources:-

Sale of goods:

Revenue from sale of goods is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company recognises revenue when it transfers control over a product i.e. when goods are delivered at the delivery point (as per terms of the agreement).

Rendering of Services:

According to Ind AS 115, revenue is recognised over time (percentage of completion) either when the performance creates an asset that the customer controls as the asset is created (e.g. work in progress) or when the performance creates an asset with no alternative use and an enforceable right to payment as performance is completed to date has been secured. Revenue is also recognised over time if the customer simultaneously receives and consumes the benefits from goods and services as performed.

Customers are invoiced periodically (generally on monthly basis). Income in respect of service contracts are recognised in statement of profit and loss when control of respective service has been transferred to customer, which is done over time in case of Indian Furniture Products Limited.

Other items of revenue

Interest income: Revenue is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

I. Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories at their present location and condition. Inventories are valued at the lower of cost and net realizable value.

The cost of various categories of various inventories are determined as follows:

- (a) Stores and spares, raw materials and packing materials: at moving weighted average basis.
- (b) Work in progress and finished goods: Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

(c) Cost of finished goods includes excise duty. Cost is determined on a moving weighted average basis.

Traded goods are valued at lower of cost and net realisable value. Cost include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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

m. Income Tax

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit or Loss (either in other comprehensive income or in equity).

n. Retirement and other employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

recognised in the statement of profit and loss in the period in which the employee renders the related service.

Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity:

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Leave encashment:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

o. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed to the Statement of Profit and Loss in the period in which they occur.

p. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. All investments are carried at fair value.

q. Dividend

Dividend declared is recognised as a liability only after it is approved by the shareholders in the general meeting.

r. Fair value measurement

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortised cost
- b) Debt instruments at fair value through other comprehensive income (FVTOCI)



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

- c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading.

For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by - instrument basis. The classification is made on initial recognition and is irrevocable.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not measured as at FVTPL



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instrument

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

- t. **Derivative financial instruments - Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability**

Initial recognition and subsequent measurement

The Company uses derivative financial instruments such as forward exchange contracts to hedge its foreign currency risks. Such derivative contracts are marked to market on portfolio basis, and the net loss / gain, is charged to the Statement of profit and loss.

- u. **Derivative instruments - Forward contract for firm commitment**

Initial recognition and subsequent measurement

Derivative contracts entered for firm commitment, are marked to market on portfolio basis, and the net loss / gain is charged/credited to the Statement of profit and loss.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

v. Segment reporting policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

w. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

x. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

y. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

z. Key sources of estimations

The preparation of financial statements in conformity with Ind AS requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

aa. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

i) Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Recognition of deferred tax

The extent to which deferred tax asset to be recognised is based on the assessment of the probability of the future taxable income against which the deferred tax asset can be utilized.

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

a) Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

b) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the Company also estimate expected loss due to shrinkage, pilferage etc. along with NRV impact on old inventory taking into account most reliable information available at the reporting date.

d) Impairment of assets

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f) Rounding of amounts

All amount disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024

(All amounts in ₹ lacs, unless stated otherwise)

3(a) : Property, plant and equipment

Particulars	Land	Building	Plant and machinery	Computers	Furniture and fixtures	Office equipment	Leasehold improvements	Electrical installations	Vehicles	Total
As at 1 April 2022	-	-	928.60	10.23	112.01	53.56	-	35.44	4.62	1,144.46
Additions	-	-	-	0.62	-	-	-	-	-	0.62
Disposals	-	-	47.02	8.56	77	33.84	-	21	-	187.48
As at 31st March 2023	-	-	881.58	2.29	35.43	19.72	-	13.96	4.62	957.60
As at 1 April 2023	-	-	881.58	2.29	35.43	19.72	-	13.96	4.62	957.60
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	12.70	0.38	5.15	5.62	-	0.94	-	24.79
As at 31st March 2024	-	-	868.87	1.91	30.28	14.10	-	13.03	4.62	932.81
Accumulated amortisation										
As at 1 April 2022	-	-	498.92	6.01	81.61	41.41	-	29.32	3.96	661.24
Charge for the year	-	-	76.24	0.18	7.15	0.35	-	0.98	-	84.90
Disposals	-	-	45.31	5.61	69.06	31.58	-	22	-	173.89
As at 31st March 2023	-	-	529.85	0.58	19.70	10.18	-	7.97	3.96	572.25
As at 1 April 2023	-	-	529.85	0.58	19.70	10.18	-	7.97	3.96	572.25
Charge for the year	-	-	71.06	0.21	5.30	0.21	-	0.76	-	77.54
Disposals	-	-	12.01	0.35	4.63	5.38	-	0.86	-	23.23
As at 31st March 2024	-	-	588.90	0.44	20.37	5.01	-	7.87	3.96	626.53
Carrying amount (net)										
As at 31st March 2023	-	-	351.72	1.71	15.73	9.54	-	5.99	0.66	385.35
As at 31st March 2024	-	-	279.97	1.47	9.91	9.09	-	5.16	0.66	306.26

Note 3(a)(i) : On 18 January 2017, the Company had entered into joint venture agreement with Fabryki Mebli Forte S.A., Poland whereby it had been agreed by the Company to transfer by way lease land, building and plant and machinery to Forte Furniture Products India Private Limited (the joint venture company) with effect from 1 April 2017 and all the products will be manufactured and sold by the joint venture company.

Note 3(a)(ii) : From 1 April 2017, land and building covered under the lease arrangement have been transferred to investment property.

Note 3(a)(iii) : As on the transition date 01 April, 2015, the Company has adopted the fair value of the land based on an independent valuation report.

Note 3(a)(iv) : The Company has not revalued any of its property, plant and equipment during the period ended March 31, 2024 and year ended March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Note 3(a)(v) : The Company does not have any Capital Work in Progress or intangible Asset under development, hence the disclosures are not applicable



Indian Furniture Products Limited
CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024
(All amounts in ₹ lacs, unless stated otherwise)

3(b) : Other intangible assets
Particulars

	Software
Cost or Deemed Cost	
As at 1 April 2022	42.58
Additions	-
Deletion	-
As at 31st March 2023	<u>42.58</u>
As at 1 April 2023	42.58
Additions	-
Deletion	-
As at 31st March 2024	<u>42.58</u>
Accumulated amortisation	
As at 1 April 2022	42.58
Additions	-
Deletion	-
As at 31st March 2023	<u>42.58</u>
As at 1 April 2023	42.58
Additions	-
Deletion	-
As at 31st March 2024	<u>42.58</u>
Carrying amount (net)	
As at 31st March 2023	<u>-</u>
As at 31st March 2024	<u>-</u>

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Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in ₹ lacs, unless stated otherwise)***4. Investment property**

The changes in the carrying value of investment properties are as follows :

	As at 31-Mar-24
Gross block	
As at 1 April 2022	12,161.80
Additions	-
Deletions	-
As at 31st March 2023	<u>12,161.80</u>
As at 1 April 2023	12,161.80
Additions	-
Deletions	-
As at 31st March 2024	<u>12,161.80</u>
Depreciation	
As at 1 April 2022	213.74
Additions	25.13
Deletions	-
As at 31st March 2023	<u>238.87</u>
As at 1 April 2023	238.87
Additions	25.13
Deletions	-
As at 31st March 2024	<u>264.00</u>
Net block	
As at 31 March 2023	<u>11,922.93</u>
As at 31st March 2024	<u>11,897.80</u>

(i) Amount recognised in statement of profit and loss for investment properties

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Rental income#	444.83	444.83
Direct operating expenses from property (including repairs and maintenance) that generating rental income	-	-
Direct operating expense from property that did not generated rental income	-	-
Profit from investment property before depreciation	<u>444.83</u>	<u>444.83</u>
Depreciation	(25.13)	(25.13)
Profit arising from investment properties	<u>419.69</u>	<u>419.69</u>

#Rental income recognised in the Statement of Profit and Loss comprises of ₹444.83 lacs in respect of rental income from investment property and ₹49.83 lacs in respect of plant and machinery respectively.

(ii) Fair value

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Fair value	12,124.04	12,124.04

Fair value hierarchy and valuation technique

a The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company considers information from a variety of sources including -

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All the resulting fair value estimates for investment properties are included in level 3.

These valuations are based on valuations performed by S V Kushte, an accredited independent valuer. Mr. Kushte is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

b. No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 at end of financial year

c. The Title deeds of Properties are held in the name of the Company



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in ₹ lacs, unless stated otherwise)***5. Financial assets****5 (a). Investments**

	As at 31 March 2024	As at 31 March 2023
Investments in unquoted equity instruments (fully paid-up)		
Measured at cost		
Investments in others		
Forte Furniture Products India Private Limited 6,23,032 shares @ Rs 17 per Share and 88,907 shares @ 13.60 per shares(31 March 2023: 6,23,032 shares @ Rs 17 per Share and 88,907 shares @ 13.60 per shares)	118.01	118.01
Less Impairment in value of investments in FFPL (refer Note no 28)	<u>(118.01)</u>	<u>118.01</u>
Aggregate Cost of unquoted investments	-	118.01
Fair value of unquoted investments	-	-
Gain/(Loss) in fair value of assets		
Investments carried at Amortised cost	-	118.01
Investments carried at FVTPL	-	-
Investments carried at FVTOCI	-	-

5(b). Loans

	Non current	
	As at 31 March 2024	As at 31 March 2023
Loans		
Inter corporate deposits		
To related party	-	-
To others	725.00	925.00
Impairment allowance	<u>(125.00)</u>	<u>(125.00)</u>
	<u>600.00</u>	<u>800.00</u>
Breakup of loans		
Loans considered good- Secured	600	800
Loans which have significant increase in credit risk	-	-

5(c). Other financial assets

	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on deposits	0.21	-	3.07	2.32
Security deposits	56.86	53.01	-	-
	<u>57.07</u>	<u>53.01</u>	<u>3.07</u>	<u>2.32</u>

5 (d). Investments

	As at 31 March 2024	As at 31 March 2023
Measured at fair value through Profit and Loss account		
Investment in Mutual Fund (Baroda BNP Paribas Mutual Fund - 1388.819 Units @ Rs 2754.61)	38.26	23.34
	<u>38.26</u>	<u>23.34</u>
Aggregate Cost of quoted investments	33.00	20.00
Market value of quoted investments	38.26	23.34
Gain/(Loss) in fair value of assets	5.26	3.34
Investments carried at FVTPL	38.26	23.34
Investments carried at FVTOCI	-	-



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in ₹ lacs, unless stated otherwise)***6. Other non-current assets**

	Non-current		Current	
	As at	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Deposits against disputed demands	187.53	185.38	-	-
Balance with statutory authorities	-	-	26.96	26.97
Advances to vendors	-	-	32.70	129.94
Prepaid expenses	-	-	0.06	0.09
	<u>187.53</u>	<u>185.38</u>	<u>59.73</u>	<u>157.00</u>

7. Inventories*(Valued at lower of cost and net realisable value)*

	As at	As at
	31 March 2024	31 March 2023
Raw materials	-	0.11
Finished goods	9.44	24.84
Traded goods	97.13	99.86
Stores and spares	19.68	19.68
Packing materials	-	0.50
	<u>126.26</u>	<u>145.00</u>

During the year the Company has written off inventories to the extent of 17.00 lacs based on the net realisable value(Previous year ended 31st Mar 2023 wirt off of Rs 30.03 lacs)

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Indian Furniture Products Limited
CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024
(All amounts in ₹ lacs, unless stated otherwise)

8. Trade receivables	As at 31 March 2024	As at 31 March 2023
Receivables from related parties	1,854.92	1,756.02
Receivables from other parties	120.10	120.33
	<u>1,975.02</u>	<u>1,876.35</u>
Break-up of security details:		
Trade receivables considered good- Unsecured	1,975.02	1,876.35
Trade receivables - credit impaired	1,089.24	1,089.24
Total	<u>3,064.26</u>	<u>2,965.59</u>
Loss allowance	(1,089.24)	(1,089.24)
Net total	<u>1,975.02</u>	<u>1,876.35</u>

As at 31st March 2023

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	More than 6 Months	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables considered good	271.14	271.14	538.32	574.94	319.48	1,975.02
(ii) Undisputed Trade Receivables considered doubtful					1,089.24	1,089.24
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

As at 31st March 2024

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	More than 6 Months	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables considered good	269.45	268.87	622.65	458.01	257.38	1,876.35
(ii) Undisputed Trade Receivables considered doubtful					1,089.24	1,089.24
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

** There is no unbilled dues as on 31.03.2024 (As on 31.03.2023- Nil)

9. Cash and cash equivalents	As at 31 March 2024	As at 31 March 2023
a. Balances with banks		
- On current accounts	57.81	55.75
b. Cash on hand	0.01	0.26
	<u>57.82</u>	<u>56.01</u>
10. Other bank balances	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
Margin money deposits*	28.70	27.92
Fixed deposits	16.12	16.77
	<u>44.82</u>	<u>44.69</u>

*Margin money deposit with carrying amount of ₹28.70 lacs (31 March 2023 ₹27.92 lacs) are subject to first charge for the Bank guarantee obtained by the Company.



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024

(All amounts in ₹ lacs, unless stated otherwise)

11. Share capital

Authorised share capital	Equity Shares of ₹10 each		7% Redeemable Convertible non-cumulative Preference Shares of ₹100 each	
	Number of shares	Amount	Number of shares	Amount
As at 1 April 2022	7,26,00,000	7,260.00	11,30,220	1,130.22
Increase/(decrease) during the year	-	-	-	-
As at 31 March 2023	7,26,00,000	7,260.00	11,30,220	1,130.22
Increase/(decrease) during the year	-	-	-	-
As at 31 March 2024	7,26,00,000	7,260.00	11,30,220	1,130.22

Issued, subscribed and fully paid-up:

	As at 31 March 2024	As at 31 March 2023
70,099,470 (31st March 2022: 70,099,470) equity shares of ₹10/- each fully paid	7,009.95	7,009.95
	7,009.95	7,009.95

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

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	7,00,99,470	7,009.95	7,00,99,470	7,009.95
Issued during the year	-	-	-	-
Outstanding at the end of the year	7,00,99,470	7,009.95	7,00,99,470	7,009.95

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

During the year ended 31 March 2016, the Company issued 1,000,000 redeemable convertible non-cumulative preference shares of ₹100 each fully paid-up per share. Redeemable convertible non-cumulative preference shares carry cumulative dividend @ 7% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of redeemable convertible non-cumulative preference shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to redeemable convertible non-cumulative preference shares.

If redeemable convertible non-cumulative preference share holders do not exercise conversion option, all preference shares are redeemable at par at the end of 12th year from the date of issue. In the event of liquidation of the Company before conversion/ redemption of redeemable convertible non-cumulative preference shares, the holders of redeemable convertible non-cumulative preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

d. Details of shareholders holding more than 5% of equity shares in the Company

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% Holding	Number of shares	% Holding
Equity shares of ₹10 each fully paid up				
Zuari Industries Limited	5,07,85,714	72.45%	5,07,83,714	72.45%
Zuari International Limited	70,44,643	10.05%	70,44,643	10.05%
Adventz Investment Company Private Limited	70,71,429	10.09%	70,71,429	10.09%
Others	51,97,684	7.41%	51,97,684	7.41%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Details of Share held by Promoters at the end of the year

Name of the Promoters	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% Holding	% of Change during the year	Number of shares	% Holding	% of Change during the year
Zuari Industries Limited	5,07,85,714	72.45%	-	5,07,85,714	72.45%	-



Indian Furniture Products Limited
CIN-U72200TN2000PLC089255
Summary of material accounting policies and other explanatory information for the year ended 31st March 2024
(All amounts in ₹ lacs, unless stated otherwise)

12. Other equity

	As at 31 March 2024	As at 31 March 2023
Securities premium	53.33	53.33
Equity component of convertible preference shares of ₹100 each (issued and fully paid)	771.69	771.69
(Deficit) in the statement of profit and loss:		
Balance as per last financial statements	(7,156.08)	(6,022.02)
Net Profit/(loss) for the year	(1,188.40)	(1,134.06)
Retained earnings	(8,344.48)	(7,156.08)
	(7,519.46)	(6,331.06)

Description of nature and purpose of each reserve

Securities premium

Securities premium is used to record the premium on issue of shares. The securities premium will be utilised in accordance with provisions of the Act

Equity component of convertible preference shares of ₹100 each (issued and fully paid)

This reserve contains equity portion of compound instrument issued by the Company in the form of convertible preference shares

Retained earnings

Retained earnings are created from the profit / (loss) of the Company

13. Borrowings- Non-current

	Non-current		Current maturities	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(Measured at amortised cost)				
From others				
Secured borrowings				
Term loans from Non-Banking Financial Companies [refer note (i)]	-	4,640.07	4,994.89	-
Unsecured borrowings				
Inter Corporate Deposits [refer note (ii)]	7,024.14	5,558.62	-	-
	7,024.14	10,198.70	4,994.89	-
Liability component of compound financial instrument				
Redeemable Preference Shares (unsecured) [refer note (iii)]	622.01	549.89	-	-
Sub-total	622.01	549.89	-	-
Less : Current maturities of long term borrowings disclosed in Other financial liabilities (Refer Note 14)	-	-	(4,994.89)	-
	7,646.16	10,748.59	-	-

i) Secured borrowings

Terms and conditions of borrowings obtained from Non-Banking Financial Corporations are as follows:

- The term loan facility of ₹ 5000 lacs (31st Mar 2023 - ₹ 4650 Lacs) taken from M/s Bajaj Finance Limited (BFL) carries an annual interest at floating rate of 9.75% p.a. linked to BFL base rate. It is repayable at the end of Tenure i.e 36 months. The term loan is secured by way of :-
 - Pledge of Equity Shares of Chambal Fertilizers & Chemicals Ltd
 - Security Provided by Zuari Industries Limited.
 - During the period Interest rate was range from from 9.75% to 9.95%
 - The outstanding book balance as on 31st March 2024 is ₹ 4994.89 lacs (31 March 2023 - 4640.07).

ii) Unsecured borrowings

- The Company has taken Inter Corporate Deposit (ICD) from Zuari Industries Limited carrying an interest rate of 15.00%. The outstanding book balance as on 31st Mar 2024 is ₹ 3169.83 (31 March 2023 - ₹2699.70 lacs).
- The Company has taken Inter Corporate Deposit (ICD) from Zuarin International Limited carrying an interest rate of 12.50%. The outstanding book balance as on 31st March 2024 is ₹ 3854.32 lacs(31st March 2023 - ₹2858.92 lacs)

iii) Terms of conversion/ redemption of redeemable convertible non-cumulative preference shares

During the year ended March 31, 2016, the Company issued 1,000,000 Redeemable convertible non-cumulative preference shares of Rs. 100 each fully paid-up per share. Redeemable convertible non-cumulative preference shares carry cumulative dividend @ 7% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of redeemable convertible non-cumulative preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to redeemable convertible non-cumulative preference shares.

If redeemable convertible non-cumulative preference share holders do not exercise conversion option, all preference shares are redeemable at par at the end of 12th year from the date of issue. In the event of liquidation of the company before conversion/ redemption of redeemable convertible non-cumulative preference shares, the holders of redeemable convertible non-cumulative preference shares will have priority over equity shares in the payment of dividend and repayment of capital.



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024

(All amounts in ₹ lacs, unless stated otherwise)

13.1 Changes in liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:**Particular**

	Non-current borrowings (including current maturities)	Current borrowings
A) Non-current borrowings (including current maturities)		
As at 31 March 2022	10,155.77	400.00
Cash adjustment		
- Proceeds received	3,731.38	-
- Repayments#	(3,207.10)	-
Non-cash adjustment		
- Interest recorded on preference shares	63.52	-
- Amortisation of transaction cost	5.03	-
- ICD converted from Current to Non Current Borrowings	-	-
As at 31 March 2023	10,748.59	400.00
As at 31 March 2023	10,748.59	400.00
Cash adjustment		
- Proceeds received	2,326.40	-
- Repayments#	(510.88)	(400.00)
Non-cash adjustment		
- Interest recorded on preference shares	72.12	-
- Amortisation of transaction cost	4.82	-
- Unamortisation of transaction cost	-	-
- ICD converted from Current to Non Current Borrowings	-	-
As at 31st March 2024	12,641.05	0.00

In case of current borrowings, represents proceeds received/(repayments) of short-term borrowings (net)

B) Finance cost activity

	Finance cost Activity
As at 31 March 2022	191.31
Finance cost incurred during the period	1192.19
Finance cost paid	(1,164.28)
As at 31 March 2023	219.21
As at 31 March 2023	219.21
Finance cost incurred during the period	1,436.97
Finance cost paid	(1,618.26)
As at 31 Mar 2024	37.93



Indian Furniture Products Limited
CIN-U72200TN2000PLC089255
Summary of material accounting policies and other explanatory information for the year ended 31st March 2024
(All amounts in ₹ lacs, unless stated otherwise)

14. Borrowings - current

(Measured at amortised cost)

From others

Unsecured loans

Inter corporate deposits [refer note (i)]

Current maturities of long term borrowings (refer note 13)

As at
31 March 2024

As at
31 March 2023

-	400.00
4,994.89	-
4,994.89	400.00

i) Inter-company deposits taken from others:

1) The Company has taken Inter Corporate Deposit (ICD) from M/s/ Duke Commerce Limited. During the year the Company has repaid the ICD along with outstanding interest. The outstanding book balance as on 31st Mar 2024 is Nil (31 March 2023- ₹400 lacs).

15. Trade payables

(Measured at amortised cost)

**A. Total outstanding dues of Micro Enterprises and Small Enterprises
Disclosure under the Micro, Small and Medium Enterprises Development
Act, 2006 ('MSMED Act'):**

i) the principal amount remaining unpaid to any supplier as at the end of each accounting year.

ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.

iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

v) the amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.

As at
31 March 2024

As at
31 March 2023

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

The above information regarding dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 has been determined to the extent identified and information available with the Company pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006.

B. Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises

Trade payables

499.36	681.83
499.36	681.83

As at 31st Mar 2024

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	17.52	10.41	5.76	465.66	499.36
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at 31st Mar 2023

Particulars	Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	26.66	21.82	32.31	601.05	681.83
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

** There is no unbilled dues as on 31.03.2024 (As on 31.03.2023- Nil)

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Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in ₹ lacs, unless stated otherwise)***16. Other financial liabilities**

	As at 31 March 2024	As at 31 March 2023
(Measured at amortised cost)		
Interest accrued but not due on borrowings	37.92	219.21
Employee related payables	1.26	12.86
Security deposits	88.05	83.90
	<u>127.24</u>	<u>315.98</u>

17. Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Payable to statutory authorities	69.07	69.37
Advances received from customers and others	155.10	500.99
	<u>224.18</u>	<u>570.36</u>

18. Provisions (current and non-current)

	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for gratuity	2.41	1.85	0.76	0.56
Provision for leave encashment	0.93	0.62	0.45	0.31
Others provisions:				
Provision for warranty [refer note a]	-	0.52	-	0.11
Provision for litigations [refer note b]	145.87	145.87	-	-
	<u>149.21</u>	<u>148.86</u>	<u>1.21</u>	<u>0.98</u>

(a) The movement for provisions for warranty is as follows :-

	As at 31 March 2024	As at 31 March 2023
Opening balance	0.63	1.31
Additions during the year	-	0.11
Reversals during the year	(0.63)	(0.79)
Closing balance	<u>-</u>	<u>0.63</u>

As there is no sales during the year, the company has not provided provision for warranty. The Provision made in the earlier years no longer required written back.

(b) The movement for provisions for litigations is as follows :-

	As at 31 March 2024	As at 31 March 2023
Opening balance	145.87	145.87
Additions during the year	-	-
Reversals during the year	-	-
Closing balance	<u>145.87</u>	<u>145.87</u>

Provisions for litigations relate to the estimated outflow in respect of possible liabilities expected to arise in future in connection with ongoing litigations relating to indirect taxes. Due to nature of such litigations, it is not possible to estimate the timing/uncertainties relating to further outflows as well as expense relating to such estimates.

19 (a). Tax expense

	As at 31 March 2024	As at 31 March 2023
Deferred tax:		
Relating to origination and reversal of temporary differences	(4.49)	(4.23)
Total deferred tax benefit	<u>(4.49)</u>	<u>(4.23)</u>



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in ₹ lacs, unless stated otherwise)***Deferred tax :**

Particulars	As at	Charged/(Credited) to	As at	Charged/(Credited) to	As at
	31 March 2022	Profit and Loss	31 March 2023	Profit and Loss	31 March 2024
Deferred tax liability (A):					
Difference between carrying amount and tax base of land (presented under investment property)	2,297.29	(3.70)	2,293.59	(4.49)	2,289.10
Deferred tax asset (B) (refer note b):	-	-	-	-	-
Deferred tax liability (A - B)	2,297.29	(3.70)	2,293.59	(4.49)	2,289.10

Notes:

a). The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

b). The Company has not recognized deferred tax asset on deductible temporary differences and unused tax losses in absence of reasonable certainty and availability of sufficient future taxable profits against which such differences and losses will be adjusted.

The amounts of deductible temporary differences and unused tax losses on which no deferred tax assets are recognised amounted to:

	As at 31 March 2024		As at 31 March 2023	
	Gross amount	Unrecognized tax effect	Gross amount	Unrecognized tax effect
Deductible temporary differences (net)	1,220.90	279.34	1,173.94	268.60
Unabsorbed depreciation	1,108.37	253.59	1,984.81	454.12
Unused tax losses	7,265.95	1,662.45	6,386.17	1,461.15

Unabsorbed depreciation presented above does not have expiry time per enacted tax laws in the country.

The unused tax losses for which no deferred tax assets are recognised representing business losses (excluding unabsorbed depreciation) are as follows:

Year of expiry Financial year ending 31 March	As at	As at
	31 March 2024	31 March 2023
2024-25	1,447.39	1,447.39
2025-26	158.64	158.64
2026-27	1,727.86	1,727.86
2027-28	823.06	823.06
2028-29	806.62	806.62
2029-30	476.44	476.44
2030-31	946.16	946.16
2031-32	879.79	
	7,265.95	6,386.17

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Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in ₹ lacs, unless stated otherwise)*

20. Revenue from operations	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products	0.07	78.49
	<u>0.07</u>	<u>78.49</u>

20.a. The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Receivables		
Trade Receivables	1,975.02	1,876.35
	<u>1,975.02</u>	<u>1,876.35</u>
Contract Assets	-	-
Contract Liabilities (Advance received from Customers)		
Opening Balance	500.99	528.85
Advance received during the year	-	
Revenue receivable at the beginning of the year	(345.88)	
Revenue recognized that was included in the contract liability balance at the beginning of the year		(27.87)
Closing Balance	<u>155.11</u>	<u>500.99</u>

21. Other income	For the year ended 31 March 2024	For the year ended 31 March 2023
Other non-operating income		
Interest income:		
On bank deposits	3.41	23.72
Others	2.15	6.12
Unclaimed balances, provisions and liabilities written back	83.53	1.41
Rental income	494.25	494.25
Exchange differences (net)	0.41	2.13
Short Term Capital Gain	0.87	-
Management Service Income	4.20	0.49
Net Gain on changes in Financial Asset	1.08	-
	<u>589.90</u>	<u>528.12</u>

22. Cost of raw materials and components consumed	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials and components consumed#		
Inventory at the beginning of the year	0.11	0.33
Add : Purchases	-	-
Less: Inventory at the end of the year	-	0.11
	<u>0.11</u>	<u>0.22</u>

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Indian Furniture Products Limited
CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024
(All amounts in ₹ lacs, unless stated otherwise)

23. Changes in inventories of finished goods and traded goods	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year		
Traded goods	97.13	99.86
Finished goods	9.44	24.84
	<u>106.57</u>	<u>124.70</u>
Inventories at the beginning of the year		
Traded goods	99.86	164.42
Finished goods	24.84	131.79
	<u>124.70</u>	<u>296.21</u>
Changes in inventories	<u>18.13</u>	<u>171.51</u>
24. Employee benefits expense		
	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	29.34	50.47
Contribution to provident and other funds	1.43	1.31
Staff welfare	1.70	0.43
	<u>32.48</u>	<u>52.21</u>
25. Finance costs		
	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense	1,360.00	1,123.59
Other borrowing costs	76.98	68.60
	<u>1,436.97</u>	<u>1,192.19</u>
26. Depreciation and amortisation expense		
	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of tangible assets [(Note 3(a))]	77.54	84.90
Amortisation of intangible assets [(Note 3b)]	-	-
Depreciation of investment property (Note 4)	25.13	25.13
	<u>102.67</u>	<u>110.04</u>

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Indian Furniture Products Limited
CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024

(All amounts in ₹ lacs, unless stated otherwise)

27. Other expense	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	-	0.05
Consumption of stores and spares	-	0.10
Consumption of packing materials	0.50	0.14
Repairs and maintenance:		
Buildings	-	-
Plant and machinery	-	-
Others	0.17	-
Outward freight and forwarding charges	-	1.95
Rent	3.78	12.41
Impairment Allowance	-	125.00
Rates and taxes	26.39	17.40
Insurance	0.35	0.64
Travelling and conveyance	3.25	7.48
Legal and professional fees	34.49	34.21
Payment to auditors*	3.00	3.00
Communication costs	0.20	0.14
Provision for warranties	-	0.11
Balances written off	-	2.00
Loss on sale of Fixed Assets	0.91	11.91
Miscellaneous expenses	1.25	1.55
	74.28	218.10

*Payment to auditors	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
Audit fees	3.00	3.00
In other capacity		
Reimbursement of expenses	-	-
Total	3.00	3.00

28. Exceptional Item

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Impairment of Investment (refer Note 28.1)	118.01	-

Note 28.1

The Company has investments in equity share capital, amounting to INR 118.01.40 lakhs (31 March 2023: INR 118.01 lakhs) in Forte Furniture Products India Private Limited (FFPL), a group company which is in the business of distribution and retailing of Furniture and related items. The Company has assessed the current financials as well as future projections of FFPL and basis the review, an impairment loss on investments amounting to INR 118.01 lakhs (31 March 2023: INR Nil lakhs) has been recognized in the financial statements for the year ended 31 March 2024. The same has been disclosed as exceptional item above.

29. Earnings/(loss) per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Loss before tax	(1,188.19)	(1,133.94)
Weighted average number of equity shares used for computing EPS (basic & diluted)	7,00,99,470	7,00,99,470
Loss per share (basic and diluted) (₹)	(1.70)	(1.62)
Face value per share (₹)	10	10



Indian Furniture Products Limited
CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024
(All amounts in ₹ lacs, unless stated otherwise)

30. Contingent liabilities

Particulars	As at	As at
	31 March 2024	31 March 2023
Tax demands in excess of provisions:		
Value added tax {net of provision ₹145.87 lacs (31 March 2023: ₹145.87 lacs)}	314.23	335.12
Service tax and excise duty	9.64	9.64
Labour disputes	2.01	2.01
Goods and Service Tax	18.92	18.92
Ware House rent	17.01	11.91
Corporate Guarantee Given	-	100.00
Total	361.81	477.60

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective Proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

31. Lease commitments

(A) Operating leases - lessee

Certain office premises are held on operating lease. The lease term is ranging upto 3 years and are further renewable by mutual consent on mutually agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

Particulars	As at	As at
	31 March 2024	31 March 2023
Lease payments made for the year	3.78	12.41
	3.78	12.41

Note:

The Company does not have any financial leases.

(B) Operating leases - lessor

The Company has leased out its land and factory building along with plant and machinery under the operating lease. The lease term is range from 1-5 years are further renewable by mutual consent on mutually agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases. The leases are non-cancellable.

Rental income recognised during the year amounts to ₹494.25 lacs (31 March 2023: ₹494.25 lacs).

Particulars	As at	As at
	31 March 2024	31 March 2023
Receivable within 1 year	494.25	494.25
Receivable between 1-5 years	1,482.76	1,977.01
Receivable after 5 years	-	-



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024

(All amounts in ₹ lacs, unless stated otherwise)

32. Related party transactions and disclosures

a) The list of related parties as identified by the management are as under	
Holding company	Zuari Industries Limited (ZIL)
Related parties with whom transactions have taken place during the year:	
Companies under common control	Zuari Infra Middle East Limited (ZIMEL) Zuari Infracore India Limited (ZUIL) Zuari Infracore SJM Properties LLC (ZISJMP) Forte Furniture Products India Private Limited (FFPL)
Fellow subsidiaries	Simon India Limited (SIL) Zuari International Limited (ZITL) Zuari Management Services Limited (ZMSL) Zuari Finserv Limited (ZFL)
Associates of holding company	Paradeep Phosphates Limited (PPL) Zuari Farmhub Limited (ZFHL) Texmaco Rail & Engineers Ltd (TREL) Manalore Chemicals and Fertilisers Ltd (MCFL)
Key Management Personnel:	Mr. Bhaskar Chatterjee, Director Mr. Nishant Dalal, Director Mr. Alok Banerjee, Director Mr. Sved Mohammad Farooque Shahab, Director Mr. Sandeep Kumar, Chief Financial Officer Ms. Heerika Shukla (Company Secretary) Mr. N. Krishnan, Manager

b) The following transactions were carried out with related parties in the ordinary course of business:-

S.No	Description	Holding company		Associate of holding company		Company under common control		Key Management Personnel	
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
1	ZIL								
	- Sale of goods	-	-	-	-	-	-	-	-
	- Interest Expense	425.78	319.60	-	-	-	-	-	-
	- Intercorporate deposits received	981.00	1,452.74	-	-	-	-	-	-
	- Intercorporate deposits repaid	510.88	1,077.38	-	-	-	-	-	-
	- Expenses	0.79	-	-	-	-	-	-	-
2	ZFHL								
	- Sale of goods	-	-	-	23.62	-	-	-	-
3	FFPL								
	- Management fees received	-	-	-	-	4.20	0.49	-	-
	- Lease rental	-	-	-	-	494.25	494.25	-	-
	- Expenses	-	-	-	-	3.91	69.64	-	-
	- Investment in Equity shares	-	-	-	-	-	12.09	-	-
4	ZITL								
	- Intercorporate deposits received	-	-	-	-	995.40	278.64	-	-
	- Intercorporate deposits repaid	-	-	-	-	-	979.72	-	-
	- Interest Expense	-	-	-	-	372.71	332.90	-	-
5	SIL								
	- Expenses	-	-	-	-	1.20	-	-	-
		-	-	-	-	-	-	-	-



Indian Furniture Products Limited

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024

(All amounts in ₹ lacs, unless stated otherwise)

S.No	Description	Holding company		Associate of holding company		Company under common control		Key Management Personnel	
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
6	ZIIL	-	-	-	-	-	-	-	-
	- Corporate Guarantee given				10,000.00				
	- Corporate Guarantee released			10,000.00					
7	ZISJMP								
	- Advance given								
	- Expenses Reimbursement paid								
8	ZFL								
	- Expenses Reimbursement paid					0.14	0.15	-	-
9	Remuneration Paid								
	Mr Sandeep Kumar							18.00	10.88
	Mr N Krishnan							12.02	10.45

c) Balance at the year ended 31.03.2024

S.No	Description	Holding company		Associates of holding company		Company under common control		Key Management Personnel	
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
1	ZIL [^]	(3,170.62)	(2,699.70)	-	-	-	-	-	-
2	ZFHL	-	-	(155.10)	(155.10)	-	-	-	-
3	FPPL	-	-	-	-	1,854.92	1,410.14	-	-
4	ZITL	-	-	-	-	(3,854.32)	(2,858.92)	-	-
5	SIL	-	-	-	-	-	-	-	-
6	ZIIL	-	-	-	-	-	10,000.00	-	-
7	ZISJMP	-	-	-	-	29.71	29.28	-	-
8	ZFL	-	-	-	-	(0.01)	(0.01)	-	-
9	Mr Sandeep Kumar	-	-	-	-	-	-	-	-
10	Mr N Krishnan	-	-	-	-	-	-	-	-

[^] The Company has received financial support from its holding company i.e. Zuari Industries Limited, that the holding company will provide financial support to the Company whenever required to fulfill all its obligations for ensuring continuity of its operations.

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33 Employee benefits

Employee benefit obligations

	31 Mar 2024			31 Mar 2023		
	Current	Non-current	Total	Current	Non-current	Total
Contribution to provident fund	1.43	-	1.43	1.31	-	1.31
Gratuity	0.76	2.41	3.17	0.56	1.85	2.40
Compensated absences	0.45	0.93	1.38	0.31	0.62	0.93
Total employee benefit obligations	2.64	3.34	5.98	2.17	2.47	4.63

(a) Balance sheet amounts - Gratuity

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	31 Mar 2024	31 March 2023
Opening Defined Obligation	2.40	1.84
Current service cost	0.39	0.31
Past service cost	-	-
Interest expense/(income)	0.18	0.13
Liabilities written back in respect of employees transferred to group company	-	-
Total amount recognised in profit or loss	0.57	0.45
<i>Remeasurements</i>		
(Gain)/Loss from change in demographic assumptions	(0.07)	-
(Gain)/Loss from change in financial assumptions	0.07	(0.04)
Experience (Gains/Loss)	0.21	0.16
Total amount recognised in other comprehensive income	0.20	0.12
Benefit payments	-	-
Closing Defined Obligation	3.17	2.40

The net liability disclosed above relates to unfunded plans are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of funded obligations	3.17	2.40
Unfunded Provision	(3.17)	(2.40)

(b) Assumptions:

1. Economic assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.20%	7.45%
Salary growth rate	5.00%	5.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The salary escalation rate is based on estimates of salary increases, which takes into account inflation, promotion and other relevant factors.

2. Demographic assumptions:

Particulars	As at 31 March 2024	As at 31 March 2023
Retirement age	60	60
Withdrawal rate, based on age		
Upto 30 years	0%	3%
From 31 to 44 years	0%	2%
Above 44 years	0%	1%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14



Indian Furniture Products Limited
CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024

(All amounts in ₹ lacs, unless stated otherwise)

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Discount rate	- / +0.5%	- / +0.5%	(0.14)	(0.09)	0.15	0.09
Salary growth rate	- / +0.5%	- / +0.5%	0.16	0.10	(0.15)	(0.09)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(d) Risk exposure

Particulars	As at	As at
	31 March 2024	31 March 2023
Weighted average duration (based on discounted cashflows)	10 Years	8 Years

(e) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Liquidity Risk: This is the risk that the company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Interest rate risk: The plan exposes the Company to the risk of all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will result in an increase in the value of the liability (as shown in financial statements).

Demographic Risk: The company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefits paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure given above.



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Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in ₹ lacs, unless stated otherwise)***34. Fair value measurements****Financial instruments by category**

	31 Mar 2024			31 Mar 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investment in unquoted equity shares	-	-	-	-	-	118.01
Investment in Mutual Fund	38.26	-	-	23.34	-	-
Loans						
- Inter corporate deposits	-	-	600.00	-	-	800.00
- Security deposits	-	-	-	-	-	-
Trade receivables	-	-	1,975.02	-	-	1,876.35
Cash and cash equivalents	-	-	57.82	-	-	56.01
Margin money deposits	-	-	28.70	-	-	27.92
Fixed deposits	-	-	16.12	-	-	16.77
Other receivables	-	-	60.14	-	-	55.33
Total	38.26	-	2,737.81	23.34	-	2,950.40
Financial liabilities						
Borrowings	-	-	12,641.05	-	-	11,148.59
Trade payables	-	-	499.36	-	-	681.83
Employee related payables	-	-	1.26	-	-	12.86
Other payables	-	-	125.98	-	-	303.12
Total	-	-	13,267.65	-	-	12,146.40

(i) The management assessed that carrying value of financial assets and financial liabilities, carried at amortised cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheets.

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35. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits, employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Company is exposed to interest risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Interest rate risk

Applicability - Financial liabilities

The company has various term loans (short term and long term) from financial institutions, inter corporate deposits.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has taken floating rate borrowing, hence the interest rate risk is to be considered. The Company has used movement in bank rates by Reserve Bank of India for making a sensitivity analysis for interest rate risk.

	Increase /decrease in basis points	Effect on profit or loss before tax (Rs.)
31 March 2024		
INR	+50	(24.97)
INR	-50	24.97
31 March 2023		
INR	+50	(19.00)
INR	-50	19.00

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Applicability

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The company management constantly keeps a track of the foreign currency movement and takes advise from the corporate treasury for hedging the foreign exchange rates. As the volume of transactions and outstanding position at a given point of time is very low and the risk due to foreign exchange fluctuation would not be material, the management decided not to hedge the foreign currency exposure.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in AED exchange rates, with all other variables held constant, the impact on the Company's profit before tax is due to changes in the fair value of monetary liabilities including non-designated foreign currency derivatives and embedded derivatives.

	Receivables			Payables		
	Change in AED rate	Effect on profit or loss before tax	Effect on pre- tax equity	Change in AED rate	Effect on profit or loss before tax	Effect on pre-tax equity
31 March 2024	+5%	3.31	-	+5%	(1.89)	-
	-5%	(3.31)	-	-5%	1.89	-
31 March 2023	+5%	3.02	-	+5%	(1.72)	-
	-5%	(3.02)	-	-5%	1.72	-



Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Applicability

Trade receivables
Inter Corporate Deposits
Deposits with Banks
Security deposits given
Loans to employees

Trade receivables

Customer credit risk is managed by monitoring individual category customers subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Based on the ageing of receivables, the Company assesses the recoverability of the amount from each customer.

An impairment analysis is performed at each reporting date on an individual basis for all clients. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Either past due or impaired	Neither past due nor impaired	Past due but not impaired		Total
			Less than 1 year	More than 1 year	
Trade Receivables as of 31 March 2024	1,209.34	-	542.28	1,312.64	3,064.26
Trade Receivables as of 31 March 2023	1,209.57	-	538.32	1,217.70	2,965.59

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in fixed deposits with banks only. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company monitors its risk of a shortage of funds using future cash flow projections. The Company manages its liquidity needs by continuously monitoring cash flows from customers and by maintaining adequate cash and cash equivalents. The Company's objective is to maintain a balance between continuity of funding and flexibility through shareholder funds or borrowings from the holding company or sister concerns. Considering the stability of the company's holding company, liquidity risk of the Company is considered to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
31 March 2024						
Borrowings	-	-	4,994.89	7,024.14	-	12,019.04
Trade payables	499.36	-	-	-	-	499.36
Other financial liabilities	127.24	-	-	-	-	127.24
	626.60	-	4,994.89	7,024.14	-	12,645.64
Year ended						
31 March 2023						
Borrowings	-	-	400.00	10,198.70	-	10,598.70
Trade payables	681.83	-	-	-	-	681.83
Other financial liabilities	315.98	-	-	-	-	315.98
	997.81	-	400.00	10,198.70	-	11,596.51

The Company has access to following financing facilities which were undrawn as at the end of reporting periods mentioned:

Undrawn financing facility	31 March 2024	31 March 2023
Secured working capital facilities		
Amount used	-	-
Amount unused	-	-
Total	-	-
Unsecured working capital facilities		
Amount used	7,024.14	5,958.62
Amount unused	-	-
Total	7,024.14	5,958.62



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in ₹ lacs, unless stated otherwise)***36. Offsetting financial assets and financial liabilities**

	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
31 March 2024						
Financial liabilities						
Borrowings	12,641.05	-	12,641.05	-	2,737.81	9,903.25
Trade receivable	1,975.02					
31 March 2023						
Financial liabilities						
Borrowings	10,748.59	-	10,748.59	-	2,832.38	7,916.21
Trade receivable	1,876.35					

37. Disclosure required under Section 186 (4) of the Companies Act, 2013

Particulars of interest bearing inter-company deposits given:

Name of the party	Opening balance	Additions	Repayments	Impairment Allowance	Outstanding balance	Purpose
Straight Curve Ideas Private Limited	925.00	-	200.00	125.00	600.00	General Business Purpose

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Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in ₹ lacs, unless stated otherwise)***38 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023

The management constantly monitors and reviews the debt to equity ratio. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.

The position on reporting date is summarized in the following table:

Particulars	As at	As at
	31 March 2024	31 March 2023
Long term borrowings (including financial liability part of non cumulative redeemable preference shares)	7,646.16	10,748.59
Current maturities of long-term borrowings	4,994.89	-
Short-term borrowings	-	400.00
Less: Cash and cash equivalents	(57.82)	(56.01)
Total Debt (a)	12,583.23	11,092.58
Total Equity (b)	(509.51)	678.89
Capital gearing ratio (a/b)	-24.70	16.34

39 Operating Segments

In the opinion of the management, there is only one reporting segment "Manufacturing and sale of Furniture" as envisaged by Ind As 108 "Operating Segments". The Company is operating only in India and there is no other significant geographical segment.

40 The Company had placed on 1 January 2009, inter corporate deposit (ICD) amounting to ₹1,000 lakhs to Straight Curve Ideas Private Limited ("SCIPL") for a period of 3 months. The deposit carried interest rate of 15% p.a. and out of the total interest accrued from the inception of the ICD to 31 March 2010 of ₹183.28 lakhs SCIPL has made payment (including Tax Deducted at Sources) aggregating to ₹58.28 lacs. On account of continuing default by SCIPL in respect of principal and interest, the Company has suspended accruing for further interest with effect from 1 April 2010. Further the Company has initiated legal proceedings for the recovery of the outstanding amount. Further during the financial year 2022-23 SCIPL came forward with a Settlement proposal offering to settle the dues to Rs 10 Crs. The Company considering various options, considered it prudent to accept the offer and in term of such offer the company received a sum of Rs 2 Crs during the F.Y 2022-23 and received a sum of Rs 2 during the F.Y 2023-24. Further the Company is of the view that since personnel guarantee has been provided by one of the director of the SCIPL and pledge of shares of SCIPL obtained as security, the crystallised and outstanding dues of Rs 6 Crs as on 31-03-2024 is fully recoverable and no provision has been made in the financial statements in this regard. The Company has however provided for the write of the waiver amount of Rs 1.25 Crs during the F.Y 2022-23. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and results of operations.

41 During the year ended 31 March 2024, the Company has incurred a book loss of ₹ 1,188.40 lacs (previous year: ₹1,134.06) has resulted in erosion of entire network of the Company as on that date. Further the Company also incurring a cash loss as on 31 March 2024, the accumulated losses of the Company amounted to ₹ 8,344.48 lacs (previous year: ₹ 7,156.08 lacs). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The management of the Company is confident to generate sufficient profits and cash from operations in near future. Further, Zuari Industries Limited (the holding company) has confirmed its intent as well as ability to extend continued financial support to the Company, as and when needed, so as to enable the Company to continue its operations as a going concern in foreseeable future.

In view of the same, the management of the Company is hopeful of generating sufficient cash flows in the future to meet the Company's financial obligations. Hence, these financial statements have been prepared on a going concern basis.

42 Pursuant to sub-section 3 of section 129 of Companies Act, 2013 read with rule 6 of Companies (Accounts) Rules, 2014 and Companies (Accounts) Amendment Rules, 2016 (the "rules") published vide notification number G.S.R. 742(E) dated 27 July 2016, the Company has opted not to prepare consolidated financial statements of the Company, its subsidiaries and associates for the financial year ended 31 March 2024. With respect to this, the Company has taken necessary steps to ensure compliance with conditions specified in the rules for availing exemption as prescribed.

43 The Company has consistently applied the accounting policies to all periods presented in these financial statements.



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024*(All amounts in Indian Rupees Lakhs, unless otherwise stated)***44 Additional disclosures:****(a) Loans and Advances given**

There are no dues from directors or promoters or KMP or the related parties as on 31.03.2024 (As on 31.03.2023- Nil)

(b) Compliance with number of layers of companies:

No layers of companies has been established beyond the limits prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(c) Relationship with Struck off Companies:

Name of struck off Company	Balance as on 31/03/2023	Balance as on 31/03/2022	Relationship with the Struck off company, if any, to be disclosed
Payables			
Amass Industries Private Limited	0.04	0.04	Vendor
BBL Enterprises Private Limited	46.95	46.95	Customer

(d) Undisclosed income:

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 for the year ended 31 March 2024 and for the year ended 31 March 2023.

(e) No bank or Financial institutions has declared the company as "Willful defaulter".**(f) All charges or satisfaction are registered with ROC within the statutory period for the year ended 31st Mar 2024 and Mar 2023. No charges or satisfaction are yet to be registered with ROC beyond the statutory period****(g) There is no loan outstanding against security of current Assets as on the date of Balance sheet and hence there is no obligation for submission of periodical current Asset statement.****(h) No scheme of arrangements have been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.****(i) Details in respect of Utilization of Borrowed funds and share premium shall be provided in respect of:**

Particulars	Description
Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities.	No such transaction has taken place during the year
Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	No such transaction has taken place during the year



Indian Furniture Products Limited
CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024
(All amounts in ₹ lacs, unless stated otherwise)

(j) Ratio Analysis

a. Current Ratio= Current assets divided by Current Liabilities

Particulars	31-Mar-24	31-Mar-23
Current Assets	2,304.97	2,304.71
Current Liabilities	5,846.87	1,969.15
Ratio	0.39	1.17
% change from previous Period/ year	-66%	

The ratio has decreased in FY 2023-24 due to increase in current Liabilities

b. Debt equity ratio= total debt divided by total shareholder's equity

Particulars	31-Mar-24	31-Mar-23
Total Debt	12,641.05	11,148.59
Total equity (excluding Non- controlling interests)	-509.51	678.89
Ratio	-24.81	16.42
% change from previous period/ year	-251%	

The ratio has decreased in FY 2023-24 due to decrease in equity and increase in Debt

c. Debt service coverage ratio= earnings available for debt services divided by total interest and principal repayments

Particulars	31-Mar-24	31-Mar-23
Profit(loss) after tax*	-1,188.19	-1,133.94
Add: Non cash operating expenses and finance cost		
Depreciation and other non cash operating expenses	102.67	110.04
Finance costs	1,436.97	1,192.19
Earnings available for debt service	351.45	168.29
Interest on borrowings	1,436.97	1,192.19
Principal repayments	910.88	3,207.10
Total Interest and principal repayments	2,347.85	4,399.29
Ratio	0.15	0.04
% change from Previous period/ year	291%	

The ratio has increased in FY 2023-24 due to increase in earnings available for debt and decrease in Principal repayment

d. Return on equity ratio/ return on investment ratio= Net profit after tax divided by Average shareholder's equity

Particulars	31-Mar-24	31-Mar-23
Net profit/ (loss) after tax*	-1,188.19	-1,133.94
Average shareholder's equity	84.69	1,245.92
Ratio	-14.03	-0.91
% change from previous period/ year	1442%	

The ratio has increased due to decrease in average shareholder's equity

e. Inventory turnover ratio= Net sales divided by average Inventory

Particulars	31-Mar-24	31-Mar-23
Sale of goods (Net sales)*	0.07	78.49
Average Inventory	135.63	230.98
Ratio	0.00	0.34
% change from previous period/ year	-100%	

The ratio has decreased in FY 2023-24 due to decrease in sales and Average inventory

f. Trade receivables turnover ratio= Net sales divided by average trade receivables

Particulars	31-Mar-24	31-Mar-23
Sale of goods (Net sales)*	0.07	78.49
Rental Income	494.25	494.25
Total Income	494.32	572.74
Average trade receivables	1,925.69	1,695.18
Ratio	0.26	0.34
% change from previous period/ year	-24%	

The ratio has decreased due to Non realisation of current year Trade receivables

g. Trade Payables turnover ratio= Net Purchases divided by average trade Payables

Particulars	31-Mar-24	31-Mar-23
Net purchases	-	-
Average trade Payable	590.59	733.54
Ratio	-	-
% change from previous period/ year		

There is no significant procurement made during the year hence the ratio is not applicable



h. Net capital turnover ratio= Net sales divided by working capital

Particulars	31-Mar-24	31-Mar-23
Sale of goods (Net sales)*	0.07	78.49
Average shareholders's equity	84.69	1,245.92
Ratio	0.00	0.06
% change from previous period/ year	-99%	

The ratio has decreased due to decrease in average share holder's equity

i. Net profit turnover ratio= Net profit after tax divided by Net sales

Particulars	31-Mar-24	31-Mar-23
Net profit/(loss) after tax *	-1,188.19	-1,133.94
Sale of goods (Net Sales)*	0.07	78.49
Ratio	-17,118.47	-14.45
% change from previous period/ year	118392%	

The ratio has increased in F.Y 23-24 due to decrease in sales and increase in loss

j. Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	31-Mar-24	31-Mar-23
Profit/(loss) before tax *	-1,192.68	-1,137.64
Add: finance costs	1,436.97	1,192.19
EBIT*	244.29	54.55
Tangible Net worth (total assets- total liabilities- Intangible assets)	-509.51	678.89
Total debt	12,641.05	11,148.59
Capital Employed	12,131.54	11,827.48
Ratio	0.02	0.00
% change from previous period/ year	337%	

The ratio has increased in the F.Y 2023-24 due to increase in EBIT.

Return on Investments(ROI) - Profit Before tax/ Capital Employed

Particulars	31-Mar-24	31-Mar-23
Profit/(loss) before tax *	-1,192.68	-1,137.64
Capital Employed	12,131.54	11,827.48
Ratio	(0.10)	(0.10)
% change from previous period/ year	2%	

The ratio has increased in the F.Y 2023-24 due to increase in Loss and Capital employed



Indian Furniture Products Limited

CIN-U72200TN2000PLC089255

Summary of material accounting policies and other explanatory information for the year ended 31st March 2024

(All amounts in Indian Rupees Lakhs, unless otherwise stated)

(k) Corporate Social Responsibility:

Company is not required to allocate the amount towards the CSR hence disclosures are not applicable.

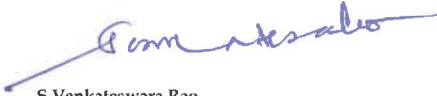
(l) Transaction with respect to crypto currency or virtual currency:

Particulars	Description
Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the year
Amount of currency held as at the reporting date	No transaction during the year
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the year

45 During the year ended 31 March 2024, the Company reclassified/regrouped previous year's numbers i.e. 31 March 2023 wherever required.

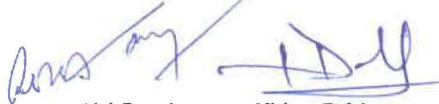
This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For R S J V & Associates
Chartered Accountants
Firm's Registration No.: 02881S




S Venkateswara Rao
Partner
Membership No.: 027713

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



Alok Banerjee
Director
DIN No. 01371033
Place: Bangalore

Nishant Dalal
Director
DIN No. 08972330
Place: Gurugram



Heerika Shukla
Company Secretary
M No A42570
Place: Gurugram

Sandeep Kumar
Chief Financial Officer
PAN AMKPK2527L
Place: Gurugram



Place: Chennai
Date: 2nd May 2024