

# Todarwal & Todarwal LLP

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To The Members Of Lloyds Luxuries Limited

#### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **Lloyds Luxuries Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters prescribed in the Basis for Qualified Opinion Para, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards (AS) prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SA) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

*We invite attention to Note 13 regarding the manner of accounting for Branding, Marketing and Initial Setup Costs incurred for the Financial Year 2019-20 aggregating to Rs. 3,84,37,314/- (Previous Year 2018-19 Rs. 7,15,79,122/-) which have been accounted under the head Non-Current Assets in the Balance Sheet. This manner of accounting is not as per AS-26 on Intangible Assets. Had the correct accounting been followed the profits would have been lower by Rs. 3,84,37,314/-, that would result into loss during the year amounting to Rs. 3,39,22,143/- (Previous Year 2018-19 Rs. 6,61,99,729/-).*

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and 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 Financial Statements and our auditors' report thereon.

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





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In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 Standalone Financial Statements.

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 Standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.





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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Standalone 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period 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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) 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;

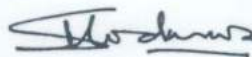


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- c) The Company has no branch office and hence the Company is not required to conduct audit under section 143 (8) of the Act;
- d) The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
- e) Except for the effects of the matter on AS-26 "Intangible Assets", described in the Basis for Qualified Opinion, in our opinion, the aforesaid Financial Statements comply with the Accounting Standards (AS) prescribed under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
- f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has no pending litigations that needs to be disclosed in Financial Statements.
  - Based on the information and explanations provided to us, the Company does not have any long-term contracts, including derivatives, for which provisions for material foreseeable losses need to be provide.
  - The Company is not required to transfer any amount to the Investor Education and Protection Fund.

For **Todarwal & Todarwal LLP**  
Chartered Accountants  
ICAI Reg. No.: W100231



**Sunil Todarwal**  
Partner  
M. No.: 032512  
UDIN: 20032512AAAABP4692  
Date: 25<sup>th</sup> November 2020  
Place: Mumbai



**Annexure - A to Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of Lloyds Luxuries Limited ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the



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Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

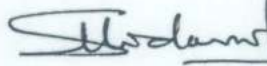
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, 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 Todarwal & Todarwal LLP

Chartered Accountants

ICAI Reg. No.: W100231



**Sunil Todarwal**

Partner

M. No.: 032512

UDIN: 20032512AAAABP4692

Date: 25<sup>th</sup> November 2020

Place: Mumbai



**Annexure - B to Independent Auditor's Report**

The 'Annexure B' referred to in Independent Auditor's Report to the Members of the Company on the Financial Statements for the year ended 31<sup>st</sup> March 2020, we report that:

- (i) (a) According to the information and explanation given to us and based on the records produced before us, we are of the opinion that the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets, except that cost of each individual asset is not captured in the register.
- (b) According to the information and explanation given to us, fixed assets were physically verified by the management during the year, according to a design to cover all the locations which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, the Company was unable to conduct the year end physical verification exercise of fixed assets due to the Covid-19 pandemic lockdown.
- (c) According to the information and explanation given to us and based on the records produced before us, the Company does not own any immovable property.
- (ii) Inventories have been physically verified by the Management at regular intervals. In our opinion, the frequency of such verification is reasonable. We are informed that discrepancies noticed on such verification were not material as compared to the book records. The discrepancies noticed on such verification have been properly dealt within the books of accounts.
- (iii) According to the information and explanation given to us, the Company has not granted during the year any unsecured loans. Hence this clause is not applicable to the Company.
- (iv) According to the information and explanation given to us, the Company has not given any loans, investments, guarantees and other securities. Hence the provisions of Section 185 and 186 are not applicable.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the rules framed there under.
- (vi) The maintenance of Cost Records have been prescribed under section 148(1) of the Companies Act, 2013 but the provisions of the same is not applicable to the Company.
- (vii) (a) According to the books and records as produced and audited by us, the Company has been regular in depositing undisputed statutory dues of Income Tax deducted at Source, Profession Tax, Provident Fund, Goods and Services Tax with the relevant authorities. There are no statutory dues that are outstanding as of March 31, 2020 for a period of more than six months.
- (b) According to the information and explanation given to us and the record produced before us, no disputed amount are payable in case of Income Tax, Goods and Services Tax, Custom Duty, or Cess.
- (viii) According to the information and explanation given to us and based on the records produced before us, the Company has not defaulted in repayment of dues to financial institutions and banks.

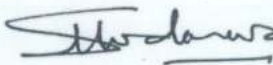


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- (ix) According to the information and explanation given to us and the record produced before us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) but it has taken term loan during the year and has been utilized for the purpose, it was raised.
- (x) During the course of our examination of the books of account carried in accordance with the generally accepted auditing standards in India, we have neither come across any instance of fraud on or by the Company by its officers or employees, either noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) According to the information and explanation given to us and the record produced before us, managerial remuneration has been paid during the year as per the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Hence the provision of this clause is not applicable to the Company.
- (xiii) According to the information and explanation given to us and the record produced before us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable Accounting Standards.
- (xiv) According to the information and explanation given to us and the record produced before us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the provision of this clause is not applicable to the Company.
- (xv) As per the information and explanation given to us and the record produced before us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Todarwal & Todarwal LLP**  
Chartered Accountants  
ICAI Reg. No.: W100231



**Sunil Todarwal**  
Partner  
M. No.: 032512  
UDIN: 20032512AAAABP4692  
Date: 25<sup>th</sup> November 2020  
Place: Mumbai





**LLOYDS LUXURIES LTD.**  
**CIN NO:- U74999MH2013PLC249449**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
		INR	INR
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	1	25,00,00,000	25,00,00,000
(b) Reserves and Surplus	2	(9,64,35,158)	(10,08,40,378)
<b>2 Non-Current Liabilities</b>			
(a) Long-term borrowings	3	9,78,02,884	7,50,78,398
(b) Long-term Provisions	4	30,07,434	18,71,270
(c) Other long term Liabilities	5	18,34,67,114	13,40,03,212
<b>3 Current Liabilities</b>			
(a) Trade payables	6		
(i) total outstanding dues of micro enterprises and small enterprises; and		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,01,87,638	5,83,91,874
(b) Other current liabilities	7	5,17,52,734	2,34,25,528
(c) Short-term Provisions	8	88,22,407	77,02,161
<b>TOTAL</b>		<b>52,86,05,053</b>	<b>44,96,32,066</b>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipment	9		
(i) Tangible assets		16,68,28,821	15,95,50,389
(ii) Intangible assets		1,32,44,901	1,24,02,191
(iii) Capital work-in-progress		44,50,540	55,45,053
(b) Non Current Investments	10	2,49,556	2,49,556
(c) Deferred tax assets (Net)	11	62,43,322	54,49,889
(d) Long-term loans and advances	12	2,52,92,360	2,53,02,312
(e) Other non-current assets	13	24,05,10,027	20,02,99,231
<b>2 Current assets</b>			
(a) Inventories	14	2,64,75,316	1,68,70,210
(b) Trade receivables	15	77,75,838	86,23,297
(c) Cash and Bank Balances	16	19,61,766	14,43,953
(d) Short-term loans and advances	17	17,49,183	3,42,896
(e) Other current assets	18	3,38,23,422	1,35,53,089
<b>TOTAL</b>		<b>52,86,05,053</b>	<b>44,96,32,066</b>
Notes forming part of the financial statements	25		

As per Our Report of Even Date

For Todarwal and Todarwal LLP

Chartered Accountants

ICAI Firm Reg. no. W/100231

Sunil Todarwal  
Partner

Membership no.032512

UDIN : 20032512AAAAABP4692

Place : Mumbai

Date : 25 November 2020

Lloyds Luxuries Ltd.

Shreekrishna Mukesh Gupta  
 Director  
 Din no.:- 06726742  
 Place : Mumbai

For and on behalf of the Board  
LLOYDS LUXURIES LIMITED

Istayak Ahmad Ansari  
 Director  
 Din no.:- 02562224

Sushant J Mishra  
 Chief Financial Officer

Priyanka Agarwal  
 Company Secretary





**LLOYDS LUXURIES LTD.**  
CIN NO:- U74999MH2013PLC249449

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2020**

Particulars	Note No.	For the year ended	For the year ended
		31 March 2020	31 March 2019
		INR	INR
<b>I INCOME</b>			
Revenue From Operations	19	27,12,45,293	21,00,35,385
Other Income	20	88,35,540	37,14,686
<b>Total Revenue</b>		<b>28,00,80,833</b>	<b>21,37,50,071</b>
<b>II EXPENSES</b>			
(a) Operating Expenses	21	14,08,32,005	12,37,60,775
(b) Employee Benefits Expense	22	8,90,61,688	5,26,37,051
(c) Finance Costs	23	1,14,67,144	68,82,640
(d) Depreciation and Amortization Expense	9	2,40,60,802	1,72,51,520
(e) Other Expenses	24	1,01,44,023	78,38,692
<b>Total Expenses</b>		<b>27,55,65,662</b>	<b>20,83,70,678</b>
<b>III Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>45,15,171</b>	<b>53,79,393.34</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit before extraordinary items and tax (V - VI)</b>		<b>45,15,171</b>	<b>53,79,393</b>
<b>VI Extraordinary items</b>		-	-
<b>VII Profit before tax (VII- VIII)</b>		<b>45,15,171</b>	<b>53,79,393</b>
<b>VIII Tax Expense:</b>			
(1) Current Tax Expense		9,03,384	10,76,296
(2) Deferred Tax		(7,93,433)	7,37,374
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>44,05,220</b>	<b>35,65,723</b>
<b>X Profit/(loss) from discontinuing operations</b>		-	-
<b>XI Tax expense of discontinuing operations</b>		-	-
<b>XII Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
<b>XIII Profit (Loss) for the period (XI + XIV)</b>		<b>44,05,220</b>	<b>35,65,723</b>
<b>Earnings Per Equity Share (Of Rs. 1/- Each):</b>			
Basic / Diluted		0.22	0.18
Notes forming part of the financial statements	25		

As per Our Report of Even Date  
For Todarwal and Todarwal  
Chartered Accountants  
ICAI Firm Reg. no. W100231

Sunil Todarwal  
Partner  
Membership no. 032512  
UDIN : 20032512AAAABP4692  
Date : 25 November 2020  
Place : Mumbai



For and on behalf of the Board  
LLOYDS LUXURIES LIMITED

Shreekrishna Mukesh Gupta  
Director  
Din no.:- 06726742

Istayak Ahmad Ansari  
Director  
Din no.:- 02562224

Sushant J Mishra  
Chief Financial Officer

Priyanka Agarwal  
Company Secretary





**LLOYDS LUXURIES LTD.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	INR		INR	
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit Before Extraordinary Items and Taxation		45,15,171		53,79,393
<b>Adjustment for :</b>				
Depreciation on Fixed Assets	2,40,60,802		1,72,52,520	
Interest, Commitment & Finance Charges (Net)	1,14,67,144		68,82,640	
Interest/Dividend Received & Other Income	(10,950)		(13,350)	
		3,55,16,996		2,41,21,810
<b>Operating Profit Before Changes in Working Capital</b>		<b>4,00,32,167</b>		<b>2,95,01,203</b>
<b>Adjustments for changes in operating Assets/ Liabilities</b>				
(Increase) / Decrease in Operating Receivables	(6,10,30,006)		(8,73,28,298)	
(Increase) / Decrease in Inventories	(96,05,106)		22,03,636	
Increase / (Decrease) in Operating Payables	5,18,43,282	(1,87,91,830)	9,08,63,438	57,38,776
<b>Cash Generated from operations</b>		<b>2,12,40,337</b>		<b>3,52,39,979</b>
Income Tax		9,03,384		10,76,296
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>2,03,36,953</b>		<b>3,41,63,683</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets Net	(3,10,87,431)		(7,96,60,598)	
Investment in LLP			(49,556)	
Interest/Dividend Received & Other Income	10,950		13,350	
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(3,10,76,481)</b>		<b>(7,96,96,804)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Issued of Share Capital	-		-	
Share Application Money Received/ (Refunded)	-		-	
Proceeds / (Repayment) of borrowings	2,27,24,486		5,26,90,317	
Interest, Commitment & Finance Charges Paid (Net)	(1,14,67,144)		(68,82,640)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>1,12,57,342</b>		<b>4,58,07,677</b>
<b>Net Increase In Cash &amp; Cash Equivalents</b>		<b>5,17,814</b>		<b>2,73,556</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>14,43,953</b>		<b>11,70,399</b>
<b>Cash and Cash Equivalents at the end of the year</b>		<b>19,61,766</b>		<b>14,43,953</b>

**Notes :**

- The Operating Trade & Other Receivables consist of Trade Receivables, Short-term and Long-term Loans and Advances and Other Current & Non current Assets.
- The Operating Trade & Other Payables consist of Short Term Borrowing, Trade Payables, Short-term Provisions and Other Current Liabilities.

As per Our Report of Even Date  
 For Tadarwal and Tadarwal  
 Chartered Accountants  
 ICAI Firm Reg. no. 31100231

Sunil Tadarwal  
 Partner  
 Membership no. 022512  
 UDIN: 20032512-167-06726742  
 Date : 25 November 2020  
 Place : Mumbai

For and on behalf of the Board  
 LLOYDS LUXURIES LIMITED

Shreekishna Mukesh Gupta  
 Director  
 Din no.:- 06726742

Istayak Ahmad Ansari  
 Director  
 Din no.:- 02562224

Sushant J Mishra  
 Chief Financial Officer

Priyanka Agarwal  
 Company Secretary



**LLOYDS LUXURIES LTD**

**Notes forming part of financial statements**

Note: 1

<u>Share Capital</u>	As at 31 March 2020		As at 31 March 2019	
	Number	INR	Number	INR
<b>Authorised</b>				
Equity Shares of `Rs. 10/- each		-		-
Equity Shares of `Rs. 1/- each	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Preference Share of Rs. 10/- each	2,30,00,000	23,00,00,000	2,30,00,000	23,00,00,000
<b>Issued, subscribed &amp; paid up</b>				
Equity Shares of `Rs. 10/- each				
Equity Shares of `Rs. 1/- each	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Non Convertible, non cummulative and Redeemable Preference Shares of Rs.10/- each	2,30,00,000	23,00,00,000	2,30,00,000	23,00,00,000
<b>Total</b>	<b>4,30,00,000</b>	<b>25,00,00,000</b>	<b>4,30,00,000</b>	<b>25,00,00,000</b>

Refer note (i) to (ii) below

(i) The company has two class of share.

(ii) Reconciliation of the number of Equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	INR	Number	INR
Shares outstanding at the beginning of the year				
Sub-division of shares during the year	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000

The company has sub-divided 20,00,000 Equity shares of Rs. 10/- each into 2,00,00,000 Equity shares Re.1/- each

(iii) Details of Equity shares held by each shareholder holding more than 5% shares:

<u>Name of Shareholder</u>	As at 31 March 2020	As at 31 March 2019
	No. of Shares held	No. of Shares held
Istayak Ansari	10,00,000	10,00,000
Plutus Trade & Commodities LLP	1,89,99,950	1,89,99,950
<b>TOTAL</b>	<b>1,99,99,950</b>	<b>1,99,99,950</b>

(iv) Reconciliation of the number of Preference shares of Rs. 10/- each and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	INR	Number	INR
Shares outstanding at the beginning of the year	2,30,00,000	23,00,00,000	2,30,00,000	23,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,30,00,000	23,00,00,000	2,30,00,000	23,00,00,000

(v) Details of Preference shares held by each shareholder holding more than 5% shares:

<u>Name of Shareholder</u>	As at 31 March 2020	As at 31 March 2019
	No. of Shares held	No. of Shares held
Lloyds Metals & Minerals Trading LLP	2,30,00,000	2,30,00,000

Note:2

<u>Reserves &amp; Surplus</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
<b>(A) Surplus / Deficit in statement of Profit or Loss</b>		
Opening balance	(10,08,40,378)	(10,44,06,101)
(+) Net Profit/(Net Loss) For the current year	44,05,220	35,65,723
(-) Transfer to Reserves	-	-
Closing Balance	(9,64,35,158)	(10,08,40,378)
<b>Total</b>	<b>(9,64,35,158)</b>	<b>(10,08,40,378)</b>



**LLOYDS LUXURIES LTD**

Notes forming part of financial statements

Note: 3

<u>Long term borrowings</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
Term loan (A) From Banks Secured	9,78,02,884	7,50,78,398
	9,78,02,884	7,50,78,398
<b>Total</b>	<b>9,78,02,884</b>	<b>7,50,78,398</b>

Note:- Secured Loan Term Loan @ 12% from Citizencredit Copoeprative bank Ltd Rs. 7,20,78,398/- will be paid in 66 equal installments.

Note: 4

<u>Long term provisions</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
(a) Provision for Employee benefits: Provision for gratuity	30,07,434	18,71,270
<b>Total</b>	<b>30,07,434</b>	<b>18,71,270</b>

Note: 5

<u>Other long term Liabilities</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
(a) Loans & Advances	18,34,67,114	13,40,03,212
<b>Total</b>	<b>18,34,67,114</b>	<b>13,40,03,212</b>

Note: 6

<u>Trade payables</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
Trade Payables	3,01,87,650	5,83,91,874
<b>Total</b>	<b>3,01,87,650</b>	<b>5,83,91,874</b>

Note: 7

<u>Other current liabilities</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
(a) Duties & Taxes	3,00,60,567	73,00,358
(b) Advance from Customer	2,16,92,167	1,61,25,170
<b>Total</b>	<b>5,17,52,734</b>	<b>2,34,25,528</b>

Note: Suppliers / service providers covered under Micro, Small Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this information required to be disclosed u/s. 23 of the said Act is not given.

Note: 8

<u>Short term Provisions</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
Provision for expenses	2,00,761	3,51,352
Provision for Salary and Incentives	86,21,646	62,74,513
Provision for Tax	-	10,76,296
<b>Total</b>	<b>88,22,407</b>	<b>77,02,161</b>





Note: 10

<u>INVESTMENTS</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
Lloyds Palms Spa LLP	49,556	49,556
Fixed Deposit	2,00,000	2,00,000
<b>Total</b>	<b>2,49,556</b>	<b>2,49,556</b>

Note 11

The components of significant timing differences that resulted in deferred tax assets and liabilities are as follows:

<u>Deferred tax assets</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
Difference in WDV of Fixed Assets & Gratuity	62,43,322	54,49,889
Other Timing Differences	-	-
<b>Total</b>	<b>62,43,322</b>	<b>54,49,889</b>

Note: 12

<u>Long term loans and advances</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
(a) Security Deposits: (Unsecured, considered good)		
Deposit with landlords	2,52,92,360	2,43,20,674
Deposit with others	-	-
	2,52,92,360	2,43,20,674
(b) Loan & Advances		
Capital advances		9,81,638
<b>Total</b>	<b>2,52,92,360</b>	<b>2,53,02,312</b>

Note: 13

<u>Other non current asset</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
(a) Balances with government authorities	36,85,960	19,12,478
(b) Branding and Marketing Expenses	12,08,97,241	12,08,97,241
(c) Preoperative Expenses	11,59,26,826	7,74,89,512
<b>Total</b>	<b>24,05,10,027</b>	<b>20,02,99,231</b>

Note: 14

<u>Inventories</u> as valued & certified by the management (At lower of cost and net realisable value)	As at 31 March 2020	As at 31 March 2019
	INR	INR
<u>Stock in hand :-</u>		
Traded Goods	2,64,75,316	1,68,70,210
Spares and Materials	-	-
Service Equipments - Warmers	-	-
Stock in transit	-	-
<b>Total</b>	<b>2,64,75,316</b>	<b>1,68,70,210</b>



Note: 15

<u>Trade receivables</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
<b>Trade receivables</b>		
Unsecured, considered good	77,75,838	63,22,425
Receivables from related Parties		23,00,872
<b>Total</b>	<b>77,75,838</b>	<b>86,23,297</b>

Note: 16

<u>Cash and Bank Balances</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
<b>(1) Cash &amp; Cash Equivalents</b>		
Cash on hand	3,00,810	7,05,642
<b>Balances with banks</b>		
On Current accounts	16,60,956	7,38,311
Cheques in Hand	-	-
<b>Total</b>	<b>19,61,766</b>	<b>14,43,953</b>

Note:- Fixed deposit given as Bank Guarantee towards deposit for Haryana Sales tax Rs. 2,00,000/-.

Note: 17

<u>Short term loans and advances</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
<b>(a) Loans &amp; Advances</b>		
(i) Related parties (refer footnote i)	-	1,79,976
	-	-
	-	1,79,976
<b>(a) Other Loans &amp; advances - Unsecured, considered good</b>		
To Employees	17,49,183	1,62,920
To Others	-	-
	17,49,183	1,62,920
<b>Total</b>	<b>17,49,183</b>	<b>3,42,896</b>

(i) <b>Details of Loans &amp; Advances to related parties:-</b>	<b>Amount</b>
Lloyds Health & Beauty Pvt. Ltd.	1,79,976
<b>Total</b>	<b>1,79,976</b>

Note: 18

<u>Other current asset</u>	As at 31 March 2020	As at 31 March 2019
	INR	INR
(a) Share application money		
(a) Advances recoverable in cash or kind	2,36,033	2,36,033
(c) Others		
Insurance claim receivable	-	-
(b) Prepaid Expenses	2,32,100	5,77,564
(c) Interest accrued but not due	-	-
(d) Goods and Service tax Receivables	3,33,55,289	1,27,39,492
<b>Total</b>	<b>3,38,23,422</b>	<b>1,35,53,089</b>





**LLOYDS LUXURIES LTD**

Notes forming part of the financial statements  
Note 9 : Property, Plant & Equipment

Sr. No.	PARTICULARS	USEFUL LIFE NO. OF YEARS	Gross Block			Accumulated depreciation and impairment			Net Block		
			AS ON 01.04.2019	ADDITIONS FOR THE PERIOD	SALE/ADJUSTMENT FOR THE PERIOD	AS AT 31.03.2020	AS ON 01.04.2019	FOR THE PERIOD	ADJUSTMENT FOR SALE / TRANSFER	AS AT 31.03.2020	AS AT 31.03.2019
			INR	INR	INR	INR	INR	INR	INR	INR	
<b>TANGIBLE ASSETS :-</b>											
A	Leasehold Property Previous year 2018 - 19	Lease Term	6,68,54,217 5,25,75,352	10,93,742 1,42,78,865		6,79,47,959 6,68,54,217	2,59,74,344 2,17,08,064	51,21,261 42,66,280	3,10,95,605 2,59,74,344	3,68,52,354 4,08,79,873	4,08,79,873 3,08,67,288
B	Plant & Machinery :-										
(i)	Service Equipments Previous year 2018 - 19	100%	70,74,706 51,49,376	32,93,731 19,25,330	2,25,348	1,01,43,089 70,74,706	70,74,705 51,49,375	32,93,731 19,25,330	1,01,43,088 70,74,705	1,00 1,00	1.25 1.25
(ii)	Service Machinery Previous year 2018 - 19	15	2,98,37,564 1,80,47,014	52,797 1,17,90,550	22,27,394	2,76,62,967 2,98,37,564	33,84,944 21,75,172	13,53,158 12,09,772	46,01,375 33,84,944	2,30,61,591 2,64,52,620	2,64,52,620 1,58,71,842
C	Office equipments Previous year 2018 - 19	5	95,43,682 70,51,948	17,33,767 24,91,734	7,66,116	1,05,11,333 95,43,682	30,27,930 24,68,331	7,68,111 5,59,599	37,02,243 30,27,930	68,09,090 65,15,752	65,15,752 45,83,617
D	Computers Previous year 2018 - 19	3	15,82,824 13,13,490	1,54,195 2,69,334		17,37,019 15,82,824	11,65,163 10,62,918	1,35,394 1,02,245	13,00,557 11,65,163	4,36,462 4,17,661	4,17,661 2,50,572
E	Furniture & Fixtures Previous year 2018 - 19	7	10,03,50,333 4,12,51,048	2,65,84,234 5,90,99,285	16,00,633	12,53,33,935 10,03,50,333	1,90,58,632 1,27,56,559	1,01,88,538 63,02,073	2,89,32,526 1,90,58,632	9,64,01,409 8,12,91,701	8,12,91,701 2,84,94,489
F	Electrical Fittings Previous year 2018 - 19	10	56,30,726 46,13,854	3,79,685 10,16,872	6,67,165	53,43,246 56,30,726	16,37,946 11,15,122	5,19,225 5,22,824	20,75,331 16,37,946	32,67,914 39,92,780	39,92,780 34,98,732
<b>INTANGIBLE ASSETS :-</b>											
G	Software Previous year 2018 - 19	3	32,78,071 20,29,098	16,73,859 12,48,973	1,26,000	48,25,930 32,78,071	13,37,791 9,93,597	5,72,417 3,44,194	18,90,758 13,37,791	29,35,172 19,40,280	19,40,280 10,35,501
H	License Rights Previous year 2018 - 19	10	2,01,92,031 2,01,89,031	19,56,785 3,000		2,21,48,816 2,01,92,031	97,30,120 77,10,917	21,08,967 20,19,203	1,18,39,087 97,30,120	1,03,09,729 1,04,61,911	1,04,61,911 1,24,78,114
<b>TOTAL</b>			24,43,44,156 15,22,20,213	3,69,22,793 9,21,23,943	56,12,656	27,56,54,292 24,43,44,156	7,23,91,575 5,51,40,055	2,40,60,802 1,72,51,520	9,55,80,570 7,23,91,575	18,00,73,722 17,19,52,580	17,19,52,580 9,70,89,159
<b>Capital work-in-progress</b>			55,45,053 1,80,08,398	3,36,172 4,31,67,445	14,30,684 5,56,30,790	44,50,540 55,45,053	- -	- -	- -	44,50,540 55,45,053	55,45,053 1,80,08,398
<b>TOTAL</b>			24,98,89,208	3,72,58,965	70,43,341	28,01,04,833	7,23,91,575	2,40,60,802	9,55,80,570	18,45,24,262	17,74,97,634
<b>Previous Period Total</b>			17,02,28,611	13,52,91,388	5,56,30,790	24,98,89,208	5,51,40,055	1,72,51,520	7,23,91,575	17,74,97,634	11,50,88,556



**LLOYDS LUXURIES LTD**

Notes forming part of financial statements

Note: 19

<u>Revenue from operations</u>	For the year ended 31 March 2020	For the year ended 31 March 2019
	INR	INR
<b>Sale of Products:</b>		
Sales - Products	4,36,39,860	3,95,00,972
- Services	18,35,82,565	15,42,07,229
<b>Net Sales</b>	<b>22,72,22,425</b>	<b>19,37,08,201</b>
Franchisee Fees	3,34,73,879	1,30,53,396
Royalty	1,05,48,989	32,73,788
<b>Net Franchisee Sales</b>	<b>4,40,22,868</b>	<b>1,63,27,184</b>
<b>Total</b>	<b>27,12,45,293</b>	<b>21,00,35,385</b>

Note: 20

<u>Other Income</u>	For the year ended 31 March 2020	For the year ended 31 March 2019
	INR	INR
(i) Rent	37,95,763	36,45,837
(ii) Sundry Balances written back	7,75,423	-
(iii) Interest income	10,950	13,350
(iv) Misc Income	95,453	55,499
(v) Foreign Exchange Gain	76,568	-
(vi) Dividend Income	160	-
(vii) Profit on sale of Assets	40,81,224	-
<b>Total</b>	<b>88,35,540</b>	<b>37,14,686</b>

Note: 21

<u>Operating Expenses</u>	For the year ended 31 March 2020	For the year ended 31 March 2019
	INR	INR
(i) Cost of Material Sold	3,35,85,307	3,87,41,578
(ii) Royalty	1,22,37,089	82,37,288
(iii) Customer service	45,12,897	35,52,808
(iv) Electricity	69,46,988	66,08,090
(v) Housekeeping & Laundry	-	-
- House Keeping	65,39,310	31,86,464
- Laundry	16,56,499	21,78,830
(vi) Rent	6,92,62,971	5,65,03,095
(vii) Store Management	34,37,391	18,09,872
(viii) Revenue Share	26,51,732	29,42,750
(ix) Packing Charges	1,820	-
<b>Total</b>	<b>14,08,32,005</b>	<b>12,37,60,775</b>

Note: 22

<u>Employee Benefit Expense</u>	For the year ended 31 March 2020	For the year ended 31 March 2019
	INR	INR
(i) Salary, Wages & Bonus etc.	7,94,83,928	4,69,63,762
(ii) Contribution to Provident & Other Funds	64,96,815	46,51,153
(iii) Staff Welfare Expense	30,80,945	10,22,136
<b>Total</b>	<b>8,90,61,688</b>	<b>5,26,37,051</b>





Note: 23

<u>Finance Cost</u>	For the year ended 31 March 2020	For the year ended 31 March 2019
	INR	INR
Interest Expense on Borrowings	1,14,67,144	68,82,640
<b>Total</b>	<b>1,14,67,144</b>	<b>68,82,640</b>

Note: 24

<u>General Expenses</u>	For the year ended 31 March 2020	For the year ended 31 March 2019
	INR	INR
(i) Printing & Stationery	1,42,043	3,70,677
(ii) Travelling & Conveyance Expense	6,69,882	5,24,588
(iii) Postage & Communications	14,03,693	13,17,139
(v) Legal & Professional Fees	8,41,894	3,07,322
(vi) Repairs and maintenance	9,07,456	6,21,502
(vii) Recruitment expenses	-	-
(viii) Payment Auditors (Refer Note (i) below)	-	1,50,000
(ix) Donations	-	25,000
(x) Insurance	8,74,363	3,42,532
(xi) General Expenses	2,65,038	-
(xii) Rates & Taxes	9,57,925	-
(xiv) Loading and unloading expenses TRANS	-	-
(xv) Sales Promotion ADV	3,34,257	2,91,816
(xvi) Membership & Subscription	1,45,178	1,26,089
(xvii) Loss on share in Lloyds Palms spa LLP	-	445
(xviii) Sales Commission	-	69,251
(xix) Swatch Bharat Cess Tax Expenses / ITC	5,957	2,24,682
(xx) sundry Balancew/off	-	3,78,065
(xxi) Bank charges & Commissions	35,28,419	29,95,141
(xxii) Brokerage & Comission	10,500	-
(xxiii) Export Service & Shipping Charges	57,144	-
(xxiii) Foreign Exchange Loss	275	94,443
<b>Total</b>	<b>1,01,44,023</b>	<b>78,38,692</b>

Note: (i)

<u>Particular</u>	For the year ended 31 March 2020	For the year ended 31 March 2019
	INR	INR
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	1,00,000	1,00,000
For Tax Audits	50,000	50,000
Audit Expenses	-	-
<b>Total</b>	<b>1,50,000</b>	<b>1,50,000</b>



## Lloyds Luxuries Limited

### Note 25: Notes forming part of the financial statements

#### I. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

##### a. **Basis & Method of Accounting:**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and Companies (Accounting Standards) Amendment Rules, 2016

The preparation of financial statements in conformity with GAAP 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. Examples of such estimates include the useful lives of tangible and intangible assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

##### b. **Use of Estimates:**

Management has made certain estimates and assumptions in conformity with the GAAP, which are reflected in the preparation of these financial statements. The Difference between the actual results and estimates are recognized in the period in which the results are known.

##### c. **Property, Plant & Equipment (PPE):**

- i. PPE are stated at cost less accumulated depreciation. Cost comprises of cost of acquisition and expenditure directly attributable for commissioning of the asset.
- ii. PPE are to be carried at the residual value which is two percent of cost, at the end of their useful life.
- iii. Capital work in progress comprises of expenditure, direct or indirect, incurred on Outlets which are yet to be brought into working condition.

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iv. Leasehold premises comprises of fixtures that are immovable in nature.

v. Furniture and fixtures comprises of assets which are movable in nature.

**d. Intangible Assets:**

i. License Rights includes the right to operate the stores for a period of 10 years from the year 2014-15.

ii. Software comprises of the initial set up cost for the installation of the MMS software required to record product and service sales affected at the respective outlets.

**e. Depreciation:**

i. Depreciation on fixed assets is provided on the straight-line method as per the useful life decided by the management from the current year, which is as follows:

Sr. No	Nature of Asset	Useful life
1.	Leasehold Property	Initial Lease Term
2.	Service Machinery	20 years
3.	Office Equipments	10 years
4.	Computers	5 years
5.	Electrical Fittings	10 years
6.	Furniture & fixtures	10 years

ii. Leasehold improvements are amortized over the period of initial term lease.

iii. Individual assets having life of less than one year are entirely depreciated in the year of acquisition.

iv. Depreciation on addition/deletion to fixed assets during the year is provided on pro-rata basis from the date of such addition / deletion as the case may be.

v. The fixtures which form part of leasehold premises are depreciated over the lease period as per the lease contract entered into by the company.

vi. The assets having value of Rs. 5,000 or less are fully depreciated in the year of purchase.



vii. Residual Value for fixed assets has been calculated at 2% of purchase value.

viii. Service Equipments are fully depreciated in the year of purchase.

**f. Amortization of Intangible Assets:**

i. The license amount is amortized over the license term i.e. 10 years.

ii. The company amortizes the amount of software of a period of 5 years.

**g. Revenue Recognition:**

i. Income from services rendered is recognized once the services are provided to the customer.

ii. Membership sales are recognized on as and when they occur i.e. when the same is purchased by the customer and for the services which can be availed within a period of one year from the date of purchase.

iii. Revenue on sale of gift card is recognized when gift card is sold/issued to customer instead of when redeemed.

iv. Sale of product are recognized as below:

Sr.No	Type of Sale	Method of recognition
1	Outlet sale	At the time of POS *
2.	Channel sale	At the time of POS *
3	E- Commerce	At the time when the product is ready for dispatch.

- Point of Sale (POS):- the point at which the customer makes the payment to the merchant in exchange for product.

v. Sales for product sent on consignment are recognized when actual sales takes place.

vi. Franchisee fees received from the franchisee is recognized as income based on the contractual agreement.

**h. Inventory:**

i. Inventories, including those held by consignment agents, are valued at lower of cost and net realizable value.





- ii. Cost of inventories is determined on first-in-first out (FIFO) method of inventory valuation.
- iii. Cost of inventories comprises costs of purchase and other costs incurred in bringing them to their respective operating location.
- iv. The saleable products are classified under stock-in-trade and as traded goods.
- v. Consumption products and packing material are classified under spares and material.

**i. Employee Benefits**

**i. Short term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries and other incentives are recognized at the undiscounted amount in the Profit and Loss Account in the period in which the employee renders the related service.

**ii. Long term Employee benefits:**

The provision for gratuity is recognized on full liability basis and calculated as per the Payment of Gratuity Act, 1972 i.e. in the case of monthly rated employees, fifteen days salary is divided by the monthly rate of salary last drawn by the employee on twenty six day basis. Gratuity is payable to employees only if they serve the company for a minimum period of five years.

Provident Fund benefit to employees is provided for on accrual basis and charged to Profit and Loss Account.

**j. Foreign Exchange Transactions:**

Transactions in foreign currency are recorded at exchange rates prevailing on the dates of respective transactions. The difference in translation and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account. Company has recognized a net Foreign Exchange loss of Rs. 94,443/- which has been calculated as per principles laid down in AS-11.

The transactions that are due at the end of financial year are revalued at closing rate and the difference of realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account.

**k. Impairment of Fixed Assets**

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are subject to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, loss is recognized.



**l. Taxes on income**

- i) Tax expense comprises both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable in respect of the taxable income for the reporting period as per Income tax Act, 1961.
- ii) Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

**m. Provisions and Contingent Liability/ Contingent Asset:**

Provisions are recognized when the company has a legal and constructive present obligation as a result of a past event, for which it is probable that outflow of resources will be required and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation that may result in an outflow of resources. Contingent assets are neither recognized nor disclosed.

**n. Branding, Pre-operative and marketing expenditure:**

Branding, marketing and pre-operative cost incurred by the company have been allocated as capital and revenue expenditure on the basis of management assessment of such expenditure. Amount of such branding, pre-operative and marketing costs incurred and carried forward would be amortized once the Brand gets established.

**o. Borrowing Cost capitalized – AS 16:**

Interest cost is on term loan taken from Citizencredit Co-operative Bank Ltd, by the company

**p. Accounting Standard – 17 Segment reporting:**

The Company is engaged in the sale & services of men's groom care products which, in the context of Accounting Standard 17 on Segment Reporting constitutes a single reportable business segment.





- q. Accounting Standard 18 Related party transaction-  
Name of related party & description of relationship:

Sr.no	Name of related parties	Nature of Relationship
<b>a.</b>	<b>Key Management personnel</b>	
I	Shree Krishna Mukesh Gupta	Whole time Director
II	Istayak Ahmed Ansari	Director
III	Sushant Janardan Mishra	Chief Financial Officer
IV	Priyanka Agarwal	Company Secretary
V	Sanyogita Ramanan	Manager
<b>b.</b>	<b>Enterprises in which key management personnel/director having significant influence.</b>	
I	Lloyds Health & Beauty Pvt. Ltd	
II	Jasper brands Private Limited	
III	Trofi Chain Factory Pvt Ltd	
IV	Artaxerxes Fitness And Lifestyle Pvt. Ltd.	
V	LUXELIFE VENTURES LLP	

**Summary of transaction with aforesaid parties:**

Sr. No	Particulars	Period Ended March 20	Period Ended March 19
<b>A</b>	<b>Key Managerial personnel</b>		
	Remuneration/ Professional fees:		
I	Shree Krishna Mukesh Gupta	Nil	14,83,799/-
II	Istayak Ansari	51,04,562/-	45,43,345/-
III	Sushant Mishra	12,50,676/-	12,84,635/-
IV	Priyanka Agarwal	1,70,170/-	1,67,736/-
V	Sanyogita Ramanan	29,53,330/-	30,39,706/-
	<b>Loans &amp; Advances given during year</b>		
I	Lloyds Health & Beauty Pvt. Ltd	Nil	2100/-
	<b>Purchases during the year</b>		
I	Jasper Brands Pvt. Ltd.	32,40,923/-	23,44,921/-
	<b>Advances receivable at the end of the year</b>		
I	Lloyds Health & Beauty Pvt. Ltd	1,80,776/-	1,79,976/-
II	Sharing of Premises with Trofi Chain Factory Pvt. Ltd. (Formerly known as The Pizza Chain Factory Pvt Ltd.)		
a)	Rent Income	37,83,050.88/-	36,57,900/-
b)	Sale of Assets	28,948/-	
III	Jasper Brands Private Ltd	Nil	Nil



r. **Accounting Standard 19- Accounting for Operating Lease:**

The Company has various operating leases for premises; the leases are renewable on fixed periodic basis and are cancellable in nature after lock in period.

- Total amount of future minimum lease payments under non- cancellable operating lease is:

Less than 1 year	Rs. 48,54,771/-
1 to 5 years	Rs. 3,74,48,986/-
More than 5 years	NIL

s. **Accounting Standard – 20 Earning per Share**

Particulars	For 2019-20	For 2018-19
Profit attributable to Equity Shareholders (in Rs.)	44,05,220	35,65,723
No. of Equity Shares outstanding during the Period (Basic)	200,00,000	200,00,000
No of Weighted Average Equity Shares outstanding during the Period (Diluted)	200,00,000	200,00,000
Nominal Value of Equity Shares (in Rs.)	1	1
Basic Earnings per Share (in Rs.)	0.22	0.18
Diluted Earnings per Share (in Rs.)		

t. **Remuneration details of directors:**

Sr. No.	Particulars	For 2019-20	For 2018-19
1	Remuneration	17,36,500/-	14,83,799
2	Professional fees	18,00,000/-	18,00,000
3	Revenue Share	33,04,562/-	27,43,345
	<b>Total</b>	<b>68,41,062/-</b>	<b>60,27,144</b>





u. **Foreign Currency Expenditure**

Value of import on CIF basis.

Particulars	2019-20	2018-19
Purchase	Rs. 3,09,96,875.82/-	Rs. 2,33,17,857/-
Royalty	Rs. 1,22,37,088.96/-	Rs. 75,71,752/-
Training	Nil	Nil
Legalization of Documents	Nil	Nil


v. Balance in respect of Sundry Debtors, Sundry Creditors and Advances in some cases are subject to confirmation and adjustments, if any.

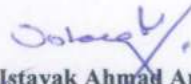
w. Previous Year figures have been regrouped / rearranged wherever necessary, to make them comparable with current year figures.


As per our report of even date attached




For and on behalf of Board of Directors of  
Lloyds Luxuries Ltd

  
Shreekrishna Gupta  
Director  
Din no.:- 06726742

  
Istayak Ahmad Ansari  
Director  
Din no.:- 02562224

  
Sushant J Mishra  
Chief Financial Officer

  
Priyanka Agarwal  
Company Secretary

Place : - Mumbai

Date :- 25<sup>th</sup> November,2020.