



INDEPENDENT AUDITORS' REPORT

To the Members of
JOYALUKKAS RETAIL PRIVATE LIMITED

Report on the Audit of Standalone Financial Statements:

Opinion

We have audited the financial statements of **JOYALUKKAS RETAIL PRIVATE LIMITED**, ("the Company") which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, Statement of Cash Flows for the year ended on that date, notes to the financial statements, including the summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the 'state of affairs' of the company as at March 31, 2021, and the 'profits', and its 'cash flows' for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* of our audit report. We are independent of the company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Companies Act 2013 and the Rules there under, 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 opinion.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safe guarding 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 financial statements that give a true fair view and 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, matter 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 is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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) of the Companies Act, 2013, 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.
- 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 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.
- 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.

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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

1. 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
 - c. 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.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".



V. VENUGOPALAN & ASSOCIATES
CHARTERED ACCOUNTANTS

- g. 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 disclosed the impact of the pending litigations on its financial position in its financial statements – Refer Note No. 18 to the Balance Sheet read with Note No. 1 (5) of the Notes to the accounts;
 - The Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place of Signature: Thrissur.
Date: August 26, 2021

UDIN: 21070112AAAAAV3806

For V. VENUGOPALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739 S

V. VENUGOPALAN, B.Com., FCA (M.No: 70112)
PARTNER





JOYALUKKAS RETAIL PRIVATE LIMITED
ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
As of and for the year ended March 31, 2021
(referred to in our report of even date)

1. In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets 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. Pursuant to such program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the Company does not hold any immovable property and thus paragraph 3 (i) (c) of the Order is not applicable.
2. In respect of Inventories:
 - (a) The inventory has been physically verified by the management at reasonable intervals during the year. As informed to us, the discrepancies noted on verification between the physical stock and book stock were not material and have been properly dealt with in the books of accounts.
3. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not given any loans, provided any guarantees and given any security, to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public and accordingly paragraph 3 (v) of the Order is not applicable to the Company.
6. According to the information and explanation given us, since the Company is engaged in the business of trading in textiles, lifestyle products supermarket and restaurant, this clause regarding maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.



7. a) According to records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax/GST, cess and other statutory dues, where applicable, have been generally regularly deposited with the appropriate authorities. As informed to us, there were no undisputed amounts payable that were outstanding as on March 31, 2021 for a period of more than six months from the date they became payable.

b) The details of income tax and sales tax/VAT dues not deposited on account of dispute are given below:

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (IN ₹)	PERIOD TO WHICH AMOUNT RELATES	FORUM WHERE THE DISPUTE IS PENDING
Kerala VAT Act,	VAT dues	12,221	FY2012-13	Appellate Deputy Commissioner Appeals
Kerala VAT Act,	VAT dues	2,88,09,203	FY2013-14	Appellate Deputy Commissioner Appeals
Kerala VAT Act,	VAT dues	6,40,215	FY2014-15	Appellate Deputy Commissioner Appeals
Kerala VAT Act,	VAT dues	7,26,404	FY2015-16	Appellate Deputy Commissioner Appeals
Kerala VAT Act,	VAT dues	22,43,556	FY2016-17	Appellate Deputy Commissioner Appeals
TOTAL		3,24,31,599		

As informed to us, there are no dues of customs duty, duty of excise which has not been deposited on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowings to any financial institutions, bankers and government or debenture holders during the year.
9. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans availed by the company have been applied for the purpose for which it has been raised.



V. VENUGOPALAN & ASSOCIATES
CHARTERED ACCOUNTANTS

10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company is a private limited company and hence the provisions of section 197 of the Companies Act, 2013 are not applicable. Thus, paragraph 3 (xi) of the Order is not applicable to the Company.
12. 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.
13. 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 section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph 3 (xv) of the Order is not applicable to the Company.
16. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Thrissur

Date: August 26, 2021

UDIN: 21070112AAAAV3806

For V. VENUGOPALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739 S

V. VENUGOPALAN, B.Com., FCA (M.No: 70112)
PARTNER



Head Office: Thrissur : "Aiswarya"
Kottil Valappil Lane, Adjacent to CPI Office, Kottappuram Road
Thrissur 680 004 Phone: 0487 2389071, 2389072, 3293588

Branch : Cochin : "Sreegovind"
Manakkaparambil Lane, Azad Road, Kaloor, Cochin - 682 017
Phone: 0484 3243162

Fax: 0487 2389073 E.mail: office@vvgandassociates.com, venugopalv2005@yahoo.com
Partners' Cell: CA (Dr.) V. Venugopal 09447041270; CA Shashi Warriar 09447195943; CA Devdas M. Nair 9995035233



JOYALUKKAS RETAIL PRIVATE LIMITED
ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

As of and for the year ended March 31, 2021
(referred to in our report of even date)

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 **JOYALUKKAS RETAIL PRIVATE LIMITED** ("the Company") as of March 31, 2021 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 (the 'Standards') 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 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 issued by the ICAI.

Place: Thrissur

Date: August 26, 2021

UDIN: **21070112AAAAV3806**

For **V. VENUGOPALAN & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739 S

V. VENUGOPALAN, B Com, FCA (M.No: 70112)
PARTNER



Head Office: Thrissur : "Aiswarya"
Kottil Valappil Lane, Adjacent to CPI Office, Kottappuram Road
Thrissur 680 004 Phone: 0487 2389071, 2389072, 3293588

Branch : Cochin : "Sreegovind"
Manakkaparambil Lane, Azad Road, Kaloor, Cochin - 682 017
Phone: 0484 3243162

Fax: 0487 2389073 E.mail: office@vvgandassociates.com, venugopalv2005@yahoo.com

Partners' Cell: CA (Dr.) V. Venugopal 09447041270; CA Shashi Warriar 09447195943; CA Devdas M. Nair 9995035233

JOYALUKKAS RETAIL PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES FOLLOWED AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021.

NOTE: - 1

Significant Accounting Policies followed in the preparation of the financial statements:

Background:

Joyalukkas Retail Private Limited [Formerly known as Jolly Silks Private Limited] ('the company') was incorporated on November 22, 2011 with Mr. Alukkas Varghese Joy and Mrs Jolly Joy as the promoter directors. The company is engaged in the retail trade of textile and lifestyle products with showrooms and supermarkets situated in Angamally, Kollam, Thiruvalla, Kottayam and Thrissur in Kerala state. The company has discontinued its restaurant business by end of 2019-20. The company is substantially owned by Mr. Alukkās Varghese Joy, who holds 99.998% of the equity shares of the company as at year end. The company started its commercial operations with effect from May 1st, 2012.

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles, Accounting Standards specified in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on this, the Company has ascertained less than 12 months as its operating cycle and hence 12 months has been considered for the purpose of current – noncurrent classification of assets and liabilities.

Use of estimates: The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosures of the contingent liabilities on the date of the financial statements and the reported amount of the income and expenditure for the year. Actual results could differ from these estimates. Any revision in the accounting estimates are recognized in the period in which the results are known/materialized.

Fixed/Intangible Assets: Fixed/Intangible Assets are stated at cost of acquisition less accumulated depreciation/amortization. Cost of the fixed assets comprises basic cost of purchase excluding taxes/duties and other costs attributable to bringing the fixed assets to the present location and condition for its intended use.

Depreciation: Depreciation on Fixed Assets has been provided on a Straight Line Method based on its useful life, as prescribed in Schedule II to the Companies Act, 2013. Pursuant to the enactment of the Companies Act, 2013 and Schedule II, depreciation on assets has been provided based on the estimated useful lives of fixed assets given below:-

Sl. No	Particulars	Estimated useful life (in years)
1.	Plant & Machinery	15
2.	Computer & Peripherals	3
3.	Computer software	3
4.	Office Equipments	5
5.	Computer server	6
6.	Furniture & Fixtures	10
7.	Electrical Fittings	10
8.	Vehicles	8

Depreciation on additions/deletions made during the year is calculated on pro-rata basis.

Intangible assets are amortized over a period of three years on a straight line basis.

Revenue recognition:

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are recognized as revenue on dispatch of goods to the customers, which is when the risks and rewards of the ownership pass to the buyers. Sales Turnover includes sale/export of goods and excludes sales tax/GST collected.

Interest income is recognized using the time proportion method based on the interest rate specified. Income from redemption of mutual fund is recognised at the time of redemption.

Loyalty discount: The company issues 'Loyalty discount cards' to the customers upon the purchase being made by them and the value of discounts points are booked as expense at the time of the issue of the cards. The cards are redeemable at the option of the customers, on their making future purchases. On redemption of the discount cards, the value of the discount points redeemed is booked as income/sales.

Inventories:

The closing stocks of inventories are valued at lower of cost or net realizable value after providing for obsolescence based on specific identification method. Cost of inventories comprises of cost of purchase of materials, excluding taxes and other cost incurred for bringing the goods to the present location and condition. Purchases of materials are accounted excluding GST, wherever GST input tax credit is claimed.

The costs of packing materials are fully charged to revenue in the year of purchase.

Cash Flow Statement:

Cash Flow statement is reported using the 'indirect method', where by the profit for the period is adjusted for the effects of the transactions of a non-cash nature and deferrals and accruals of past or future operating cash receipts or payments and items of income and expenses associated with investing or financing cash flows. The Cash flows from operating, investing and financing activities of the Company are segregated.

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques/drafts in hand, balances with bank and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts/borrowings are shown in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement.

Foreign Exchange Transactions:

- a. Transactions denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transactions
- b. Monetary items denominated in foreign currency at the yearend are re-stated at year end rates.
- c. Exchange difference arising on restatement of assets and liabilities as on the Balance sheet date and on settlement of foreign currency transactions are charged to Profit and Loss account.

Government Grants:

Duty-draw back received from Department of Customs on export sales is recognized as income and credited to the Statement of Profit and Loss. Revenue is recognized only if it is reasonably certain that the grant will be received and the company will comply with the conditions attached to the grant of the duty-draw back amount.

Impairment of Assets:

The company assess at each balance sheet date whether there is any indication of an asset being impaired. If such an indication exists, and the recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

Accounting for Taxes on Income:

Income Tax debited to the Statement of Profit And Loss comprises of Current tax and Deferred Tax. Deferred Tax resulting from "Timing Difference" between book and taxable profits is accounted for using the tax rates enacted as on the Balance Sheet date. The Deferred Tax is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in the future.

Employees Retirement Benefits:

- a) Provident Fund/ESI – Company's contribution to Provident Fund and ESI is charged to the Profit and Loss account for the year.
- b) Defined Benefit plan – Defined gratuity benefit plan is valued by an independent actuary as at the balance sheet date using the Projected Unit Credit method (PUCM) to assess the scheme liability as required by AS 15 including those related to death-in service and incapacity benefits.

Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The "projected accrued benefit" is based on the Scheme's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Scheme Liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

The liability is determined actuarially, by calculating the expected future cash outflows in respect of each individual employee by the application of a multiple decrement table which takes in to account the exits by way of normal age-retirement, earlier death while in service and other premature withdrawals. Then the present value of these expected payments is arrived at, using an appropriate rate of discount and added up. All actuarial gains and losses arising during the year are recognized in the statement of expenses of the year without resorting to any amortization and the disclosures in the report has been prepared accordingly.

- c) Leave encashment/pension payment – The Company has no policy of paying leave encashment to its employees and hence no provision is made towards the same.
- d) Other employee benefits – other short term employee benefits like salary, wages, bonus, allowances, incentive etc that is wholly payable within twelve months of rendering of the service is charged to the profit and loss account

Accounting for Leases:

The Company has entered into cancellable lease/rent agreement for use of the office premises and godown and the lease rent is recognized as an expense on a straight line basis of the lease/rent term.

Borrowing Cost:

Borrowing costs attributable to the acquisition of qualifying assets which take substantial period of time to get ready for its intended use are capitalized. All other borrowing cost is charged to the Statement of Profit and Loss

Provision, Contingent liabilities and Contingent Assets:

Provisions are made for all known liabilities existing as on the balance sheet date when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statements. Full provision is made for un-claimed loyalty discount points earned by the customers, which are outstanding as at year end.

Earnings per share:

Sl #	Particulars	2020-21 Amount – ₹	2019-20 Amount – ₹
1	Net profit available for equity share holders	2,06,57,588	8,92,97,101
2	Average Number of Equity Shares	40,00,000	40,00,000
3	Basic Earnings per Share	5.16	22.32
4	Face value per share	10	10

Related Party transactions:

a) Key Managerial Person:

- i) Jolly Joy – Managing Director
ii) Joy Alukkas – Major Shareholder

The company has entered into the following transactions with the related parties.

Sl No	Nature of transactions	Nature of relationship	Name of related party	2020-21 ₹ in lakhs	2019-20 ₹ in lakhs
1	Rent paid	KMP having control/significant influence	Joyalukkas India Private Limited	132.71	200.15
2	Rent paid	KMP having control/significant influence	Mall of Joy Pvt. Ltd	74.34	789.30
3	Rent deposit (Year-	KMP having	Mall of Joy Pvt. Ltd	389.10	450.00

	end balance)	control/significant influence			
4	Rent deposit (Year-end balance)	KMP having control/significant influence	Joyalukkas India Pvt Ltd	43.35	43.35
5	Repairs and Maintenance - CAM Charges	KMP having control/significant influence	Mall of Joy Pvt. Ltd	209.09	542.76
6	Sale of products	KMP having control/significant influence	Joy Alukkas India Private Limited	50.96	122.17
7	Managerial Remuneration	Managing Director	Mrs. Jolly Joy	55.00	60.00
8	Sale of textile materials	KMP having control/significant influence	Joy Alukkas Foundation	Nil	0.84
9	Donation paid	KMP having control/significant influence	Joyalukkas Foundation	2.66	12.23
10	Sale of fixed asset	KMP having control/significant influence	Joyalukkas India Pvt Ltd	0.067	1.48
11	Purchase of Compliment Items	KMP having control/significant influence	Joyalukkas India Pvt Ltd	Nil	2.62
12	Utility Charge	KMP having control/significant influence	Joyalukkas India Pvt Ltd	68.37	Nil
13.	Sale of fixed asset	KMP having control/significant influence	Joyalukkas Lifestyle Developers Pvt.Ltd	.12	Nil

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

1. In the opinion of the Board, the assets as stated in the financial statements have the value on realization in the ordinary course of business at least equal to the amount at which they are stated in the financial statements.
2. No employees are in receipt of remuneration in excess of ₹102 lakhs per annum/ ₹8.50 lakhs per month. Salary and allowances includes ₹55 lakhs (previous year ₹60 lakhs) being salary paid to the Managing Director.
3. The company has incurred an expenditure of ₹59 lakhs (previous year ₹224.89 lakhs) towards interior decoration work of leased premises, which is shown as 'lease hold improvements' in the balance sheet and amortized over a period of three years. An adjustment has been made during current year for ₹.167.85lakhs towards excess depreciation claimed in earlier year which is now added to Gross Value of Leasehold improvement and crediting Reserves and Surplus.
4. Trade payables, Loans and Advances and Trade receivables are subject to confirmation/ reconciliation from the respective parties. The information, about the

status of the enterprise is obtained on the basis of available information with the management.

5. Contingent liabilities:

Claims against the Company not acknowledged as debts:

a) The company has received assessment orders from VAT office demanding total of ₹324.32 lakhs for years 2012-13 to 2016-17, against which the Company has filed an appeal and the matter is pending for disposal. The management is confident that the demand will be dropped and no provision is considered necessary (Previous year ₹76.21 lakhs).

6. Earnings in foreign exchange – Earnings by way of Export Sales – FOB value equivalent to ₹2.30 lakhs US\$3,056 (previous year ₹11.65 lakhs equivalent to US\$15,961). Expenditures in foreign currency during the year ₹ Nil (previous year ₹ Nil).

7. Value of imported raw materials/consumable/spare parts consumed during the year – Nil (previous year Nil)

8. Disclosure as per Accounting Standard – 15 – Employee Benefits –

Particulars	Current year – 2020-21 ₹ in lakhs	Previous year – 2019-20 ₹ in lakhs
Company contribution to Provident Fund	54.37	154.81
Company contribution to ESIC	3.77	57.43
Gratuity expenses	12.56	47.15

Defined benefit plan – The below mentioned disclosures are based on the information provided by Consulting Actuary and relied upon by the auditors.

The re-conciliation statement for gratuity is given below:

SI No.	Particulars	2020-21	2019-20
		₹	₹
1	Interest on defined benefit obligation	10,49,578	1,198,109
	Service cost	19,03,334	37,49,694
	Benefits paid	(59,12,834)	(20,04,492)
	Actuarial (gain)/loss on obligation	(45,91,513)	(19,31,307)
	Obligations at period end :-	1,16,52,323	1,92,03,757
	Current (within 12 months)-	1,16,52,323	1,92,03,757
	Non-Current Liability	--	--
2	Changes in Plan Assets:		
	As at beginning of the year	2,91,04,805	2,90,28,472
	Expected return on plan asset	16,89,478	19,54,016
	Employer Contributions	9,055	16,884
	Benefits paid	(59,12,834)	(20,04,492)

	Actuarial (gain)/loss on plan assets	76,406	109,925
	As at year end	2,49,66,911	2,91,04,805
3	Net Asset/(Liability) to be recognized in Balance Sheet:		
	Present value of Funded Obligation	1,16,52,323	1,92,03,757
	Fair value of Plan Assets	2,49,66,911	2,91,04,805
	Closing Funded status	1,33,14,588	99,01,048
	Amount not recognized as Asset	(46,60,106)	(37,62,398)
	Gratuity paid to employees	Nil	Nil
	Funded status asset/(liability)	86,54,482	61,38,649
	LIC gratuity premium paid	Nil	Nil
4	Net Asset/(Liability) recognised in Balance Sheet	86,54,482	61,38,649
5	Expenses recognized in Statement of P & L :		
	Service Cost	19,03,334	37,49,694
	Interest Cost	10,49,578	11,98,109
	Expected Return on Plan Assets:	(16,89,478)	(19,54,016)
	Actuarial (Gain)/Loss	(46,67,918)	(20,41,232)
	Amount not recognized as Asset	46,60,106	37,62,398
	Gratuity paid to employees	Nil	Nil
	LIC gratuity premium paid	Nil	Nil
	Net gratuity expense to be recognized in P&L	12,55,621	47,14,953
6	Assumptions:		
	Discount Factor	5.48%	6.46%
	Salary Increase	6.46%	6.97%
	Mortality	IALM Ultimate (2012-14)	IALM Ultimate (2012-14)
	Attrition Rate	32%	23%
	Retirement Age	59 years	59 years

Note: The above disclosures are based on the actuarial valuation report conducted by an independent Actuary and relied upon by the auditors.

9. Disclosure as per Accounting Standard – 19 – Leases – The Company is obligated under cancellable lease for use of commercial and residential premises, which are renewable at the option of both the lessor and lessee. The total lease rent debited to the statement of profit and loss for the year is ₹200.34lakhs (previous year ₹932.05 lakhs).
10. Disclosure as per Accounting Standard – 17 – Segment Reporting – Based on the guiding principles as stated in the Accounting Standard, the Company is primarily engaged in the “Retail” business of textiles, lifestyle products, restaurants and supermarkets. Textile Segment is identified as a sole Reportable Segment based on the reportable segment criteria. Disclosure of Segment Information as per AS 17 is not required since there is not more than one Business/Geographical Segment.

11. Deferred tax asset/liability as at March 31, 2021 comprises of the following:
i. Deferred Tax Liability arising on account of Tax effect of depreciation on fixed assets amounting to ₹ 72.03 lakhs (previous year deferred tax liability ₹74. 85 lakhs)

12. Previous years' figures have been re-classified wherever necessary to suit current years' presentation. The figures in the financial statements have been rounded off to the nearest rupee.

Place: Thrissur
Date: 26th August 2021

Vide our Report of even date attached:
Date: 26th August 2021

ALUKKAS VARGHESE JOY.
Director
DIN : 0313967

For V. Venugopalan and Associates
Chartered Accountants

Firm Registration No- 010739 S
V.Venugopalan B.Com, FCA (M. No 070112)
Partner

JOSEPH CHRISTO
Director
DIN: 02710534

