



CIAL

DUTYFREE AND
RETAIL SERVICES LTD.

**DIRECTORS' REPORT
&
FINANCIAL STATEMENTS**

2021-22

CIAL DUTYFREE AND RETAIL SERVICES LIMITED

Regd. Office: XI/318 E, Cochin International Airport Buildings, Nedumbasserry
Kochi Airport P.O – 683 111, CIN: U52399KL2016PLC040279
Phone& Fax: 0484 2374154; e-mail: cdrslsec@gmail.com

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 06th Annual General Meeting of CIAL Dutyfree and Retail Services Limited will be held on **Monday, the 25th day of July 2022 at 03.30 p.m. at XI/318E, Cochin International Airport Buildings, Cochin International Airport Road, Kochi Airport P.O., Ernakulam - 683 111**, the Registered office of the Company, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2022, the Statement of Profit and Loss for the year ended on that date, Annexures and Schedules thereto and the report of the Directors and Auditors of the Company.
2. To appoint a Director in the place of Sri. Jayarajan Viswanathan (DIN 07872989) who retires by rotation and being eligible, offer himself for re-appointment.
3. Appointment of Statutory Auditors and fixation of remuneration:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“Resolved that pursuant to Section 139 and other applicable provisions of the Companies Act 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) the retiring auditors, M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Ernakulam (Firm Registration No:001488S) be and is hereby appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.”

By order of the Board
for **CIAL Dutyfree and Retail Services Limited**

Place : Nedumbassery
Date : 27th May 2022

sd/-
S.Suhas IAS
Chairman (DIN: 08540981)

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Instrument of proxies, in order to be effective, must be duly filled, stamped, signed and deposited at the Company's registered office not later than 48 hours before the commencement of the meeting.

As per the requirement of Secretarial Standard - 2, the following information relating to the director who is being re-appointed, as contained at item 2 is furnished below:

| Particulars | Information |
|--|---|
| Name | Sri. Jayarajan Viswanathan (DIN 07872989) |
| Age | 52 Years |
| Qualification | MBA, LLB |
| Experience | 28 years |
| Terms and Conditions of appointment | As per agenda item no:02 |
| Remuneration last drawn | Nil |
| Date of first appointment on Board | 01 st March 2021 |
| Shareholding in Company | Nil |
| Relationship with other Directors, Manager and other Key Managerial Personnel | Nil |
| Number of Meetings of Board attended | 5 |
| Other Directorships, Memberships / Chairmanships of Committees of other Boards | <u>Member</u> 1. CSR Committee 2. Audit Committee |

By order of the Board
for **CIAL Dutyfree and Retail Services Limited**

sd/-

Place : Nedumbassery

Date : 27th May 2022

S.Suhas IAS
Chairman (DIN: 08540981)

CIAL DUTYFREE AND RETAIL SERVICES LIMITED

Regd. Office: XI/318 E, Cochin International Airport Buildings, Nedumbasserry

Kochi Airport P.O – 683 111, CIN: U52399KL2016PLC040279

Phone & Fax: 0484 2374154; e-mail: cdrslsec@gmail.com

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the sixth Annual Report and the Company's financial statements for the financial year ended 31st March 2022.

(Rupees in lakhs)

| Particulars | 2021-22 | 2020-21 |
|--|------------------|-------------------|
| Total Income | 15,059.36 | 5,232.27 |
| Less : Administrative & other expenses | 14,596.71 | 6,630.02 |
| Profit before Interest, Depreciation, Exceptional items & Tax | 462.65 | (1,397.75) |
| Less : Interest | 297.65 | 128.23 |
| Less : Depreciation | 87.84 | 59.76 |
| Profit before Exceptional items & Tax | 77.16 | (1,585.74) |
| Exceptional items | 0.00 | 0.00 |
| Profit before Tax | 77.16 | (1,585.74) |
| Less : Provision for Tax | 20.94 | (414.86) |
| Profit after Tax | 56.22 | (1,170.88) |
| Add : Other Comprehensive Income (net of taxes) | 0.00 | 0.00 |
| Profit for the year | 56.22 | (1,170.88) |

REVIEW OF OPERATIONS

It has been almost two years since the World Health Organization (WHO) declared the Covid -19 outbreak as a global pandemic. Since then, there has been major impacts to daily life across the globe. The crisis has resulted in a dramatic impact to the global economy, trade, and mobility. Just over two years after the first reported case of Covid - 19, many countries are laying plans to return to normality, lifting many safety measures, relaxing travel restrictions and reopening borders. The momentum created by the plan to reopen will certainly have a positive impact on the global economic recovery. The performance of the global economy has accelerated in the first quarter of 2022 as more pandemic restrictions were removed, facilitating the trade in goods and enabling the manufacturing and services sectors to grow.

Airports play a pivotal role in the economic development. The industry's global economic impact—direct, indirect, induced and catalytic—contributes trillions of dollars to the global gross domestic product, support millions of jobs and fosters sustainable development. Air traffic is the lifeblood of the airport business. Non-aeronautical revenues which include streams such as, retail concessions, duty free, car parking and food and beverage are very much linked to passenger traffic and throughput. The dutyfree operations at CIAL have a potential for a recovery to 2019 levels within two or three years despite the setback from the second & third wave during the financial year under review.

The total revenue for the year ended 31st March 2022 was Rs.15,059.36 lakhs. The Company earned an operating profit of Rs.462.65 lakhs during the financial year 2021-22 as against the operating loss of Rs.1,397.75

lakhs reported during the financial year 2020 – 21. After charging interest on borrowed funds, your company made a cash profit of Rs.165 lakhs during the financial year 2021 – 22 as against a cash loss of Rs. 1,525.98 lakhs. The Company has recorded a net profit of Rs. 56.22 lakhs in the financial year 2021-22 as compared to the loss of Rs.1,170.88 lakhs for the previous financial year.

FUTURE OUTLOOK

The global duty free market has increased significantly during the years 2015 – 2019 but due to the outbreak of Covid – 19 pandemic, the dutyfree business at Airports have gone to a down drift. Even though the market faces some challenges such as economic slowdown, stringent government regulations and a high degree of competition, the duty free market is expected to increase due to growing GNP, growing urbanization, upward penetration of e-commerce, rising tourism and decreasing cost of air fares through regulatory initiatives. Lifting of travel bans and strict quarantine measures by different countries will encourage non-essential travel, developing the duty-free industry. Duty-free sales are expected to tie back to pre-crisis forecasts for at least two years.

DIRECTORS

The Directors of the Company, as on date are given below:

| SI.No. | DIN | Name of the Director | Designation |
|--------|----------|---------------------------------|--------------------|
| 1. | 08540981 | Sri. S.Suhas IAS | Executive Chairman |
| 2. | 01643446 | Sri.Abdulrahim Muhammad Shabeer | Managing Director |
| 3. | 07872989 | Sri. Jayarajan Viswanathan | Director |
| 4. | 07872980 | Sri. Joseph Peter Painunkal | Director |

The provisions of Section 149 of the Companies Act 2013 and rules framed thereunder are not applicable with respect to the appointment of Independent Director and Women Director. Further, the Company is not covered under the provisions of 178 of the Companies Act 2013 with respect to the formation of Nomination & Remuneration Committee, a Sub - committee of the Board.

During the year, Sri. V.J.Kurian (DIN : 01806859) submitted the letter of resignation expressing his willingness to relinquish from the post of Director & Chairman of the Company with effect from 15th June 2021.

Sri. Jayarajan Viswanathan (DIN: 07872989) who retire by rotation but being eligible, offers himself for re-appointment in the ensuing Annual General Meeting.

Sri. Santhosh John Poovattil has been appointed as Chief Financial Officer of the Company with effect from 01st June 2021

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act 2013:

- in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards and the instructions provided under Schedule III of the Companies Act 2013 have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2022 and of the profit of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIVIDEND AND TRANSFER TO RESERVES

In view of loss for the financial year 2021-22 and considering the necessity to conserve resources of the Company during this uncertain and difficult times due to the Covid-19 pandemic, your Directors have not recommended any dividend for the financial year ended 31st March 2022.

ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act read with Companies (Management and Administration) Rules 2014, the Annual Return of the Company in Form MGT-7 has been uploaded on the Company's website [https://www.cochindutyfree.com/ Userfiles/CochinDutyFree/file/MGT 7.pdf](https://www.cochindutyfree.com/Userfiles/CochinDutyFree/file/MGT%207.pdf)

MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the period under review on 1st June 2021, 9th June 2021, 02nd August 2021, 29th November 2021, 28th March 2022.

The Composition and category of the Directors along with their attendance at Board Meetings for the period ended 31st March 2022 are given below:

| SI. No. | Name of the Director | Category of Director | No. of Board Meetings | |
|---------|--|------------------------------|------------------------|----------|
| | | | Held during the tenure | Attended |
| 1 | Sri.V.J. Kurian (upto 15 th June 2021) | Chairman & Managing Director | 2 | 2 |
| 2 | Sri.S. Suhas IAS (w.e.f 02 nd August 2021) | Executive Chairman | 3 | 3 |
| 3 | Sri.A.M. Shabeer | Managing Director | 5 | 5 |
| 4 | Sri. Jayarajan Viswanathan | Director | 5 | 5 |
| 5 | Sri. Joseph Peter Painunkal | Director | 5 | 5 |

STATUTORY AUDITOR

M/s. Krishnamoorthy & Krishnamoorthy (Firm Registration No: 001488S), the Statutory Auditors of the Company, hold office till the conclusion of this Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and they are not disqualified for re- appointment. The notes on financial statement referred in the auditors' report are self – explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remarks or disclaimer.

DISCLOSURES

Corporate Social Responsibility Committee (CSR Committee)

As per the requirement of Section 135 of Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules 2014 and Schedule VII (Activities to be included in the CSR Policies), the Company has

constituted a Corporate Social Responsibility Committee at the Board level to monitor the CSR activities. The CSR policy of the Company is available in the following link: <https://www.cochindutyfree.com/Userfiles/CochinDutyFree/file/CSR-Policy.pdf>

The Company understands its responsibility towards the society and environment in which it operates. CIAL has already identified the strategic areas to achieve its corporate and social objectives. The annual report on CSR activities of the Company for the Financial Year 2021 – 22 are given in Annexure A.

Audit Committee

The Board has constituted an Audit Committee with the following members:

| Sl.No. | Name of the Director | Designation |
|--------|-----------------------------|-------------|
| 1. | Sri. Joseph Peter Painunkal | Chairman |
| 2. | Sri.A.M. Shabeer | Member |
| 3. | Sri. Jayarajan Viswanathan | Member |

All the recommendations made by the Audit Committee were accepted by the Board during the period under review.

Terms of reference of the Audit Committee

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) review and monitor the auditor's independence and performance and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the Company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

Two meeting of the Audit Committee were held during the period under report on 01st June 2021 and 28th March 2022. The composition and category of the members along with their attendance at the Audit Committee meetings are given below:

| Sl. No. | Name of the Member | Category of Director | No. of Audit Committee Meetings | |
|---------|----------------------|------------------------|---------------------------------|----------|
| | | | Held during the tenure | Attended |
| 1 | Sri. Joseph Peter P. | Non-Executive Director | 2 | 2 |
| 2 | Sri.A.M. Shabeer | Executive Director | 2 | 2 |
| 3 | Sri. Jayarajan V. | Non-Executive Director | 2 | 2 |

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT 2013

During the year under review, the Company has not made any loans, guarantees or investments falling under the purview of Section 186 of the Companies Act 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Company operates in the building leased out by CIAL. Therefore, the energy conservation measures undertaken by CIAL and the consequent energy savings will have a significant impact in reducing the power

consumption of the company. There are no activities relating to technology absorption in connection with operations of the Company. The earning and expenditure in foreign currency during the period under review are given below -

(Rupees in lakhs)

| Foreign Exchange Earnings and outgoings (receipts and payments in USD) | From 01.04.2021 to 31.03.2022 |
|---|--|
| a) CIF Value of imports made during the year | 6,985.12 |
| b) Earnings in Foreign Exchange (Export of Goods) | 8,909.11 |
| c) Expenditure in Foreign Currency | 227.54 |

RELATED PARTY TRANSACTIONS

Related Party Transactions in terms of Ind AS - 24 are set out in the Notes forming part of the accounts. These transactions are not likely to have a conflict with the interest of the Company. All the related party transactions are negotiated on arm's length basis and are intended to protect the interest of the Company. Disclosure of particulars of contracts / arrangements entered into by the Company with related parties are given in Form AOC-2 as Annexure B to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Personnel and industrial relations were cordial and satisfactory during the year under review. There were no employees of the Company who have drawn remuneration in excess of the limits set out under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

RISK MANAGEMENT

The Company has adequate system of business risk evaluation and management, to ensure stable & sustainable business growth and to promote pro-active approach in evaluating and resolving the risks associated with the business. The Company has identified the potential risks such as financial risk, legal & statutory risks and the internal process risk and has put in place appropriate measures for its mitigation. At present, the Company has not identified any element of risk which may threaten the existence of the Company.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Change in the nature of the business of the Company.

5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
6. During the period under review no frauds were reported by the Auditors of the Company.
7. The Company is not required to maintain cost records as specified by the Central Government under Sub - Section (1) of Section 148 of the Companies Act 2013.
8. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
9. There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.
10. During the period under review, there were no companies which have become or ceased to become the subsidiaries, joint ventures or associate companies.
11. The Company has not made any application and no proceedings are pending under the Insolvency and Bankruptcy Code 2016 (31 of 2016) during the year under review.
12. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions are not applicable to CDRSL.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013.

The Company has an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-22:

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express deep sense of appreciation to Central and State Governments, Central Customs, Bureau of Immigration, Contractors, Management and staff of Cochin International Airport and shareholders for their continued support, guidance, patronage and encouragement. The Board expresses its sincere appreciation for the dedicated services rendered by Officers and other staff of the Company at all levels. The Board also places on record its gratitude to the shareholders and customers for their greater motivation and confidence reposed on us.

By order of the Board
for **CIAL Dutyfree and Retail Services Limited**

Place : Nedumbassery
Date : 27th May 2022

sd/-
S.Suhas IAS
Chairman (DIN: 08540981)

Form AOC – 2

(Pursuant to clause (h) of Sub – Section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub – Section (1) of Section 188 of Companies Act 2013 including certain arm’s length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

| Sl. No. | Particulars | Details |
|---------|---|---------|
| 1 | Name (s) of the related party | Nil |
| 2 | Nature of relationship | Nil |
| 3 | Nature of contracts / arrangements / transaction | Nil |
| 4 | Duration of the contracts / arrangements / transactions | Nil |
| 5 | Salient terms of the contracts or arrangements or transaction including the value, if any | Nil |
| 6 | Justification for entering into such contracts or arrangements or transactions | Nil |
| 7 | Date of approval by Board | Nil |
| 8 | Amount paid as advance, if any | Nil |
| 9 | Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188 | Nil |

2. Details of contracts or arrangements or transactions at Arm’s length basis

| Sl. No. | Name of the related party | Nature of relationship | Nature of contracts / arrangements / transaction | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by Board | Amount paid as advance, if any |
|---------|--------------------------------------|------------------------|---|---|--|---------------------------|--------------------------------|
| 1. | Cochin International Airport Limited | Holding Company | Royalty, Lease Rentals and ROC fees payable to CIAL | N.A. | Royalty payable to CIAL shall be @ 45% of the sales revenue. During the period under review, CDRSL paid Rs.6,225.84 lakhs to CIAL as royalty. Lease rentals shall be Rs.10 per square feet. During the period under review, CDRSL paid Rs.88.11 lakhs to CIAL as lease rentals. | 29.11.2021 | Nil |

By order of the Board
for **CIAL Dutyfree and Retail Services Limited**

sd/-

S.Suhas IAS
Chairman

DIN: 08540981

Place : Nedumbassery

Date : 27th May 2022

Annexure A

**Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year
2021-22.**

| | | |
|----|--|--|
| 1. | Brief outline on CSR Policy of the Company | Please read section: Corporate Social Responsibility (CSR) Committee in the Board's Report |
|----|--|--|

2. The composition and category of the members as on 31st March 2022 are given below:

| Sl.No. | Name of the Member and Designation | Category of Member | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|--------------------------------------|--------------------------|--|--|
| a. | Shri. A.M. Shabeer, Chairman | Executive Director | 1 | 1 |
| b. | Shri. Joseph Peter Painunkal, Member | Non - Executive Director | | 1 |
| c. | Shri. Jayarajan Viswanathan, Member | Non - Executive Director | | 1 |

| | | |
|----|---|---|
| 3. | Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company. | https://www.cochindutyfree.com/Userfiles/CochinDutyFree/file/CSR-Policy.pdf |
|----|---|---|

| | | |
|----|--|--|
| 4. | Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, if applicable (attach the report). | Not applicable to the financial year under review. |
|----|--|--|

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---------|----------------|---|--|
| 1 | 2020 - 21 | Nil | Nil |
| 2 | 2019 - 20 | | |
| 3 | 2018 - 19 | | |

| | | |
|----|---|-----------------|
| 6. | Average net profit of the company as per section 135(5) | Rs. 1,47,91,203 |
|----|---|-----------------|

| | | | |
|----|---|---|--------------|
| 7. | a | Two percent of average net profit of the company as per section 135(5) | Rs. 2,95,824 |
| | b | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil |
| | c | Amount required to be set off for the financial year, if any | Nil |
| | d | Total CSR obligation for the financial year (7a+7b- 7c). | Rs. 2,95,824 |

8. (a) CSR amount spent or unspent for the financial year

| Total Amount Spent for the Financial Year (In Rs) | Amount Unspent (in Rs.) | | | | |
|---|--|-------------------|--|--------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5). | | |
| | Amount | Date of transfer. | Name of the Fund | Amount | Date of transfer. |
| Rs. 2,96,000 | Not Applicable | | Not Applicable | | |

(b) Details of CSR amount spent against ongoing projects for the financial year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | | |
|----------------|---------------------|---|-----------------------|--------------------------|-----------|------------------|---|---|--|---|--|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes / No) | Location of the project. | | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation Direct (Yes /No) | Mode of Implementation through Implementing Agency | |
| | | | | State | Dis-trict | | | | | | Name | CSR Registration number |
| Not Applicable | | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|--------|--------------------------------------|--|-----------------------|--------------------------|-----------|------------------------------|---|--|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes / No) | Location of the project. | | Amount spent for the project | Mode of implementation Direct (Yes/No). | Mode of implementation Through implementing agency | |
| | | | | State | District | | | Name | CSR Registration number |
| 1. | Cleaning and Reconstruction of Drain | Clause (b) - Irrigation | Yes | Kerala | Ernakulam | Rs. 2,96,000 | Yes | Not Applicable | |

| | | |
|---|---|-------------|
| d | Amount spent in Administrative Overheads | Nil |
| e | Amount spent on Impact Assessment, if applicable | Nil |
| f | Total amount spent for the Financial Year (8b+8c+8d+8e) | Rs.2,96,000 |

(g) Excess amount for set off, if any

| Sl. No. | Particulars | Amount |
|---------|---|--------------|
| i | Two percent of average net profit of the company as per section 135(5) | Rs. 2,95,824 |
| ii | Total amount spent for the Financial Year | Rs,2,96,000 |
| iii | Excess amount spent for the financial year [(ii) - (i)] | Rs.176 |
| iv | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| v | Amount available for set off in succeeding financial years [(iii)-(iv)] | Rs.176 |

9. (a) Details of Unspent CSR amount for the preceding three financial years

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---------|--------------------------|--|--|--|----------------|------------------|--|
| | | | | Name of the Fund | Amount (in Rs) | Date of transfer | |
| Nil | | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|----------------|------------|---------------------|---|------------------|---|---|--|---|
| Sl. No | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs) | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed / Ongoing |
| Not Applicable | | | | | | | | |

1. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

| | | |
|----|---|----------------|
| a | Date of creation or acquisition of the capital asset(s). | Nil |
| b | Amount of CSR spent for creation or acquisition of capital asset. | Nil |
| c | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc | Not Applicable |
| d | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Not Applicable |
| 11 | Specify the reason(s), if the Company has failed to spend two percent of the average net profits as per Section 135(5). | Not Applicable |

S. Suhas IAS
Chairman

A.M.Shabeer
Chairman of CSR Committee

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CIAL DUTY FREE AND RETAIL SERVICES LIMITED

Report on the Audit of the Ind AS Financial Statements:

Opinion:

We have audited the accompanying Ind AS financial statements of CIAL Duty Free and Retail Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the 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 Ind AS 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022 and its profits, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis of opinion:

We conducted our audit in accordance with the Standards on Auditing 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Management and Board of Directors are responsible for the preparation of 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.

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 during the course of our 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 Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and the Board of Directors 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 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:

- (a) 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.
- (b) 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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 standalone 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:

1. As required by the Companies (Auditor's Report) Order 2020 ("the order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the Annexure A, enclosed herewith, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e. On the basis of the written representations received from the Directors by the Company and taken on record in the meeting of the Board of Directors, none of the Directors are disqualified as on 31st March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- 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:
 - i) The Company does not have any pending litigations which would impact its financial position – Refer Note. 45 to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note. 46 to the financial statements.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

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- manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above, contain any material misstatement.
- v) The Company has not declared or paid dividend during the year in contravention of the provisions of Section 123 of the Act.

For **Krishnamoorthy and Krishnamoorthy**
Chartered Accountants (FRN: 001488S)

Place : Kochi -16
Date : 14th June 2022

sd/-
CA. K T Mohanan
Partner (M No. 201484)
UDIN: 22201484AKXKPS8847

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- a) i) In our opinion and according to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- ii) The company has maintained proper records showing full particulars of intangible assets.
- b) According to the information and explanations given to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company do not hold any land properties requiring title deeds except for the leasehold right over land and the immovable properties, as disclosed in Note No. 3.1 on Property, Plant and Equipment, to the financial statements.
- d) According to the information and explanations given to us and on the basis of our examination of books of accounts and other relevant documents of the Company, the Company has not revalued its Property, Plant and Equipment (including Right to use Assets) or Intangible Assets or both during the year.
- e) As informed to us, there are no proceedings that have initiated or are pending against the Company for holding any Benami Property under Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of its inventories:

- a) As informed to us, the physical verification of inventory has been conducted at reasonable intervals by the Management during the year and as reported to us, no material discrepancies were noted on such verification. Based on the information and explanations given to us, the frequency of such verification is reasonable and procedures and coverage as followed by management are appropriate.
- b) According to the explanations and information given to us, the company have not been sanctioned working capital limits in excess of Five crore rupees, in aggregate, from Banks or financial institutions on the basis of security of current assets at any point of time during the year and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) In respect of Loans, Investments, Guarantees, Securities and Advances in the nature of loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or any other parties:

- a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

Krishnamoorthy & Krishnamoorthy

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- b) The Company has not made any investments, provided guarantees or given security and thus the terms and conditions of the grant are not prejudicial to the Company's interest.
- c) Since the Company has not granted loans and advances in the nature of loans, schedule of repayment of principal and payment of interest is not applicable to the Company.
- d) The Company has not provided any loans or advances to group entities and to others and so there is no outstanding balance as at the end of reporting period.
- e) The Company has not renewed or extended or granted fresh loan to settle the over-dues of existing loans given to the same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In respect of loans, investments, guarantees and security whether provisions of Section 185 and 186 of the Companies Act 2013 have been complied with:

In our opinion and according to the information and explanations given to us, the Company has not made any investments, loans requiring the compliance of the provisions of Sections 185 and 186 of the Companies Act 2013 during the year of report. The Company has not provided any guarantees and securities to the parties covered under Section 185 of the Act. Accordingly, paragraph (iv) of CARO 2020 is not applicable.

(v) In respect of deposits accepted or accepted amounts which are deemed to be deposit:

According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) In respect of maintenance of cost records specified by the Central Government under Section 148(1) of the Companies Act, 2013

The maintenance of cost records has not been specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Goods and Service tax, Customs Duty, Excise duty, Value Added Tax, Cess and any other statutory dues to the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.
- b) According to the information and explanations given to us and based on the records of the company examined by us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2022 on account of disputes are given below:

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| Name of Statute | Nature of Dues | Amount in Rupees | Period to which relates | From where dispute is pending |
|---------------------|-------------------|--|-------------------------|--------------------------------------|
| Income Tax Act 1961 | Income Tax Demand | 5.2082 lakhs* (net of Rs.1.30 lakhs paid) | AY 2017-18 | Commissioner of Income Tax (Appeals) |

(viii) Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year:

According to the information and explanations given to us and based on the records of the Company examined by us, there are no such transactions which have been omitted to record in the books of accounts.

(ix) In respect of company defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender:

In our opinion and according to the information and explanations given to us:

- The company has not defaulted in repayment of dues to the bank during the year;
- The company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- The term loans taken by the company have been applied for the purpose for which the loans were obtained.
- The Company has not utilized the funds raised on short term basis for long term purposes.
- The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) In respect of money raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised and the preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) made during the year:

- According to the information and explanations given to us, and based on the records of the company examined by us, we report that the Company has not raised any amount by way of issue of shares during the year.
- The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

(xi) In respect of reporting on Fraud:

- Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year, nor we have been informed of any such cases by the Management.

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- b) Report under Sub-Section 12 of Section 143 of Companies Act has not been filed by the Auditors in form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- c) According to explanations and information given to us, we have considered the effectiveness of Whistle - Blower mechanism in the company. There are no Whistle - Blower complaints received by the Company during the year.

(xii) In respect of reporting on Nidhi Company:

- a) 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 CARO 2020 Order is not applicable to the Company and hence not commented upon.

(xiii) Reporting on Related Party Transactions:

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Reporting on Internal Audit:

- a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has an effective Internal Audit system commensurate with the size and the nature of its business.
- b) Based on our audit procedures performed and the explanations and information provided to us, we have considered the reports of Internal Auditors for the period under audit.

(xv) Reporting on Non-Cash transactions with Directors:

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them, and hence provisions of Section 192 of the Companies Act 2013 are not applicable.

(xvi) In respect of Company required to be registered under Section 45-IA of the Reserve Bank of India Act 1934 and if so, whether the registration has been obtained:

- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

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(xvii) In respect of reporting of cash losses:

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not incurred cash losses in the Financial Year and immediately preceding Financial Year.

(xviii) Reporting on Auditors Resignation:

In our opinion and according to the information and explanations given to us, there has been no resignation of statutory auditors during the year.

(xix) Reporting on Financial Position:

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) Reporting on CSR Compliance

- a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, there is no unspent amount to be transferred to Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to Sub-Section (5) of Section 135 of the said Act;
- b) Further, there is no amount remaining unspent under Sub-Section (5) of Section 135 of the Companies Act, pursuant to any ongoing project, to be transferred to special account in compliance with the provision of Sub-Section (6) of Section 135 of the said Act.

For Krishnamoorthy and Krishnamoorthy

Chartered Accountants (FRN: 001488S)

sd/-

CA. K T Mohanan

Partner (M No. 201484)

UDIN: 22201484AKXKPS8847

Place : Kochi -16

Date : 14th June 2022

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 CIAL Duty Free and Retail Services Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Board of Directors of the Company 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 respective 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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 controls 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

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over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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 **Krishnamoorthy and Krishnamoorthy**
Chartered Accountants (FRN: 001488S)

sd/-

CA. K T Mohanan

Partner (M No. 201484)

UDIN: 22201484AKXKPS8847

Place : Kochi -16

Date : 14th June 2022

PART I : BALANCE SHEET
CIAL DUTYFREE AND RETAIL SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2022

(Rupees in lakhs)

| Particulars | Note No: | As at 31.03.2022 | As at 31.03.2021 |
|---|----------|------------------|------------------|
| I. ASSETS | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 3 | 2.86 | 3.92 |
| Right of Use Assets (ROU) | 3 | 101.07 | 14.53 |
| Intangible Assets | 3 | 0.03 | 0.08 |
| Financial assets | | | |
| (i) Other financial assets | | - | - |
| Income Tax Assets (Net) | 4 | 1.30 | - |
| Deferred Tax Assets (Net) | 5 | 400.63 | 401.05 |
| Current Assets | | | |
| Inventories | 6 | 1,541.92 | 927.49 |
| Financial assets | | | |
| (i) Cash & Cash equivalents | 7 | 636.11 | 275.89 |
| (ii) Bank Balances other than (i) | 8 | 2,040.50 | 1,500.70 |
| (iii) Other Financial Assets | 9 | 44.50 | 1.54 |
| Income tax assets (net) | 10 | 0.48 | 0.50 |
| Other current assets | 11 | 685.84 | 289.50 |
| Total Assets | | 5,455.26 | 3,415.18 |
| II. EQUITY & LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 12 | 7.01 | 7.01 |
| Other Equity | 13 | 938.50 | 882.28 |
| Liabilities | | | |
| Non Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Lease Liabilities | 28 | 15.85 | - |
| (ii) Other financial liabilities | 14 | 1,332.44 | 1,070.96 |
| Other non current liabilities | 15 | 581.85 | 836.22 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Lease Liabilities | 28 | 90.60 | 13.68 |
| (ii) Trade Payables | | | |
| a) Total outstanding dues of Micro, Small and Medium Enterprises | 16 | 21.65 | - |
| b) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | 16 | 2,087.74 | 315.58 |
| (iii) Other financial liabilities | 17 | 35.28 | 51.47 |
| Other current liabilities | 18 | 333.34 | 237.97 |
| Current Tax Liabilities (Net) | 19 | 10.99 | - |
| Total Equity and Liabilities | | 5,455.26 | 3,415.18 |

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

sd/-

S. Suhas IAS

Executive Chairman
(DIN: 08540981)

sd/-

A.M. Shabeer

Managing Director
(DIN: 01643446)

sd/-

Santhosh J Poovattil

Chief Financial Officer

As per our separate report of even date attached

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants (FRN: 001488S)

sd/-

C.A. K T Mohanan

Partner (M.No: 201484)

UDIN: 22201484AKXKPS8847

Place: Nedumbassery

Date : 27th May 2022

Part II : STATEMENT OF PROFIT & LOSS
CIAL DUTYFREE AND RETAIL SERVICES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2022

(Rupees in lakhs)

| Particulars | | Note No: | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|--|---|----------|-------------------------------|-------------------------------|
| Income: | | | | |
| I. | Revenue from Operations | 20 | 14,568.92 | 5,088.04 |
| II. | Other Income | 21 | 490.44 | 144.24 |
| III. | Total Income (I + II) | | 15,059.36 | 5,232.27 |
| Expenses: | | | | |
| IV. | Purchase of Stock in Trade | | 7,057.91 | 847.00 |
| | Change in Inventories of stock in trade | 22 | (614.43) | 1,661.16 |
| | Employee Benefits | 23 | 1,241.07 | 981.37 |
| | Finance Costs | 24 | 297.65 | 128.23 |
| | Depreciation and amortisation expenses | 3 | 87.84 | 59.76 |
| | Other Expenses | 25 | 6,912.17 | 3,140.48 |
| | Total Expenses (IV) | | 14,982.20 | 6,818.01 |
| V | Profit before Tax (III-IV) | | 77.16 | (1,585.74) |
| Tax expense: | | | | |
| VI | a. Current tax | | 20.53 | - |
| | b. Deferred tax | | 0.41 | (392.09) |
| | c. Earlier years tax | | - | (22.76) |
| | Total Tax Expense (VI) | 26 | 20.94 | (414.86) |
| VII | Profit for the year (V-VI) | | 56.22 | (1,170.88) |
| Other comprehensive income | | | | |
| VIII | a) Items that will not be reclassified to profit or loss | | - | - |
| | b) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| IX | Total comprehensive income for the period (Profit / Loss + Other Comprehensive Income) | | 56.22 | (1,170.88) |
| Earnings per equity share (for continuing operations) | | | | |
| X | a) Basic | 27 | 80.23 | (1,671.02) |
| | b) Diluted | | 80.23 | (1,671.02) |

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

| | | |
|---------------------|---------------------|-----------------------------|
| sd/- | sd/- | sd/- |
| S. Suhas IAS | A.M. Shabeer | Santhosh J Poovattil |
| Executive Chairman | Managing Director | Chief Financial Officer |
| (DIN: 08540981) | (DIN: 01643446) | |

As per our separate report of even date attached

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants (FRN: 001488S)

sd/-

C.A. K T Mohanan

Partner (M.No: 201484)

UDIN: 22201484AKXKPS8847

Place: Nedumbassery
Date : 27th May 2022

CIAL DUTYFREE AND RETAIL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

(Rupees in lakhs)

| Particulars | For the Year Ended 31.03.2022 | | For the Year Ended 31.03.2021 | |
|---|-------------------------------|-----------------|-------------------------------|-------------------|
| A. Cash Flow from Operating Activities | | | | |
| Profit before income tax | | 77.16 | | (1,585.74) |
| Adjustments for: | | | | |
| Depreciation | 87.84 | | 59.76 | |
| Interest Income | (91.71) | | (34.45) | |
| Unrealised Forex Loss | (44.80) | | 86.64 | |
| Interest Paid on lease liability | 7.62 | | 4.71 | |
| | | (41.06) | | 116.66 |
| Operating profit before working capital changes | | 36.10 | | (1,469.08) |
| Adjustments for: | | | | |
| (Increase)/decrease in Inventories | (614.43) | | 1,661.16 | |
| (Increase)/decrease in Trade receivables | - | | - | |
| (Increase)/decrease in Tax Assets | (1.30) | | - | |
| (Increase)/decrease in Other Current Assets | (396.34) | | 5,031.19 | |
| Increase/(decrease) in Liabilities & Provisions | 1,913.65 | 901.57 | (4,830.29) | 1,862.06 |
| Cash generated from operations | | 937.67 | | 392.98 |
| Direct Tax (payments)/refunds (Net) | | (9.52) | | 1,354.41 |
| Net Cash Flow from Operating Activities | | 928.15 | | 1,747.38 |
| B. Cash Flow from Investing Activities | | | | |
| Purchase of Fixed Assets including Capital work-in-progress | | | | |
| Deposit Invested | (539.81) | | (1,500.20) | |
| Interest received | 48.74 | | 33.06 | |
| Net Cash Flow from Investing Activities | | (491.06) | | (1,467.13) |
| C. Cash Flow from Financing Activities | | | | |
| Payment of Principal portion of lease liabilities | (80.49) | | (77.24) | |
| Interest Paid on lease liability | (7.62) | | (4.71) | |
| Net Cash Flow from Financing Activities | | (88.11) | | (81.95) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | | 348.98 | | 198.30 |
| Cash and cash equivalents at the beginning of the period | | | | |
| Cash on hand | 3.35 | | 2.27 | |
| Balances with bank | 272.54 | | 78.35 | |
| | | 275.89 | | 80.62 |
| Cash and cash equivalents at the end of the period | | | | |
| Cash on hand | 3.51 | | 3.35 | |
| Balances with bank | 632.60 | | 272.54 | |
| Effect of Foreign Exchange Fluctuations | (11.25) | | 3.03 | |
| | | 624.87 | | 278.92 |
| Net Increase/(Decrease) as disclosed above | | 348.98 | | 198.30 |

For and on behalf of the Board of Directors

sd/-

S. Suhas IAS

Executive Chairman
(DIN: 08540981)

sd/-

A.M. Shabeer

Managing Director
(DIN: 01643446)

sd/-

Santhosh J Poovattil

Chief Financial Officer

As per our separate report of even date attached

For Krishnamoorthy & Krishnamoorthy

Chartered Accountants (FRN: 001488S)

sd/-

C.A. K T Mohanan

Partner (M.No: 201484)

UDIN: 22201484AKXKPS8847

Place: Nedumbassery

Date : 27th May 2022

STATEMENT OF CHANGES IN EQUITY
CIAL DUTYFREE AND RETAIL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2022

A Equity Share Capital

Equity shares of Rs.10/- each, subscribed and fully paid

| Particulars | Number | Rs. in lakhs |
|--|------------------|---------------|
| Balance as at April 1, 2020 | 70,070.00 | 700.70 |
| Changes in equity share capital for the year ended 31 st March 2021 | - | - |
| (a) Shares issued during the year | - | - |
| Balance as at March 31, 2021 | 70,070.00 | 700.70 |
| Balance as at April 1, 2021 | | |
| Changes in equity share capital during the year | - | - |
| (a) Shares issued during the year | - | - |
| Balance as at March 31, 2022 | 70,070.00 | 700.70 |

B Other Equity

(Rupees in lakhs)

| Particulars | Retained Earnings | Other Comprehensive Income | Total |
|-------------------------------------|-------------------|----------------------------|-----------------|
| Balance as at April 1, 2020 | 2,053.17 | | 2,053.17 |
| Profit / (loss) for the year | (1,170.88) | | (1,170.88) |
| Other Comprehensive Income | - | | - |
| Balance as at March 31, 2021 | 882.28 | | 882.28 |
| Balance as at April 1, 2021 | 882.28 | | 882.28 |
| Profit / (loss) for the year | 56.22 | | 56.22 |
| Other Comprehensive Income | - | | - |
| Balance as at March 31, 2022 | 938.50 | | 938.50 |

For and on behalf of the Board of Directors

sd/-

S. Suhas IASExecutive Chairman
(DIN: 08540981)

sd/-

A.M. ShabeerManaging Director
(DIN: 01643446)

sd/-

Santhosh J Poovattil

Chief Financial Officer

As per our separate report of even date attached

For **Krishnamoorthy & Krishnamoorthy**

Chartered Accountants (FRN: 001488S)

sd/-

C.A. K T Mohanan

Partner (M.No: 201484)

UDIN: 22201484AKXKPS8847

Place: Nedumbassery

Date : 27th May 2022

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

1 CORPORATE INFORMATION

CIAL Dutyfree and Retail Services Limited is a public limited Company incorporated and domiciled in India. The Company was incorporated on 01st March 2016 as a subsidiary of Cochin International Airport Limited. The address of its registered office is XI/318E, Cochin International Airport Buildings, Kochi Airport P.O., Ernakulam District, Pin - 683111 and the principal place of business is located in Nedumbassery, Kochi - 683111.

The Company is engaged in the business of running Dutyfree Shops in the International Terminal of its parent Company, Cochin International Airport Limited.

The financial statements were approved for issue by the Company's Board of Directors on 27th May 2022.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation and measurement

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 (Act) read with the Companies (Indian Accounting Standards) Rules 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Going Concern

The Company is engaged in the business of running Duty Free Shops in the International Terminal of its parent Company, Cochin International Airport Limited. As such, the business is entirely dependent upon international passenger movement. The outbreak of Covid - 19 and the consequent travel restrictions imposed by the Government of India along with country wide lockdown has adversely affected the business during the previous financial year resulting in recording of Net Loss of Rs. 1,170.88 lakhs. However during the current financial year , the international passenger traffic movements have reached 47% of pre covid levels. Consequently the Dutyfree business has increased during the financial year 2021-22 and recorded a Net Profit of Rs. 56.22 lakhs. The Company has made a revised detailed assessment of its liquidity position for the next one year and of the recoverability and carrying value of its assets as at the Balance Sheet date and has concluded that there are no material adjustments required in the Financial Statements. Nevertheless the supply and logistics operations of Dutyfree is highly dependent on International Market scenarios which is at present facing uncertainties due to Russia - Ukraine war. So far no impact has been noticed in operation except minimal changes in the forex and price rise. As such there is no change in the aspect of going concern.

(iii) Application of Recent Accounting Pronouncements

The Company has applied the following relevant Ind AS pronouncements pursuant to the issuance of the Companies (Indian Accounting Standards) Amendment Rules 2020 in the preparations of financial statements for the year under consideration:

The Company has adopted Ind AS 116 - Lease - being the Ind AS issued vide Companies (Indian Accounting Standards) Amendment Rules 2018, with effect from 01st April 2019.

(i) Amendment to Ind AS 116 - Leases

Due to the pandemic Covid - 19 related rent concessions, as a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification. The amendment to Ind AS 116 does not have any material impact on the financial statements of the Company.

(ii) Amendment to Ind AS 107 - Financial Instruments - Recognition, Presentation and Disclosure and Ind AS 109 - Financial Instrument

The amendment clarifies certain additional disclosures to be made on account of Interest Rate Benchmark Reform like:

- i) The nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform.
- ii) The entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform. The adoption to amendment to Ind AS 109 does not have any material impact on the financial statements of the Company.

(iii) Amendment to Ind AS 1 - Presentation of Financial Statements and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Error:

The definition of the term - Material has been refined to include examples of circumstances that may result in material information being obscured. The adoption of amendment to Ind AS 1 and Ind AS 8 does not have any material impact on the financial statements of the Company.

(iv) Amendment to Ind AS 16 - Property, Plant and Equipment:

The amendment has been made by substituting the words "Recoverable amount is higher of an assets fair value less costs of disposal and its value in use" with "recoverable amount is higher of an assets fair value less costs of disposal and its value in use".

(v) Amendment to Ind AS 38 - Intangible Assets:

The amendment substitutes the definition of the term "Asset" in the foot note, as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standard.

(vi) Amendment to Ind AS 102 - Share Based Payment:

The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term "Equity Instrument" in

Appendix A which shall be applicable to the annual reporting beginning on or after 01st April 2021.

(vii) Amendment to Ind AS 101 - Presentation of Financial Statements :

The amendment to this standard have replaced the term “Financial Asset” with “Financial Instruments”. The adoption of amendment to Ind AS 1 and Ind AS 8 does not have any material impact on the financial statements of the Company.

(viii) Amendment to Ind AS 105 - Non current assets held for sale and discontinued operations:

The amendment substitutes the definition of “Fair Value less cost to sell” with “Fair Value less costs of disposal”. The adoption to this amendment does not have any material impact on the financial statements of the Company.

(ix) Amendment to Ind AS 106 - Exploration for and evaluation of mineral resources:

The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets. The adoption to this amendment does not have any material impact on the financial statements of the Company.

(x) Amendment to Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements:

The amendment substitutes the definition of “Assets” and “ Liabilities” in accordance with the definition given in the framework for the preparation and presentation of financial statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method. In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111. The adoption to this amendments does not have any material impact on the financial statements of the Company.

(xi) Amendment to Ind AS 114 - Regulatory Deferral Accounts and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement and impairment and derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision - making needs of users and no less reliable. The adoption to this amendments does not have any material impact on the financial statements of the Company. In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word “Framework” with the “Conceptual Framework of Financial Reporting in Ind AS”, respective changes have been made in the standard.

(iv) Historical Cost Convention

The financial statements have been prepared on a historical cost convention and on accrual basis, except for financial instruments if any, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(v) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act

(vi) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs.

2.2 Use of Estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- a) Discount rate used to determine the carrying amount of the Company's defined benefit obligation.
- b) Useful life of property, plant and equipment
- c) Contingences and commitments
- d) Provision for income tax and deferred tax.
- e) Fair value measurement of financial assets.

2.3 Property, Plant and Equipment

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives using the straight - line method ("SLM").

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Fully depreciated assets still in use are retained in financial statements.

2.4 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line over their estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

2.5 Capital Work In Progress

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress. Capital Work-In-Progress are carried at cost, comprising of direct cost, related incidental expenses and attributable borrowing cost.

2.6 Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to confirm whether there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

2.7 Derecognition:

An item of PPE is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of asset is included in the statement of Profit and Loss in the year in which asset is derecognised.

2.8 Foreign Currency Translation

The functional currency of the Company is Indian rupee.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

2.9 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories comprises of purchase cost and cost of procurement net of on a weighted average basis.

2.10 Financial Instruments

Initial recognition

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue

of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

Financial assets - Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of profit and loss.

Financial liabilities - Financial liabilities are measured at amortised cost using the effective interest method.

2.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. These are reviewed at each separate Balance Sheet date and adjusted to reflect the correct management estimates.

Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation.

Contingent assets are disclosed in the accounts, where an inflow of economic benefits is probable.

2.12 Leases

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets at the lease commencement date.

Right-of-use asset (ROU Assets)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses the incremental borrowing rate of the parent Company as the discount rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.13 Claims Receivable

Claims are accounted for, as and when the same are finally determined / admitted.

2.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.15 Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

(i) Sale of goods

Revenue from the sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.

(ii) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable except the interest income received from customers for delayed payments which is accounted on the basis of reasonable certainty / realisation.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

Other incomes are recognized on accrual basis except when there are significant uncertainties.

2.16 Employee Benefits

- i. The employees of the Company are on the roles of CIAL and is deputed to CIAL Dutyfree Retail Services Limited. All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.
- ii. **Defined Contribution Plans** - The Parent Company makes contributions to Provident Fund, which is a defined contribution plan for employees. The contributions paid / payable under the scheme during the year are charged to the Statement of Profit and Loss for the year.
- iii. **Defined Benefit Plans** - The liability or asset recognised in the Balance Sheet of the parent Company in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss of the parent Company.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

- iv. Long Term Employee Benefits** - The parent Company has a policy on compensated absence which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is determined by Actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur. The parent Company presents the defined benefit costs in the Statement of Profit and Loss in the line 'Employee benefits expense

2.17 Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised as part of cost of the respective asset. All other borrowing costs are recognized as an expenditure for the period in which they are incurred.

2.18 Earnings per share

The earnings considered in ascertaining the Company's Earnings Per Share comprise of the net profit after tax. The number of shares used in computing the basic Earnings Per Share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted Earnings Per Share comprises the weighted average shares considered for deriving the basic Earning Per Share and also the weighted average number of shares, which would have been issued on the conversion of all dilutive potential equity shares.

2.19 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the

Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognized or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.20 Segment Reporting:

Segment disclosures are provided for those components of the Company, that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by management in making operating decisions and for which discrete financial information is available.

Such components (operating segments) are identified on the basis of internal reports that the entity's Chief Operating Decision Maker (CODM) regularly reviews in allocating resources to segments and in assessing their performance.

The aggregation of operating segments is permitted only when the operating segments have characteristics so similar that they can be expected to have essentially the same future prospects (i.e. meeting the specified aggregation criteria).

Reportable segments are identified based on quantitative thresholds of revenue, profit / loss, or assets.

The amounts disclosed for each reportable segment are the measures reported to the CODM, which are not necessarily based on the same accounting policies as the amounts recognised in the financial statements.

2.21 Corporate Social Responsibility (CSR)

The Company has opted to charge its CSR expenditure to its Statement of Profit and Loss.

2.22 Exceptional Items:

Incomes / expenses which are not forming part of regular operations and are material are classified as Exceptional Items and such items are disclosed as separate line item in the statement of Profit and Loss.

2.23 Dividend to Equity Share holders:

Dividend to equity share holders is recognised as a liability and deducted from retained earnings under other equity in the period in which the dividends are approved by the equity share holders in the General Meeting.

3.1 Property, Plant & Equipment

(Rupees in lakhs)

| Particulars | Gross Block | | | Depreciation | | | | | Net Block | |
|-----------------------------|------------------------------|--------------------------|------------|------------------------------|---|---------------------------|--------------------------------|---|----------------------|----------------------|
| | Gross Block as on 01.04.2021 | Addition during the year | Retirement | Gross Block as on 31.03.2022 | Accumulated depreciation as on 01.04.2021 | Depreciation for the year | Depreciation on retired assets | Accumulated depreciation as on 31.03.2022 | WDV as on 31.03.2022 | WDV as on 31.03.2021 |
| A. Tangible Assets | | | | | | | | | | |
| Computer & Accessories | 32.74 | 0.00 | 0.00 | 32.74 | 29.89 | 0.77 | 0.00 | 30.67 | 2.07 | 2.85 |
| | 32.74 | 0.00 | 0.00 | 32.74 | 28.58 | 1.31 | 0.00 | 29.89 | 2.85 | 4.16 |
| Office Equipment | 1.50 | 0.00 | 0.00 | 1.50 | 0.43 | 0.29 | 0.00 | 0.72 | 0.78 | 1.07 |
| | 1.50 | 0.00 | 0.00 | 1.50 | 0.15 | 0.29 | 0.00 | 0.43 | 1.07 | 1.35 |
| Total | 34.25 | 0.00 | 0.00 | 34.25 | 30.33 | 1.06 | 0.00 | 31.39 | 2.86 | 3.92 |
| | 34.25 | 0.00 | 0.00 | 34.25 | 28.73 | 1.60 | 0.00 | 30.33 | 3.92 | 5.52 |
| B. Intangible Assets | | | | | | | | | | |
| Software | 0.16 | 0.00 | 0.00 | 0.16 | 0.08 | 0.05 | 0.00 | 0.13 | 0.03 | 13.80 |

3.2 Right of Use Assets (ROU)

(Rupees in lakhs)

| Particulars | Gross Block | | | Depreciation | | | | | Net Block | |
|--------------------|------------------------------|--------------------------|------------|------------------------------|---|---------------------------|--------------------------------|---|----------------------|----------------------|
| | Gross Block as on 01.04.2021 | Addition during the year | Retirement | Gross Block as on 31.03.2022 | Accumulated depreciation as on 01.04.2021 | Depreciation for the year | Depreciation on retired assets | Accumulated depreciation as on 31.03.2022 | WDV as on 31.03.2022 | WDV as on 31.03.2021 |
| Warehouse Building | 295.40 | 173.27 | 295.40 | 173.27 | 280.87 | 86.72 | 295.40 | 72.20 | 101.07 | 14.53 |
| | 295.40 | 0.00 | 0.00 | 295.40 | 222.76 | 58.11 | 0.00 | 280.87 | 14.53 | 72.64 |
| Total | 295.40 | 173.27 | 295.40 | 173.27 | 280.87 | 86.72 | 295.40 | 72.20 | 101.07 | 14.53 |

4 Income Tax Assets (Net)

(Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Income tax paid against disputed liability (Refer note : 4.1) | 1.30 | 0.00 |
| | 1.30 | 0.00 |

4.1 Represent the amount paid against disputed liability for the assessment year 2017-18 which is pending with the appellate authority.

5 Deferred Tax Assets (Net)

(Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Deferred Tax Liability | 0.00 | 0.00 |
| Deferred Tax Assets | | |
| On account of depreciation difference / Leases | 1.65 | 401.05 |
| On account of carried forward business loss and depreciation allowance, etc | 398.98 | 0.00 |
| | 400.63 | 401.05 |

The company has recognised deferred tax assets as it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The tax effects of other significant temporary differences that resulted in deferred tax assets are as follows

(Rupees in lakhs)

| Particulars | Opening balance | Adjustment to Retained Earnings | Recognised in profit or loss | Closing Balance |
|---|-----------------|---------------------------------|------------------------------|-----------------|
| Deferred tax (Liabilities) / Assets in relation to : | | | | |
| Property, plant and equipment | 0.58 | 0.00 | (0.28) | 0.30 |
| Leases | (0.21) | 0.00 | 1.57 | 1.35 |
| Preliminary Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| Business loss / depreciation Allowance carried forward | 400.68 | 0.00 | (1.70) | 398.98 |
| Total | 401.05 | 0.00 | (0.41) | 400.63 |

6 Inventories: (at lower of cost or net realizable value) (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|----------------|------------------|------------------|
| Stock in Trade | 1,541.92 | 927.49 |
| | 1,541.92 | 927.49 |

6.1 Stock in Trade is after accounting the inventory written down. The Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value and are recognised as expense in the Statement of Profit and Loss.

7 Cash & Cash Equivalents (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Balance with Banks | | |
| i) in Current Accounts | 632.60 | 272.54 |
| ii) in Deposit Accounts (maturity < 3 Months) | - | - |
| Cash on hand | 3.51 | 3.35 |
| | 636.11 | 275.89 |

8 Bank Balances - Others (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Balance with Banks | | |
| In Deposit Accounts | | |
| (i) maturity 3-12 Months | 2,039.81 | 1,500.20 |
| In earmarked Accounts | 0.00 | 0.00 |
| Balance with Banks in Deposit Account held under lien with Commercial Tax authorities | 0.70 | 0.50 |
| | 2,040.50 | 1,500.70 |

Earmarked Balances:

Balance with banks in deposit accounts include Rs.0.69 (Rs.0.60), lakhs which are held under lien.

9 Other Financial Assets (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------------|------------------|------------------|
| Interest accrued on fixed deposits | 44.50 | 1.54 |
| | 44.50 | 1.54 |

10 Income Tax Assets (Net) (Current) (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------------|------------------|------------------|
| Income Tax Assets (Net of provision) | 0.48 | 0.50 |
| | 0.48 | 0.50 |

11 Other Current Assets (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Advances recoverable in cash or in kind or for value to be received. | 13.02 | 5.60 |
| Other receivables (under contractual rights receivable) | 70.63 | 7.29 |
| Balances with Government Authorities | 602.19 | 276.60 |
| | 685.84 | 289.50 |

12 Share Capital (Rupees in lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| Authorised: 5,00,00,000 (5,00,00,000) Equity Shares of Par Value Rs. 10/- (Rs. 10/-) each | 5,000.00 | 5,000.00 |
| Issued, Subscribed and fully paid up: 70,070 (70,070) Equity Shares of Par Value of Rs. 10/- (Rs. 10/-) each, fully paid up | 7.01 | 7.01 |
| | 7.01 | 7.01 |

Reconciliation of shares at the beginning and at the end of the financial year

| Particulars | As at 31.03.2022 | | As at 31.03.2021 | |
|---|------------------|-------------------|------------------|-------------------|
| | No. of Shares | Rupees (in lakhs) | No. of Shares | Rupees (in lakhs) |
| No. of shares as at the beginning of the financial year | 70,070.00 | 7.01 | 70,070.00 | 7.01 |
| Add: Shares issued during the year | - | - | - | - |
| No. of shares as at the end of the financial year | 70,070.00 | 7.01 | 70,070.00 | 7.01 |

Rights, preferences and restrictions attached to Shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends

in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.2 Particulars of Shareholders holding more than 5% share in the Company

| Particulars | As at 31.03.2022 | | As at 31.03.2021 | |
|--------------------------------------|------------------|---------------|------------------|---------------|
| | % | No. of Shares | % | No. of Shares |
| Cochin International Airport Limited | 99.90% | 70,000 | 99.90% | 70,000 |

12.3 Disclosure of shareholding by Promoters

| Shares held by Promoters at the end of the year | | | % of change during the year |
|---|---------------|-------------------|-----------------------------|
| Name of the Promoter | No: of shares | % of total shares | |
| 1. Cochin International Airport Limited | 70000 | 99.90% | Nil |
| 2. A. Chandrakumaran Nair | 10 | 0.014% | Nil |
| 3. A.M. Shabeer | 10 | 0.014% | Nil |
| 4. Jose Thomas P. | 10 | 0.014% | Nil |
| 5. Sunil Chacko | 10 | 0.014% | Nil |
| 6. Saji Kodankanath George | 20 | 0.029% | Nil |
| 7. Jacob Thattackat Abraham | 10 | 0.014% | Nil |

13 Other Equity

(Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| General Reserve | | |
| Balance as per last Balance Sheet | 0.00 | 0.00 |
| Add: Transfer from Retained Earnings | 0.00 | 0.00 |
| Closing balance (a) | 0.00 | 0.00 |
| Retained Earnings | | |
| Balance as per last Balance Sheet | 882.28 | 2,053.17 |
| Add: Profit (loss) for the year | 56.22 | (1,170.88) |
| | 938.50 | 882.28 |
| Less : Impact on account of adoption of Ind AS 116 | 0.00 | 0.00 |
| Add : Deferred Tax impact on account of adoption of Ind AS 116 | 0.00 | 0.00 |
| Less: Appropriations | | |
| a) Transfer to General Reserve | 0.00 | 0.00 |
| b) Proposed Dividend | 0.00 | 0.00 |
| c) Tax on Proposed Dividend | 0.00 | 0.00 |
| Closing Balance (b) | 938.50 | 882.28 |
| (a+b) | 938.50 | 882.28 |

- 13.1 The Board of Directors of the Company has proposed a dividend of Rs.0.00 (NIL) per share for the Financial Year 2021-22

14 Other Financial Liabilities (Non Current) (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---------------------------------------|------------------|------------------|
| Security Deposits including Retention | 1,332.44 | 1,070.96 |
| | 1,332.44 | 1,070.96 |

- 14.1 Security deposit represent the fair value of Rs.20 crores of deposit received from the procurement and supply management agency of Duty free merchandise as per the agreement entered into for a period of 10 years in September, 2018.

15 Other Non Current Liabilities (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------|------------------|------------------|
| Deferred Fair Valuation Gain | 581.85 | 836.22 |
| | 581.85 | 836.22 |

16 Trade Payables (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Total outstanding dues of Micro, Small and Medium Enterprises | 21.65 | 0.00 |
| Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | | |
| - Related Parties | 927.50 | 71.60 |
| - Others | 1,160.24 | 243.98 |
| | 2,109.39 | 315.58 |

- 16.1 There is no defined credit period. The dues are settled based on the credit policy extended by the vendors. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act 2006" is based on the information available with the Company regarding the status of registration of vendors, there are no amounts overdue to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

16.1 Ageing Schedule for Trade Payables (Rupees in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | |
|----------------------|--|------------------|-------------|--------------|
| | Total Dues | Less than 1 year | 1-2 years | 2-3 years |
| Undisputed dues of | | | | |
| (i) MSMEs | 21.65 | 21.65 | 0.00 | 0.00 |
| (ii) Related Parties | 927.50 | 927.50 | 0.00 | 0.00 |
| (iii) Others | 1,160.22 | 1,140.58 | 5.27 | 14.37 |
| TOTAL | 2,109.36 | 2,089.72 | 5.27 | 14.37 |

17 Other Financial Liabilities (Current) (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---------------------------------------|------------------|------------------|
| Security Deposits including Retention | 35.28 | 51.47 |
| | 35.28 | 51.47 |

18 Other current liabilities (Rupees in lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|------------------|------------------|
| a) Advance | | |
| Deferred Revenue arising from security deposits | 85.70 | 92.81 |
| b) Others | | |
| Statutory Dues | 203.02 | 104.91 |
| Others | 44.62 | 40.26 |
| | 333.34 | 237.97 |

19 Current tax Liabilities (Net) (Rupees in lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------|------------------|------------------|
| Income Tax (Net of Tax Paid) | 10.99 | 0.00 |
| | 10.99 | 0.00 |

20 Revenue from operations (Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---------------------------------------|-------------------------------|-------------------------------|
| Sale of Products: | | |
| Sale of Duty Free Products | 15,929.90 | 5,860.68 |
| Less: Discount allowed as per invoice | 2,465.91 | 1,134.05 |
| | 13,463.99 | 4,726.63 |
| Other Operating Income: | | |
| Discount received | 1,104.93 | 361.40 |
| Total Revenue from Operations | 14,568.92 | 5,088.04 |

21 Other Income (Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|--|-------------------------------|-------------------------------|
| Interest Income on Financial Assets carried at amortised cost: | | |
| Interest Income | 91.71 | 34.45 |
| Others: | | |
| Fair valuation gain | 261.48 | 85.41 |
| Foreign Exchange Rate Variance (net) | 17.67 | 0.00 |
| Insurance claim received | 7.69 | 0.53 |
| Other non-operating income | 111.89 | 23.84 |
| | 490.44 | 144.24 |

22 Change in Stock in Trade: (Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|----------------------------------|----------------------------------|----------------------------------|
| Opening Stock in Trade | 927.49 | 2,588.65 |
| Less: Closing Stock in Trade | 1,541.92 | 927.49 |
| Changes in stock in trade | (614.43) | 1,661.16 |

23 Employee Benefits Expenses (Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|-------------------------|----------------------------------|----------------------------------|
| Salaries and Allowances | 1,241.07 | 981.37 |
| | 1,241.07 | 981.37 |

24 Finance Costs (Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|--|----------------------------------|----------------------------------|
| Interest Expense | | |
| (i) On Borrowings | 28.11 | 31.37 |
| (ii) On lease liabilities (Refer Note 28) | 7.62 | 4.71 |
| Other borrowing Cost | | |
| (i) Unwinding of discount on security deposits | 261.48 | 85.41 |
| (ii) Interest on others | 0.44 | 6.74 |
| | 297.65 | 128.23 |

25 Other Expenses (Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|--|----------------------------------|----------------------------------|
| Royalty paid to CIAL (Refer Note No. 25.1) | 6,225.84 | 2,185.51 |
| Foreign Exchange Rate Variance (net) | 0.00 | 133.37 |
| Management Fees (Duty Free Shop) | 440.41 | 148.70 |
| Other Administrative Charges | 63.90 | 19.52 |
| Advertisement and Sales Promotion expenses | 63.96 | 56.13 |
| Housekeeping Expenses | 47.32 | 52.63 |
| Security Charges | 13.18 | 12.75 |
| Corporate Social Responsibility expenses (Refer Note No. 25.2) | 2.96 | 27.70 |
| Insurance | 12.85 | 18.78 |
| Professional and Consultancy charges | 9.37 | 21.08 |
| Auditor's Remuneration (Refer Note No. 25.3) | 2.20 | 2.20 |
| Consumption of Stores, Spares & Consumables | 1.56 | 0.46 |
| Damaged inventory | 4.06 | 154.83 |
| Rates and Taxes | 2.58 | 247.36 |
| Repairs and Maintenance: | 0.73 | 0.34 |
| Travelling and Conveyance | 20.91 | 58.87 |
| Vehicle running and maintenance | 0.33 | 0.24 |
| | 6,912.17 | 3,140.48 |

25.1 Royalty paid to CIAL (Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|-------------------------|----------------------------------|----------------------------------|
| Sales | 15,929.90 | 5,860.68 |
| Advertisement revenue | 80.47 | 23.75 |
| | 16,010.37 | 5,884.43 |
| Less: Adjustments | | |
| Discount to customers | 1,655.47 | 857.98 |
| Commission on net sales | 440.41 | 148.70 |
| Net balance | 13,914.48 | 4,877.76 |
| Adjustment of forex | 0.00 | 0.00 |
| | 13,914.48 | 4,877.76 |
| Service charge to CIAL | 6,225.84 | 2,185.51 |
| % to turnover | 45% | 45% |

25.2 Corporate Social Responsibility ('CSR')

The details of amount required to be spend and the amount utilised are given below:

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|--|----------------------------------|----------------------------------|
| a) Gross Amount required to be spent by the Company during the year :- | | |
| i) Annual CSR allocation for the year | 2.96 | 16.41 |
| ii) Carry forward from Previous year | | 11.21 |
| Total | 2.96 | 27.62 |
| b) Amount spent during the year: | | |
| i) By contribution to the Trust: | | |
| ii) Contribution to CM's Relief Fund | | |
| iii) By other than the above | | |
| Paid to Executive Engineer Minor Irrigation Division | 2.96 | 27.70 |
| Total | 2.96 | 27.70 |
| Shortfall at the end of the year | - | - |

25.3 Auditor's Remuneration (Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|------------------------------|----------------------------------|----------------------------------|
| Statutory Audit Fees | 1.65 | 1.60 |
| Auditor's Fee-Other Services | 0.55 | 0.60 |
| Total | 2.20 | 2.20 |

26 The Income tax expense for the year can be reconciled to the accounting profit as follows:

(Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|----------------------------------|----------------------------------|
| Profit before tax | 77.16 | (1,585.74) |
| Income tax expense calculated at 25.168% (2021 - 22 @ 25.168%) | 19.42 | 0.00 |
| - Effect of expenses that are not deductible in determining taxable profit | 2.03 | 0.00 |
| - Others | (0.51) | 0.00 |
| Income tax expense recognised in profit or loss | 20.94 | 0.00 |

Impact of tax rate change: The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Act 2019. Accordingly, the Company has re-measured its Deferred Tax Assets on the basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit & Loss for the year.

27 Basic and Diluted Earnings per Share (EPS), of face value Rs.10/- has been calculated as under:

(Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|---|----------------------------------|----------------------------------|
| Basic & Diluted: | | |
| Numerator | | |
| Net Profit / (Loss) for the year | 56.22 | (1,170.88) |
| Denominator | | |
| Weighted average number of equity shares outstanding during the year | 70,070.00 | 70,070.00 |
| Earnings per Share - Basic (in Rupees) | 80.23 | (1,671.02) |
| - Diluted (in Rupees) | 80.23 | (1,671.02) |

28 Disclosure under Ind AS 116

Effective 01st April 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on 01st April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' asset of Rs.125.90 lakhs and a lease liability of Rs.156.54 lakhs. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application :

1. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

2. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities is 6.25%.

The changes in the carrying value of ROU assets for the year ended 31st March 2022 are as follows :

(Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|--|----------------------------------|----------------------------------|
| Balance as at April 1, 2021 | 15 | 72.64 |
| Additions | 173 | 0.00 |
| Finance Cost accrued during the period | 8 | 0.00 |
| Deletion | 0 | 0.00 |
| Depreciation | (87) | (58.11) |
| Balance as at March 31, 2022 | 101 | 15 |

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The movement in lease liabilities during the year ended 31st March 2022 is as follows :

(Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|--|----------------------------------|----------------------------------|
| Balance as at April 1, 2021 | 13.68 | 91 |
| Additions | 173.27 | 0 |
| Finance Cost accrued during the period | 7.62 | 5 |
| Deletion | 0.00 | 0 |
| Payment of lease liabilities | (88.11) | (82) |
| Balance as at March 31, 2022 | 106.45 | 13.68 |

The break-up of current and non-current lease liabilities as at March 31, 2022 is as follows :

(Rupees in lakhs)

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|-------------------------------|----------------------------------|----------------------------------|
| Current lease liabilities | 90.60 | 13.68 |
| Non-current lease liabilities | 15.85 | 0.00 |
| Total | 106.45 | 13.68 |

- 29** Disclosure of transactions with related parties as required by Ind AS 24 on Related Party Disclosures as prescribed by Companies (Accounting Standards) Rules 2006.

RELATED PARTY DISCLOSURES**A. Name of the related party and nature of relationship****a) Holding Company**

Cochin International Airport Limited

b) Fellow Subsidiaries

Air Kerala International Services Limited

Cochin International Aviation Services Limited

CIAL Infrastructures Limited

c) Key Management Personnel

| | |
|---------------------------|--|
| Sri. S Suhas | - Executive Chairman (From 02.08.2021) |
| Sri. V. J. Kurian | - CMD (Till 15.06.2021) |
| Sri. A. M. Shabeer | - Managing Director (From 09.06.2021) |
| Sri. Joseph Peter | - Director |
| Sri. Jayarajan V | - Director |
| Sri. Santhosh J Poovattil | - Chief Financial Officer |
| Sri. Saji K George | - Company Secretary |

d) Key Management Personnel of Holding Company

| | |
|------------------|------------------------------------|
| Sri. V.J. Kurian | - Managing Director upto May 2021 |
| Sri. S Suhas | - Managing Director from June 2021 |

B. Transactions with related parties**a) With Holding Company****(Rupees in lakhs)**

| Particulars | Year Ended 31.03.2022 | Year Ended 31.03.2021 |
|---|--------------------------|--------------------------|
| Cochin International Airport Limited | | |
| Fee to CIAL | 6,225.84 | 2,185.51 |
| Lease Rent | 88.11 | 81.95 |
| Secondment charges paid to CIAL | 52.29 | 450.20 |
| Amount Outstanding as at 31.03.2022 | | |
| Cochin International Airport Limited | 927.50 | 71.60 |

b) Details of transactions with key managerial personnel**(Rupees in lakhs)**

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Salary, Allowances & other benefits | | |
| i) To Sri. A.M. Shabeer | 8.00 | 0.00 |
| ii) To Sri. Saji K George, Company Secretary of Holding Company | 2.52 | 2.31 |
| ii) To Sri. Santhosh J Poovattil, Chief Financial Officer | 30.61 | 0.00 |

30 As per the agreement entered into with the holding Company, vide agreement dated 29th June 2017 as amended from time to time, the holding Company has appointed the Company as the exclusive concessionaire for duty free business at Cochin International Airport Limited on a concessionaire fee of 45% on net sales. The facilities provided include exclusive premises and facilities for duty free operations and providing infrastructural support. Further the agreement provide for extending facilities such as housekeeping and security services, maintenance contract services and other corporate services for which reimbursement has been made to the holding Company based on bills raised. To the extent of provision created towards gratuity and other benefits payable to employees on deputation is reimbursed to the Parent Company on the basis of claim raised on an yearly basis.

31 **The details of Provisions and Contingent Liabilities are as under. (Disclosed in terms of Ind AS - 37 on Provisions, Contingent Liabilities & Contingent Assets)**

(Rupees in lakhs)

| Particulars | Year Ended 31.03.2022 | Year Ended 31.03.2021 |
|--|--------------------------|--------------------------|
| Claims against the company not acknowledged as debts | | |
| 1. Income Tax Demands pending appeal AY 2017-18 (Rs.1.30 lakhs has been remitted against the demand and appeal has been filed) | 6.5082 | 0 |

32 As per the arrangement with holding company, the staff requirement of the Company is managed through secondment of employees from the parent company till September 2020. Salary and allowances charged to the Statement of Profit and Loss includes the salary cost alongwith fringe benefits paid to employees deputed through secondment amounting to NIL (Rs.450.20 lakhs), accounted on the basis of service invoice raised by the holding company.

31 **Additional Information** (Rupees in lakhs)

| Particulars | Year Ended 31.03.2022 | Year Ended 31.03.2021 |
|---|--------------------------|--------------------------|
| a) CIF Value of imports made during the year | 6,985.12 | 1,048.03 |
| b) Earnings in Foreign Exchange (Export of Goods) | 8,909.11 | 3,021.06 |
| c) Expenditure in Foreign Currency | 227.54 | 1,135.25 |

34 **Disclosures under Ind AS 108 - Operating Segments**

Products and services from which reportable segments derive their revenues

The Company is operating in one single segment of running duty free retail shop at Cochin International Airport. Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the company.

No client individually accounted for more than 10% of the revenues in the year ended March 31, 2022 and March 31, 2021.

35 Ratios

| Particulars | Numerator | Denominator | Year Ended 31.03.2022 | Year Ended 31.03.2021 | Variance |
|--------------------------------------|---|---|--------------------------|--------------------------|----------|
| Current Ratio | Current assets | Current liabilities | 1.92 | 4.84 | -60.37 |
| Debt – Equity Ratio | Total Debt (represents lease liabilities) | Shareholder's Equity | - | - | - |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | - | - | - |
| Return on Equity (ROE) | Net Profits after taxes | Average Share- holder's Equity | 5.95% | -131.66% | -104.52 |
| Inventory turnover ratio | Revenue | Inventory | 5.22 | 1.43 | 265.79 |
| Trade receivables turnover ratio | Revenue | Average Trade Receivable | - | - | - |
| Trade payables turnover ratio | Purchases of services and other expenses | Average Trade Payables | 10.05 | 2.00 | 403.84 |
| Net capital turnover ratio | Revenue | Working Capital | 15.41 | 5.72 | 169.31 |
| Net profit ratio | Net Profit | Revenue | 0.37% | -22.38% | -101.67 |
| Return on capital employed (ROCE) | Earning before interest and taxes | Capital Employed | 8.16% | -178.32% | -104.58 |
| Return on Investment (ROI) | Income generated from investments | Time weighted average investments | 5.95% | -131.66% | -104.52 |

Disclosure under Ind AS 23:

Amount of borrowing cost capitalized during the year - Nil (Nil).

Estimated amounts of contracts remaining to be executed on capital accounts and not provided for - Nil (Nil).

36 Disclosure requirements in accordance with amendment to Schedule III, vide Notification dated 24th March 2021 have been incorporated, as the same is made applicable from 01st April 2021 incorporating the same for the previous year.

37 Details of benami property in which proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rule made thereunder has been provided hereunder:

- Details and year of acquisition of such property Nil
- Amount of property Nil
- Details of Beneficiary Nil
- If the property is disclosed in books, reference in the balance sheet: Nil
- If the property is not in the books, then the facts shall be disclosed with reasons Nil

- Where there are proceedings against the company under this law as an abettor of the transaction or as the transferor, then the details shall be provided: Nil
- Nature of proceedings and company's stand thereon: Nil

38 Charge Details

Details of Registration or satisfaction of charge not registered with ROC beyond the time period are disclosed along with reasons thereof: All charges registered with ROC - Nil

39 Title deed of Immovable property not held in the name of company

Details of all those immovable properties whose title deed are not in the name of the company, except those immovable properties in which the company is lessee and lease agreement are executed -NIL

40 Borrowing from Banks and Financial Institutions:

- a) During the year, the Company has borrowed funds from Banks / FI (being current assets as collateral security) but stands fully settled before 31.03.2022.
- (b) No funds have been advanced, loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Company to or in any other person or entity including foreign entity (intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (ultimate beneficiary). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether directly or indirectly lend or invest in other person or entities identified by or on behalf of the Company (ultimate beneficiary) or provide any guarantee, security or the like on behalf of the ultimate beneficiary

41 Wilful Defaulter: The company is not declared as wilful defaulter by any bank or financial institution during the year.

42 Transactions with Struck off Companies: The management confirm that the company had no transaction with any struck off companies during the year.

43 Loans & advances to Directors / KMP / Related Parties: No loans and advances given to Directors / KMP / Related Parties during the year.

Scheme of arrangement: Not applicable

Compliance with number of layers of companies - Complied

44 Undisclosed Income: There are no transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.

45 Details of Crypto Currency or Virtual Currency: The company has not traded or invested in Crypto currency or Virtual Currency during the financial year

46 Litigation: The Company has no pending litigations.

47 The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

48 Figures have been rounded off to the nearest rupee in lakhs. Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformance with current year's layout.

Signatures to Note No: 01 to 48 forming integral part of accounts.

For and on behalf of the Board of Directors

sd/-

S. Suhas IAS

Executive Chairman
(DIN: 08540981)

sd/-

A.M. Shabeer

Managing Director
(DIN: 01643446)

sd/-

Santhosh J Poovattil

Chief Financial Officer

As per our separate report of even date attached

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants (FRN: 001488S)

sd/-

C.A. K T Mohanan

Partner (M.No: 201484)

UDIN: 22201484AKXKPS8847

Place: Nedumbassery

Date : 27th May 2022