



# CIAL

DUTYFREE AND  
RETAIL SERVICES LTD.

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## DIRECTORS' REPORT & FINANCIAL STATEMENTS

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**2020-21**

## **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 05<sup>th</sup> Annual General Meeting of CIAL Dutyfree and Retail Services Limited will be held on **Wednesday, the 01<sup>st</sup> day of September 2021 at 09.15 a.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 31<sup>st</sup> March 2021, 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. A.M.Shabeer (DIN 01643446) 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.”

#### **SPECIAL BUSINESS**

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

“Resolved that pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act 2013 and the rules made thereunder, Sri. S.Suhas IAS (DIN 08540981) Managing Director / CIAL, who was appointed as an Additional Director (Chairman) by the Board of Directors at its meeting held on 02nd August 2021 and whose term of office expires at this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 along with the deposit of requisite amount, proposing the candidature of Sri. S.Suhas IAS for the office of Director (Chairman), be and is hereby appointed as a Director and the period of office of Sri. S.Suhas IAS (Chairman) shall not be liable to determination by retirement of directors by rotation.”

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

“Resolved that pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act 2013 and the rules made thereunder, Sri. Jayarajan Viswanathan (DIN 07872989) Head (HR) / CIAL, who was appointed as an Additional Director by the Board of Directors at its

meeting held on 01<sup>st</sup> March 2021 and whose term of office expires at this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 along with the deposit of requisite amount, proposing the candidature of Sri. Jayarajan Viswanathan for the office of Director, be and is hereby appointed as a Director and the period of office of Sri. Jayarajan Viswanathan shall be liable to determination by retirement of directors by rotation.”

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

“Resolved that pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act 2013 and the rules made thereunder, Sri. Joseph Peter Painunkal (DIN 07872980), General Manager (Commercial) / CIAL, who was appointed as an Additional Director by the Board of Directors at its meeting held on 01<sup>st</sup> March 2021 and whose term of office expires at this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 along with the deposit of requisite amount, proposing the candidature of Sri. Joseph Peter Painunkal for the office of Director, be and is hereby appointed as a Director and the period of office of Sri. Joseph Peter Painunkal shall be liable to determination by retirement of directors by rotation.”

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

“Resolved that, pursuant to the provisions of Sections 196, 197, read with Rule 8 and 14 of Companies (Appointment and Qualification of Directors) Rules 2014 and with Schedule V and other applicable provisions, if any, of the Companies Act 2013 (including any statutory modification(s) or re-enactment thereof) and all applicable guidelines for managerial remuneration issued by the Central Government from time to time, along with provisions of the Articles of Association of the Company, Sri. A.M.Shabeer (DIN 01643446) the Whole-time Director (designated as Executive Director) of CIAL Dutyfree and Retail Services Limited, be and is hereby appointed as the Managing Director from 10<sup>th</sup> June 2021 to 30<sup>th</sup> April 2023 on the following terms and conditions.

Consolidated Monthly Salary	Rs. 4,00,000/- per month
Dearness Allowance	Nil
HRA	Nil
Allowances	Nil
Other Perquisites	During the tenure of his appointment, he is entitled to receive all other perquisites and benefits applicable to the Executive Director of the Parent Company.

“Resolved further that where in any financial year, the Company has no profits or its profits are inadequate, the Managing Director shall be entitled to receive remuneration as salary, perquisites and allowances, as per the limits specified under Section II of Part II of Schedule V to the Companies Act 2013 or in accordance with any statutory modification(s) thereof.

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

sd/-

**S.Suhas IAS**

**Chairman (DIN: 0008540981)**

Place : Nedumbassery  
Date : 02<sup>nd</sup> August 2021

**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.

**Explanatory Statement pursuant to Section 102 of the Companies Act 2013 regarding -**

**Item No: 04**

According to Section 161 of the Companies Act 2013 read with Articles of Association of the Company, the Board of Directors of the Company through resolution passed in their meeting held on 02<sup>nd</sup> August 2021 has appointed Sri. S.Suhas IAS (DIN 08540981) Managing Director / CIAL as Additional Director (Chairman) of the Company till the date of this Annual General Meeting. Accordingly, in terms of the provisions of Companies Act 2013 approval of the members of the Company is required for regularization of Sri. S.Suhas IAS as Director of the Company.

Sri. S.Suhas is 2012 batch IAS Officer. Keeping in view Sri. S.Suhas' rich and varied experience in Management and administration, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as a Director (Chairman) of the Company whose office is not liable to retire by rotation. The Board also believes that his advice, guidance, direction and contributions would be of great benefit for the growth of the Company.

None of the Directors except Sri. S.Suhas IAS, the proposed appointee / Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set forth in item no. 04 for the approval of the members.

**Item No: 05**

According to Section 161 of the Companies Act 2013 read with Articles of Association of the Company, the Board of Directors of the Company through resolution passed in their meeting held on 01<sup>st</sup> March 2021 has appointed Sri. Jayarajan Viswanathan (DIN 07872989) Head (HR) / CIAL as Additional Director of the Company till the date of this Annual General Meeting. Accordingly, in terms of the provisions of Companies Act 2013 approval of the members of the Company is required for regularization of Sri. Jayarajan Viswanathan as Director of the Company.

Keeping in view Sri. Jayarajan's rich and varied experience in HR & administration, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as a Director of the Company whose office is liable to retire by rotation. The Board also believes that his advice and contributions would be of great benefit for the growth of the Company.

None of the Directors except Sri. Jayarajan Viswanathan, the proposed appointee / Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set forth in item no. 05 for the approval of the members.

**Item No: 06**

According to Section 161 of the Companies Act 2013 read with Articles of Association of the Company, the Board of Directors of the Company through resolution passed in their meeting held on 01<sup>st</sup> March 2021 has appointed Sri. Joseph Peter Painunkal (DIN 07872980), General Manager (Commercial) / CIAL as Additional Director of the Company till the date of this Annual General Meeting. Accordingly, in terms of the provisions of



Companies Act 2013 approval of the members of the Company is required for regularization of Sri. Joseph Peter Painunkal as Director of the Company.

Sri. Joseph Peter Painunkal is a Chartered Accountant having more than 30 years post qualification experience. Keeping in view Sri. Joseph Peter's rich and varied experience in Finance, Commercial & Administration, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as a Director of the Company whose office is liable to retire by rotation. The Board also believes that his advice and contributions would be of great benefit for the growth of the Company.

None of the Directors except Sri. Joseph Peter, the proposed appointee / Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set forth in item no. 06 for the approval of the members.

**Item No: 07**

The Board of Directors in its 23<sup>rd</sup> meeting held on 09<sup>th</sup> June 2021 appointed Sri.A.M.Shabeer, (DIN 01643446) Whole Time Director as Managing Director of the Company subject to the approval of the members of the Company in General Meeting. Sri. A.M Shabeer was initially appointed in CIAL as Executive Engineer under deputation from the Airports Authority of India. Subsequently, his service was regularised on 20<sup>th</sup> May 2000 and was appointed as Deputy General Manager (Civil) in CIAL and later on elevated to Executive Director (Engineering Services) / CIAL.

CDRSL was incorporated on 01<sup>st</sup> March 2016 and Sri. A.M.Shabeer was one of the signatories to the Memorandum of Association of the Company and he was actively associated in the promotional activities of CDRSL. Pursuant to Article 56 of Articles of Association of the Company, Sri. A.M.Shabeer is one of the First Director of the Company. His association with CDRSL has taken the Company to new heights and the Board was of opinion that the services of Sri. A.M. Shabeer would be highly required not only for the progress of the Company and but also to formulate the strategic planning & decision making process. Therefore, the Board recommends the resolution in relation to the appointment of Managing Director for the approval of the shareholders of the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act 2013

Except Sri. A.M. Shabeer, none of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested financially or otherwise in the resolution set out under item No: 07.

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

sd/-

**S.Suhas IAS**  
**Chairman**

**DIN: 0008540981**

Place : Nedumbassery

Date : 02<sup>nd</sup> August 2021

**As per the requirement of Secretarial Standard - 2, the following information relating to the director who is being re-appointed / appointed, as contained at item 4, 5, 6 & 7 is furnished below**

Particulars	Information	Information
Name	Sri. A.M. Shabeer (DIN: 0001643446)	Sri. Jayarajan Viswanathan (DIN 0007872989)
Age	59 Years	51 Years
Qualification	M.Tech	MBA, LLB
Experience	37 years	27 years
Terms and Conditions of appointment	As per resolution no. 7	As per resolution no. 5
Remuneration last drawn	Rs.4,00,000	Nil
Date of first appointment on Board	01 <sup>st</sup> March 2016	01 <sup>st</sup> March 2021
Shareholding in Company	10 Shares (0.0143%)	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	Nil	Nil
Number of Meetings of Board attended	6	4
Other Directorships, Memberships / Chairmanships of Committees of other Boards	Director Air Kerala International Services Limited	Nil

Particulars	Information	Information
Name	Sri. Joseph Peter Painunkal (DIN 0007872980)	Sri. Suhas S. IAS (DIN:0008540981)
Age	55 Years	33 Years
Qualification	F.C.A	B.E
Experience	30 years	09 years (Indian Administrative Service)
Terms and Conditions of appointment	As per resolution no. 6	As per resolution no. 04
Remuneration last drawn	Nil	Nil
Date of first appointment on Board	01 <sup>st</sup> March 2021	02 <sup>nd</sup> August 2021
Shareholding in Company	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	Nil	Nil
Number of Meetings of Board attended	4	1
Other Directorships, Memberships / Chairmanships of Committees of other Boards	Nil	<u>Director</u> 1. Kochi Metro Rail Limited 2. Cochin Smart Mission Limited 3. Kerala Waterways and Infrastructures Limited. 4. Cochin International Airport Limited 5. Kochi Water Metro Limited. 6. Kerala Waterways and Infrastructures Limited. 7. Roads & Bridges Development Corporation of Kerala Limited

## CIAL DUTYFREE AND RETAIL SERVICES LIMITED

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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 fifth Annual Report and the Company's financial statements for the financial year ended 31<sup>st</sup> March 2021.

(Rupees in lakhs)

Financial Results	2020-21	2019-20
<b>Total Income</b>	<b>5,232.27</b>	<b>23,333.01</b>
Less : Administrative & other expenses	6,630.02	21,944.97
<b>Profit before Interest, Depreciation, Exceptional items &amp; Tax</b>	<b>(1,397.75)</b>	<b>1,388.04</b>
Less : Interest	128.23	89.22
Less : Depreciation	59.76	68.23
<b>Profit before Exceptional items &amp; Tax</b>	<b>(1,585.74)</b>	<b>1,230.59</b>
Exceptional items	0	0
<b>Profit before Tax</b>	<b>(1,585.74)</b>	<b>1,230.59</b>
Less : Provision for Tax	(414.86)	311.03
<b>Profit after Tax</b>	<b>(1,170.88)</b>	<b>919.56</b>
Add : Other Comprehensive Income (net of taxes)	0	0
<b>Profit for the year</b>	<b>(1,170.88)</b>	<b>919.56</b>

### REVIEW OF OPERATIONS

The Dutyfree business started functioning in the year 2002 as a retail arm of CIAL and later as part of its business strategy, CIAL Dutyfree and Retail Services Limited (CDRSL) was incorporated as a wholly owned public limited subsidiary company of CIAL in the year 2016 with the main objective of carrying out the business of Duty Free and Retail operations at the airport.

Your Company had been rapidly growing since its formation and is one of the major source of income for CIAL over the years.

However, the outbreak of Covid -19 pandemic caused a major setback on the Company. The lockdown imposed by Government of India to control the spread of Covid-19 affected the operations of the Airport and the international passenger traffic. The international and domestic passenger movements reduced by 80% and 70% respectively due to the unrelenting restrictions and ban on travel imposed in the State during the period under review.

The Company has incurred a loss of Rs. 11.70 crores in the financial year 2020-21 as compared to the profit of Rs.9.19 crores of the previous financial year.

### FUTURE OUTLOOK

The current pandemic has had a devastating effect on travel across the globe and the fall in passenger movements has led the dutyfree operations of CIAL to a downtrend. With the double mutant variant fuelling the second wave of Covid-19, it is difficult to analyse the full impact of it on the dutyfree business of your company.

**DIRECTORS**

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

Sl.No.	DIN	Name of the Director	Designation
1.	0008540981	Sri. S.Suhas IAS	Chairman
2.	0001643446	Sri.Abdulrahim Muhammad Shabeer	Managing Director
3.	0007872989	Sri. Jayarajan Viswanathan	Director
4.	0007872980	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. Sunil Chacko (DIN 0007434481) and Sri. Jose Thomas P. (DIN 02905126) submitted their letter of resignation expressing their willingness to relinquish from the post of Director of the company with effect from 28<sup>th</sup> February 2021.

During the 24<sup>th</sup> meeting of the Board of Directors of the Company held on 02<sup>nd</sup> August 2021, the Board unanimously appointed Sri.S.Suhas IAS, DIN : 0008540981 (Managing Director / CIAL) as Chairman (Additional Director) of the Company. The notice convening the Annual General Meeting has set out a resolution to appoint Sri.S.Suhas IAS as Director (Chairman) of the Company and therefore, the Board recommends his appointment as Director (Chairman) of the Company.

The Board appointed Sri. Jayarajan Viswanathan (DIN: 0007872989) and Sri. Joseph Peter Painunkal (DIN: 0007872980) as Additional Directors to hold office upto ensuing Annual General Meeting. The Board therefore recommends their appointment as Directors of the Company.

The Board also appointed Sri. A.M.Shabeer (DIN: 0001643446) as Managing Director of the company for a period upto 20<sup>th</sup> April 2023. The Board therefore recommends his appointment as Managing Director of the Company.

Sri.Santhosh Poovatil has been appointed as Chief Financial Officer of the Company with effect from 01<sup>st</sup> June 2021.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, 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 31<sup>st</sup> March 2021 and of the profit of the Company for the period ended on that date;
- the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- 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 the loss for the financial year 2020 - 21 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 31<sup>st</sup> March 2021.

## EXTRACT OF ANNUAL RETURN

Extract of Annual return of the Company in the prescribed Form MGT-9 is annexed herewith as Annexure A to this report.

## MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the period under review on 10<sup>th</sup> July 2020, 25<sup>th</sup> September 2020, 28<sup>th</sup> December 2020 and 01<sup>st</sup> March 2021.

The Composition and category of the Directors along with their attendance at Board Meetings for the period ended 31<sup>st</sup> March 2021 are given below:

Sl. No.	Name of the Director	Category of Director	No. of Board Meetings	
			Held during the tenure	Attended
1	Sri.V.J. Kurian	Chairman & Managing Director	4	4
2	Sri.A.M. Shabeer	Director	4	4
3	Sri. Jayarajan Viswanathan	Director	1	1
4	Sri. Joseph Peter Painunkal	Director	1	1

## 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-CDRSL.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 2020 – 21 are given in Annexure C.

**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.

Four meeting of the Audit Committee were held during the period under report on 10<sup>th</sup> July 2020, 25<sup>th</sup> September 2020, 28<sup>th</sup> December 2020 and 01<sup>st</sup> March 2021. 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 Board Meetings	
			Held during the tenure	Attended
1	Sri. Joseph Peter P.	Non-Executive Director	1	1
2	Sri.A.M. Shabeer	Executive Director	4	4
3	Sri. Jayarajan V.	Non-Executive Director	1	1
4	Sri.Sunil Chacko	Non-Executive Director	3	3
5	Sri.Jose Thomas P	Non-Executive Director	3	3

**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)

<b>Foreign Exchange Earnings and outgoings (receipts and payments in USD)</b>	<b>From 01.04.2020 to 31.03.2021</b>
a) CIF Value of imports made during the year	1048.02
b) Earnings in Foreign Exchange (Export of Goods)	3021.06
c) Expenditure in Foreign Currency	1135.25

**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. 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.
7. 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.
8. During the period under review, there were no companies which have become or ceased to become the subsidiaries, joint ventures or associate companies.

#### **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 2020-21:

- 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 : 02<sup>nd</sup> August 2021

sd/-  
**S.Suhas IAS**  
**Chairman**  
**DIN: 0008540981**

## Annexure A

## FORM NO. MGT 9

Extract of Annual Return for the financial year ended 31<sup>st</sup> March 2021

[Pursuant to Section 92(3) of the Companies Act 2013 and Rule 12(1) of the Companies (Management &amp; Administration) Rules 2014]

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	U52399KL2016PLC040279
2.	Registration date	01 <sup>st</sup> March 2016
3.	Name of the Company	CIAL Dutyfree and Retail Services Limited
4.	Category / Sub-category of the Company	Public Company / Indian Non-Government Company / Limited by Shares
5.	Address of the Registered Office & contact details	XI/318E, Cochin International Airport Road, Kochi Airport P.O., Ernakulam – 683 111
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not applicable

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Other Retail Sale in non-specialized stores	4719	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable section
1.	Cochin International Airport Limited Room No.35, 4 <sup>th</sup> Floor GCDA Commercial Complex Marine Drive, Ernakulam - 682 031	U63033KL1994PLC007803	Holding	99.90	2(46)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category – wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De mat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	70	70	0.10	-	70	70	0.10	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Governments	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	70,000	70,000	99.90	-	70,000	70,000	99.90	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	70,070	70,070	100.00	-	70,070	70,070	100.00	-

(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of promoter (A)=(A)(1)+(A)(2)</b>	-	70,070	70,070	100.00	-	70,070	70,070	100.00	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds / Banks / FI	-	-	-	-	-	-	-	-	-
b) Central Government PSU	-	-	-	-	-	-	-	-	-
c) State Governments PSU	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporates</b>									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Resident Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
<b>c) Others (specify)</b>									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Total (A+B+C)</b>		70,070	70,070	100.00	-	70,070	70,070	100.00	-

## ii) Shareholding of Promoter-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Cochin International Airport Limited	70,000	99.90	-	70,000	99.90	-	-
2	A Chandrakumaran Nair	10	0.001428	-	10	0.001428	-	-
3	A M Shabeer	10	0.001428	-	10	0.001428	-	-
4	Jose Thomas Periappuram	10	0.001428	-	10	0.001428	-	-
5	Sunil Chacko	10	0.001428	-	10	0.001428	-	-
6	Saji K George	20	0.002857	-	20	0.002857	-	-
7	Jacob T Abraham	10	0.001428	-	10	0.001428	-	-
Total		70,070	100.00	-	70,070	100.00	-	-

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Date wise Increase/ Decrease in shareholding		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Cochin International Airport Limited	70,000	99.90	-	-	70,000	99.90
2	A Chandrakumaran Nair	10	0.001428	-	-	10	0.001428
3	A M Shabeer	10	0.001428	-	-	10	0.001428
4	Jose Thomas Periappuram	10	0.001428	-	-	10	0.001428
5	Sunil Chacko	10	0.001428	-	-	10	0.001428
6	Saji K George	20	0.002857	-	-	20	0.002857
7	Jacob T Abraham	10	0.001428	-	-	10	0.001428
Total		70,070	100.00	-	-	70,070	100.00

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Date wise Increase/ Decrease in shareholding		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Nil							

**V) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Date wise Increase/ Decrease in shareholding		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	V J Kurian	-	-	-	-	-	-
2	A M Shabeer	10	0.001428	-	-	10	0.001428
3	Jayarajan Viswanathan	-	-	-	-	-	-
4	Joseph Peter Painunkal	-	-	-	-	-	-

**V. INDEBTEDNESS - (Rupees in lakh)**

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the period under review</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the period under review</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness at the end of the period under review</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rupees in lakhs)

Sl No.	Particulars of Remuneration	Sri.V.J.Kurian Chairman & Managing Director (DIN: 0001806859)	A.M. SHABEER Whole Time Director (DIN 0001643446)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act 1961	-	-	-
	a) Value of perquisites u/s 17(2) of Income Tax Act 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of Income Tax Act 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
<b>Total (A)</b>		-	-	-

### B. Remuneration to other directors: (Amount in Rs.)

Sl. No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	-	-	-
	Fee for attending Board & Committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	-	-	-
2	Other Non-Executive Directors	Jayarajan Viswanathan (DIN: 0007872989)	Joseph Peter Painunkal (DIN: 0007872980)	-
	Fee for attending Board & Committee Meeting	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	<b>Total (B) = (1+2)</b>	-	-	-
	<b>Total (3)</b>	-	-	-
	<b>Total (C) = (1+2+3)</b>	-	-	-
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	Nil		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

(Rupees in thousands)

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO (Nil)	Company Secretary (Nil)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of Income-Tax Act 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income- Tax Act 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
<b>Total (C)</b>		-	-	-

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>	Nil				
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

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

sd/-

**S.Suhas IAS****Chairman****DIN: 0008540981**

Place : Nedumbassery

Date : 02<sup>nd</sup> August 2021

**Annexure B****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 / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by CIAL 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 and lease rentals shall be Rs.10 per square feet.	01.06.2021	Nil

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

sd/-

**S.Suhas IAS**  
**Chairman**

**DIN: 0008540981**

Place : Nedumbassery  
Date : 02<sup>nd</sup> August 2021

## Annexure C

**Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2020-21.**

1.	Brief outline on CSR Policy of the Company	Please read section : Corporate Social Responsibility (CSR) Committee in the Board's Report
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**2. The composition and category of the members as on 31<sup>st</sup> March 2021 are given below:**

Sl. No.	Name of the Member and Designation	Category of Member
a	Sri. A.M. Shabeer, Chairman	Executive Director
b	Sri. Joseph Peter Painunkal, Member	Non - Executive Director
c	Sri. Jayarajan Viswanathan, Member	Non - Executive Director

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.	<a href="https://www.cochindutyfree.com/Userfiles/CochinDutyFree/file/CSR-Policy-CDRSL.pdf">https://www.cochindutyfree.com/Userfiles/CochinDutyFree/file/CSR-Policy-CDRSL.pdf</a>
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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.
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**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	2019 - 20	Nil	Nil
2	2018 - 19		
3	2017 - 18		

6.	Average net profit of the company as per section 135(5)	Rs. 8,20,42,747
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7.	a	Two percent of average net profit of the company as per section 135(5)	Rs. 16,40,855
	b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Rs. 11,21,080
	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. 27,61,935

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

Total Amount Spent for the Financial Year (Rs. in Thousands)	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. 2770.07	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 (Rs. thousands).	Mode of implementation Direct (Yes/No).	Mode of implementation Through implementing agency
				State	District			Name CSR Registration number
1.	Flood Mitigation works	Clause (i) - Infrastructure support	Yes	Kerala	Ernakulam	Rs. 1660.07	Yes	Not Applicable
2.	Safe Drinking Water	Clause (b) - Irrigation, Water supply including drinking water	Yes	Kerala	Ernakulam	Rs. 1110.00	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. In thousands)	2770.07

## (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. In thousands)
i	Two percent of average net profit of the company as per section 135(5)	Rs. 1640.85
ii	Total amount spent for the Financial Year	Rs. 2770.07
iii	Excess amount spent for the financial year [(ii) - (i)]	Rs. 1129.22

iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Rs. 1121.08
vi	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 8.14

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								

10. 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

02.08.2021

**A.M.Shabeer**

Chairman of CSR Committee



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CIAL DUTYFREE AND RETAIL SERVICES LIMITED**

#### **Report on the Standalone Ind AS Financial Statements:**

##### **Opinion:**

We have audited the accompanying standalone Ind AS financial statements of CIAL Duty Free and Retail Services Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, 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 standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021 and its loss, 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.

##### **Management's responsibility for the Standalone 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 these standalone 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 there under.

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 standalone 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (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 controls 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Krishnamoorthy & Krishnamoorthy**  
Chartered Accountants

Paliam Road, Kochi – 682016  
k\_krishnamoorthy@hotmail.com

### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, 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 standalone 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 is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f. We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone financial statements of the company for year ended on that date and we enclose herewith our report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position - Refer Note 4.34 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 4.35 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.

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

Sd/-

**CA. K T Mohanan**

Partner (M.No: 201484)

UDIN : 21201484AAAABE2120

Place : Cochin -16

Date : 04.06.2021

**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)**

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) We are informed that these fixed assets 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 is not having any free hold immovable property.
- (ii) We are informed that physical verification of inventory has been conducted at reasonable intervals by the management and as informed to us material discrepancies noticed on such verification are properly dealt with in the booked of accounts.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraphs (iii) (a) (b) and (c) of CARO 2016 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans and investments and has not provided any guarantees and securities to the parties covered under Section 185 of the Act and hence not commented upon.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) As per the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013.
- (vii) 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, Value Added Tax, cess and other material statutory dues applicable to it 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, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or Goods and Service Tax, duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any dispute as on 31<sup>st</sup> March 2021.
- (viii) 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 not obtained any loans from financial institution, government and debenture holders.

**Krishnamoorthy & Krishnamoorthy**

Chartered Accountants

- (ix) According to the information and explanations given to us, we report that there is no term loan availed by the Company and has not raised any moneys by way of initial public offer and further public offer (including debt instruments) and hence not commented upon.
- (x) 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 by the officers and employees of the Company has been noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) 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 managerial remuneration is paid/provided during the year. Accordingly, para 3 (xi) of CARO 2016 is not applicable and hence not commented upon.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the CARO 2016 Order is not applicable to the Company and hence not commented upon.
- (xiii) 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) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) 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) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-

**CA. K T Mohanan**

Partner (M.No: 201484)

UDIN : 21201484AAAABE2120

Place : Cochin -16

Date : 04.06.2021



**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 Dutyfree and Retail Services Limited ("the Company") as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control



**Krishnamoorthy & Krishnamoorthy**

Chartered Accountants

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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, 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 31<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

**CA. K T Mohanan**

Partner (M.No: 201484)

UDIN : 21201484AAAABE2120

Place : Cochin -16

Date : 04.06.2021

**PART I : BALANCE SHEET**  
**CIAL DUTYFREE AND RETAIL SERVICES LIMITED**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2021**

(Rupees in '000)

Particulars	Note No:	As at 31.03.2021	As at 31.03.2020
<b>I. ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	4.1	391.72	551.67
Intangible Assets	4.1	8.42	13.80
Right of Use Assets (ROU)	4.2	1,452.77	7,263.86
Income Tax Assets (Net)	4.3	-	-
Deferred Tax Assets (Net)	4.4	40,104.54	895.27
<b>Current Assets</b>			
Inventories	4.5	92,748.86	2,58,864.95
Financial assets			
(i) Cash & Cash equivalents	4.6	27,588.88	8,061.78
(ii) Bank Balances other than (i)	4.7	150,069.56	50.00
(iii) Other Financial Assets	4.8	153.57	14.74
Income tax assets (net)	4.9	49.83	141,371.99
Other current assets	4.10	28,949.65	532,068.15
<b>Total Assets</b>		<b>341,517.81</b>	<b>949,156.21</b>
<b>II. EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	4.11	700.70	700.70
Other Equity	4.12	88,228.40	205,316.75
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
(i) Lease Liabilities	4.2	-	1,367.69
(ii) Other financial liabilities	4.13	107,096.32	98,555.23
Other non current liabilities	4.14	83,622.40	92,903.68
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Lease Liabilities	4.2	1,367.69	7,724.48
(ii) Trade Payables	4.15		
a) Total outstanding dues of Micro, Small and Medium Enterprises		-	1,083.56
b) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		31,557.91	497,524.05
(iii) Other financial liabilities	4.16	5,146.94	8,951.05
Other current liabilities	4.17	23,797.45	26,871.26
Provisions	4.18	-	8,157.76
<b>Total Equity and Liabilities</b>		<b>341,517.81</b>	<b>949,156.21</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

As per our separate report of even date attached

sd/-

**V.J. Kurian**Chairman & Managing Director  
(DIN:1806859)

sd/-

**A.M. Shabeer**Director  
(DIN:1643446)

sd/-

**Santhosh J Poovattil**

Chief Financial Officer

For **Krishnamoorthy & Krishnamoorthy**

Chartered Accountants (FRN: 001488S)

sd/-

**C.A. K T Mohanan**

Partner (M.No: 201484)

UDIN: 21201484AAAABE2120

Place: Nedumbassery

Date : 04.06.2021

**Part II : STATEMENT OF PROFIT & LOSS**  
**CIAL DUTYFREE AND RETAIL SERVICES LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021**

(Rupees in '000)

Particulars		Note No:	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>I.</b>	<b>Income:</b>			
	Revenue from Operations	4.19	508,803.65	2,295,183.69
<b>II.</b>	Other Income	4.20	14,423.57	38,116.83
<b>III.</b>	<b>Total Income (I+II)</b>		<b>523,227.22</b>	<b>2,333,300.53</b>
<b>IV.</b>	<b>Expenses:</b>			
	Purchase of Stock in Trade		84,700.15	1,011,623.41
	Change in Inventories of stock in trade	4.21	166,116.09	(9,142.19)
	Employee Benefits	4.22	98,137.46	99,995.66
	Finance Costs	4.23	12,822.86	8,921.54
	Depreciation and amortisation expenses	4.1 & 4.2	5,976.42	6,823.39
	Other Expenses	4.24	314,048.29	1,092,019.83
	<b>Total Expenses (IV)</b>		<b>681,801.27</b>	<b>2,210,241.64</b>
<b>V</b>	<b>Profit before Tax (III-IV)</b>		<b>(158,574.04)</b>	<b>123,058.89</b>
<b>VI</b>	<b>Tax expense:</b>			
	a. Current tax		-	30,586.76
	b. Deferred tax		(39,209.27)	515.74
	c. Earlier years tax		(2,276.43)	-
	Total Tax Expense (VI)	4.25	(41,485.70)	31,102.50
<b>VII</b>	<b>Profit for the year (V-VI)</b>		<b>(117,088.35)</b>	<b>91,956.39</b>
<b>VIII</b>	<b>Other comprehensive income</b>			
	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		-	-
<b>IX</b>	<b>Total comprehensive income for the period (Profit / Loss + Other Comprehensive Income)</b>		<b>(117,088.35)</b>	<b>91,956.39</b>
<b>X</b>	<b>Earnings per equity share (for continuing operations)</b>	4.26		
	a) Basic		(167.10)	131.24
	b) Diluted		(167.10)	131.24
<b>XI</b>	<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
	a) Basic		(167.10)	131.24
	b) Diluted		(167.10)	131.24

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

As per our separate report of even date attached

sd/-

**V.J. Kurian**Chairman & Managing Director  
(DIN:1806859)

sd/-

**A.M. Shabeer**Director  
(DIN:1643446)

sd/-

**Santhosh J Poovattil**

Chief Financial Officer

For **Krishnamoorthy & Krishnamoorthy**

Chartered Accountants (FRN: 001488S)

sd/-

**C.A. K T Mohanan**

Partner (M.No: 201484)

UDIN: 21201484AAAABE2120

Place: Nedumbassery

Date : 04.06.2021

**STATEMENT OF CHANGES IN EQUITY**  
**CIAL DUTYFREE AND RETAIL SERVICES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021**

**A Equity Share Capital**

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

Particulars	Number in '000	Rs. in '000
<b>Balance at April 1, 2019</b>	<b>70.07</b>	<b>700.70</b>
Changes in equity share capital during the year		
(a) Shares issued during the year	-	-
<b>Balance at March 31, 2020</b>	<b>70.07</b>	<b>700.70</b>
Changes in equity share capital during the year		
<b>Balance at March 31, 2021</b>	<b>70.07</b>	<b>700.70</b>

**B Other Equity (Rupees in '000)**

Particulars	Retained Earnings	Other Comprehensive Income	Total
<b>Balance at April 1 2019</b>	<b>115,221.88</b>		<b>115,221.88</b>
Impact on account of adoption of Ind AS 116 (Refer Note No 4.2)	(2,578.99)		(2,578.99)
Deferred Tax impact on account of adoption of Ind AS 116	717.48		717.48
<b>Profit for the year</b>	<b>91,956.39</b>		<b>91,956.39</b>
Other Comprehensive Income	-		-
<b>Balance at March 31, 2020</b>	<b>205,316.75</b>		<b>205,316.75</b>
<b>Balance at April 1 2020</b>	<b>205,316.75</b>		<b>205,316.75</b>
<b>Profit (loss) for the year</b>	<b>(117,088.35)</b>		<b>(117,088.35)</b>
Other Comprehensive Income	-		-
<b>Balance at March 31, 2021</b>	<b>88,228.40</b>		<b>88,228.40</b>

For and on behalf of the Board of Directors

As per our separate report of even date attached

sd/-  
**V.J. Kurian**  
Chairman & Managing Director  
(DIN:1806859)

sd/-  
**A.M. Shabeer**  
Director  
(DIN:1643446)

sd/-  
**Santhosh J Poovattil**  
Chief Financial Officer

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

sd/-

**C.A. K T Mohanan**

Partner (M.No: 201484)

UDIN: 21201484AAAABE2120

Place: Nedumbassery  
Date : 04.06.2021

# CIAL DUTYFREE AND RETAIL SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021

(Rupees in '000)

Particulars	For the Year Ended 31.03.2021		For the Year Ended 31.03.2020	
<b>A. Cash Flow from Operating Activities</b>				
Profit before income tax		(158,574.04)		123,058.89
Adjustments for:				
Depreciation	5,976.42		6,823.39	
Interest Income	(3,445.24)		(282.69)	
Unrealised Forex Loss	8,663.78		(2,571.64)	
Interest Paid on lease liability	470.82		1,061.61	
		11,665.77		5,030.67
Operating profit before working capital changes		(146,908.27)		128,089.56
Adjustments for:				
(Increase)/decrease in Inventories	166,116.09		(9,142.19)	
(Increase)/decrease in Trade receivables	-		-	
(Increase)/decrease in Tax Assets	-		-	
(Increase)/decrease in Other Current Assets	503,118.50		(210,917.38)	
Increase/(decrease) in Liabilities & Provisions	(483,028.66)	186,205.93	53,915.95	(166,143.62)
Cash generated from operations		39,297.66		(38,054.06)
Direct Tax (payments)/refunds (Net)		135,440.82		(22,430.75)
<b>Net Cash Flow from Operating Activities</b>		<b>174,738.48</b>		<b>(60,484.81)</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets including Capital work-in-progress	-		(411.27)	
Deposit Invested	(150,019.56)		(50.00)	
Interest received	3,306.40		278.55	
<b>Net Cash Flow from Investing Activities</b>		<b>(146,713.16)</b>		<b>(182.72)</b>
<b>C. Cash Flow from Financing Activities</b>				
Payment of Principal portion of lease liabilities	(7,724.48)		(6,561.77)	
Interest Paid on lease liability	(470.82)		(1,061.61)	
<b>Net Cash Flow from Financing Activities</b>		<b>(8,195.30)</b>		<b>(7,623.38)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>19,830.02</b>		<b>(68,290.92)</b>
<b>Cash and cash equivalents at the beginning of the period</b>				
Cash on hand	226.77		208.08	
Balances with bank	7,835.02		76,119.00	
		8,061.78		76,327.08
<b>Cash and cash equivalents at the end of the period</b>				
Cash on hand	334.85		226.77	
Balances with bank	27,254.04		7,835.02	
Effect of Foreign Exchange Fluctuations	302.93		(25.63)	
		27,891.81		8,036.16
<b>Net Increase/(Decrease) as disclosed above</b>		<b>19,830.02</b>		<b>(68,290.92)</b>

For and on behalf of the Board of Directors

As per our separate report of even date attached

sd/-

**V.J. Kurian**Chairman & Managing Director  
(DIN:1806859)

sd/-

**A.M. Shabeer**Director  
(DIN:1643446)

sd/-

**Santhosh J Poovattil**

Chief Financial Officer

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

sd/-

**C.A. K T Mohanan**

Partner (M.No: 201484)

UDIN: 21201484AAAABE2120

Place: Nedumbassery

Date : 04.06.2021

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021****1 CORPORATE INFORMATION**

CIAL Dutyfree and Retail Services Limited is a public limited Company incorporated and domiciled in India. The Company was incorporated on 1<sup>st</sup> 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 Duty Free 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 01.06.2021

**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. The accounting policies are applied consistently to all the periods presented in the financial statements.

**(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 with effect from March 25, 2020 till June 30, 2020, has affected the operations of the Airport and the international passenger traffic. Consequent to this, the operations of the company during the financial year 2020-21 has resulted in net loss of Rs.11,7,088.00 thousands. Added with this, the outbreak of 2<sup>nd</sup> wave of Covid 19 has resulted in further reduction in international flights during April, May 2021. The Company has made 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. For this assessment Management believes that it has to take into account all possible impact of known events arising from COVID-19 pandemic in these financial statements. However the impact of COVID-19 pandemic on Companies business will depend on future developments that cannot be reliably predicted. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will closely monitor any material changes to future economic conditions.

**(iii) Application of New 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:

**(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 standalone financial statements of the Company.

**(ii) 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 standalone financial statements of the Company.

**(iii) Amendment to Ind AS 109 - Financial Instruments:**

Modification to specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by the interest rate benchmark reform. The amendment to Ind AS 109 does not have any material impact on the standalone financial statements of the Company.

**(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 thousands. Although as per the requirement of Schedule III, the figures can be rounded off to the nearest lakhs or more, the company has opted to present the figures as rounded off to the nearest thousands considering that the depth of some of the heads of accounts is less than 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 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.

## 2.5 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.

## 2.6 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.

## 2.7 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.

## 2.8 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.

## **2.9 Claims Receivable**

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

## **2.10 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.

## **2.11 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.

## **2.12 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.

Remeasurement 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'.

## 2.13 **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.

## 2.14 **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.

## 2.15 **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.

### 3 RECENT ACCOUNTING PRONOUNCEMENTS

- a) There are no new standards issued but not yet made effective as on the date of approving the financial statements.
- b) Disclosure requirements in accordance with amendment to schedule III vide notification dated 24<sup>th</sup> March 2021 have not been incorporated, as the same is made applicable from 1<sup>st</sup> April 2021. However the said disclosures will be incorporated in the subsequent financial statements, incorporating the same for the previous year also.



**4.1 Property, Plant & Equipment**

(Rupees in '000)

	Gross Block			Depreciation			Net Block	
Particulars	Gross Block as on 01.04.2020	Addition During the year	Gross Block as on 31.03.2021	Accumulated depreciation as on 01.04.2020	Depreciation for the year	Accumulated depreciation as on 31.03.2021	WDV as on 31.03.2021	WDV as on 31.03.2020
<b>A. Tangible Assets</b>								
Computer & Accessories	3,274.25	0.00	3,274.25	2,857.92	131.43	2,989.35	284.90	416.33
	3,029.40	244.85	3,274.25	1,862.91	995.02	2,857.92	416.33	1,166.50
Office Equipment	150.26	0.00	150.26	14.92	28.52	43.44	106.81	135.33
	0.00	150.26	150.26	0.00	14.92	14.92	135.33	0.00
Total	3,424.51	0.00	3,424.51	2,872.85	159.95	3,032.79	391.72	551.66
	3,029.40	395.11	3,424.51	1,862.91	1,009.94	2,872.85	551.66	1,166.50
<b>B. Intangible Assets</b>								
Software	16.16	0.00	16.16	2.36	5.38	7.74	8.42	13.80
	0.00	16.16	16.16	0.00	2.36	2.36	13.80	0.00

**4.2 Right of Use Assets (ROU)**

(Rupees in '000)

	Gross Block			Depreciation			Net Block	
Particulars	Gross Block as on 01.04.2020	Addition During the year	Gross Block as on 31.03.2021	Accumulated depreciation as on 01.04.2020	Depreciation for the year	Accumulated depreciation as on 31.03.2021	WDV as on 31.03.2021	WDV as on 31.03.2020
Warehouse Building	29,539.69	0.00	29,539.69	22,275.83	5,811.09	28,086.92	1,452.77	7,263.86
	29,539.69	0.00	29,539.69	16,464.75	5,811.09	22,275.83	7,263.86	0.00
Total	29,539.69	0.00	29,539.69	22,275.83	5,811.09	28,086.92	1,452.77	7,263.86

**4.2.1 Leases**

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 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 8.34%.

The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows :

Particulars	Year Ended 31 <sup>st</sup> March 2021
Balance as at April 1, 2020	7,263.86
Additions	0.00
Deletion	0.00
Depreciation	(5811.09)
<b>Balance as at March 31, 2021</b>	<b>1,452.77</b>

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 March 31, 2021 is as follows :

Particulars	Year Ended 31 <sup>st</sup> March 2021
Balance as at April 1, 2020	9,092.17
Additions	0.00
Finance cost accrued during the period	470.82
Deletions	0.00
Payment of lease liabilities	(8195.30)
<b>Balance as at March 31, 2021</b>	<b>1,367.69</b>

The break-up of current and non-current lease liabilities as at March 31, 2021 is as follows :

Particulars	Year Ended 31 <sup>st</sup> March 2021
Current lease liabilities	1,367.69
Non-current lease liabilities	0.00
<b>Total</b>	<b>1,367.69</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

#### 4.3 Income Tax Assets (Net) (Rupees in '000)

Particulars	As at 31.03.2021	As at 31.03.2020
Income Tax Assets (Net of provision)	0.00	0.00
	<b>0.00</b>	<b>0.00</b>

#### 4.4 Deferred Tax Assets (Net) (Rupees in '000)

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax Liability	0.00	0.00
Deferred Tax Assets	0.00	0.00
On account of carried forward business loss and depreciation allowance, etc	40,104.54	895.27
	<b>40,104.54</b>	<b>895.27</b>



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 '000)

Particulars	Opening balance	Adjustment to Retained Earnings	Recognised in profit or loss	Closing Balance
<b>Deferred tax (Liabilities) / Assets in relation to :</b>				
Property, plant and equipment	111.86		(53.78)	58.08
Leases (Refer Note 4.2)	460.15		(481.56)	(21.41)
Preliminary Expenses	323.26		(323.26)	0.00
Business loss / depreciation Allowance carried forward	0.00		40,067.88	40,067.88
<b>Total</b>	<b>895.27</b>		<b>39,209.27</b>	<b>40,104.54</b>

**4.5 Inventories: (at lower of cost and net realizable value) (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
Stock in Trade	92,748.86	258,864.95
	<b>92,748.86</b>	<b>258,864.95</b>

**4.5.1** 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.

**4.6 Cash & Cash Equivalents (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Balance with Banks</b>		
i) in Current Accounts	27,254.04	7,835.02
ii) in Deposit Accounts (maturity < 3 Months)	0.00	0.00
<b>Cash on hand</b>	334.85	226.77
	<b>27,588.88</b>	<b>8,061.78</b>

**4.7 Bank Balances - Others (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Balance with Banks</b>		
In Deposit Accounts		
(i) maturity 3-12 Months	150,019.56	0.00
In earmarked Accounts		
Balance with Banks in Deposit Account held under lien with commercial tax authorities	50.00	50.00
	<b>150,069.56</b>	<b>50.00</b>

**4.8 Other Financial Assets (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
Interest accrued on fixed deposits	153.57	14.74
	<b>153.57</b>	<b>14.74</b>

**4.9 Income Tax Assets (Net) (Current) (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
Income Tax Assets (Net of provision)	49.83	141,371.99
	<b>49.83</b>	<b>141,371.99</b>

**4.10 Other Current Assets (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
Advances recoverable in cash or in kind or for value to be received.	560.49	3,735.08
Other receivables (under contractual rights receivable)	729.35	29,411.51
Balances with Government Authorities	27,659.81	498,921.56
	<b>28,949.65</b>	<b>532,068.15</b>

**4.11 Share Capital (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Authorised:</b> 5,00,00,000 (5,00,00,000) Equity Shares of Par Value Rs. 10/- (Rs. 10/-) each	500,000.00	500,000.00
<b>Issued and Subscribed and fully paid:</b> 70,070 (70,070) Equity Shares of Par Value of Rs. 10/- (Rs. 10/-) each, fully paid up	700.70	700.70
	<b>700.70</b>	<b>700.70</b>

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

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Rupees	No. of Shares	Rupees
No. of shares as at the beginning of the financial year	70.07	700.70	70.07	700.70
Add: Shares issued during the year	-	-	-	-
No. of shares as at the end of the financial year	70.07	700.70	70.07	700.70

**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.

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

Particulars	As at 31.03.2021		As at 31.03.2020	
	%	No. of Shares	%	No. of Shares
Cochin International Airport Ltd.	99.90%	70,000	99.90%	70,000

**4.12 Reserves and Surplus**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>General Reserve</b>		
Balance as per last Balance Sheet	0.00	0.00
Add: Transfer from Retained Earnings	0.00	0.00
Closing balance (a)	<b>0.00</b>	<b>0.00</b>
<b>Retained Earnings</b>		
Balance as per last Balance Sheet	205,316.75	115,221.88
Add: Profit (loss) for the year	(117,088.35)	91,956.39
	<b>88,228.40</b>	<b>207,178.27</b>
Less : Impact on account of adoption of Ind AS 116	0.00	(2,578.99)
Add : Deferred Tax impact on account of adoption of Ind AS 116	0.00	717.48
Less: Appropriations	0.00	0.00
(b)	88,228.40	205,316.75
(a+b)	<b>88,228.40</b>	<b>205,316.75</b>

The Board of Directors of the Company has proposed a dividend of Rs.0.00 (Nil) per share for the Financial Year 2020-21

**4.13 Other Financial Liabilities (Non Current) (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
Security Deposits including Retention	107,096.32	98,555.23
	<b>107,096.32</b>	<b>98,555.23</b>

**4.13.1** 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.

**4.14 Other Non Current Liabilities (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Fair Valuation Gain	83,622.40	92,903.68
	<b>83,622.40</b>	<b>92,903.68</b>

**4.15 Trade Payables (Rupees in '000)**

Particulars	As at 31.03.2021 Rupees in '000	As at 31.03.2020 Rupees in '000
Total outstanding dues of Micro, Small and Medium Enterprises	-	1,083.56
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		
- Related Parties	7,159.60	438,099.19
- Others	24,398.31	59,424.86
	<b>31,557.91</b>	<b>498,607.61</b>

- 4.15.1** 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.

**4.16 Other Financial Liabilities (Current) (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
Security Deposits including Retention	5,146.94	8,951.05
	<b>5,146.94</b>	<b>8,951.05</b>

**4.17 Other current liabilities (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
a) Revenue received in advance		
Deferred Revenue arising from security deposits	9,281.29	8,541.09
b) Other Payables		
Statutory Dues	10,490.58	12,139.95
Others	4,025.59	6,190.22
	<b>23,797.45</b>	<b>26,871.26</b>

**4.18 Provisions (Rupees in '000)**

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Income Tax (Net of Tax Paid)	0.00	8,157.76
	<b>0.00</b>	<b>8,157.76</b>



**4.24 Other Expenses****(Rupees in '000)**

<b>Particulars</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Royalty paid to CIAL (Refer Note No.4.29)	218,551.14	980,496.01
Foreign Exchange Rate Variance (net)	13,336.87	7,396.32
Management Fees (Duty Free Shop)	14,870.08	66,145.16
Other Administrative Charges	1,952.28	11,251.00
Advertisement and Sales Promotion expenses	5,612.99	10,597.00
Housekeeping Expenses	5,263.49	6,959.40
Security Charges	1,275.12	1,728.30
Corporate Social Responsibility expenses	2,770.07	0.00
Insurance	1,878.13	994.57
Professional and Consultancy charges	2,108.29	504.05
Auditor's Remuneration (Refer Note 4.27)	220.00	230.00
Consumption of Stores, Spares & Consumables	46.34	178.38
Damaged/lost inventory written off	15,482.77	132.17
GST written off	24,666.02	0.00
Rates and Taxes	69.70	30.25
Repairs and Maintenance:		
- Repair to Plant, Equipment	33.75	10.75
Travelling and Conveyance	5,887.08	5,336.34
Vehicle running and maintenance	24.15	30.13
	<b>314,048.29</b>	<b>1,092,019.83</b>

**4.25 The Income tax expense for the year can be reconciled to the accounting profit as follows:****(Rupees in '000)**

<b>Particulars</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Profit before tax	(158,574.04)	123,058.89
Income tax expense calculated at 25.168% (2019-20 @25.168%)	-	30,971.46
Effect of expenses that are not deductible in determining taxable profit	-	-
Reversal of opening deferred tax due to change in tax rate	-	134.51
On Defined Benefit Obligations	-	-
Adjustments recognised in the current year in relation to current tax of prior years	-	-
<b>Income tax expense recognised in profit or loss</b>	<b>-</b>	<b>31,105.97</b>

**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 of 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.

**Reconciliation of Fees to CIAL**

Sales	586,068.34	2,420,605.39
Advertisement revenue	2,375.00	14,741.99
	588,443.34	2,435,347.38
Less: Adjustments		
Discount to customers	85,797.64	172,100.09
Commission on net sales	14,870.08	66,145.16
Net balance	487,775.62	2,197,102.13
Adjustment of forex	0.00	0.00
	487,775.62	2,197,102.13
Service charge to CIAL	218,551.14	980,496.01
percentage to -	45%	45%

**4.26 Basic and Diluted Earning per Share (EPS), of face value Rs.10/- has been calculated as under:**  
(Rupees in '000)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Basic &amp; Diluted:</b>		
<b>Numerator</b>		
Net Profit / (Loss) for the year	(117,088.35)	91,956.39
<b>Denominator</b>		
Weighted average number of equity shares outstanding during the year	700.70	700.70
<b>Earnings per Share - Basic (in Rupees)</b>	<b>(167.10)</b>	<b>131.24</b>
<b>- Diluted (in Rupees)</b>	<b>(167.10)</b>	<b>131.24</b>

**4.27 Payment To The Auditor** (Rupees in '000)

Particulars	As at 31.03.2018	As at 31.03.2017
For Statutory Audit	160.00	160.00
For Tax Audit	60.00	60.00
For other Services	-	10.00
	<b>220.00</b>	<b>230.00</b>

**4.28** 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  
Kerala Waterways and Infrastructures Limited

**c) Key Management Personnel**

Mr. V. J. Kurian - CMD  
Mr. A.M. Shabeer - Director  
Mr. Joseph Peter - Director  
Mr. Jayarajan V - Director

**d) Key Management Personnel of Holding Company**

Mr. V. J. Kurian - CMD

**B. Transactions with related parties**

**a) With Holding Company**

(Rupees in '000)

Particulars	Current Year	Previous Year
<b>Cochin International Airport Limited</b>		
Fee to CIAL	218,551.14	980,496.01
Lease Rent	8,195.30	7,623.38
Secondment charges paid to CIAL	45,019.75	97,491.73
<b>Amount Outstanding as at 31.03.2021</b>		
Cochin International Airport Limited	7,159.60	438,099.19

**b) Details of transactions with key managerial personnel**

(Rupees in '000)

Particulars	Current Year	Previous Year
Salary, Allowances & other benefits	Nil	Nil
i) To CMD	Nil	Nil
ii) To Sri Saji K George, Company Secretary of Holding Company	231	509

**4.29** As per the agreement entered into with the holding Company, vide agreement dated 29<sup>th</sup> 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 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.

**4.30** As per the arrangement with holding company, the staff requirement of the Company is managed though 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 along with fringe benefits paid to employees deputed through secondment amounting to Rs.45,019.75 thousands (Rs.97,491.73 thousands), accounted on the basis of service invoice raised by the holding company.

#### 4.31 Impact of COVID-19 pandemic, lockdown and travel restrictions

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. CDRSL was operating normally until the spread of Covid -19 pandemic all across the world. The international operations at Cochin Airport started declining significantly from the last quarter of the financial year 2019-20 once travel restrictions to various countries were enforced by the Government. The cumulative effect of the pandemic in Civil Aviation, Travel and Tourism industry has been continuous since its outbreak and has contributed to substantial reduction in the international passengers from February 2020 onwards, consequent to which sales from the duty-free shops operated by the company has been adversely effected. The month of April and May 2020 suffered total wipe out of revenues. The suspension of scheduled international flights is being extended by the Government periodically. Flight operations under the Vande Bharat Mission and scheduled flights under the travel bubbles India so far created is only prevailing as on date. Even if scheduled international flights are recommenced, it will not be a full recovery of operations for the rest of the months of FY 2021-22. Consequently, the trend of revenue and expenditures for FY 2021-22 is also expected to be in the same line as that of FY 2020-21, only with trivial improvements. Since the duty-free industry is solely dependent on inflow of international passenger traffic for its sustenance, our expected recovery will be similar to the aviation sector. The cash flow of the company was also adversely effected during the month of April and May 2020 but has recovered post reopening of business from 01<sup>st</sup> June 2020 onwards.

The above instances are temporary in nature and hence does not have any impact on the Going Concern of the entity.

#### 4.32 Additional Information (Rupees in '000)

Particulars	Current Year	Previous Year
a) CIF Value of imports made during the year	104,802.93	934,541.85
b) Earnings in Foreign Exchange (Export of Goods)	302,106.43	1,103,438.06
c) Expenditure in Foreign Currency	113,525.23	978,093.36

#### 4.33 Corporate Social Responsibility ('CSR')

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

(Rupees in '000)

Particulars	Current Year	Previous Year
a) Gross Amount required to be spent by the Company during the year : -		
i) Annual CSR allocation for the year	1,640.85	1,121.08
ii) Carry forward from previous year	1,121.08	0.00
Total	2,761.93	1,121.08
b) Amount spent during the year :		
i) By contribution to the Trust :	0.00	0.00
ii) Contribution to CMs Relief Fund	0.00	0.00
iii) By other than the above	2,770.07	0.00

## 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, 2021 and March 31, 2020.

- 4.34** Litigation: The Company has no pending litigations.
- 4.35** The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 4.36** Figures have been rounded off to the nearest rupee in '000s. 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 1 to 4.36 forms integral part of accounts.

### For and on behalf of the Board of Directors

sd/-  
**V.J. Kurian**  
Chairman & Managing Director  
(DIN:1806859)

sd/-  
**A.M. Shabeer**  
Director  
(DIN:1643446)

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: 21201484AAAABE2120

Place: Nedumbassery  
Date : 04.06.2021