



INDEPENDENT AUDITOR'S REPORT

To The Members of GMR Kannur Duty Free Services Limited.

Report on the Audit of Financial Statements

Opinion

1. We have audited the accompanying financial statements of M/s. **GMR Kannur Duty Free Services Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements for the year ended March 31, 2022 give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the company as at March 31, 2022, and its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements:

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. 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.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

8. 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.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - (ii) 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.
 - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements:

13. As required by Sec 197(16) of the Act, we report that the Company has not paid any remuneration to its directors during the year.
14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. 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), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2022 from being appointed as directors in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Appendix-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - 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, as amended, 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 contingent liabilities as of the balance sheet date.
 - ii. The Company did not have any long-term contracts including derivative contracts for



which there were any material foreseeable losses;

- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

For K.S Rao & Co.,
Chartered Accountants
ICAI Firm Registration No: 003109S



Hitesh Kumar P

Partner

Membership No. 233734

UDIN No: 22233734AIOXMT6384

Place: Bengaluru

Date: April 30, 2022



Appendix - A to the Independent Auditors' Report

The Appendix referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE').
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of PPE every year and no material discrepancies identified on such verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - (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 does not have immovable properties.
 - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
(b) As per the information and explanations provided to us, the Company has not obtained any working capital loan during the year and accordingly reporting under the clause is not applicable.
- (iii) The Company has not made investments or provided guarantees or security or granted unsecured loans or advances in the nature of loans during the year, and accordingly reporting under clause (iii) is not applicable
- (iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantee and security which meets the requirements of section 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.



- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at March 31, 2022 for a period of more than six months from date they become payable.
- b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) According to the information and explanations given by the management, the Company has not taken or obtained any loans from a financial institution, banks and other lenders and accordingly reporting under this clause is not applicable.
- (x) (a) According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer or debt instruments or term loans and hence the reporting under clause 3 (x) is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based upon the 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 by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where



applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the books of account
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under this clause is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit, however the Company has incurred cash losses amounts to Rs.4.42 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



(xx) (a) According to the information and explanations provided to us, provisions of section 135 related to Corporate Social Responsibility (CSR) is not applicable. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration no: 003109S



Hitesh Kumar P

Partner

Membership No: 233734

UDIN No.: 22233734AIOXMT6384

Place: Bengaluru

Date: April 30, 2022



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

We have audited the internal financial controls with reference to financial statements of **M/s. GMR Kannur Duty Free Services Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements.

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that,

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

Inherent Limitations of Internal Financial Controls with reference to financial statements.

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements 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 K.S Rao & Co.,
Chartered Accountants
ICAI Firm Registration No: 003109S

Hitesh Kumar P

Hitesh Kumar P

Partner

Membership No: 233734

UDIN No.: 22233734AIOXMT6384

Place: Bengaluru

Date: April 30, 2022



GMR Kannur Duty Free Services Limited
CIN: U74999KL2019PLC060429

Balance Sheet as at March 31, 2022

(All amounts are in Rupees lakhs, unless otherwise stated)

ASSETS	Notes	As at March 31, 2022	As at March 31, 2021
Non-current assets			
Property, Plant and Equipment and Intangible assets			
(i) Property, Plant and Equipment	3	193.20	75.52
(ii) Intangible assets	4	87.99	106.05
(iii) Capital work-in-progress	3	98.87	89.54
Financial Assets			
Other financial assets	5	28.19	0.50
		408.25	271.61
Current assets			
Financial Assets			
Cash and cash equivalents	7	120.89	85.30
Other financial assets	5	4.28	1.23
Other current assets	8	2.97	1.79
		204.98	186.46
Total Assets		613.23	458.07
EQUITY AND LIABILITIES			
Shareholders' Funds			
Equity Share capital	9	415.00	100.00
Other Equity	10	34.09	(14.44)
		449.09	85.56
Total Equity			
Non-current liabilities			
Deferred Tax Liability		4.94	-
		4.94	-
Current liabilities			
Financial Liabilities			
Trade payables	11	123.92	184.49
Other Financial Liabilities	12	16.03	184.83
Other current liabilities	13	9.60	3.20
Provisions	14	9.64	-
		159.19	372.52
		164.13	372.52
Total Equity and Liabilities	2.2	613.22	458.07

Corporate Information & Significant accounting policies
The accompanying notes are an integral part of Financial statements

In terms of our report attached

For K.S. Rao & Co
Firm Registration Number : 0031095
Chartered Accountants

Hitesh Kumar P
Partner
Membership No : 233734

Place: Bengaluru
Date: April 30, 2022



For and on behalf of the board of directors of
GMR Kannur Duty Free Services Limited

Rajesh Kumar Arora
Director:
DIN- 03174536

Place: New Delhi
Date: April 30, 2022

Shyam Sundar Gopalakrishnan
Director:
DIN- 06955536

Place: New Delhi
Date: April 30, 2022



GMR Kannur Duty Free Services Limited
CIN: U74999KL2019PLC060429

Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

	Notes	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Income			
Revenue from operations (net)	15	839.33	93.27
Other income	16	0.23	-
Total Income (i)		839.56	93.27
Expenses			
Cost of goods sold	17	395.45	34.29
Employee benefits expense	18	91.37	34.40
Concession fee and license fee	19	99.66	12.58
Depreciation and amortization expense	20	59.91	4.57
Other expenses	21	131.15	18.81
Total Expense (ii)		777.54	104.65
Profit/(Loss) before tax (i)-(ii)		62.02	(11.38)
Tax expenses			
a) Current income tax		8.55	-
b) Deferred tax charge/(credit)		4.94	-
Total Income tax expense		13.49	-
Profit/(Loss) for the year		48.53	(11.38)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year		-	-
Total Comprehensive Income / (Loss)		48.53	(11.38)
Earnings per equity share			
Basic and Diluted (In Rs.)	22	1.72	(8.99)
Corporate Information & Significant accounting policies	2.2		

The accompanying notes are an integral part of Financial statements
In terms of our report attached

For K.S. Rao & Co
Firm Registration Number : 0031095
Chartered Accountants

Hitesh Kumar P
Partner
Membership No : 233734



Place: Bengaluru
Date: April 30, 2022



For and on behalf of the board of directors of
GMR Kannur Duty Free Services Limited

Rajesh Kumar Arora
Director
DIN- 03174356

Shyam Sundar
Gopalakrishnan
Director
DIN- 06955526

Place: New Delhi
Date: April 30, 2022

Place: New Delhi
Date: April 30, 2022



GMR Kannur Duty Free Services Limited
CIN: U74999KL2019PLC060429
Statement of Cash Flows for the year ended March 31, 2022
(All amounts are in Rs. lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit before tax	62.02	(9.37)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	59.91	2.60
Unrealised foreign exchange Loss	28.10	2.39
Operating profit before working capital changes	150.03	(4.38)
Movements in working capital:		
Increase in trade payables	(279.53)	363.87
Increase in other current liabilities	6.40	3.20
(Decrease) / Increase in provisions	5.98	-
(Decrease) / (Increase) in other receivables	(1.90)	(0.23)
(Increase) / Decrease in inventories	21.31	(98.15)
Decrease in loans and advances	(23.97)	(2.29)
Cash generated from operations	(271.69)	266.40
Direct taxes paid (net of refunds)	(4.90)	-
Net cash flow from operating activities (A)	(126.56)	262.03
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress	(152.84)	(275.73)
Net cash flow used in investing activities (B)	(152.84)	(275.73)
Cash flows from financing activities		
Proceeds from issue of share capital	315.00	99.00
Net cash flow used in financing activities (C)	315.00	99.00
Net increase in cash and cash equivalents (A + B + C)	35.60	85.30
Cash and cash equivalents at the beginning of the year	85.30	-
Cash and cash equivalents at the end of the year	120.89	85.30
Components of cash and cash equivalents	Rs.	Rs.
Cash on hand	12.32	16.60
With banks- on current account	13.55	16.99
- Exchange earner's foreign currency account	95.02	51.71
Credit card collection	-	-
Total cash and cash equivalents	120.89	85.30

The accompanying notes are an integral part of Financial statements

In terms of our report attached

For K.S. Rao & Co
Firm Registration Number : 0031095
Chartered Accountants

Hitesh Kumar P
Partner
Membership No : 233734



Place: Bengaluru
 Date: April 30, 2022



For and on behalf of the Board of Directors of
GMR Kannur Duty Free Services Limited

Rajesh Arora
Director
DIN : 03174536

Shyam Sundar
Gopalakrishnan
Director
DIN- 06955526

Place: New Delhi
 Date: April 30, 2022

Place: New Delhi
 Date: April 30, 2022



GMR Kannur Duty Free Services Limited
CIN: U74999KL2019PLC060429
Statement of Changes in Equity for the year ended March 31, 2022
(All amounts are in Rs. lakhs, unless otherwise stated)

A. Equity Share Capital:

For the Year Ended 31st March 2022
Equity shares of Rs. 10 each issued, subscribed and fully paid as at 1 April, 2021
Issue of shares during the year
As at March 31, 2022

No. of shares	Amount
10,00,000	100.00
31,50,000	315.00
41,50,000	415.00

For the Year Ended 31st March 2021
Equity shares of Rs. 10 each issued, subscribed and fully paid as at 1 April, 2020
Issue of shares during the year
As at March 31, 2021

No. of shares	Amount
10,000	1.00
9,90,000	99.00
10,00,000	100.00

B. Other Equity

Particulars
Balance as at 1 April, 2021
Profit/(Loss) for the year
As at March 31, 2022

Retained Earnings	Total
(14.44)	(14.44)
48.53	48.53
34.09	34.09

Particulars
Balance as at 1 April, 2020
Profit/(Loss) for the year
As at March 31, 2021

Retained Earnings	Total
(3.06)	(3.06)
(11.39)	(11.39)
(14.44)	(14.44)

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of Financial statements

In terms of our report attached

For K.S. Rao & Co
Firm Registration Number: 0031095
Chartered Accountants

Hitesh Kumar P

Partner

Membership No: 233734

Place: Bengaluru
Date: April 30, 2022



For and on behalf of the board of directors of
GMR Kannur Duty Free Services Limited

Rajesh Kumar Arora

Director

DIN- 03174536

Place: New Delhi
Date: April 30, 2022

Shyam Sundar Gopalakrishnan

Director

DIN- 06955526

Place: New Delhi
Date: April 30, 2022



GMR Kannur Duty Free Services Limited

CIN: U74999KL2019PLC060429

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

3. Property, plant and equipment

	Leasehold improvements	Furniture and fixtures	Plant and machinery	Office equipment	Electrical installations	Computers and data processing units	Total Property, plant and equipment	Capital Work in porgess
Gross Block								
At April 01, 2020	-	-	-	-	-	-	-	-
Additions	-	10.74	0.86	5.62	-	60.89	78.12	89.54
Disposals	-	-	-	-	-	-	-	-
At March 31, 2021	-	10.74	0.86	5.62	-	60.89	78.12	89.54
Additions	114.16	9.74	0.41	6.12	26.48	2.63	159.54	98.87
Disposals	-	-	-	-	-	-	-	89.54
At March 31, 2022	114.16	20.48	1.27	11.74	26.48	63.52	237.65	98.87
Depreciation								
At April 01, 2020	-	-	0.04	-	-	-	0.04	-
Charge for the year	-	0.14	0.01	0.13	-	2.28	2.55	-
Disposals	-	-	-	-	-	-	-	-
At March 31, 2021	-	0.14	0.05	0.13	-	2.28	2.60	-
Charge for the year	13.00	2.32	0.11	2.35	3.02	21.06	41.86	-
Disposals	-	-	-	-	-	-	-	-
At March 31, 2022	13.00	2.46	0.16	2.48	3.02	23.34	44.46	-
Net block								
At April 01, 2020	-	-	-	-	-	-	-	-
At March 31, 2021	-	10.61	0.81	5.49	-	58.61	75.52	89.54
At March 31, 2022	101.16	18.02	1.11	9.27	23.46	40.18	193.20	98.87

Note

1. No Revaluation of Property, Plant and Equipment is carried out during the year.

2. The Company does not have any benami property and no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.



GMR Kannur Duty Free Services Limited
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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

4. Intangible Assets		
	Software	Total intangible assets
Gross Block		
At April 01, 2020	-	-
Additions	108.07	108.07
Disposals	-	-
At March 31, 2021	108.07	108.07
Additions	-	-
Disposals	-	-
At March 31, 2022	108.07	108.07
Amortisation		
At April 01, 2020	-	-
Charge for the year	2.02	2.02
Disposals	-	-
At March 31, 2021	2.02	2.02
Charge for the year	18.05	18.05
Disposals	-	-
At March 31, 2022	20.08	20.08
Net block		
As at April 01, 2020	-	-
At March 31, 2021	106.05	106.05
At March 31, 2022	87.99	87.99



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Notes to the Financial Statements for the year ended March 31, 2022
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5 Other financial assets

	March 31, 2022	March 31, 2021
Non Current (unsecured, considered good unless stated otherwise)		
Input Tax Credit	27.69	-
Security deposit	0.50	0.50
	28.19	0.50
Current (unsecured, considered good unless stated otherwise)		
Other receivables	4.28	1.00
	4.28	1.00
6 Inventories (valued at lower of cost and net realisable value)		
Retail merchandise	76.84	98.15
Total	76.84	98.15

7 Cash & cash equivalents

	March 31, 2022	March 31, 2021
A Cash and cash equivalents		
Balances with banks:		
- On current accounts	13.55	16.99
Cheques on hand	95.02	51.71
- Exchange earner's foreign currency	12.32	16.60
Cash on hand	120.89	85.30

8 Other Assets

	March 31, 2022	March 31, 2021
Current (unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	1.19	1.79
Prepaid Expenses	1.78	
Total	2.97	1.79

9 Share capital

	March 31, 2022	March 31, 2021
Authorised share capital		
50,00,000 equity shares of Rs. 10 each	100.00	100.00
Increase/(decrease) during the year	400.00	
Total	500.00	100.00
Issued, subscribed and fully paid-up share capital		
1,00,00,000 equity shares of Rs.10 each	100.00	1.00
Add: Issued during the year/period (31,50,000 shares of Rs. 10 each)	315.00	99.00
Total	415.00	100.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	March 31, 2022	March 31, 2021
Equity Shares		
At the beginning of the year	Number 10,00,000 Rs. 1,00,00,000	Number 10,00,000 Rs. 1,00,00,000
Outstanding at the end of the year	Number 34,50,000 Rs. 3,45,00,000	Number 10,00,000 Rs. 1,00,00,000

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



(c) Shares held by holding company:

	March 31, 2022	March 31, 2021
GMR Airports Limited		
34,50,000 equity shares of Rs.10 each (March 31 2021: 10,00,000)	34,50,000	10,00,000

(d) Details of shareholders holding more than 5% shares in the company

	March 31, 2022		March 31, 2021	
	Nos	% holding in	Nos	% holding in
Equity shares of Rs.10 each fully paid				
GMR Airports Limited*	34,50,000	100%	10,00,000	100%

*99.94% shares are held by GMR Airports Limited and balance are held by the Company only through nominees.

10 Other equity

March 31, 2022	March 31, 2021
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Share Application Money pending allotment

Reserves & Surplus		
Balance as per last financial statements	(14.44)	(3.06)
Add: Net profit/(Loss) during the year/period	48.53	(11.39)
	34.09	(14.44)
Total	34.09	(14.44)

14 Provision for employee benefits-Current

Provision for gratuity	2.22	March 31, 2021
Provision for leave benefits	3.77	-
Provision for taxation [net of advance tax]	3.65	-
Total	9.64	-

11 Trade payables

	March 31, 2022	March 31, 2021
- Outstanding dues to creditors other than micro enterprises and small enterprises	123.92	86.81
- Outstanding dues to related parties	-	97.67
	123.92	184.49
- Outstanding dues to micro enterprises and small enterprises	123.92	184.49

12 Other Financial Liabilities

	March 31, 2022	March 31, 2021
Payable to GAI (Refer Note 21 & 26)	-	184.83
Capital Creditors	12.58	-
Retention money	3.45	-
	16.03	184.83

13 Other Liabilities

	March 31, 2022	March 31, 2021
Current		
Statutory dues	9.60	3.20
Total	9.60	3.20



GMR Kannur Duty Free Services Limited

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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

15. Revenue from operations

	for the year ended March 31, 2022	for the year ended March 31, 2021
Sale of products	839.33	93.27
Sale of indigenous products	-	-
Revenue from operations	839.33	93.27

16. Other income

	for the year ended March 31, 2022	for the year ended March 31, 2021
Other non-operating income	0.23	-
	0.23	-

17. Cost of goods sold

	for the year ended March 31, 2022	for the year ended March 31, 2021
Opening stock	98.15	-
Add: Purchases	374.14	132.44
Less : Closing stock	(76.84)	(98.15)
	395.45	34.29

18. Employee benefit expense

	for the year ended March 31, 2022	for the year ended March 31, 2021
Salaries, wages and bonus	72.72	31.87
Contribution to provident and other fund	6.11	2.12
Gratuity expense	2.22	-
Staff welfare expenses	10.32	0.41
	91.37	34.40

19. Concession fee and license fee

	for the year ended March 31, 2022	for the year ended March 31, 2021
Concession fee	82.90	9.27
License Fee	16.76	3.31
	99.66	12.58

20. Depreciation and amortization expense

	for the year ended March 31, 2022	for the year ended March 31, 2021
Depreciation of tangible assets	41.86	2.55
Amortization of intangible assets	18.05	2.02
	59.91	4.57



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Notes to the Financial Statements for the year ended March 31, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

21. Other expenses

	for the year ended March 31, 2022	for the year ended March 31, 2021
Electricity charges	5.15	3.15
Rates and taxes	1.98	3.00
Insurance	0.54	-
Repairs and maintenance - others	17.40	-
Rent	0.84	0.28
Advertising, selling and distribution expense	22.94	4.08
Travelling and conveyance	2.69	1.79
Communication costs	12.15	2.76
Printing and stationery	1.06	0.08
Security charges	-	-
Legal and professional fees	2.18	0.52
Management fee	29.28	-
Payment to auditors (including GST) (refer details below)	2.00	0.71
Bank Charges	4.51	0.01
Forex Difference Net	28.10	2.39
Miscellaneous expenses	0.33	0.04
	131.15	18.81

Payment to auditors (inclusive of service tax)

	for the year ended March 31, 2022	for the year ended March 31, 2021
As auditor	-	-
Audit fees	2.00	0.71
Reimbursement of expenses	-	-
	2.00	0.71



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Notes to the financial statements for the year ended March 31, 2022

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1. Corporate information

GMR Kannur Duty Free Services Limited ("GKDFSL or the Company") was incorporated on November 20, 2019 as a wholly owned subsidiary of GMR Airports Limited. To establish and run duty free shops and customs free trade zone, either directly or through agencies to cater to the requirements of International passengers.

2. Significant accounting policies

2.1 Basis of preparation and presentation:

(a) Statement of Compliance:

The Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), notified under Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and other relevant provision of the Act.

(b) Basis of measurement:

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of reporting period. (as explained in accounting policy regarding financial instruments).

2.2 Summary of significant accounting policies

a) Use of estimates

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period



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Notes to the financial statements for the year ended March 31, 2022

All amounts are in Rs. Lakhs, unless otherwise stated

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Foreign currencies

The Financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.



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Notes to the financial statements for the year ended March 31, 2022

All amounts are in Rs. Lakhs, unless otherwise stated

d) Sale of goods:

Revenue from the sale of goods is recognised at the point in time when control is transferred to customers.

(e) Taxes

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(f) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred

Capital Work in Progress are items of Property, Plant and Equipment which are not yet ready for their intended use and are carried at cost, comprising direct cost and related incidental expenses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:



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All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Years
Buildings on leasehold land	30
Leasehold improvements	15
Roads	10
Plant and equipment	15
Electrical installations and equipment	10
Furniture and fittings	8-10
Office equipment	5
Computers and data processing units	3 - 6
Motor vehicles	8

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.

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

Leasehold improvements are amortized over shorter of estimated useful lives or lease period.

Individual assets costing less than Rs.5,000 are fully depreciated in the year of purchase.

(g) Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortized on a straight – line basis over their useful life not exceeding six years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Unaudited Condensed Interim Statement of Profit and Loss when the asset is derecognized.

(h) Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis and includes other directly associated costs in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the



(i) Retirement and other employee benefits

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

Retirement benefit in the form of Superannuation Fund and Employees State Insurance are defined contribution schemes and the contributions are charged to the Unaudited Condensed Interim Statement of Profit and Loss of the period when the contributions to the respective funds are due. The Company has no obligation, other than the contribution payable to the respective funds.

The Company operates a defined benefit gratuity plan (partly funded) in India, which requires contribution to be made to a separately administrated fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

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

Past service costs are recognised in Unaudited Condensed Interim Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Unaudited Condensed Interim Statement of Profit and Loss:

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

Accumulated leave is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave as short-term employee benefit. Actuarial gains/losses are immediately taken to the Unaudited Condensed Interim Statement of



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Profit and Loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(k) Contingent liabilities

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

Contingent assets are disclosed when the economic benefits are probable.

(l) Earnings per share

Basic Earnings per Share is calculated by dividing the net profit and loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings per Share, the net profit and loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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Notes to the financial statements for the year ended March 31, 2022

All amounts are in Rs. Lakhs, unless otherwise stated

22. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted Earnings per share (EPS) computations:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit for calculation of basic / diluted EPS	48.53	(6.82)
Weighted average number of equity shares in calculating basic / diluted EPS	28.15	1.27
Earnings per share Basic and diluted (Rs.)	1.72	(5.39)

23. Retirement and other employee benefits

a. Defined contribution plan

Contribution to Provident and other funds under employee benefits expense are as under:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to provident fund	5.10	1.78
Contribution to employee state insurance	0.95	0.32
Contribution to Labour welfare fund	0.05	0.02

b. Defined benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service.

i. Net employee benefit expenses (recognised in the employee benefits expenses)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	2.22	-
Interest cost on benefit obligation	-	-
Net employee benefit expenses	2.22	-



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ii. Net asset to be recognized in the balance sheet:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	2.22	-
Fair Value of Plan Assets	-	-
Net asset/(liability) to be recognized in the balance sheet	2.22	-

a. Principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.10%	-
Attrition rate	5.00%	-
Expected rate of salary increases	6.00%	-

The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the year ending:

Year ending	March 31, 2022
March 31, 2023	0.04
March 31, 2024	0.05
March 31, 2025	0.06
March 31, 2026	0.40
March 31, 2027	0.50
April 01, 2028 to April 01, 2032	3.96

c. Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2022	March 31, 2021
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(0.28)	-
- 1% decrease	0.34	-
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	0.34	-
- 1% decrease	(0.29)	-
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(0.02)	-
- 1% decrease	0.02	-



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Notes to the financial statements for the year ended March 31, 2022

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24. Details of transactions with related parties

A. Names of related parties and related party relationship

(i)	Holding company	GMR Airports Limited (GAL)
(ii)	GAL's holding company	GMR Infrastructure Limited (GIL)
(iii)	Ultimate holding company	GMR Enterprises Private Limited
(iv)	Fellow subsidiary companies (Where transactions have taken place during the reporting years)	GMR Hospitality and Retail Limited- Hyderabad Duty Free Division
(v)	Key Managerial Personnel (KMP)	Rajesh Kumar Arora, Director George Chertian, Director Shyam Sundar Gopalkrishnan, Director

B. Related party transactions

Sl. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Purchases GMR Hospitality and Retail Limited - Hyderabad Duty Free Division	289.87	97.67
(ii)	Proceeds from issue of Share capital GMR Airports Limited	315.00	99.00
(iii)	Reimbursement of expenditure to GMR Airports Limited	-	76.60
(iv)	Acquisition of Net Assets through Business Transfer Agreement GMR Airports Limited	-	108.23

C. Balances outstanding in related party accounts are as follows:

Related party transactions	As at March 31, 2022	As at March 31, 2021
Trade payables:		
GMR Hospitality and Retail Limited- Hyderabad Duty Free Division	2.99	97.67
GMR Airports Limited	-	184.83
Issue of Share Capital:		
GMR Airports Limited	415.00	100.00



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Notes to the financial statements for the year ended March 31, 2022
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25. Financial risk management objectives and policies

Financial Risk Management Framework

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

- Details of unhedged foreign currency is shown below-

Particulars	March 31, 2022		March 31, 2021	
	Amount in foreign currency	Amount in Rs. lakhs	Amount in foreign currency	Amount in Rs. Lakhs
Trade payables	USD 22,867 CHF 7,737 EURO 1,984	17.33 6.35 1.67	USD1,49,486 CHF21,951 EURO 3,230 GBP	109.29 17.02 2.77 4.65
Bank balances	USD 1,25,374	95.17	USD 70,723 4,616	51.71
Other Receivables	USD 3,641 CHF 300 EURO 163	2.74 0.25 0.14	USD 1,383 CHF 79 EURO 50	1.01 0.07 0.04
Foreign currency on hand	AED 18,395 KWD 1,443 OMR 379 QAR 2,982 SAR 5,853 USD 1,161 BAH 28	3.80 3.61 0.75 0.62 1.18 1.42 0.06	AED 36,950 KWD 526 OMR 387 QAR 9,031 SAR 12,377 USD 1,093 BAH	7.35 1.27 0.76 1.80 2.41 0.80 -

26. The Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its deferred tax assets/ (liabilities) (net) based on the rate prescribed in the said Ordinance. The full impact of this change has been recognised in the statement of profit and loss and other comprehensive income, for the year ended March 31, 2021.

27. Fair valuation techniques

The carrying amount of all financial assets and liabilities appearing in the audited Financial Statements is reasonable approximation of fair values.



GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2022

All amounts are in Rs. Lakhs, unless otherwise stated

28. The company monitors the operating results of its business as a single operating segment.

29. Commitments and Contingencies

A. Contingent Liabilities as on 31st March 2022 - Nil (March 21: NIL)

B. Commitments as on 31st March 2022 - 51.47 Lakhs (March 21: NIL)

30. Financial ratios

Ratio	Numerator	Denominator	As at	As at	% Change	Reason for variance
			31 March 2022	31 March 2021		
Current ratio	Current assets	Current liabilities	1.29	0.50	157.24%	Increase in Cash and Cash equivalent and decrease in other current liabilities
Return on equity ratio	Profit after tax	Average of total equity	18.15%	(27.25) %	45.40%	Increase in revenue for the period.
Inventory turnover ratio	Costs of materials consumed	Average inventories	4.52	0.70	546.85%	Due to increased in revenue, the corresponding COGS has been increased.
Trade payables turnover ratio	Purchases	Average trade payables	2.43	1.41	71.79%	Increase in Purchased during the Period.
Net capital turnover ratio	Revenue from operations	Working capital [Current assets - Current liabilities]	18.33	(0.50)	(3756.92)%	



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Notes to the financial statements for the year ended March 31, 2022
All amounts are in Rs. Lakhs, unless otherwise stated

Net profit ratio	Profit after tax	Revenue from operations	5.78%	(12.20) %	17.98%	Increase in revenue.
Return on capital employed	Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Capital employed [Total assets - Current liabilities + Current borrowings]	27.15%	(7.96) %	35.11%	Increase in Revenue during the period.
Return on investment	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	11.69%	(11.38) %	23.07%	

31. A) Ageing schedule of capital work-in-progress

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	98.87	-	-	-	98.87
Total					98.87
As at 31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	89.54	-	-	-	89.54
Total					89.54



GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2022

All amounts are in Rs. Lakhs, unless otherwise stated

31. B) Completion schedule of capital work-in-progress

As at 31 March 2022	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Arrival Store Expansion	98.87	-	-	-	98.87
Total					98.87

As at 31 March 2021	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
New Arrival Store	89.54	-	-	-	89.54
Total					89.54

32. Ageing schedule of trade payables

As at 31 March 2022	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	-	-	-	-	-
Others	123.92	-	-	-	123.92
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total					123.92

As at 31 March 2021	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	-	-	-	-	-
Others	184.49	-	-	-	184.49
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total					184.49



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33. The following are the additional disclosures as per schedule III

The Company does not have any undisclosed income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

b) There are no charges or satisfaction to be registered with ROC beyond the statutory period.

c) The Company is not declared as a willful defaulter.

d) The Company does not have any relationship with Struck off Companies.

j) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

[illegible]

GMR Kannur Duty Free Services Limited

CIN: U74999KL2019PLC060429

Notes to the financial statements for the year ended March 31, 2022

All amounts are in Rs. Lakhs, unless otherwise stated

34. Previous year/period figures have been regrouped and reclassified wherever necessary to conform to those of the current period.

As per our report of even date

For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No. 0031095


Hitesh Kumar P

Partner
ICAI Membership No. 233734

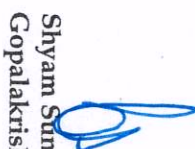
Place: Bengaluru
Date: April 30, 2022



For and on behalf of the Board of Directors of
GMR Kannur Duty Free Services Limited


Rajesh Kumar Arora

Director
DIN: 03174536


Shyam Sundar
Gopalakrishnan

Director
DIN: 06955526

Place: New Delhi
Date: April 30, 2022





Date: April 30, 2023
Place: Bhubaneswar

ICAI Membership No. 339234
Bhubaneswar

Hitesh Kumar B.

Hitesh Kumar B.

Firm Registration No. 0031062
Chartered Accountants
For K-2 Basis & Co.



Date: April 30, 2023
Place: New Delhi

DIN: 03134239
Director

Rajesh Kumar Arora
Chartered Accountant
Bhubaneswar

Rajesh Kumar Arora

CMA Karam Dayal Free Services Limited
For and on behalf of the Board of Directors of

As per our report of each date

conform to those of the statutory books

at Bhubaneswar and New Delhi respectively and rectified wherever necessary to

All amounts due to the firm's parties are duly settled

before the financial statements for the year ended March 31, 2023

CMA: RAJESH KUMAR ARORA

CMA Karam Dayal Free Services Limited