



INDEPENDENT AUDITOR'S REPORT

To The Members of GMR Kannur Duty Free Service Limited.

Report on the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **M/s. GMR Kannur Duty Free Service Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 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 (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, 2021 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, 2021, and its loss (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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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, 2021 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2021 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the company to its directors during the year.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 pending litigations which would impact its financial position.
 - 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.

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

Hitesh
Kumar P
Jain



Digitally
signed by
Hitesh Kumar
P Jain

Hitesh Kumar P
Partner
Membership No. 233734
UDIN No.: 21233734AAAAIZ8340

Place: Bengaluru
Date: May 26, 2021

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, 2021, we report that:

- (i) In respect of the Company's PPE (Property, Plant and Equipment)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (b) The Management has conducted physical verification of Property, Plant and Equipment during the year and no material discrepancies are identified 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 does not have immovable properties.
- (ii) According to information and explanation given 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.
- (iii) According to the information and explanations given to us, 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 Act. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service

tax, duty of custom, duty of excise, value added tax, goods and service tax, cess, Tax deducted at source and other statutory dues applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues were outstanding, at the period end, for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, goods and service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the period.

(ix) According to the information and explanations given by the management, the Company has not raised money by way of term loans or initial public offer or further public offer or debt instruments. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) 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 period.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, 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 to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the 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 balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under

review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.

(xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company and hence not commented upon.

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

Hitesh Kumar P Jain Digitally signed
by Hitesh Kumar P Jain

Hitesh Kumar P
Partner
Membership No: 233734
UDIN No.: 21233734AAAAIZ8340

Place: Bengaluru
Date: May 26, 2021

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, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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, 2021, 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
Jain

Digitally
signed by
Hitesh Kumar
P Jain

Hitesh Kumar P

Partner

Membership No: 233734

UDIN No.:21233734AAAAIZ8340

Place: Bengaluru

Date: May 26, 2021

GMR Kannur Duty Free Services Limited
CIN: U74999KL2019PLC060429
Balance Sheet as at March 31, 2021
(All amounts in Indian Rupees unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	75,51,996	-
Capital work-in-progress	3	89,54,032	-
Intangible assets	3.1	1,06,04,943	-
Investment Property		-	-
Intangible assets under development		-	-
Financial Assets		-	-
Other financial assets	4	50,000	-
Current assets			
Inventories	5	98,14,628	-
Financial Assets			
Investments		-	-
Trade receivables		-	-
Cash and cash equivalents	6	85,29,833	-
Other financial assets	4	1,23,031	1,00,000
Other current assets	7	1,78,882	-
Total Assets		4,58,07,345	1,00,000
EQUITY AND LIABILITIES			
Shareholders' Funds			
Equity Share capital	8	1,00,00,000	1,00,000
Other Equity	9	(14,44,388)	(3,05,516)
Total Equity		85,55,612	(2,05,516)
Non-current liabilities			
Financial Liabilities		-	-
Long-term provisions		-	-
Other non-current liabilities		-	-
Current liabilities			
Financial Liabilities			
Borrowings		-	-
Trade payables	10		
Total outstanding dues of micro and small enterprises			
Total outstanding dues of creditors other than micro and small enterprises		1,84,48,652	3,05,516
Other Financial Liabilities	11	1,84,83,164	
Other current liabilities	12	3,19,917	-
Provisions		-	-
		3,72,51,733	3,05,516
		3,72,51,733	3,05,516
Total Equity and Liabilities		4,58,07,345	1,00,000
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of financial statements		-	-

As per our report of even date

For K.S. Rao & Co

Firm Registration Number : 0031095

Chartered Accountants

Hitesh Kumar P Jain
Digitally signed by Hitesh Kumar P Jain

Hitesh Kumar P

Partner

Membership No : 233734

Place: Bengaluru

Date: May 26, 2021

For and on behalf of the board of directors of

GMR Kannur Duty Free Services Limited

Digitally signed by RAJESH KUMAR ARORA

Rajesh Kumar Arora

Director

DIN- 03174536

Place: New Delhi

Date: May 26, 2021

SHYAM SUNDAR GOPALAKRISHNAN
Digitally signed by SHYAM SUNDAR GOPALAKRISHNAN

Shyam Sundar

Gopalakrishnan

Director

DIN- 06955526

Place: New Delhi

Date: May 26, 2021

GMR Kannur Duty Free Services Limited

CIN: U74999KL2019PLC060429

Statement of profit and loss for the year ended March 31, 2021

(All amounts in Indian Rupees unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the period March 31, 2020
Income			
Revenue from operations (net)	13	93,27,207	-
Other income		-	-
Total revenue (i)		93,27,207	-
Expenses			
Cost of goods sold	14	34,29,100	-
Employee benefits expense	15	34,40,183	-
Concession fee and license fee	16	12,58,364	-
Depreciation and amortization expense	17	4,57,331	-
Other expenses	18	18,81,101	3,05,516
Total Expense (ii)		1,04,66,079	3,05,516
Profit/(Loss) before tax		(11,38,872)	(3,05,516)
Tax expenses			
a) Current income tax		-	-
b) Adjustment of tax relating to earlier periods		-	-
c) Deferred tax charge/ (credit)		-	-
Total Income tax expenses		-	-
Profit/(Loss) for the year		(11,38,872)	(3,05,516)
Other comprehensive income			
Items that will not to 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)		(11,38,872)	(3,05,516)
Earnings per equity share			
Basic and Diluted (In Rs.)	18	(8.99)	(30.55)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of financial statements

As per our report of even date

For K.S. Rao & Co

Firm Registration Number : 0031095

Chartered Accountants

Hitesh
Kumar P
Jain

Digitally
signed by
Hitesh Kumar
P Jain

Hitesh Kumar P

Partner

Membership No : 233734

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

Digitally signed
by RAJESH
KUMAR ARORA

Rajesh Kumar Arora

Director

DIN- 03174536

SHYAM
SUNDAR
GOPALAKRISH
NAN

Digitally signed by
SHYAM SUNDAR
GOPALAKRISHNA
N

Shyam Sundar**Gopalakrishnan**

Director

DIN- 06955526

Place: Bengaluru

Date: May 26, 2021

Place: New Delhi

Date: May 26, 2021

Place: New Delhi

Date: May 26, 2021

GMR Kannur Duty Free Services Limited

CIN: U74999KL2019PLC060429

Statement of Changes in Equity for the year ended March 31, 2021

(All amounts in Indian Rupees unless otherwise stated)

A. Equity Share Capital:

Equity shares of ` 10 each issued, subscribed and fully paid

As at March 31, 2020

Issue of shares during the period

As at March 31, 2021

No. of shares	Amount
10,000	1,00,000
9,90,000	99,00,000
10,00,000	1,00,00,000

B. Other Equity

(i) Retained earnings

Balance as at March 31, 2020

Loss for the year

Balance as at March 31, 2021

Retained Earnings	Total
(3,05,516)	(3,05,516)
(11,38,872)	(11,38,872)
(14,44,388)	(14,44,388)

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of financial statements

As per our report of even date

For K.S. Rao & Co

Firm Registration Number: 003109S

Chartered Accountants

Hitesh
Kumar P
Jain

Digitally
signed by
Hitesh Kumar P
Jain

Hitesh Kumar P

Partner

Membership No : 233734

For and on behalf of the board of directors of

GMR Kannur Duty Free Services Limited

Digitally signed by
RAJESH KUMAR ARORA

Rajesh Kumar Arora

Director

DIN- 03174536

SHYAM SUNDAR
GOPALAKRISHNAN

Shyam Sundar Gopalakrishnan

Director

DIN- 06955526

Place: Bengaluru

Date: May 26, 2021

Place: New Delhi

Date: May 26, 2021

Place: New Delhi

Date: May 26, 2021

GMR Kannur Duty Free Services Limited
CIN: U74999KL2019PLC060429
Cash flow statement for the year ended March 31, 2021
(All amounts in Indian Rupees unless otherwise stated)

	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profit before tax	(9,36,639)	(3,05,516)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	2,59,565	-
Unrealised foreign exchange Loss	2,39,497	-
Operating profit before working capital changes	4,37,577	(3,05,516)
Movements in working capital :		
Increase in trade payables	3,63,86,746	3,05,516
Increase in other current liabilities	3,19,916	-
(Decrease) / Increase in provisions	-	-
Decrease / (Increase) in other receivables	(23,031)	(1,00,000)
(Increase)/Decrease in inventories	(98,14,628)	-
Decrease in loans and advances	(2,28,882)	-
Cash generated from operations	2,66,40,121	2,05,516
Direct taxes paid (net of refunds)	-	-
Net cash flow from operating activities (A)	2,62,02,544	(1,00,000)
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress	(2,75,72,711)	-
Proceeds from sale of fixed assets	-	-
Proceeds from share capital	99,00,000	1,00,000
Redemption of bank deposits/margin money	-	-
Interest received	-	-
Net cash flow used in investing activities (B)	(1,76,72,711)	1,00,000
Cash flows from financing activities		
Net cash flow used in financing activities (C)	-	-
Net increase in cash and cash equivalents (A + B + C)	85,29,833	-
Cash and cash equivalents at the beginning of the year	-	-
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the end of the year	85,29,833	-

Components of cash and cash equivalents	Rs.	Rs.
Cash on hand	16,60,364	-
With banks- on current account	16,98,933	-
- Exchange earner's foreign currency account	51,70,536	-
Cash in transit	-	-
Credit card collection	-	-
Total cash and cash equivalents (note 6)	85,29,833	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For K.S. Rao & Co
Firm Registration Number : 003109S
Chartered Accountants
Hitesh Kumar P Jain Digitally signed by Hitesh Kumar P Jain
Hitesh Kumar P
Partner
Membership No : 233734

For and on behalf of the Board of Directors of
GMR Kannur Duty Free Services Limited
Digitally signed by RAJESH KUMAR ARORA
Rajesh Arora
Director
DIN : 03174536
SHYAM SUNDAR GOPALAKRISHNAN Digitally signed by SHYAM SUNDAR GOPALAKRISHNAN
Shyam Sundar Gopalakrishnan
Director
DIN- 06955526

Place: Bengaluru
Date: May 26, 2021

Place: New Delhi
Date: May 26, 2021

Place: New Delhi
Date: May 26, 2021

GMR Kannur Duty Free Services Limited

Notes to the financial statements for the year ended March 31, 2021

CIN: U74999KL2019PLC060429

(All amounts in Indian Rupees, 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 progress
Gross Block								
At April 01, 2020	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At March 31, 2020	-	-	-	-	-	-	-	-
Additions	-	10,74,112	86,318	5,62,027	-	60,89,105	78,11,562	89,54,032
Disposals	-	-	-	-	-	-	-	-
At March 31, 2021	-	10,74,112	86,318	5,62,027	-	60,89,105	78,11,562	89,54,032
Depreciation								
At April 01, 2019	-	-	-	-	-	-	-	-
Charge for the year	-	-	4,467	-	-	-	4,467	-
Disposals	-	-	-	-	-	-	-	-
At March 31, 2020	-	-	4,467	-	-	-	4,467	-
Charge for the year	-	13,563	992	12,550	-	2,27,994	2,55,098	-
Disposals	-	-	-	-	-	-	-	-
At March 31, 2021	-	13,563	5,459	12,550	-	2,27,994	2,59,565	-
Net block								
At April 01, 2019	-	-	-	-	-	-	-	-
At March 31, 2020	-	-	4,467	-	-	-	4,467	-
At March 31, 2021	-	10,60,549	80,859	5,49,477	-	58,61,111	75,51,996	89,54,032

GMR Kannur Duty Free Services Limited

Notes to the financial statements for the year ended March 31, 2021

CIN: U74999KL2019PLC060429

(All amounts in Indian Rupees, unless otherwise stated)

3.1. Intangible Assets

	Software	Total
Gross Block		
At April 01, 2020	-	-
Additions	-	-
Disposals	-	-
At March 31, 2020	-	-
Additions	1,08,07,176	1,08,07,176
Disposals	-	-
At March 31, 2021	1,08,07,176	1,08,07,176
Depreciation		
At April 01, 2019	-	-
Charge for the year	-	-
Disposals	-	-
At March 31, 2020	-	-
Charge for the year	2,02,233	2,02,233
Disposals	-	-
At March 31, 2021	2,02,233	2,02,233
Net block		
At April 01, 2019	-	-
At March 31, 2020	-	-
At March 31, 2021	1,06,04,943	1,06,04,943

GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees unless otherwise stated)

4 Other financial assets

	March 31, 2021	March 31, 2020
Non Current (unsecured, considered good unless stated otherwise)		
Security deposit	50,000	-
	<u>50,000</u>	<u>-</u>
Current (unsecured, considered good unless stated otherwise)		
Other receivables	1,23,031	1,00,000
	<u>1,23,031</u>	<u>1,00,000</u>

5 Inventories (valued at lower of cost and net realisable value)

	March 31, 2021	March 31, 2020
Retail merchandise	98,14,628	-
Total	<u>98,14,628</u>	<u>-</u>

Cash & cash equivalents and Other bank balances

6

	March 31, 2021	March 31, 2020
A Cash and cash equivalents		
Balances with banks:		
- On current accounts	16,98,933	-
Cheques on hand		
- Exchange earner's foreign currency	51,70,536	-
Credit card collection	-	-
Cash on hand	16,60,364	-
Total	<u>85,29,833</u>	<u>-</u>

7 Other Assets

	March 31, 2021	March 31, 2020
Current (unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	1,78,882	-
Total	<u>1,78,882</u>	<u>-</u>

8 Share capital

	March 31, 2021	March 31, 2020
Authorised share capital		
10,00,000 equity shares of Rs. 10 each	1,00,00,000	1,00,00,000
Increase/(decrease) during the period		
Total	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued, subscribed and fully paid-up share capital		
10,000 equity shares of Rs.10 each	1,00,000	1,00,000
Add: Issued during the year (9,90,000 shares of Rs. 10 each)	99,00,000	-
Total	<u>1,00,00,000</u>	<u>1,00,000</u>

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

Equity Shares

	March 31, 2021		March 31, 2020	
	Number	Rs.	Number	Rs.
At the beginning of the year	10,000	1,00,000	10,000	1,00,000
Outstanding at the end of the year	10,00,000	1,00,00,000	10,000	1,00,000

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, 2021	March 31, 2020
GMR Airports Limited		
100,000 equity shares of Rs.10 each* (March 20: 10,000)	10,00,000	10,000

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

	March 31, 2021		March 31, 2020	
	Nos	% holding in	Nos	% holding in
Equity shares of Rs.10 each fully paid				
GMR Airports Limited*	1,00,000	100%	10,000	100%

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

9 Other equity

	March 31, 2021	March 31, 2020
Reserves & Surplus		
Balance as per last financial statements	(3,05,516)	-
Add: Net profit/(Loss) during the year	(11,38,872)	(3,05,516)
	(14,44,388)	(3,05,516)
Other items of Comprehensive Income		
Re-measurement gains on defined benefit plans	-	-
Total	(14,44,388)	(3,05,516)

10 Trade payables

	March 31, 2021	March 31, 2020
- Outstanding dues to creditors other than micro enterprises and small enterprises	86,81,272	3,05,516
- Outstanding dues to related parties	97,67,380	-
	1,84,48,652	3,05,516
- Outstanding dues to micro enterprises and small	-	-
Total	1,84,48,652	3,05,516

11 Other Financial Liabilities

	March 31, 2021	March 31, 2020
Payable to GAL (Refer Note 21 & 26)	1,84,83,164	-
Total	1,84,83,164	-

12 Other Liabilities

	March 31, 2021	March 31, 2020
Current		
Statutory dues	3,19,917	-
Total	3,19,917	-

GMR Kannur Duty Free Services Limited

Notes to the financial statements for the year ended March 31, 2021

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(All amounts in Indian Rupees, unless otherwise stated)

13. Revenue from operations

	for the period ended March 31, 2021	For the year ended March 31, 2020
Sale of products	93,27,207	-
Total	93,27,207	-

14. Cost of goods sold

	for the period ended March 31, 2021	For the year ended March 31, 2020
Opening stock	-	-
Add: Purchases	1,32,43,728	-
Less : Closing stock	(98,14,628)	-
Total	34,29,100	-

15. Employee benefit expense

	for the period ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	31,86,626	-
Contribution to provident and other fund	2,12,474	-
Staff welfare expenses	41,083	-
Total	34,40,183	-

16. Concession fee and license fee

	for the period ended March 31, 2021	For the year ended March 31, 2020
Concession fee	9,26,931	-
License Fee	3,31,433	-
Total	12,58,364	-

17. Depreciation and amortization expense

	for the period ended March 31, 2021	For the year ended March 31, 2020
Depreciation on PPE	2,55,098	-
Amortization of intangible assets	2,02,233	-
Total	4,57,331	-

18. Other expenses

	for the period ended March 31, 2021	For the year ended March 31, 2020
Rates and taxes	3,14,642	-
Repairs and maintenance - others	3,00,127	-
Rent	28,000	-
Advertising, selling and distribution expense	4,08,102	-
Travelling and conveyance	1,79,059	-
Communication costs	2,75,811	-
Printing and stationery	8,330	-
Legal and professional fees	51,630	-
Payment to auditors (including GST) (refer details below)	70,800	11,800
Bank Charges	858	-
Forex Difference Net	2,39,497	-
Preliminary expenses	-	2,93,716
Miscellaneous expenses	4,245	-
Total	18,81,101	3,05,516

Payment to auditors (inclusive of GST)

	for the period ended March 31, 2021	For the year ended March 31, 2020
As auditor		
Audit fees	70,800	-
Reimbursement of expenses	-	-
Total	70,800	-

GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Rupees, unless otherwise stated)

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

GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Rupees, 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.

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

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.

GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Rupees, unless otherwise stated)

(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:

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.

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 statement of profit or loss when the asset is derecognized.

GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Rupees, unless otherwise stated)

(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 sale.

(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.

(j) 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.

(k) 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.

GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Rupees, unless otherwise stated)

19. 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, 2021	Year ended March 31, 2020
Net Profit for calculation of basic/diluted EPS	(11,38,872)	(305,516)
Weighted average number of equity shares in calculating basic/diluted EPS	1,26,630	10,000
Earnings per share (Basic and diluted) (Rs.)	(8.99)	(30.55)

20. Retirement and other employee benefits:**Defined contribution plan:**

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to provident fund	1,78,497	-
Contribution to ESI	32,337	-
Contribution to Labour welfare fund	1640	-
Total	2,12,474	-

21. 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 Cherian, Director Shyam Sundar Gopalkrishnan, Director

GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Rupees, unless otherwise stated)

B. Related party transactions

Sl. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Purchases GMR Hospitality and Retail Limited - Hyderabad Duty Free Division	97,67,380	-
(ii)	Proceeds from issue of Share capital GMR Airports Limited	99,00,000	1,00,000
(iii)	Reimbursement of expenditure to GMR Airports Limited	76,60,456	-
(iv)	Acquisition of Net Assets through Business Transfer Agreement GMR Airports Limited	1,08,22,708	-

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

Related party transactions	As at March 31, 2021	As at March 31, 2020
Trade payables:		
GMR Hospitality and Retail Limited- Hyderabad Duty Free Division	97,67,380	-
GMR Airports Limited (Refer note 26)	1,84,83,164	-
Issue of Share Capital:		
GMR Airports Limited	1,00,00,000	1,00,000

22. Fair valuation techniques

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

23. Details of unhedged foreign currency is shown below-

Particulars	March 31, 2021	
	Amount in foreign currency	Amount in Rupees
Trade payables	USD 1,49,486	109,28,886
	CHF 21,951	17,02,402
	EURO 3,230	2,76,966
	GBP 4,616	4,65,042
Bank balances	USD 70,723	51,70,536
Other Receivables	USD 1,383	1,01,133
	CHF 50	3,854
	EURO 79	6,749

GMR Kannur Duty Free Services Limited

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Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Rupees, unless otherwise stated)

Particulars	March 31, 2021	
	Amount in foreign currency	Amount in Rupees
Foreign currency on hand	AED 36,930	7,35,092
	KWD 526	1,27,026
	OMR 387	73,584
	QAR 9,031	1,80,259
	SAR 12,377	2,41,259
	USD 1093	79,909

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

25. Commitments and Contingencies

- A. Contingent Liabilities as on 31st March 2021 – Nil (March 20: NIL)
- B. Bank Guarantee outstanding is Rs. 3 Crore. (March 20: NIL)
- C. Commitments as on 31st March 2021 – Nil (March 20: NIL)

26. Business transfer agreement (BTA) has entered between GMR Airports Ltd. – Kannur Division (“Seller”) and GMR Kannur Duty Free Services Ltd. (“Buyer”) with an appointed date of October 01, 2020.

The purchase consideration for Transfer of Duty Free Business Undertaking, on a going concern basis (Slump sale) in accordance with the Agreement from Seller to the Buyer shall be of a value of Rs. 1.08 Crores (Rupees One Crore eight lacs only) (“Purchase Consideration”) which is equal to the Book value of Net assets transferred as of appointed date and shall be paid in cash. The Parties agree that in case the Seller continues to incur any costs and expenses after the Appointed Date in connection with Duty Free Business Undertaking then such costs and expenses shall be reimbursed by the Buyer to Seller on actual basis.

27. The company is yet to formulate retirement benefits plan pertaining to gratuity for its employees. consequently, no provision has been made in the books of accounts.

28. The company is incorporated on November 20, 2019 and hence the comparative figures are not comparable.

GMR Kannur Duty Free Services Limited

CIN: U74999KL2019PLC060429

Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Rupees, unless otherwise stated)

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

As per our report of even date

For K.S. Rao & Co.,

Chartered Accountants

Firm Registration No. 003109S

Hitesh

Kumar P

Jain

Digitally signed
by Hitesh
Kumar P Jain

Hitesh Kumar P

Partner

ICAI Membership No. 233734

For and on behalf of the Board of Directors of

GMR Kannur Duty Free Services Limited

Digitally signed by

RAJESH KUMAR ARORA

Rajesh Kumar Arora

Director

DIN: 03174536

SHYAM SUNDAR Digitally signed by
GOPALAKRISHN SHYAM SUNDAR
AN GOPALAKRISHNAN

**Shyam Sundar
Gopalakrishnan**

Director

DIN: 06955526

Place: Bengaluru

Date: May 26, 2021

Place: New Delhi

Date: May 26, 2021