

## **INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
WELCOME RETAIL PRIVATE LIMITED**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **OPINION**

We have audited the accompanying financial statements of **Welcome Retail Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, the loss, changes in equity and its cash flows for the year ended on that date.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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 AUDITORS' REPORT THEREON**

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 auditors' report thereon. The Annual Report is expected to be made available to us after the date of the auditors' 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 during the course of our audit or otherwise appears to be materially misstated.

### **EMPHASIS OF MATTER**

We draw attention to note 33 of the financial statements describing the uncertainty of company operations arises due to spread of pandemic COVID-19.

### **RESPONSIBILITIES OF MANAGEMENT FOR FINANCIAL STATEMENTS**

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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it



exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) The Company fulfills the criteria specified in notification number G.S.R. 583 (E) dated 13th June, 2017 has been exempted from the applicability of clause (i) of Section 143(3) of the Act.
  - (g) The provisions of Section 197(16) of the Act regarding managerial remuneration are not applicable on Company
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements— Refer Note 24 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **UBEROI SOOD & KAPOOR**  
**CHARTERED ACCOUNTANTS**  
(Firm Registration No. 080399)



Place: New Delhi  
Date: July 18, 2020

*S. D. Sharma*  
**S.D. SHARMA**  
PARTNER

(M. No. 080399)

UDIN: 20080399AAAADX2028

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. The Company does not have any fixed assets. Accordingly, reporting under clause 3(i) of the order is not applicable to company.
- ii. The company is in the business of setting-up, development, operating, sub-leasing and managing retail shops at the airports and does not have physical inventory. Accordingly, reporting under clause 3(ii) of the order is not applicable to company.
- 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) of the Order are not applicable to the Company.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantees and security to which the provisions of Section 185 and 186 of the Act would apply.
- v. The Company has not accepted any deposits from the public to which the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under would apply.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of the products of the Company.
- vii. (a) According to the records of the Company, 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 customs, duty of excise, value added tax, cess and other statutory dues applicable to it, except in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it were outstanding, as at 31 March, 2020 for a period of more than six months from the date they became payable.  
  
(b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.



- viii. The Company has not taken any loan or borrowings from financial institutions, banks and government. Hence reporting under clause 3(viii) of the order is not applicable to company.
- ix. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company, by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. The provisions of section 197 read with Schedule V to the Act regarding managerial remuneration are not applicable on Company.
- xii. According to the information and explanations given to us, the Company is not a Nidhi company.
- xiii. Section 177 is not applicable on Company, however all transactions with the related parties are in compliance with Section 188 of the Act and the details have been disclosed in Note 32 of the Financial Statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to our examination of the books and records of the Company and the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **UBEROI SOOD & KAPOOR**  
**CHARTERED ACCOUNTANTS**  
(Firm Registration No. 001462N)



Place: New Delhi  
Date: July 18, 2020

*S.D. Sharma*  
**S.D. SHARMA**  
PARTNER

(M. No.080399)  
UDIN: 20080399AAAADX2028

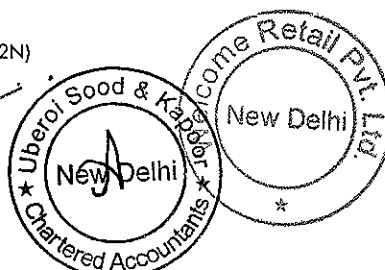
**WELCOME RETAIL PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31 March 2020**  
**(ALL AMOUNT IN THOUSAND)**

	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(i) Right of Use Assets	30	8,00,560	-
(ii) Financial Assets			
Loans	3	29,734	26,969
(iii) Deferred Tax Assets	4	-	3
(iv) Other Non-Current Assets	5	787	2,658
<b>Total Non-Current Assets</b>		<b>8,31,081</b>	<b>29,630</b>
<b>Current Assets</b>			
(i) Financial Assets			
(a) Trade Receivables	6	29,410	18,609
(b) Cash and Cash Equivalents	7	10,437	1,893
(c) Other Financial Assets	8	46,791	52,402
(ii) Other Current Assets	9	37,042	27,113
<b>Total Current Assets</b>		<b>1,23,680</b>	<b>1,00,017</b>
<b>Total Assets</b>		<b>9,54,761</b>	<b>1,29,647</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	500	500
Other Equity	11	(5,07,552)	5,324
<b>Total Equity</b>		<b>(5,07,052)</b>	<b>5,824</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(i) Financial Liabilities			
(a) Lease Liability	30	9,91,431	-
(b) Other Financial Liabilities	12	68,952	66,187
(ii) Provisions	13	11	13
(iii) Deferred Tax Liabilities	4	27,081	-
(iv) Other Non-Current Liabilities	14	789	2,658
<b>Total Non-Current Liabilities</b>		<b>10,88,264</b>	<b>68,858</b>
<b>Current Liabilities</b>			
(i) Financial Liabilities			
(a) Trade Payables			
Due to Micro, Small & Medium Enterprises			
Others		61,399	24,296
(b) Lease Liability	30	2,95,040	-
(c) Other Financial Liabilities	15	11,292	16,369
(ii) Other Current Liabilities	16	3,033	12,368
(iii) Provisions	17	2,785	1,932
<b>Total Current Liabilities</b>		<b>3,73,549</b>	<b>54,965</b>
<b>Total Equity and Liabilities</b>		<b>9,54,761</b>	<b>1,29,647</b>

The accompanying notes are an integral part of the Financial Statements

As per our report of even date  
**For Uberoi Sood & Kapoor**  
Chartered Accountants  
(Firm Registration No. 001462N)

*S.D. Sharma*  
**S.D. Sharma**  
Partner  
Membership No. 080399  
Place : New Delhi  
Date 18 July 2020



For and on behalf of the Board of Directors  
**Welcome Retail Private Limited.**

*Arijun Atul Ahuja*  
**Arijun Atul Ahuja**  
Director  
DIN : 02901728  
Place : Mumbai  
DATE 15 JULY 20

*Saurabh Vijayvergia*  
**Saurabh Vijayvergia**  
Director  
Din No : 08020974  
Place : Mumbai  
DATE 15 JULY 20



**WELCOME RETAIL PRIVATE LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**  
**(ALL AMOUNT IN THOUSAND)**

	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>INCOME</b>			
Revenue From Operations	18	2,87,308	2,11,596
Other Income	19	2,889	2,384
<b>Total Income</b>		<b>2,90,197</b>	<b>2,43,980</b>
<b>EXPENSES</b>			
Employee Benefits Expense	20	860	678
Finance Costs	21	1,39,714	4,094
Amortisation of Right of Use Asset		1,85,996	-
Other Expenses	22	25,788	2,35,240
<b>Total Expenses</b>		<b>3,52,358</b>	<b>2,40,012</b>
<b>Loss Before Exceptional Items and Tax</b>		<b>(62,161)</b>	<b>3,968</b>
Exceptional Items			-
<b>Profit Before Tax</b>		<b>(62,161)</b>	<b>3,968</b>
Tax Expense			
(1) Current Tax		253	1,040
(2) Deferred Tax		27,082	1
(3) Earlier Year's Tax		600	-
<b>Loss For The Year</b>		<b>(90,096)</b>	<b>2,927</b>
<b>Other Comprehensive Income For The Year</b>			
Re-measurement Gains/(Losses) on Defined Benefit Plans		11	14
Income tax effect of Remeasurement of Defined Benefit Plans		(3)	(4)
<b>Total Other Comprehensive Income For The Year</b>		<b>8</b>	<b>10</b>
<b>Total Comprehensive Income For The Year</b>		<b>(90,088)</b>	<b>2,937</b>
<b>Earnings Per Equity Share of Face Value of Rs.10/- each</b>	23		
Basic And Diluted (In INR)		(1,801.91)	58.53

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

As per our report of even date

**For Uberoi Sood & Kapoor**

Chartered Accountants

(Firm Registration No. 001462N)

*S.D. Sharma*  
**S.D. Sharma**  
 Partner

Membership No. 080399

Place : New Delhi

Date 18 July 2020



For and on behalf of the Board of Directors  
**Welcome Retail Private Limited.**

*Arjun Atul Ahuja*  
**Arjun Atul Ahuja**  
 Director  
 DIN : 02901728  
 Place : Mumbai

*Saurabh Vijayvergia*  
**Saurabh Vijayvergia**  
 Director  
 Din No : 08020974  
 Place : Mumbai

DATE 15 JULY 2020

DATE 15 JULY 2020

## WELCOME RETAIL PRIVATE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2020

(ALL AMOUNT IN THOUSAND)


	As at March 31, 2020	As at March 31, 2019
<b>(A) EQUITY SHARE CAPITAL</b>		
Opening Balance	500	500
Changes in Equity Share capital during the year	-	-
Closing Balance	500	500
<b>(B) OTHER EQUITY</b>		
<b>Retained Earnings</b>		
Opening Balance	5,324	2,387
(i) Profit For The Year	(90,096)	2,927
(ii) Other Comprehensive Income/(Loss) For The Year		
Re-measurement Gain/(Losses) on Defined Benefit Plans (Net off Tax)	8	10
(iii) Impact of change in accounting policy of Lease	(4,22,788)	-
Closing Balance	(5,07,552)	5,324
<b>TOTAL OTHER EQUITY</b>	<b>(5,07,552)</b>	<b>5,324</b>

As per our report of even date attached

**For Uberoi Sood & Kapoor**

Chartered Accountants

(Firm Registration No. 001462N)



S.D. Sharma

Partner

Membership No. 080399

Place : New Delhi

Date 18 July 2020

For and on behalf of Board of Directors  
Welcome Retail Private Limited.

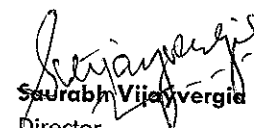

Arjun Atul Ahuja

Director

DIN : 02901728

Place : Mumbai

DATE 15 JULY 2020



Saurabh Vijayvergia

Director

Din No : 08020974

Place : Mumbai

DATE 15 JULY 2020

WELCOME RETAIL PRIVATE LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March 2020  
(ALL AMOUNT IN THOUSAND )

	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flows from operating activities</b>		
Net Profit/(Loss) before Tax	(62,150)	3,982
Adjustment for Non Operating and Non Cash Items		
Amortisation of Right of Use Asset	1,85,996	-
Finance Costs Recognised in Profit and Loss	1,39,714	4,094
Amortisation of Deferred Rent Expenses	2,701	
Interest Income Recognised in Profit and Loss	(2,889)	(2,384)
Amortisation of Deferred Rent Income	(2,701)	
Effect of change in accounting policy of lease	-	
<b>Operating (loss)/profit before working capital changes</b>	<b>2,60,671</b>	<b>5,692</b>
<b>Movements in working capital:</b>		
Increase/(Decrease) in trade payables	37,103	2,547
Increase/(Decrease) in other current liabilities	(9,335)	5,179
Increase/(Decrease) in other non current liabilities	(1,869)	1,772
Increase/(Decrease) in provisions	(3)	(20)
Decrease/(Increase) Other Financial liability - Current	(5,077)	10,755
Decrease/(Increase) Other Financial liability - Non Current	2,764	13,371
Decrease/(Increase) in Other Financial Assets - Current	5,612	(6,030)
Decrease/(Increase) in trade receivables	(10,801)	(4,480)
Decrease/(Increase) in Other Non Current Assets	1,871	(1,772)
Decrease/(Increase) in Other Current Assets	830	(152)
<b>Cash generated from operations</b>	<b>2,81,766</b>	<b>26,862</b>
Income taxes (paid)/refund (net)	(10,759)	(10,080)
<b>Net Cash (used in)/flow from operating activities</b>	<b>2,71,007</b>	<b>16,782</b>
<b>B. Cash flows from investing activities</b>		
Decrease/(Increase) in Loans (Financial Assets)	(2,764)	(13,371)
Interest Income	2,889	2,384
<b>Net Cash flow used in investing activities</b>	<b>125</b>	<b>(10,987)</b>
<b>C. Cash flows from financing activities</b>		
Finance costs paid	(1,39,714)	(4,094)
Payment of Lease Liability	(1,22,874)	
<b>Net Cash flow used in financing activities</b>	<b>(2,62,588)</b>	<b>(4,094)</b>
<b>D. Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>8,544</b>	<b>1,701</b>
<b>E. Cash and Cash Equivalents at the Beginning of the year</b>	<b>1,893</b>	<b>192</b>
<b>F. Cash and Cash Equivalents at the end of the year (D+E)</b>	<b>10,437</b>	<b>1,893</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash in Hand	-	-
Balances with banks in:		
- Current accounts	10,437	1,893
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>10,437</b>	<b>1,893</b>

**Change in Liability Arising From Financing Activity**

Particulars	1st April 2019	Cash Flows	Interest Accrued	31 March 2020
Lease Liability	14,09,345	(2,59,824)	1,36,950	12,86,471
	<b>14,09,345</b>	<b>(2,59,824)</b>	<b>1,36,950</b>	<b>12,86,471</b>

As per our report of even date  
For Uberoi Sood & Kapoor  
Chartered Accountants  
(Firm Registration No. 001462N)

S.D. Sharma  
Partner  
Membership No. 080399  
Date 18 July 2020



For and on behalf of the Board of Directors of  
Welcome Retail Private Limited.

Arjun Atul Ahuja  
Director  
DIN : 02901728  
Place : Mumbai

Saurabh Vijayvergia  
Director  
Din No : 08020974  
Place : Mumbai

DATE 15 JULY 2020 DATE 15 JULY 2020

## WELCOME RETAIL PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 1. GENERAL INFORMATION

Welcome Retail Private Limited (the 'Company') is a company, with its registered office at 1<sup>st</sup> Floor, 34, DLF Industrial Area, Najafgarh Road, Kirti Nagar, New Delhi 110015. The Company is in the business of setting-up, development, operating, sub-leasing and managing retail shops at the Airports.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation of financial statements:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act under the historical cost convention on an accrual basis except for certain financial assets and liabilities which are measured at fair value at the end of each reporting year.

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

##### 2.2 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.



## WELCOME RETAIL PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Leasing Income is recognised on time proportionate basis over the period of the lease based on the agreements with the concerned parties. The Company collects service tax and goods & service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from Revenue.

#### 2.3 Employee Benefits

##### (i) Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries, bonus and performance incentives.

##### (ii) Gratuity

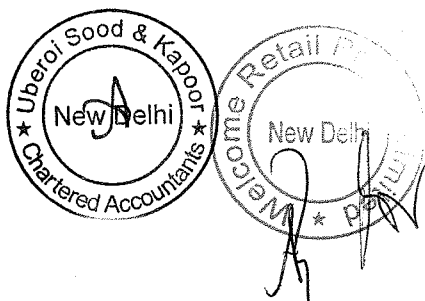
The liability towards Gratuity is provided on the basis of actuarial valuation carried out by an independent actuary in accordance with Accounting Standard – 15 (Employee Benefits)

##### (iii) Leave Encashment

Benefits under the Company's leave encashment scheme constitute other long-term employee benefits. The obligation in respect of leave encashment is provided for on the basis of an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under other long-term employee benefit plan, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

##### (iv) Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis



**WELCOME RETAIL PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**2.4 Provisions and Contingent Liabilities**

The Company recognises a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect management's current estimates.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

**2.5 Leases**

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

***As a lessee***

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;



## WELCOME RETAIL PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **Short-term leases and leases of low-value assets**

The company has elected not to recognize the right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **As a lessor**

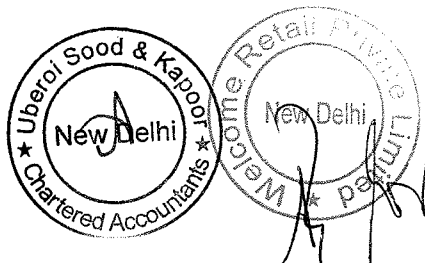
Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## **2.6 Income Tax**

The income tax expenses for the period comprises of current tax and deferred tax.

### **(i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authorities. The Company's current tax is calculated based on tax rates and laws that are enacted at the balance sheet date.



**WELCOME RETAIL PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(ii) Deferred tax**

Deferred tax assets and liabilities are measured on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements and for unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax is determined using the tax rates and laws that are enacted at the balance sheet date. The carrying amount of deferred tax assets and liabilities are reviewed at the end of each reporting period.

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

**2.7 Financial Instrument**

**Financial Assets**

**2.7.1 Initial recognition and measurement**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit or Loss, are adjusted to the fair value on initial recognition otherwise will be charged to profit or loss.

**2.7.2 Subsequent measurement**

***Financial Assets measured at amortised cost***

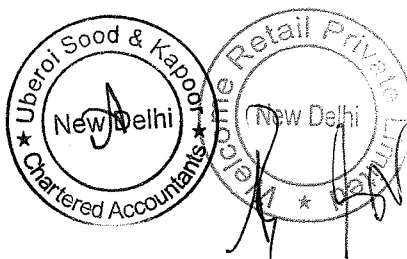
A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

***Financial Assets measured at fair value through Other Comprehensive Income (FVTOCI)***

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

***Financial Assets measured at fair value through Profit or Loss (FVTPL)***

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.





## WELCOME RETAIL PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 2.7.3 Impairment of Financial Assets

In accordance with IND AS 109, the Company uses 'expected credit loss' (ECL) model, for evaluating impairment of financial asset other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through Profit and Loss at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or  
Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### **Financial Liabilities**

##### **(i) Initial Recognition and Measurement**

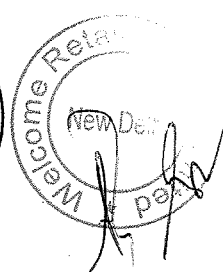
All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

##### **(ii) Subsequent Measurement**

Financial Liabilities are carried at amortized cost using the effective interest rate method.

#### **Derecognition of Financial Instruments**

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a Financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



## WELCOME RETAIL PRIVATE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **2.8 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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, except where the results would be anti-dilutive.

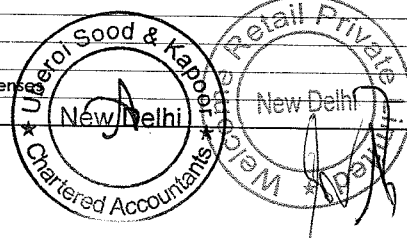
#### **2.9 Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with maturity of three months or less.



WELCOME RETAIL PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
(ALL AMOUNT IN THOUSAND)

	As at March 31, 2020	As at March 31, 2019
<b>3 Non-Current Financial Assets - Loans</b>		
Security Deposit	29,734	26,969
	<b>29,734</b>	<b>26,969</b>
<b>Break-up of security details</b>		
Loans Considered Good-Unsecured	29,734	26,969
<b>Total</b>	<b>29,734</b>	<b>26,969</b>
Expected Credit Loss	-	-
<b>Total Loans</b>	<b>29,734</b>	<b>26,969</b>
<b>4 Deferred Tax Assets / (Liabilities)</b>		
<u>Deferred Tax Assets</u>		
Deferred Rent Income	691	1,393
Employee Benefits	3	3
Security Deposits	764	1,483
Lease Liability	1,81,061	-
Tax Losses	-	-
<b>Total Deferred Tax Assets</b>	<b>1,82,520</b>	<b>2,880</b>
<u>Deferred Tax Liabilities</u>		
Deferred Rent Expenses	(691)	(1,393)
Security Deposits	(764)	(1,483)
Right of use Assets	(2,08,146)	-
<b>Total Deferred Tax Liabilities</b>	<b>(2,09,601)</b>	<b>(2,876)</b>
<b>Deferred Tax Asset / (Liabilities) - Net</b>	<b>(27,081)</b>	<b>3</b>
<b>5 Other Non-Current Assets</b>		
Deferred Rent Expenses	787	2,658
	<b>787</b>	<b>2,658</b>
<b>6 Trade Receivables</b> (Refer Note 32)		
Considered Good-Unsecured	29,410	18,609
<b>Total</b>	<b>29,410</b>	<b>18,609</b>
Expected Credit Loss	-	-
<b>Total Trade Receivables</b>	<b>29,410</b>	<b>18,609</b>
<b>7 Cash and Cash Equivalents</b>		
Balances with Banks On Current Accounts	10,437	1,893
	<b>10,437</b>	<b>1,893</b>
	<b>10,437</b>	<b>1,893</b>
<b>8 Other Financial Assets - Current</b>		
Income Receivable	6,521	12,133
Other Recoverable (Refer Note 24(a))	40,269	40,269
	<b>46,791</b>	<b>52,402</b>
<b>9 Other Current Assets</b>		
TDS Receivable	35,167	24,408
Prepaid Expenses	4	4
Deferred Rent Expenses	1,871	2,701
	<b>37,042</b>	<b>27,113</b>



WELCOME RETAIL PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10 Equity Share Capital

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount (in Thousand)	Number	Amount (in Thousand)
<b>Authorised</b>				
Equity Shares of ₹10/- each	1,00,000	1,000	1,00,000	1,000
	1,00,000	1,000	1,00,000	1,000
<b>Issued</b>				
Equity Shares of ₹10/- each	50,000	500	50,000	500
	50,000	500	50,000	500
<b>Subscribed and Paid up</b>				
Equity Shares of ₹10/- each fully paid up	50,000	500	50,000	500
	50,000	500	50,000	500

(a) Reconciliation of Number of Equity Shares

Particulars	As at March 31, 2020	As at March 31, 2019
	Number of Shares	Number of Shares
Opening Balance Equity Shares of ₹10/- each	50,000	50,000
Add : Shares issued during the year	-	-
Closing Balance (Equity Shares of ₹10/- each)	50,000	50,000

b) Shares held by holding Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	Amount (in Thousand)	Number	Amount (in Thousand)
Travel News Services (India) Private Limited	25,500	255	25,500	255
	25,500	255	25,500	255

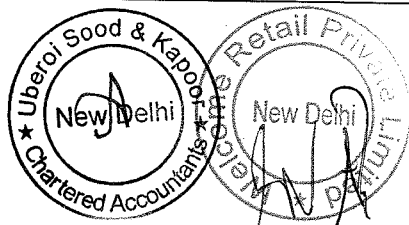
\* Its include Six shares held by nominee shareholder on behalf of Travel News Services (India) Pvt Ltd.

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	% Holding	Number	% Holding
Travel News Services (India) Private Limited	25,500	51.00%	25,500	51.00%
Rozeus Retail Private Limited(formerly known as Flemingo Retail Private Limited)	24,500	49.00%	24,500	49.00%
	50,000	100.00%	50,000	100.00%

11 Other Equity

Particulars	As at March 31, 2020 (Amount in Thousand)	As at March 31, 2019 (Amount in Thousand)
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year		2,387
Add: Profit for the year	5,324	2,927
Add: Other Comprehensive Income for the year	(90,096)	10
Impact of change in accounting policy of Lease	8	-
Balance at end of the year	(4,22,788)	5,324



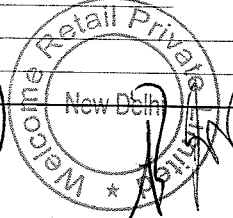
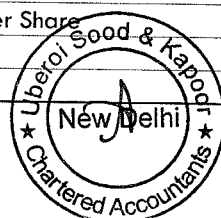
**WELCOME RETAIL PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**(ALL AMOUNT IN THOUSAND)**

	As at March 31, 2020	As at March 31, 2019
<b>12 Other Financial Liabilities - Non-Current</b>		
Security deposits received	68,952	66,188
	<b>68,952</b>	<b>66,188</b>
<b>13 Provisions - Non Current</b>		
<b>Provision for Employee Benefits (Refer Note 26)</b>		
Provision for gratuity	3	7
Provision for compensated absences	8	7
	<b>11</b>	<b>13</b>
<b>14 Other Non-Current Liabilities</b>		
Deferred rent income	789	2,658
	<b>789</b>	<b>2,658</b>
<b>15 Other Financial Liabilities - Current</b>		
Expense payable	11,288	16,369
Bonus Payable	4	-
	<b>11,292</b>	<b>16,369</b>
<b>16 Other Current Liabilities</b>		
Statutory liabilities	1,162	3,221
Imprest to employees	-	-
Advance from customer	-	6,446
Deferred rent income	1,871	2,701
	<b>3,033</b>	<b>12,368</b>
<b>17 Provisions - Current</b>		
<b>Provision for Employee Benefits (Refer Note 26)</b>		
Provision for gratuity	0.00	0.01
Provision for compensated absences	0.19	0.37
<b>Other Provisions</b>		
Provision for Tax	2,785	1,932
	<b>2,785</b>	<b>1,932</b>



**WELCOME RETAIL PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2020**  
**(ALL AMOUNT IN THOUSAND)**

	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>18 Revenue From Operations</b>		
<b>Sale of services</b>		
Leasing income	2,77,862	2,34,261
Common Area Maintenance Income	5,838	4,783
Amortisation of Deferred Rent Income	2,701	2,553
Electricity Reimbursement	907	-
<b>Revenue from operations</b>	<b>2,87,308</b>	<b>2,41,596</b>
<b>19 Other Income</b>		
Interest income	125	-
Interest Income on Financial Assets at Amortised Cost	2,764	2,384
	<b>2,889</b>	<b>2,384</b>
<b>20 Employee Benefits Expense</b>		
Salaries, wages and bonus	826	615
Contribution to provident and other funds (Refer Note 26)	25	55
Staff welfare expenses	1	4
Gratuity	8	5
	<b>860</b>	<b>678</b>
<b>21 Finance Costs</b>		
Interest Expense	-	1,710
Interest Expenses on Financial Liabilities at Amortised Cost	1,39,714	2,384
	<b>1,39,714</b>	<b>4,094</b>
<b>22 Other Expenses</b>		
Concession Fees	16,209	2,24,689
CAM Charges	5,563	4,539
Electricity and Water	-	920
Office Rent	74	15
Amortisation of Deferred Rent Expenses	2,701	2,553
Printing and Stationery	-	14
Legal and Professional	1,136	1,809
Auditor Remuneration		
-Statutory Audit	30	30
-Tax Audit	10	10
Other Expenses	12	622
Conveyance & Travelling	50	76
Communication Expenses	4	13
	<b>25,788</b>	<b>2,35,240</b>
<b>23 Earnings Per Equity Share</b>		
<b>Profit /(Loss) for the Year</b>	<b>(90,096)</b>	<b>2,927</b>
Nominal value per Share (INR)	10	10
Weighted average number of Equity Shares	<b>50</b>	<b>50</b>
<b>Earnings per share (INR)</b>		
Basic Earning per Share	<b>(1,801.91)</b>	<b>58.53</b>
Diluted Earning per Share	<b>(1,801.91)</b>	<b>58.53</b>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
(ALL AMOUNT IN THOUSAND)

24 **CONTINGENT LIABILITIES**

The Airport Authority (Authority) floated a tender namely, Request for Proposal dated March, 2015, (hereafter referred to as "RFP") for Appointment of Master Concessionaire to design, build, finance, operate and maintain general retail outlets at the NSCB Airport, Kolkata.

The Company had participated in the above said RFP and was selected as successful bidder. It is pertinent to note that this Request for Proposal was modified by the Authority from time to time by way of issuance of Addendums under Clause 2.1 of the RFP including Addendum No. 05 on which the Company is relying in its present claim.

As per the RFP read with the Addendum No.05, the Authority was required to discuss the floor plan with the company before the award of the contract and finalise the floor plan taking into consideration various aspects like accessibility to passenger, passenger flow etc.

However, in complete contravention and disregard to the afore-said clause the Authority issued a Letter of Intent i.e. no. AAC/COM/GR/1034/VOL.II/825 dated 08.08.2016 (LOIA).

Thereafter, the Company executed a concession agreement dated 30th March 2017 with Airport Authority as per the term and condition agreed between the authority and company.

According to the Company there are certain disputes and differences arisen between the company and Authority which could not be resolved through amicable settlement and as such by a communication dated June 14, 2017 the Company requested the Authority to appoint an Arbitrator to adjudicate the disputes between the parties.

The receipt of the said letter dated June 14, 2017 by the Authority is not in dispute. However, since the Chairman of the Authority did not appoint the Arbitrator on April 4, 2019 the Company filed the present application.

Hereafter, an order passed in the High court of Calcutta on 7th January, 2020 and Mr. Bimal Kumar Chatterjee was appointed as the sole Arbitrator to adjudicate the disputes.

The Airport Authority of India (AAI) has raised the concession fees bills of ₹ 3,78,97,601 for the period beginning from 06 November, 2016 till 24 February, 2017, whereas the site was handed over to the Company from 25 February, 2017.

The Company has invoiced an arbitration against AAI and paid Rs. 4,02,69,397 (inclusive of service tax and interest on delayed payment) under protest.

25 **CAPITAL AND OTHER COMMITMENTS**

There is no capital and other commitments as at 31 March 2020 and 31 March 2019.

26 **GRATUITY AND OTHER LONG TERM BENEFIT PLAN**

(a) **Defined benefit plan**

**Demographic Assumptions**

The following Demographic Assumptions were used in Valuing the Liabilities and Benefits under the plan.

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal	2%	2%	2%	2%
Retirement Age	58	58	58	58

(b) **The principal assumptions used in actuarial valuation are as below:**

Particulars	31-Mar-20	31-Mar-19
Discounting rate	6.79%	7.86%
Salary growth rate	6.50%	6.50%
Attrition Rate	2.00%	2.00%

(c) **Changes in the present value of the obligations**

S.no	Particulars	31 March 2020		31 March 2019	
		Leave Encashment (Unfunded)	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (unfunded)
I	<b>Changes in present value obligations</b>				
	Present value obligation (opening)	7	7	17	16
	Interest cost	1	1	1	1
	Current service cost	5	7	4	3
	Benefits paid	(15)	1	(19)	-
	Actuarial(gain)/loss on obligation	10	(12)	5	-14
	<b>Present value obligation (closing)</b>	<b>8</b>	<b>3</b>	<b>7</b>	<b>7</b>
II	<b>Changes in fair value of plan assets</b>				
	Fair value of plan assets (opening)	-	-	-	-
	Adjustment	-	-	-	-
	Expected Return of Plan assets	-	-	-	-
	Contribution	-	-	-	-
	Benefits paid	-	-	-	-
	Actuarial(gain)/loss on plan assets	-	-	-	-
	<b>Fair value of plan assets (closing)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
III	<b>Fair value of plan assets</b>				
	Fair value of plan assets (opening)	-	-	-	-
	Adjustment	-	-	-	-
	Actual Return of Plan assets	-	-	-	-
	Contribution	-	-	-	-
	Benefits paid	-	-	-	-
	<b>Fair value of plan assets (closing)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
IV	<b>Expenses in Statement of Profit &amp; Loss</b>				
	Current service cost	5	7	4	3
	Past service cost	-	-	-	-
	Interest cost	1	1	1	1
	Expected Return of Plan assets	-	-	-	-
	Net Actuarial(gain)/loss for the Year	10	-	5	-
	<b>Expenses recognised in Statement of Profit &amp; Loss</b>	<b>16</b>	<b>8</b>	<b>9</b>	<b>5</b>
V	<b>Amount recognised in Statement of other comprehensive income</b>				
	Effects of Change in Financial Assumptions	-	-	-	-
	Effect of Experience Adjustments	-	-	(11)	(14)
	<b>Total (expense)/ Income recognised in statement of other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>(14)</b>
VI	<b>Amount to be recognised in Balance Sheet</b>				
	Current Liability	-	-	-	-
	Non-Current Liability	8	3	7	7
	<b>Total Liability / (Assets)</b>	<b>8</b>	<b>3</b>	<b>7</b>	<b>7</b>



- (d) A quantitative sensitivity analysis for significant assumption as at 31 March 2020 & 31 March 2019 is as shown below:

(A) **Grauity**

Impact of change in Discount rate	31 March 2020	31 March 2019
Impact due to increase of 100 Basic Points(Bps)	(2)	(5)
Impact due to decrease of 100 Bps	4	8
<b>Impact of change in Salary Increase</b>		
Impact due to increase of 100 Bps	4	8
Impact due to decrease of 100 Bps	(2)	(5)

(A) **Levae Encashment**

Impact of change in Discount rate	31 March 2020	31 March 2019
Impact due to increase of 100 Basic Points(Bps)	(7)	(6)
Impact due to decrease of 100 Bps	10	9
<b>Impact of change in Salary Increase</b>		
Impact due to increase of 100 Bps	10	9
Impact due to decrease of 100 Bps	(7)	(6)

Sensitivities due to mortality are not material & hence impact of change not calculated.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

- (e) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31-Mar-20	31-Mar-19
Within next 12 months	0	0

The weighted average duration (years) of the defined benefit plan obligation

(f) **Defined contribution plan -**

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss

Particulars	31-Mar-20	31-Mar-19
Employers' Contribution to Employee's Provident Fund	15	36
Employers' Contribution to Employee's State Insurance	7	17
Employers' Contribution to Labour Welfare Fund	-	-
<b>Total</b>	<b>23</b>	<b>53</b>

**27 FAIR VALUE MEASUREMENT**

*Financial Instruments by Category*

Particulars	Notes	Carrying value as at 31 March 2020	Carrying value as at 31 March 2019
<b>(A) Financial Assets</b>			
<u><b>At Amortised Cost</b></u>			
(a) Trade Receivables	6	29,410	18,609
(b) Cash and Cash Equivalents	7	10,437	1,893
(c) Other Financial Assets	8	46,791	52,402
<u><b>At Fair Value</b></u>			
Loans	3	29,734	26,969
<b>Total Financial Assets</b>		<b>1,16,372</b>	<b>99,873</b>
<b>(B)</b>			
<b>Financial Liabilities</b>			
<u><b>At Amortised Cost</b></u>			
Trade Payables		61,677	24,296
Other Financial Liabilities	15	11,054	16,369
<u><b>At Fair Value</b></u>			
Other Financial Liabilities	12	68,952	66,187
Lease Liability		12,86,471	-
<b>Total Financial Liabilities</b>		<b>1,41,683</b>	<b>1,06,853</b>

The Company has not disclosed the fair values of Trade receivables, Cash & Cash Equivalent, Other Financial Assets, Trade Payables and Other Financial Liabilities because their carrying amounts are a reasonable approximation of fair value.

**Fair value hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorises assets and liabilities measured at fair value in to one of three levels depending on the ability to observe inputs employed in their measurement which are described follows:

- i) **Level 1** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities
- ii) **Level 2** Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset
- iii) **Level 3** Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or





Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020

Particulars	Date of valuation	Fair Value	Level of valuation used
<b>Financial assets for which fair values are disclosed</b>			
Loans	31st March 2020	29,734	Level 2
<b>Financial liabilities for which fair values are disclosed</b>			
Other Financial Liabilities	31st March 2020	68,952	Level 2
Lease Liability		12,86,471	

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2019

Particulars	Date of valuation	Fair Value	Level of valuation used
<b>Financial assets for which fair values are disclosed</b>			
Loans	31st March 2019	26,969	Level 2
<b>Financial liabilities for which fair values are disclosed</b>			
Other Financial Liabilities	31st March 2019	66,187	Level 2

## 28 FINANCIAL RISK MANAGEMENT

The Company is exposed to Liquidity Risk and Credit Risk. The Company's management oversees the management of these risks. The Company's management reviews and agrees policies for managing each of these risks, which are summarized below:-

### (A) LIQUID RISK

Liquidity risk arises from the company's inability to meet its cash flows commitments on the due date. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses.

Balances of Current Financial Assets and Current Financial Liabilities are given below:

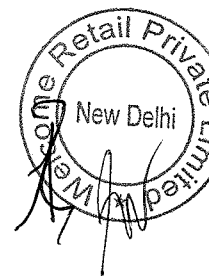
Financial Assets	Notes	AS AT 31.03.20120	AS AT 31.03.2019
(a) Trade Receivables	6	29,410	18,609
(b) Cash and Cash Equivalents	7	10,437	1,893
(c) Other Financial Assets	8	46,791	52,402
<b>Total</b>		<b>86,638</b>	<b>72,904</b>
<b>Financial Liabilities</b>			
(a) Trade Payables		61,677	24,296
(b) Other Financial Liabilities	15	11,054	16,369
<b>Total</b>		<b>11,054</b>	<b>40,665</b>
<b>Maturity analysis of non derivative financial liabilities as on 31 March 2020:</b>		<b>(b) Other Financial Liabilities</b>	<b>(a) Trade Payables</b>
Payable on demand		-	-
12 months or less		11,054	61,677
more than 12 months		-	-
<b>Total</b>		<b>11,054</b>	<b>61,677</b>
<b>Maturity analysis of non derivative financial liabilities as on 31 March 2019:</b>		<b>(b) Other Financial Liabilities</b>	<b>(a) Trade Payables</b>
Payable on demand		-	-
12 months or less		16,369	24,296
more than 12 months		-	-
<b>Total</b>		<b>16,369</b>	<b>24,296</b>

### (B) CREDIT RISK

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivable and unbilled revenue amounting to INR 29,410 thousands and INR 18,609 thousands as at 31 March 2020 and 31 March 2019 respectively for trade receivable and INR 6521 thousands and INR 12,133 thousands as at 31 March 2020 and 31 March 2019 respectively for unbilled revenue. Trade receivable and unbilled revenue are typically unsecured

### Default Rate

During last three years, the period for which company is in existence, company neither has any instance of non recovery from its debtors not it expects any default from the current debtors in future, hence no expected credit loss provision has been made.



## 29 CAPITAL MANAGEMENT

The company adheres to a disciplined capital management framework by maintaining diversity of sources of financing in order to minimise liquidity risk and cost of capital.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

As the company is a debt free company, calculation of gearing ratio is not required.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

## 30 LEASES

(a) Impact of Change in Accounting Policy of Leases

Except as specified below, the company has consistently applied the accounting policies to all periods presented in these financial statements. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below

The company has applied Ind AS 116 using the modified retrospective approach, the cumulative effect of which as at 1st April, 2019 is described below:

Particulars	INR in thousands
Recognition of Right of Use Assets	9,86,557
Recognition of Lease Liability	(14,09,345)
Difference charged to Equity	(4,22,788)

The impact of change in accounting policy on Statement of Profit and Loss for the year on account of adoption of Ind AS 116 is as follows :

Particulars	INR in thousands
Increase in Finance Cost	(1,36,950)
Increase in Amortisation	(1,85,996)
Decrease in Rent Expenses	2,59,824
Net Impact on Profit and Loss	(63,123)

(b) Maturity Analysis of Lease Liabilities

Contractual Undiscounted Cash Flows	INR in thousands
Less Than One Year	2,95,040
One to Five Years	12,80,802
More Than Five Years	64,698
Total Undiscounted lease liabilities at 31 March 2020	16,40,541
Lease Liabilities included in the Balance Sheet at 31 March 2020	12,86,471
Current	2,95,040
Non Current	9,91,431

(c) Amount recognised in Profit and Loss

Particulars	INR in thousands
Interest on Lease Liabilities	1,36,950
Variable Lease payments not included in the measurement of lease liabilities	16,209
Income from sub leasing Right of Use Assets	2,77,862
Expenses relating to short term leases	74

(d) Amount recognised in Cash Flow Statements

Particulars	INR in thousands
Total Cash outflow for leases	2,59,824

(e) As Lessor

Operating Lease

The total of future minimum lease to be received is as follows:

Particulars	(INR in thousands)	
	31 March 2020	31 March 2019
Less Than One Year	3,09,792	2,35,325
One to Five Years	14,12,776	11,16,820
More Than Five Years	-	1,59,193
Lease Income Recognised in Statement of Profit and Loss	2,77,862	2,34,261

## 31 TAX DISCLOSURE

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Particular	(INR in thousands)	
	31 March 2020	31 March 2019
<b>(a) Components of Tax expenses</b>		
Charged to Profit & Loss		
Deferred tax expense/(benefit)	27,082	1
Current tax expense	253	1,040
<b>Total Income tax expense/(income) reported in the statement of profit or loss</b>	<b>27,335</b>	<b>1,042</b>
Charged to Other comprehensive income/ (loss)		
Deferred tax (expense)/benefit	(3)	(4)
<b>Income tax charged/(credited) to other comprehensive income/ (loss)</b>	<b>(3)</b>	<b>(4)</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax</b>		
Profit/(Loss) before tax including Other Comprehensive Income	(62,150)	3,982
Income tax rate of	26.00%	26.00%
	16,159	(1,035)
Effect of amounts -Credit which are not deductible/(taxable) in calculating taxable income:		
Effect of expenses not allowed for income tax purpose	(47,003)	(790)
Effect of income not chargeable to income tax	3,506	779
	(43,497)	(11)
<b>Income tax expense/(income) including impact of Other Comprehensive Income</b>	<b>(27,338)</b>	<b>(1,046)</b>



(c) Deferred tax asset/ (liability)

The balance comprises temporary differences attributable to:

(INR in thousands)		
Particulars	31 March 2020	31 March 2019
<b>Deferred tax assets</b>		
Lease Liabilities	1,81,061	-
Employee benefits provisions	3	3
Deferred Rent Expenses	691	1,393
<b>Total deferred tax assets (A)</b>	<b>1,81,756</b>	<b>1,397</b>
<b>Deferred tax liabilities</b>		
Deferred Rent Income	(691)	(1,393)
Right of Use Assets	(2,08,146)	-
<b>Total deferred tax liabilities (B)</b>	<b>(2,08,837)</b>	<b>(1,393)</b>
<b>Net deferred tax asset/(liability) (A+B)</b>	<b>(27,081)</b>	<b>3</b>

(d) Deferred tax movement in Statement of Profit and loss

Particulars	Profit and Loss		Other comprehensive income	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Employee benefits provisions	2	(1)	(3)	(4)
Deferred Rent Expenses	(702)	(499)	-	-
Deferred Rent Income	702	499	-	-
Lease Liabilities	1,81,061	-	-	-
Right of use Assets	(2,08,146)	-	-	-
<b>Deferred tax (charge)/credit</b>	<b>(27,082)</b>	<b>(1)</b>	<b>(3)</b>	<b>(4)</b>

(e) Reconciliation of opening & closing deferred tax asset/(liability)

(INR in thousands)		
Particulars	31 March 2020	31 March 2019
Opening balance as of April 1	4	9
Tax credit/(expense) during the period recognised in profit and loss	(27,082)	(1)
Tax credit/(expense) during the period recognised in OCI	(3)	(4)
<b>Closing balance as of March 31</b>	<b>(27,081)</b>	<b>4</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

32 **RELATED PARTY TRANSACTIONS**

**Names of related parties and related party relationship**

(i) **Related parties where control exists**

Ultimate Holding Company	Future Retail Limited.
Holding Company	Travel News Services (India) Private Limited
Enterprise having significant influence over the entity	Rozeus Retail Private Limited (formerly known as Flemingo Retail Private Limited)

(ii) **Key Management Personnel**

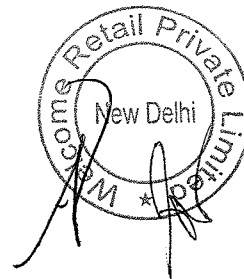
SUNIL MANTRI	Director
ARJUN ATUL AHUJA	Director
KARAN AHUJA	Director
SAURABH VIJAYVERGIA	Director

(iii) **Enterprise owned by or significantly influenced by key managerial personnel or their relative**

Rozeus Airport Retail Limited {formerly known as Flemingo Airport Retail Limited (FARL)}  
Flemingo Travel Retail Limited.

(iv) **Related parties with whom transactions have taken place during the year / period**

Travel News Services (India) Private Limited  
Flemingo Travel Retail Limited



(v) Related party transactions:


(INR in thousands)			
S.No	Particulars	31 March 2020	31 March 2019
(1)	Transactions during the		
a.	<b>Travel News Services (India) Private Limited</b>		
	Services rendered	1,50,625	1,43,703
	Payment received for rendering of services	1,48,467	1,27,828
	Security Deposit received	-	7,839
	Reimbursement of Expenses	(30,921)	(23,004)
b.	<b>Flemingo Travel Retail Limited</b>		
	Services rendered	1,34,872	1,30,977
	Payment received for rendering of services	1,50,938	1,26,498
	Reimbursement of Expenses	(1,350)	-
	Security Deposit received	-	7,620
(2)	<b>Closing Balance</b>		
	Travel News Services (India) Private Limited amt Payable	1,664	(7,155)
	Flemingo Travel Retail	27,747	18,609

33 With the financial year end on 31 March 2020, the impact of COVID -19 in the fourth quarter on the company was not significant. The management has made a detailed assessment of its liquidity position, including recoverability/carrying values of its trade receivables, business and other advances as at balance sheet date.

We wish to further update that we had several discussion with the Airport Authority of India (AAI) regarding the present circumstances and the fulfilment of the obligations as enshrined as per the agreement signed between us and AAI. Eventually, the AAI took cognizance of the ongoing situation and conveyed their assurance that they would look into the proposal.

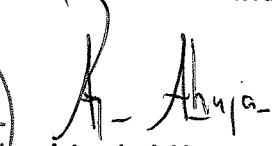
Further, the actual impact of Covid-19 pandemic on the company future operation remains uncertain and dependant on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.

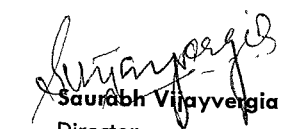
As per our report of even date  
**For Uberoi Sood & Kapoor**  
Chartered Accountants  
(Firm Registration No. 001462N)

  
**S.D. Sharma**  
Partner  
Membership No. 080399  
Place : New Delhi  
Date 18 July 2020



For and on behalf of the Board of Directors  
**Welcome Retail Private Limited.**

  
**Arjun Atul Ahuja**  
Director  
DIN : 02901728  
Place : Mumbai  
DATE - 15 JULY 2020

  
**Saurabh Vijayvegia**  
Director  
Din No : 08020974  
Place : Mumbai  
DATE 15 JULY 2020