CIASL

COCHIN INTERNATIONAL
AVIATION SERVICES LIMITED

DIRECTORS' REPORT
&
FINANCIAL STATEMENTS

2018-19

COCHIN INTERNATIONAL AVIATION SERVICES LIMITED

Regd Office: XI/318E, Cochin International Airport Buildings, Nedumbassery,
Kochi Airport P.O., Ernakulam 683 111, CIN : U35303KL2005PLC018632

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts for the financial year 2018-19.

(Rupees in lakhs)

FINANCIAL RESULTS	01.04.2018 to 31.03.2019	01.04.2017 to 31.03.2018
Total Income	1563.00	1102.12
Less:		
Employee Cost	595.39	509.55
Administrative & Other Expenses	294.18	192.09
Interest and Finance Charges	15.69	0.18
Profit / (Loss) before depreciation	**657.74**	**400.30**
Depreciation	(371.19)	(384.42)
Profit / (Loss) before Tax	**286.55**	**15.88**
Provision for Income Tax (Current & Deferred Tax)	-	-
Other Comprehensive Income	(0.22)	1.04
Total Comprehensive Income for the period	**286.33**	**16.93**

REVIEW OF OPERATIONS

The operations of your Company have registered a robust growth of around 41% during year under review. The total revenue has increased to Rs.1563 lakhs as against Rs.1102 lakhs for the previous year. We have been able to retain existing customers as well as add new clients for the line maintenance business. The Company has registered a profit of Rs.286.33 lakhs for the year under review.

Your Company has entered into an agreement with a leading MRO operator to operationalise the MRO facility.

EXTRACT OF THE ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT - 9 is annexed herewith.

NUMBER OF MEETINGS OF THE BOARD :

Four meetings of the Board were held during the period under review on 22nd June 2018, 29th September 2018, 12th December 2018 and 20th March 2019 respectively.

DIVIDEND

During the period under review, the Company has registered a net profit; however, the board of directors have not recommended any dividend for the year.

DIRECTORS

The present Directors of the Company are Sri. V.J. Kurian (Chairman), Sri. C.V. Jacob, Sri. E.M. Babu Sri. N.V. George, CA Jose Pottokaran, Sri. A. Ramalingam and Sri. A.C.K. Nair (Managing Director).

Directors, Sri. C V Jacob and Sri. E M Babu retire from the Board by rotation at this Annual General Meeting and, being eligible, offer themselves for re-election.

DEPOSITS

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014.

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of the prescribed limits in terms of Section 197 of the Companies Act 2013.

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

There is no activity relating to conservation of energy and technology absorption since the Company has not commenced its major maintenance operation. During the year the Company earned foreign exchange equivalent to Rs.2,50,81,869/- from its operations and had incurred expenditure in foreign exchange equivalent to Rs.69,33,172/- on account of fees to foreign regulators, foreign travel of personnel, training charges for Aircraft Maintenance Personnel etc.

RISK MANAGEMENT

Business Risk evaluation and management is an ongoing process within the organization. The Company has a robust framework to identify, monitor and minimize risks.

AUDIT COMMITTEE

The Audit Committee comprises of three non executive Directors out of which two are independent directors. The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The responsibilities of Audit Committee include reviewing the annual financial statements before submission to the Board, reviewing the adequacy of internal control systems and reviewing the findings of internal investigations etc.

AUDITORS

M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Ernakulam retire at the ensuing Annual General Meeting and are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors wish to state:

a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period

c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d. The Directors have prepared the annual accounts on a going concern basis and

e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Yours Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

STATEMENT OF DECLARATION BY THE INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

The independent directors have given the statement of declaration that they meet the criteria of independence as provided in the sub-section (6) of Section 149 of the Companies Act 2013.

RELATED PARTY TRANSACTIONS

Related Party Transactions in terms of Accounting Standards - AS 18 are set out in the Notes forming part of the accounts. These transactions are not likely to have a conflict with the interest of the Company. Other than transactions with the Holding Company in the ordinary course of business on an arm's length basis, there is no transaction falling within the purview of Section 188 of the Companies Act 2013.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to Companies Act 2013, a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors excluding the director being evaluated. Similarly, the evaluation of all the directors and the Board as a whole has to be conducted based on the criteria and framework adopted by the Board. Such performance evaluation has been carried out and taken on record by the board.

ACKNOWLEDGEMENT

Your Directors are grateful to Government of India, Government of Kerala, Ministry of Civil Aviation, Management and Staff of Cochin International Airport Limited, DGCA, Bankers, Consultants, Contractors and shareholders for the continued co-operation and unstinted support extended to the Company.

The Directors also record their deep appreciation for the loyalty and commitment of the employees at all levels.

for and on behalf of Board of Directors
for **Cochin International Aviation Services Limited**

Sd/-
V.J. Kurian
Chairman
DIN: 0001806859

Place : Ernakulam
Date : 29th June 2019

Annexure to Board's Report
FORM NO. MGT 9
Extract of Annual Return as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act 2013 and rule 12(1) of the Company (Management & Administration) Rules 2014.

I. REGISTRATION & OTHER DETAILS

1.	CIN	**U35303KL2005PLC018632**
2.	Registration Date	**08/09/2005**
3.	Name of the Company	**Cochin International Aviation Services Limited**
4.	Category/Sub-category of the Company	**Company Limited by shares / Indian Non Government Company**
5.	Address of the Registered office & contact details	**XI/318E, Cochin International Airport Buildings Kochi Airport P O., Ernakulam 683 111**
6.	Whether listed company	**No**
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Not Applicable**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Aircraft Maintenance	-	92.7%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No	Name and address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable section
1.	**Cochin International Airport Limited**	U63033KL1994PLC007803	Holding	99.99	2(46)

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

i) Category-wise Share Holding.

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De mat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	6,000	6,000	0.008	-	6,000	6,000	0.008	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Governments	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	7,53,13,400	7,53,13,400	99.992	-	7,53,13,400	7,53,13,400	99.992	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):-	-	**7,53,19,400**	**7,53,19,400**	**99.992**	-	**7,53,19,400**	**7,53,19,400**	99.992	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-

c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other…	-	-	-	-	-	-	-	-	-
Sub Total(A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of promoter(A)=(A)(1)+(A)(2)	-	7,53,19,400	7,53,19,400	100	-	7,53,19,400	7,53,19,400	100	-
B. Public Shareholding									
a) Mutual Funds/ Banks/ FI	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non - Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		7,53,19,400	7,53,19,400	100	--	7,53,19,400	7,53,19,400	100	--

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encum-bered to total shares	
1	CIAL	7,53,13,400	99.992	-	7,53,13,400	99.992	-	0.00
2	A Chandrakumaran Nair	1,000	0.001	-	1,000	0.001	-	-
3	A M Shabeer	1,000	0.001	-	1,000	0.001	-	-

4	Alex Varghese	1,000	0.001	-	1,000	0.001	-	-
5	V Suresh Babu	1,000	0.001	-	1,000	0.001	-	-
6	R Venkiteswaran	1,000	0.001	-	1,000	0.001	-	-
7	V Sankar	1,000	0.001	-	1,000	0.001	-	-
Total		7,53,19,400	100.00	-	7,53,19,400	100.00	-	-

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7,53,19,400	100%	7,53,19,400	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus sweat equity etc.)	-	-	-	-
	At the end of the year	7,53,19,400	100%	7,53,19,400	100%

iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of Shares	% of total shares of the company	No. of shares	% of Total shares of the company
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

v) **Shareholding of Directors and Key Managerial Personnel**

1. A.C.K. Nair, Managing Director

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,000	0.001	1,000	0.001
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus sweat equity etc.)	-	-	-	-
	At the end of the year	1,000	0.001	1,000	0.001

2. Lenny Sebastian, Chief Financial Officer

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

3. Saji Daniel, Company Secretary

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS - (Rs. in Lakh)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted-ness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1.746	-	-	1.746
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year	-	-	-	-
Addition	1337.62	-	-	1337.62
Reduction	1255.75	-	-	1255.75
Net change Indebtedness	**81.87**	**-**	**-**	**81.87**
At the end of the financial year	-	-	-	-
i) Principal Amount	83.62	-	-	83.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**83.62**	**-**	**-**	**83.62**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Lakh)

Sl No.	Particulars of Remuneration	Name of MD A.C.K. Nair	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	0.00	0.00
	(b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of Income - Tax Act,1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	 - -	 - -
5	Others, please specify	-	-
	Total (A)	**0.00**	**0.00**
	Ceiling as per the Act		

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

Sl. No	Particulars of Remuneration	Name of the Directors						Total Amount
		V. J. Kurian	C. V. Jacob	E. M. Babu	N. V. George	A. Ramalingam	CA Jose Potttokaran	
1	Independent Directors Fee for attending board committee meetings	-	-	-	-	40,000	20,000	60,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	**40,000**	**20,000**	**60,000**
2	Other Non - Executive Directors	-	-	-	-	-	-	-
	Fee for attending board / committee meetings	-	10,000	20,000	40,000	-	-	70,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	**10,000**	**20,000**	**40,000**	-	-	**70,000**
	Total (B)=(1+2)	-	**10,000**	**20,000**	**40,000**	**40,000**	**20,000**	**1,30,000**
	Total Managerial Remuneration	-	**10,000**	**20,000**	**40,000**	**40,000**	**20,000**	**1,30,000**
	Overall Ceiling as per the Act	Not exceeding one lakh rupees per meeting of the Board or Committee thereof per person						

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

SI No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	CS	
1	Gross salary	69,136	60,852	1,29,988
	(a) Salary as per provisions contained in section 17(1) of the Income -Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of Income -Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income - Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-

4	Commission - as % of profit - others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (C)	**69,136**	**60,852**	**1,29,988**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

for and on behalf of Board of Directors
for **Cochin International Aviation Services Limited**

Sd/-
V.J. Kurian
Chairman
DIN: 0001806859

Place : Ernakulam
Date : 29th June 2019

FORM No. AOC-2

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

   All transactions entered into by the company during the year with related parties were on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

   The transactions entered into by the company with related parties on arm's length basis were not material in nature.

Cochin
29th June 2019

for Cochin International Aviation Services Limited
Chairman

M.C. SAJUMON M.Com., ACMA, ACS, ACIS (UK)
COMPANY SECRETARY

42/1187-C, 1st FLOOR, LITTONIA COTTAGE, M.A. BALAKRISHNAN ROAD
ERNAKULAM NORTH P.O., KOCHI-682 018, PH: 0484-2395867/2396930/9567144644
MOB: 9847112479. E-mail: cfccochin@gmail.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Cochin International Aviation Services Limited
XI/318 Cochin International Airport Buildings,
Aluva, Nedumbasserry Kochi Airport,
Ernakulam,Kerala- 683111.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cochin International Aviation Services Limited (CIN:U35303KL2005PLC018632) (hereinafter called the Company) which is incorporated with the object of running and managing Aircraft Maintenance facilities and also, carrying out aircraft certification and allied activities. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2019 according to the provisions of the Companies Act, 2013 (the Act) and the Rules made there under;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above. The status of the Company during the period under review has been that of Unlisted Public Company. The company has been subsidiary company of M/s Cochin International Airport Limited (CIN: U63033KL1994PLC007803).

As informed me, the industry/sector specific laws, specifically applicable to the company under Central and/or State legislations, are the Aircraft Act, 1934 and Rules made there under, Environmental Laws viz; Kerala Air (Prevention and Control of Pollution) Rules, 1984 and The Environment (Protection) Act and Rules, 1986. For the purpose of examining the adequacy of compliances with industry/sector specific laws, reliance has been placed on the Compliance Certificate issued by the Company Secretary of the company and based on that I am of the opinion that the company has generally complied with the specific laws.

I further report that the compliance by the company of the financial laws like direct and indirect tax laws and various labour laws has not been reviewed in this audit, since they do not come under the scope of this audit.

However based on the information received and records maintained by the company and on their examination I report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with general laws like labour laws, Competition law, environmental laws, rules, regulations and guidelines.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The company has appointed whole time Key Managerial personnel viz; Managing Director, Company Secretary and Chief financial Officer. The company has also appointed Internal Auditor. The company has constituted Audit committee and Nomination and Remuneration Committee.

The company has held four Board meetings during the period under review respectively on 22.06.2018, 29.09.2018, 12.12.2018 and 20.03.2019 and adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In addition to the general business and statutory matters, the Board has in the meeting held on 22.06.2018 considered and approved related party transactions (in the nature of debit for meeting expenses, Lease rent, Energy charges etc and Providing services) between the company (CIASL) and the holding company (CIAL) and the associate company CIAL Infrastructure Ltd, during the financial year 2017-18, carried out on arms length basis in the ordinary course of business. The Board also accorded omnibus approval for similar transactions with the above related parties for the financial year 2018-19 for an aggregate amount not exceeding Rs.50 lakhs. The Board has also in the meeting held on 22.06.2018 evaluated the performance of independent directors in accordance with schedule IV of the Companies Act, 2013 and unanimously agreed that the performance of independent directors has been in compliance of the code of Independent Directors as prescribed in Schedule IV, u/s 149 (8) of the Companies Act, 2013. The Board also took note of the declaration u/s 149(7) of the Act regarding whether independent directors meet the criteria of Independence u/s 149(6) and ensured it and also noted that independent directors are not disqualified to act as such. The Board also noted the declaration given by the directors pursuant to section 164(2) of the Act and ensured that none of the directors are disqualified under the provisions of section 164(2) of the Act. Disclosure of interest and shareholding of Directors pursuant to section 184(1) of the Act is also considered and read over in the meeting. The Board in the same meeting also considered and approved the financial statements as on 31.03.2018 after discussion, considered ratification of appointment of statutory auditors for the financial year 2018-19, considered appointment of internal auditors for the financial year 2018-19, among other general business and statutory matters. The Board in the meeting held on 29.09.2018 considered appointment of Secretarial auditor and appointed Secretarial auditor as per section 204 of the Companies Act, 2013 read with rules made there under, for the financial year 2018-19. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board are unanimous and no dissenting views have been recorded.

During the financial year 2018-19, the Audit Committee has met two times respectively on 22.06.2018 and 12.12.2018 and considered internal audit report of each quarter and evaluated and reviewed all items and appraised and discussed about the comments in the report. The Audit Committee held on 22.06.2018 considered and reviewed the financial statements as at 31.03.2018 and decided to recommend to the Board for their approval. The Audit Committee held on 12.12.2018 took note of the performance of the company for the first half year ended September 2018. The proceedings of the above committees were duly recorded and signed by the Chairman.

During the financial year 2018-19, the meeting of the Nomination and Remuneration Committee has held on 12.12.2018 on which the proposal for extension of period of appointment of Shri. A C K Nair as the Managing Director of the company for a further period from 23.12.2018 to 22.12.2020 was considered and unanimously agreed. And the committee authorised the Chairman of the Committee to inform the board accordingly. The proceedings of the above committee was duly recorded and signed by the Chairman.

As decided at the Nomination and Remuneration Committee, the extension of period of appointment of Shri. A C K Nair as the Managing Director for a further period of 24 months from 23.12.2018 to 22.12.2020 was considered and unanimously agreed by the board at the meeting held on 12.12.2018. The resolution passed by the Board in this regard was also registered with the Registrar of Companies.

As per the minutes and other records, separate meeting of independent directors was held on 08.03.2018 for the calendar year 2018 and on 29.06.2019 for the calendar year 2019 in order to satisfy the requirement as per provisions of section 149(8) and Schedule IV (Code of Independent Directors-Para VII) of the Companies Act,2013 that the independent directors of the company shall hold at least one meeting in a year without the attendance of non independent directors and members of the management, in which the performance of non-independent directors and the Board as a whole including Chairman of the Company had reviewed and expressed satisfaction on their performance.

The Annual General Meeting of the company for the financial year ending 31.03.2018 was held on 29.09.2018 and the proceedings were duly recorded and signed by the Chairman.

I further report that based on the information received and records maintained by the company there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc except:

(i) The company has continued related party transactions with Cochin International Airport Limited, the holding Company. The company has taken land from the holding company on an operating lease for a term of 30 years commencing from 12th May 2006, for which lease rentals are charged. Further the holding company debits the company for common infrastructure user charges. (ii) The company has continued related party transactions with the associate company CIAL Infrastructure Ltd (leasing and lease rentals are charged).

The company has reported that all the related party transactions or arrangements have been made on arm's length basis and in the ordinary course of business and hence Section 188(1) of the Companies Act, 2013 does not apply to the Company.

Further the Accounts of the Company is consolidated with the holding Company and is placed before the Shareholders at the General Meeting for Approval.

This report is to be read with our letter of even date which is annexed hereto as Annexure A and forms an integral part of this report.

M.C. SAJUMON
Practising Company Secretary
ACS No: 9868, C P. No.: 2385

Place : Kochi -18
Date : 29.06.2019

'Annexure A'

ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
Cochin International Aviation Services Limited
XI/318 Cochin International Airport Buildings,
Aluva, Nedumbasserry Kochi Airport,
Ernakulam, Kerala- 68311

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial or other statutory records is the responsibility of the management of the company. My responsibility is to express an opinion on these records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records.

3. The verification was done on test basis to ensure that correct facts are reflected in records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

4. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.

5. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

M.C. SAJUMON
Practising Company Secretary
ACS No: 9868, C P. No.: 2385

Place : Kochi -18
Date : 29.06.2019

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COCHIN INTERNATIONAL AVIATION SERVICES LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Cochin International Aviation Services Limited("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following disclosed as contingent liability in the Notes forming part of the standalone Ind AS financial statements:

Note 4.39 to the financial statements regarding, award passed by the Arbitrator (Refer Note 4.4.2) which has been disputed in appeal amounting to Rs.13,39,24,004/- which is not acknowledged as debt by the Company. Demand for payment of Building tax (Refer Para 4.38), which has been disputed in appeal before the Hon'ble High Court of Kerala amounting Rs.418.68 lakhs (net of admitted tax), the ultimate outcome of the above cannot be determined at this stage.

Our opinion is not qualified in respect of these matters.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted

in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement,whether due to fraud or error.

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

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

Auditor's Responsibility for audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

(a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31st March, 2019 in conjunction with our audit of the standalone financial statements of the company for year ended on that date and we enclose herewith our report in "Annexure B".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 4.39 and 4.41 to the financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. – Refer Note 4.38 to the financial statements.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
CA K T Mohanan
Partner (M.No: 201484)

Place : Cochin -16
Date : 29.06.2019

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b) We are informed that these fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the lease deeds of immovable properties are held in the name of the Company.

(ii) We are informed that physical verification of inventory, consisting of stores and spares and consumables, has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.

(iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraphs (iii) (a) (b) and (c) of CARO 2016 are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans and investments and has not provided any guarantees and securities to the parties covered under Section 185 of the Companies Act, 2013 and hence not commented upon.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) As per the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under subsection (1) of section 148 of the Companies Act 2013.

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

(a) The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of income tax or sales tax or wealth tax or service tax, goods and service tax or duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any dispute as on 31st March, 2019.

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the company has not obtained any loans from banks, financial institution and debenture holders.

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

(ix) According to the information and explanations given to us, we report that there is no term loan availed by the Company and has not raised any moneys by way of initial public offer and further public offer (including debt instruments) and hence not commented upon.

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

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the year. Accordingly, paragraph 3(xi) of the CARO 2016 Order is not applicable to the Company and hence not commented upon.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the CARO 2016 Order is not applicable to the Company and hence not commented upon.

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

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
CA K T Mohanan
Partner (M.No: 201484)

Place : Cochin -16
Date : 29.06.2019

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Cochin International Aviation Services Limited ("the Company") as of 31 March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us,the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
CA K T Mohanan
Partner (M.No: 201484)

Place : Cochin -16
Date : 29.06.2019

PART I : BALANCE SHEET
COCHIN INTERNATIONAL AVIATION SERVICES LIMITED
BALANCE SHEET AS AT 31st MARCH 2019

(Rupees in '000)

	Particulars	Note No:	As at 31st March 2019	As at 31st March 2018
	ASSETS			
1	**Non Current Assets**			
a	Property, Plant and Equipment	**4.1**	3,49,068.09	3,85,583.75
b	Intangible assets	**4.1**	0.00	29.20
c	Financial assets			
	(i) Other financial assets	**4.2**	21,959.66	28,250.00
d	Income tax assets (Net)	**4.3**	11,272.51	10,466.92
e	Other non-current assets	**4.4**	834.42	136.86
2	**Current Assets**			
a	Inventories	**4.5**	2,017.96	1,948.11
b	Financial assets			
	(i) Trade Receivables	**4.6**	35,575.45	20,296.37
	(ii) Cash & Cash equivalents	**4.7**	36,537.93	20,373.75
	(iii) Bank Balances Other than above	**4.8**	62,626.19	29,253.05
	(iv) Other Financial Assets	**4.9**	6,418.43	2,021.03
c	Income tax assets (net)	**4.10**	11,035.43	0.00
d	Other current assets	**4.11**	8,570.45	5,714.23
	Total Assets		**5,45,916.53**	**5,04,073.26**
	EQUITY & LIABILITIES			
	Equity			
a	Equity Share Capital	**4.12**	7,53,194.00	7,53,194.00
b	Other Equity	**4.13**	(2,47,895.31)	(2,76,528.60)
	Liabilities			
1	**Non Current Liabilities**			
a	Financial Liabilities			
	(i) Other financial liabilities	**4.14**	0.00	14,574.07
b	Provisions	**4.15**	3,704.80	3,392.23
c	Other non current liabilities	**4.16**	0.00	1,529.01
2	**Current Liabilities**			
a	Financial Liabilities			
	(i) Borrrowings	**4.17**	8,362.36	174.64
	(ii) Trade Payables	**4.18**	1,104.76	55.38
	(iii) Other financial liabilities	**4.19**	17,759.34	647.81
b	Other current liabilities (Net)	**4.20**	9,281.63	6,642.60
c	Provisions	**4.21**	404.95	392.13
	Total Equity and Liabilities		**5,45,916.53**	**5,04,073.26**

Significant Accounting Policies & Notes forming part of Financial Statements

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
Chairman

sd/-
A C K Nair
Managing Director

sd/-
Lenny Sebastian
Chief Financial Officer

sd/-
Saji Daniel
Company Secretary

Place : Kochi
Date : 29.06.2019

As per our report of even date attached

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

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

Part II : STATEMENT OF PROFIT & LOSS

COCHIN INTERNATIONAL AVIATION SERVICES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2019

(Rupees in '000)

	Particulars	Note No:	For the year ended 31.03.2019	For the year ended 31.03.2018
	Income:			
I.	Revenue from Operations	4.22	1,43,409.16	1,06,442.22
II.	Other Income	4.23	12,891.53	3,770.32
III.	**Total Income**		**1,56,300.69**	**1,10,212.55**
IV.	**Expenses:**			
	Employee Benefits expenses	4.24	59,539.43	50,955.45
	Finance Costs	4.25	1,569.47	18.38
	Depreciation and amortisaton expenses	4.1	37,119.17	38,440.48
	Other Expenses	4.26	29,417.38	18,789.32
	Total Expenses		**1,27,645.46**	**1,08,203.64**
	Profit before exceptional items and tax (III-IV)		**28,655.24**	**1,588.65**
VI	Exceptional Items		0.00	0.00
V	**Profit/(Loss) before Tax**		**28,655.24**	**1,588.65**
VI	**Tax expense:**			
	a. Current tax		0.00	0.00
VII.	**Profit/(Loss) for the period (V-VI)**		**28,655.25**	**1,588.65**
VIII.	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined employee benefit plan		(21.95)	104.90
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
	Total other comprehensive income/(loss) (net of tax)		**(21.95)**	**104.90**
IX.	**Total comprehensive income for the period**		**28,633.30**	**1,693.54**
	(Profit/(loss) + other comprehensive income)			
X.	**Earnings per equity share (for continuing operations)**	**4.27**		
	a) Basic		0.38	0.02
	b) Diluted		0.38	0.02

Significant Accounting Policies & Notes forming part of Financial Statements

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
Chairman

sd/-
A C K Nair
Managing Director

sd/-
Lenny Sebastian
Chief Financial Officer

sd/-
Saji Daniel
Company Secretary

Place : Kochi
Date : 29.06.2019

As per our report of even date attached

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

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

STATEMENT OF CHANGES IN EQUITY

COCHIN INTERNATIONAL AVIATION SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2019

(Rupees in '000)

A **Note No 4.12 : Equity Share Capital**

Particulars	Notes	Amount
Balance at April 1, 2017		**7,53,194.00**
Changes in equity share capital during the year		-
Balance at March 31, 2018		**7,53,194.00**
Changes in equity share capital during the year		-
Balance at March 31, 2019	**4.12**	**7,53,194.00**

B **4.12.2 Other Equity**

Other Equity	Reserves & Surplus		
	Retained Earnings	Other Comprehensive Income	Total
Balance as on 01.04.2017	**(2,78,222.14)**	**-**	**(2,78,222.14)**
Total Comprehensive Income for the year	104.90	-	104.90
Profit/(Loss) for the year	1,588.65	-	1,588.65
Balance at the end of the reporting period	**(2,76,528.60)**	**-**	**(2,76,528.60)**
Balance as on 31.03.2018	**(2,76,528.60)**	**-**	**(2,76,528.60)**
Total Comprehensive Income for the year	(21.95)	-	(21.95)
Profit/(Loss) for the year	28,655.25	-	28,655.25
Balance as on 31.03.2019	**(2,47,895.31)**	**-**	**(2,47,895.31)**

COCHIN INTERNATIONAL AVIATION SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

(Rupees in '000)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation and extra-ordinary items	**28,655.25**	**1,588.65**
Adjustments for:		
Depreciation	37,119.17	38,440.48
Excess depreciation income		
Interest income	(10,030.18)	(3,076.67)
Interest Expense	1,569.47	18.38
Loss on damage/sale of Fixed asset	124.43	174.58
Profit on sale of Fixed asset	-	-
Remeasurement of defined benefit plans	(21.95)	104.90
Operating profit before working capital changes	**57,416.17**	**37,250.31**
Adjustments for:		
(Increase)/decrease in Inventories	(69.85)	76.93
(Increase)/decrease in Trade receivables	(15,279.08)	(5,581.69)
(Increase)/decrease in Other Assets	(12,696.28)	(30,763.84)
Increase/(decrease) in Provisions	325.39	1,592.55
Increase/(decrease) in Trade Payables	1,049.38	55.38
Increase/(decrease) in Current Liabilities	19,750.57	1,770.47
Cash generated from operations	**50,496.28**	**4,400.11**
Direct Tax (payments)/refunds (Net)	**(805.59)**	**(4,973.41)**
Net Cash Flow from Operating Activities	**49,690.69**	**(573.30)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(698.74)	(1,323.15)
Interest received	10,030.18	3,076.67
Disposal of Property, Plant and Equipment	-	27.99
Net Cash Flow from Investing Activities	**9,331.44**	**1,781.52**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Proceeds from short term borrowings		
Interest paid	(1,569.47)	(18.38)
Increase in Security Deposits	(16,103.08)	16,103.08
Net Cash Flow from Financing Activities	**(17,672.54)**	**16,084.69**
Net increase/(decrease) in cash and cash equivalents	**41,349.59**	**17,292.91**
Cash and cash equivalents at the beginning of the period	**49,452.16**	**32,159.26**
Cash and cash equivalents at the end of the period	**90,801.76**	**49,452.16**
Cash and Cash Equivalents as per above comprises of the following:		
Cash and cash equivalents (Refer Note:4.8 and 4.9)	99,164.12	49,626.80
Bank Overdrafts (Refer Note:4.18)	8,362.36	174.64
Balances as per Statement of Cash Flows	**90,801.76**	**49,452.16**

Significant Accounting Policies & Notes forming part of Financial Statements

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
Chairman

sd/-
A C K Nair
Managing Director

sd/-
Lenny Sebastian
Chief Financial Officer

sd/-
Saji Daniel
Company Secretary

Place : Kochi
Date : 29.06.2019

As per our report of even date attached

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st 2019:

1. CORPORATE INFORMATION

Cochin International Aviation Services Limited ("the Company") is a public limited Company incorporated and domiciled in India. It is a subsidiary of Cochin International Airport Limited. The address of its registered office is XI/318E, Cochin International Airport Buildings, Kochi Airport P.O., Ernakulam District, Pin-683 111 and the principal place of business is located in Nedumbassery, Kochi-683 111.

The Company is incorporated with the object of running and managing Aircraft Maintenance facilities and also, carrying out aircraft certification and allied activities.

During the year, the MRO hangar facilities were leased out on a fixed rent basis. The income generated by the Company includes rentals from letting out of premises and also, equipments.

The financial statements were approved for issue by the Company's Board of Directors on 29/06/2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and presentation

a) Statement of compliance

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

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

b) Basis of measurement

The Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

a. The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018 and it is detailed in note 2.9.

b. The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.

c. The Company has adopted Appendix B to Ind AS 21, Foreign currency transactions and advance consideration with effect from 1st April 2018 prospectively to all assets, expenses and income initially recognized on or after 1st April 2018 and the impact on implementation of the Appendix is immaterial.

c) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

d) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirement of Schedule III, unless otherwise stated.

2.2 Use of Estimates and judgment

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

1. Discount rate used to determine the carrying amount of the Company`s defined benefit obligation.
2. Useful live of Property plant and equipment
3. Estimated useful life of intangible assets
4. Contingences and commitments

2.3 Property, plant and equipment

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

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

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

Depreciation is recognised so as to write off the cost of assets (other than capital work in progress) less their residual values over the useful lives using the straight- line method ("SLM"). Depreciation on Property, plant and equipment has been provided on Straight Line Method (SLM), by adopting the useful lives prescribed as per Part C of Schedule II to the Companies Act, 2013.

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

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

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

2.4 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line over their estimated useful life of 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

An intangible asset is derecognised 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 the Statement of Profit and Loss when the asset is derecognised.

2.5 Financial instruments

a) Initial recognition

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition, Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

b) Subsequent measurement

(i) Financial assets carried at amortized cost- A financial asset is subsequently measured at amortized 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.

(ii) Financial assets at fair value through other comprehensive income - A financial asset is subsequently measured at fair value through other comprehensive income 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss - A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Impairment of financial assets

Trade Receivables - The Company assesses at each Balance Sheet date whether a financial asset or a group of financial asset is impaired. Ind AS 109 requires expected credit loss to be measured through a loss allowance. The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction. Impairment loss allowance is based on a simplified approach as permitted by Ind AS 109. As a practical expedient, the Company uses a provision matrix to determine the impairment loss on the portfolio of its trade receivables.

(v) Derecognition of Financial assets - The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(vi) Financial liabilities - Financial liabilities are measured at amortized cost using the effective interest method or at FVTPL.

The Company derecognizes Financial liabilities only when Company's obligations are discharged, cancelled or have expired. A substantial modification of the terms an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

2.6 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories comprises of purchase cost and cost of procurement net of on a weighted average basis. However, stores and spare items held for use in providing the services are not written down below cost if the services are expected to be provided at or above cost. Cost of inventories comprises of purchase cost and cost of procurement net of on a weighted average basis.

2.7 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

2.8 Cash Flow Statement

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

2.9 Revenue Recognition

a) Rendering of services

The Company derives its revenue primarily from Aircraft Maintenance facilities and also, carrying out aircraft certification and allied activities.

As per Ind AS 115, Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. Revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (based on fixed rate contracts) allocated to that performance obligation. This consideration is estimated based on the expected value of outflow. Revenue is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

b) Interest income

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

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

c) Rental income

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other-leases are classified as operating leases. Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

2.10 Employee benefits

a) **Short Term Employee Benefits -** All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.

b) **Defined Contribution Plans -** The Company makes contributions to Provident Fund, which is a defined contribution plan for employees. The contributions paid/payable under the scheme during the year are charged to the Statement of Profit and Loss for the year.

c) **Defined Benefit Plans -** Defined benefit plan covers the obligation of the Company towards the gratuity benefits. For defined benefit plans, the cost of providing benefits is determined

using projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses, any change in the effect of the asset ceiling(excluding interest) and the return on plan assets (excluding net interest), is reflected immediately - with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss. Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability (asset). Defined benefit costs categorized as follows.

(i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

(ii) Net interest expense or income; and

(iii) Re-measurement.

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line 'Employee benefits expense'. Curtailment gains and losses are accounted as past service costs. The retirement benefit obligation recognised in the separate balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation limited to the lower of the surplus in the defined benefit plan and the asset ceiling.

d) Long term employee benefits - The Company has a policy on compensated absence which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is determined by Actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

Long Term Employee Benefits is categorised as follows:

(i) Service Cost

(ii) Net Interest on the net defined benefit liability (asset)

(iii) Re-measurements of the net defined benefit liability (asset)

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line 'Employee benefits expense'. Re-measurements of the net defined benefit liability (asset) is charged or credited to Other Comprehensive Income.

2.11 Borrowing costs

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

2.12 Foreign Exchange Translation

The functional currency of the Company is Indian rupee.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign

currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognized in the Statement of Profit and Loss.

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

2.13 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and laws) enacted or substantively enacted by the reporting date.

Deferred Tax

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

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

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

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

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

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such

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

2.14 Earnings per share

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

3 RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective.

Ministry of Corporate affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to Ind AS which the Company has not applied as they are effective from subsequent years, as mentioned below:

a) Ind AS 116: Leases (Applicable for annual periods beginning on or after 01.04.2019)

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax

losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact because of this amendment.

Amendments to Ind AS 23 - Borrowing Costs- clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction

Amendments to Ind AS 109 - Financial Instruments- Amendments relating to the classification of particular pre payable financial assets.

4.1: Property, Plant & Equipment

4.1.1 : Tangible Assets

(Rupees in '000)

Name of the Asset	Gross Block				Depreciation				Net Block	
Particulars	Gross Carrying Value as on 01.04.2018	Addition during the Year	Deletion during the Year	Gross Carrying value as on 31.03.2019	As at 01.04.2018	Depreciation for the year	Deletion during the Year	As at 31.03.2019	Carrying value As at 31.03.2019	Carrying value As at 31.03.2018
Building	328,731	-	-	328,731	137,709	23,371	-	161,080	167,651	191,021.68
Building - Hangar	215,160	-	-	215,160	59,604	6,102	-	65,707	149,453	155,555.76
Fire Fighting Equipment	8,500	-	-	8,500	3,235	812	-	4,047	4,454	5,265.22
Electrical Fittings	11,741	-	-	11,741	4,495	1,117	-	5,612	6,129	7,245.83
Plant & Machinery	35,160	247	95	35,313	17,562	2,907	34	20,435	14,878	17,567.00
Computer and Peripherals	2,707	408	45	3,069	2,330	275	45	2,559	510	376.85
Motor Car	641	-	-	641	282	51		332	308	358.81
Office Equipment	207	20	-	227	94	44		138	89	112.72
Furniture & fittings	19,814	-	166	19,648	12,628	2,250	102	14,776	4,872	7,186.42
Tools and Equipments	2,598	24	-	2,622	1,736	162		1,897	725	893.46
Books	468	-	-	468	468		-	468	0	-
Total	**625,727**	**699**	**306**	**626,120**	**240,143**	**37,090**	**181**	**277,052**	**349,068**	**385,584**
Previous Year	**624,671**	**1,323**	**267**	**625,727**	**201,812**	**38,396**	**65**	**240,143**	**385,584**	**422,859**

ii) 4.1.2 : Intangible assets

Name of the Asset	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Gross Carrying Value as on 01.04.2018	Addition during the Year	Deletion during the Year	Gross Carrying value as on 31.03.2019	As at 01.04.2018	Depreciation for the year	Deletion during the Year	As at 31.03.2019	Carrying value As at 31.03.2019	Carrying value As at 31.03.2018
Software	162.95	-	-	162.95	133.75	29.20	-	163	-	29
Total	**162.95**	**-**	**-**	**162.95**	**133.75**	**29.20**	**-**	**163**	**-**	**29**
Previous Year	**162.95**	**-**	**-**	**162.95**	**89.26**	**44.50**	**-**	**134**	**29**	**34**

4.2 Other Financial Assets

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
a. Others		
Bank Deposits with Maturity More than 12 months	21,863.91	28,157.24
Bank Deposits with Maturity More than 12 months held under lien with Commercial tax authorities	95.77	92.76
	21,959.66	**28,250.00**

4.3 Income Tax assets (Net) (Non-Current)

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
Income Tax Assets (Net of provision)	11,272.51	10,466.92
	11,272.51	**10,466.92**

4.4 Other Non Current Assets

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
Advances other than Capital Advances		
Unsecured, considered good		
a. Security Deposits	834.42	136.86
Unsecured, considered doubtful		
a. Others	8,045.19	8,045.19
Less: Allowance on doubtful assets	(8,045.19)	(8,045.19)
	834.42	**136.86**

4.4.1 Security Deposit includes an amount of building tax paid to the Municipality under dispute and the proceedings for its refund is in process. (Refer Note No. 4.39)

4.4.2 During the financial year 2008-09, the Company entered into an agreement with M/s. Kairali Aviation Aeronautical Engineering Private Limited (KAAEPL) for the operation and management of AME Institute. Though M/s. KAAEPL started the course during August 2010, they could not continue running the institute as they failed to obtain the necessary approval from Director General of Civil Aviation. Consequent to this, during 2011-12 CIASL invoked a Bank Guarantee for Rupees One Crore submitted by M/s. Kairali Aviation Aeronautical Engineering Private Limited (KAAEPL) for non performance and to recover expenses incurred on their behalf and other receivables due from KAAEPL. The amount received from Bank on invocation of Bank Guarantee and the amount determined as receivable from M/s. KAAEPL have been netted off and the balance receivable is shown under non-current receivables. KAAEPL has disputed the claim in arbitration. The arbitration proceedings were completed and award was passed on 21/03/2016. As per the award, the claimants (KAPL & KAAEPL) have been allowed to recover from the respondents (CIASL) an amount of Rs.13,39,24,004/-with future interest at the rate of 9% per annum from the date of award till realisation, if paid within 3 months from the date of the Award. If the awarded amount is not paid within 3 months

from the date of Award, interest shall be paid on the said amount at the rate of 14% per annum till realisation. The Company sought a legal opinion on the maintainability of the award and as per the opinion received, the Company has challenged the award before the appellate authority. Pending final disposal of the case, no provision has been made in the accounts for the award amount.

4.2.3 During the year 2011 -12, the Company received a letter from Corporation Bank directing it not to remove the assets and equipments of M/s. Kairali Aviation Aeronautical Engineering Pvt. Ltd. (KAAEPL) from the space that the Company had leased out to KAAEPL, on the grounds that these assets and equipments were hypothecated to Corporation Bank. The Company in turn had raised a demand for Rs.2,022,480/- on Corporation Bank towards rent for the space occupied by the assets and equipments of KAAEPL till 30 September, 2012. Corporation Bank has rejected the Company's claim for rent vide letter No. OR:1049:2012 dated 01.10.2012. No rental income has been recognized considering the above dispute, w.e.f. 01.10.2012. Further provision has been created in the accounts for the entire amount of rent during earlier years itself.

4.5 Inventories: (at lower of Cost and Net Realisable Value)

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
Stores & Spares	2,017.96	1,948.11
	2,017.96	**1,948.11**

4.5.1 Inventory write downs, if any, are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value and are recognised as expense in the Statement of Profit and Loss.

4.6 Trade Receivables

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
Trade Receivables considered good- Secured	0.00	0.00
Trade Receivables considered good- Unsecured	35,575.45	20,296.37
Trade Receivables which have a significant increase in credit risk	0.00	0.00
Trade Receivables- Credit impaired	1,081.77	0.00
Credit impaired written off/provided for	(1,081.77)	0.00
	35,575.45	20,296.37
Less: Allowance for Expected credit loss	0.00	0.00
	35,575.45	**20,296.37**

4.6.1 The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. No allowance for doubtful debts is required based on the provision matrix as on the Balance Sheet date.

Movement in expected credit loss allowance	As at 31/03/2019	As at 31/03/2018
- Balance at beginning of the year	-	-
- Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
Balance at the end of the year	-	-

4.6.2 Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

4.7 Cash & Cash Equivalents

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
a. Balance with Banks		
In Current Accounts	157.60	1,833.20
In Deposit Accounts (maturity <3 months)	36,380.33	18,540.55
b. Cash on hand	0.00	0.00
	36,537.93	**20,373.75**

4.8 Bank Balances- Others

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
a. Balance with Banks		
In Deposit Accounts		
Maturity 3 to 12 months	62,626.19	29,253.05
	62,626.19	**29,253.05**

4.9 Other Financial Assets (current)

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
a. Interest Accrued on fixed deposits	5,796.44	2,021.03
b. Insurance Claim Receivable (Refer Note No:4.37)	621.99	-
	6,418.43	**2,021.03**

4.10 Income Tax assets (Net) (Current)

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
Income Tax Assets (Net of provision)	11,035.43	0.00
	11,035.43	**0.00**

4.11 Other Current Assets

Particulars	As at 31.03.2019 Rupees in thousands	As at 31.03.2018 Rupees in thousands
Advances other than Capital Advances :		
(i) Advances recoverable in cash or in kind or for value to be received.	6,623.43	3,047.48
(ii)Due from Related Parties in the ordinary course of business	0.00	76.57
(iii) Prepaid Expenses	1947.03	2590.18
	8,570.45	**5,714.23**

Notes to Accounts

4.12 Share Capital

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
Authorised: 100,000,000 (100,000,000) Equity Shares of Par Value Rs.10/- each	10,00,000.00	10,00,000.00
Issued and Subscribed and fully paid: 75,319,400 (7,53,19,400) Equity shares of Par Value Rs.10/- each, fully paid up	7,53,194.00	7,53,194.00
	7,53,194.00	**7,53,194.00**

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Rupees	No. of shares	Rupees
No. of shares as at the beginning of the financial year	75,319.40	75,319.40	75,319.40	75,319.40
Add: Shares issued during the year	-	-	-	-
No. of shares as at the end of the financial year	**75,319.40**	**75,319.40**	**75,319.40**	**75,319.40**

Rights, preferences and restrictions attached to Shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	%	No. of shares	%	No. of shares
Cochin International Airport Limited	99.99	7,53,13,400	99.99	7,53,13,400

4.13 Other Equity

Other Equity Consist of the following:

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
Retained Earnings		
(i) Balance at the beginning of the year	(276,528.60)	(278,222.14)
(ii) Deferred Tax Liability reversed	-	-
(iii) Profit/(Loss) for the year	28,633.30	1,693.54
Balance at the end of the year	**(247,895.30)**	**(276,528.60)**

Nature of Reserves

(a) General Reserve

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

4.14 Other Financial Liabilities (Non Current)

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
Security Deposits including Retention Moneys	0.00	14,574.07
	0.00	**14,574.07**

4.15 Provision (Non Current)

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
Provision for Employee Benefits		
Provision for leave benefits	2,967.34	2,808.41
Provision for Gratuity	737.46	583.82
	3,704.80	**3,392.23**

DISCLOSURE IN ACCORDANCE WITH AS - 19 ON EMPLOYEE BENEFITS

a) Defined Contribution Plans

Employee benefit schemes recognised in the financial statements as per Actuarial Valuation as on 31st March, 2019 and 31st March, 2018 are as follows:

Particulars	2019	2018
Employers contribution to Provident Fund	4,241.58	3,521.82

b) Defined Benefit Plan - Gratuity : Unfunded Obligation		
i) Actuarial Assumptions		
Discount Rate	7.62%	7.70%
Compensation Escalation Rate	3.00%	3.00%
Attrition Rate	5.00%	5.00%
ii) Reconciliation of present value obligation		
Present Value of Obligations at the Beginning of the year	632.17	630.24
Current Service Cost	91.19	58.30
Interest Cost	48.17	48.53
Benefits paid	-	-
Actuarial (gain) / loss	21.95	(104.90)
Present Value of Obligations at the End of the year	**793.49**	**632.17**
iii) Net (Asset) / Liability recognized in the Balance Sheet as at year end		
Present Value of Obligations at the end of the year	793.49	632.17
Fair Value of Plan Assets at the end of the year	-	-
Net present value of unfunded obligation recognized as (asset) / liability in the Balance Sheet	**793.49**	**632.17**
iv) Expenses recognized in the Statement of Profit and Loss		
Current Service Cost	91.19	58.30
Past Service Cost	-	-
Interest Cost	48.17	48.53
Expected return on Plan Assets	-	-
Expenses recognized in the statement of Profit & Loss	**139.36**	**106.83**
v) Amount disclosed under Other Comprehensive Income (OCI)		
Opening amount disclosed under OCI		
Actuarial Gain / Loss on obligation side during the period	(21.95)	104.90
Actuarial Gain / Loss on asset side during the period	-	
Return on assets other than those included in net interest	-	
Any other impact from asset value assumption	-	
Any other impact from liability value assumption	-	
Closing amount disclosed under OCI	**(21.95)**	**104.90**

c) Long Term Employee Benefits - Compensated absences : Unfunded Obligation		
i) Actuarial Assumptions		
Discount Rate	7.62%	7.70%
Compensation Escalation Rate	3.00%	3.00%
Attrition Rate	5.00%	5.00%
ii) Reconciliation of present value obligation		
Present Value of Obligations at the Beginning of the year	3,152.19	1,561.57
Current Service Cost	1,577.72	1,431.69
Interest Cost	155.57	81.63
Benefits paid	(2,221.14)	(1,002.94)
Actuarial (gain) / loss	651.92	1,080.24
Present Value of Obligations at the End of the year	**3,316.26**	**3,152.19**
iii) Net (Asset) / Liability recognized in the Balance Sheet as at year end		
Present Value of Obligations at the end of the year	3,316.3	3,152.2
Fair Value of Plan Assets at the end of the year	-	-
Net present value of unfunded obligation recognized as (asset) / liability in the Balance Sheet	**3,316.3**	**3,152.2**
iv) Expenses recognized in the Statement of Profit and Loss		
Current Service Cost	1,577.7	1,431.7
Past Service Cost	-	-
Interest Cost	155.6	81.6
Expected return on Plan Assets		-
Immediate recognition of (gain)/losses- Other long term benefits	651.9	1,080.2
Expenses recognized in the statement of Profit & Loss	**2,385.2**	**2,593.6**
v) Amount disclosed under Other Comprehensive Income (OCI)		
Opening amount disclosed under OCI	-	-
Actuarial Gain/Loss on obligation side during the period	-	-
Actuarial Gain/Loss on asset side during the period	-	-
Return on assets other than those included in net interest	-	-
Any other impact from asset value assumption	-	-
Any other impact from liability value assumption	-	-
Closing amount disclosed under OCI	**-**	**-**

NOTE: Actuarial valuation is taken to ascertain the liability. The liability as on the Balance Sheet date is booked as per the actuarial valuation and the net increase/decrease in adjusted in the current year final accounts.

4.16 Other non current liabilities

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
Others i) Deferred Fair value gain arising from Security deposit	0.00	1,529.01
	0.00	**1,529.01**

4.17 Borrowings

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
Secured Loans:		
Loan repayable on demand from Banks	8,362.36	174.64
	8,362.36	**174.64**

4.17.1 Overdraft facility from Bank is secured by first exclusive charge by way of hypothecation of entire current assets of the Company and is secured against the EM of lease hold right of 31.50 acres of land (leased to the Company by Cochin International Airport (Holding Company) and hypothecation of entire fixed assets of the Company (both present and future). The sanctioned limit of the overdraft is Rs.5 Crore and carries an interest of 9.02% p.a.

4.18 Trade Payables

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
Total outstanding dues of creditors other than MSME Includes Dues to related parties(refer note no.4.32)	1,104.76	55.38
	1,104.76	**55.38**

4.18.1.There is no defined credit period. The dues are settled based on the credit policy extended by the vendors. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of vendors, there are no amounts overdue to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

4.19 Other Financial Liabilities (Current)

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
Security Deposits including Retention	17,759.34	647.81
	17,759.34	**647.81**

4.20 Other Current Liabilities

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
a) Revenue received in advance		
Advance from Customers	96.41	0.00
Deferred Fair Value Gain arising from security deposits	1,466.12	1,412.62
b) Others		
Statutory Dues	6,795.68	4,615.59
Expenses Payable	923.43	614.38
	9,281.63	**6,642.60**

4.21 Short-term provisions

Particulars	As at 31.03.2019 Rupees in '000	As at 31.03.2018 Rupees in '000
Provision for employee benefits		
Provision for leave benefits	348.92	343.78
Provision for Gratuity	56.03	48.35
	404.95	**392.13**

4.22 Revenue from Operations **(Amount in '000)**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a) Sale of services		
i) Maintenance Repair & Overhaul (MRO)		
Aircraft Certification	59,562	52,664
Headset Services	24,985	29,360
Rentals for MRO Hangar / Ground support services	41,676	16,328
Aircraft Parking	6,508	415
ii) Academy		
Diploma Courses	63	3,202
Application and Registration Fees for workshops	4,614	1,323
b) Other Operating Revenue		
Rent & Services	6,001	3,150
	143,409	**106,442**

4.23 Other Income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest Income	10,030	3,077
Fair valuation gain on security deposit	1,476	-
Foreign Exchange Rate Variance (Net)	237	139
Insurance claim (Refer Note No. 37)	622	
Other Non-Operating Income	527	554
	12,892	**3,770**

4.24 Employee Benefits

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Salaries & Wages	52,514	44,887
Contribution to Provident and Other Funds	4,242	3,522
Workmen and Staff Welfare Expenses	2,784	2,547
	59,539	**50,955**

4.25 Finance Costs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest expenses:		
Bank	94	18
Others	-	1
Other Borrowing Cost:		
(i) Unwinding of discount on security deposits	1,476	-
	1,569	**18**

4.26 Other Expenses

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Advertisement & Publicity	47	86
Auditor's Remuneration (Refer Note:4.35)	150	100
Bad debts written off	1,088	-
Consumption of Stores, Spares & Consumables	248	464
Hangar operational expenses	-	836
Housekeeping Expenses	1,326	2,292
Insurance	536	472
Lease Rentals (Refer Note No 4.28)	315	315
Loss on sale/damage of Fixed Assets (Refer Note No.4.37)	124	175
Power, Water & Fuel Charges	2,000	1,507
Professional & Consultancy charges	2,919	1,860
Rates & Taxes:		
- Building Tax (Refer Note:4.38)	8,198	-
- Others	135	356
Renewal and Registration Charges	3,559	2,922
Rent	481	128
Repairs to Plant, Equipment & others	2,176	1,904
Security Charges	1,753	1,726
Travelling & Conveyance	2,642	2,655
Other administrative expenses	1,590	840
Sitting Fee - Directors (Refer Note No.4.32)	130	150
	29,417	**18,789**

4.27 Earnings Per Share

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Basic:		
Profit/(loss) after taxation for the Year (Rs.)	28,655	1,589
Weighted Average Number of Equity Shares of Rs. 10/- each (fully paid-up)	75,319	75,319
Basic Earnings per Share (In Rupees)	**0.38**	**0.02**
Diluted:		
Profit/(loss) after taxation for the Year (Rs.)	28,655	1,589
Weighted Average Number of Equity Shares of Rs. 10/- each (fully paid-up)	75,319	75,319
Diluted Earnings per Share	**0.38**	**0.02**

4.28 The Company has taken land from Cochin International Airport Limited (Holding Company) on an operating lease as defined in the Ind AS 17 for a term of 30 years commencing from 12th May, 2006. The lease rentals are charged during the year to the Statement of Profit & Loss and the maximum obligation on long-term, non cancellable operating lease payable as per the rentals stated in the agreement are as follows:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Lease rentals recognized during the year	315	315
Lease obligation payable:		
Not later than one year	315	315
Later than one year and not later than five years	1,260	1,260
Later than five years	3,780	4,095

4.29 The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation conducted annually using the projected unit credit method, as adjusted for unrecognised past service costs, if any, is recognised in the books of account. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. In case of contract employees, no provision is made for contract Gratuity and the provision for Leave Encashment is made for the leave due during the period of contract employment.

4.30 The Company has executed a Memorandum of Undertaking (MOU) dated 12th day of May, 2006 with Cochin International Airport Limited (CIAL). As per the terms of the MOU, the Company has to pay a Royalty @ 3% on the Gross Turnover. During the Financial year 2011-12, Company had provided a sum of Rs.28,53,553/- towards royalty payable in the books of account. However during the year 2012-13, the Company was informed by CIAL of their decision not to charge royalty till the Company commences its main operation viz. maintenance using the MRO Hangar facility. No provision for royalty for the current year has been considered.

4.31 In the opinion of the Directors, short term loans and advances and other current Assets, have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

4.32 Disclosure of transactions with related parties as required by IND AS 24 on Related Party Disclosures as prescribed by Companies (Accounting standards) Rules, 2006.

A Related parties and nature of relationship

a) Holding Company

Cochin International Airport Limited (CIAL)

Fellow Subsidiaries

CIAL Infrastructures Limited

Kerala Waterways and Infratrsuctures Limited

Air Kerala Iternational Services Limited

CIAL Dutyfree and Retail Services Limited

b) Key Management Personnel (KMP) in accordance with Companies Act 2013

i) Mr. V.J. Kurian, Chairman

ii) Mr. A Chandrakumaran Nair, Managing Director

iii) Mr. Lenny Sebastian, Chief Financial Officer

iv) Mr. Saji Daniel, Company secretary

c) Key Management Personnel (KMP) of Holding Company

i) Mr. V.J. Kurian, Chairman

ii) Mr. Sunil Chacko, CFO

iii) Mr. Saji K George, Company Secretary

B. Description of Transactions with Related Parties:

a) Transactions with Holding Company

Nature of Transaction	Holding Company		TOTAL	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Debit for meeting expenses	**428,627**	**304,138**	**428,627**	**304,138**
Receipt of services				
a) Lease Rent paid	315,025	315,025	315,025	315,025
b) Energy charges	1,659,499	1,218,824	1,659,499	1,218,824
c) Others	132,280	61,400	132,280	61,400
Providing of services				
Rental income	5,378,108	2,061,235	5,378,108	2,061,235
Training fee	434,240	346,000	434,240	346,000
Outstanding as on Balance sheet date				
Receivable / (Payable)	180,301	(76,572)	180,301	(76,572)

Note: All amounts are exclusive of GST @ 18%.

b) Transactions with Fellow subsidiaries

a) CIAL Infrastructures Limited

Nature of Transaction	CIAL Infrastructures Ltd		TOTAL	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Providing of services				
Rental income	**106,569**	**106,569**	**106,569**	**106,569**
Outstanding as on Balance sheet date				
Receivable / (Payable)	**115,095**	**115,095**	**115,095**	**115,095**

Note: All amounts are exclusive of GST @ 18%.

Details of transactions with key managerial personnel

Nature of Transaction	31st March 2019	31st March 2018
i) Remuneration to Managing Director	Nil	Nil
ii) Sitting Fees paid to Directors:		
C V Jacob	10,000	20,000
N V George	40,000	30,000
E M Babu	20,000	40,000
Jose Pottokaran	20,000	30,000
A Ramalingam	40,000	30,000
	130,000	**150,000**

4.33 Expenditure in Foreign Currency on account of:

Particulars	For the year ended 31.03.2019 '000	For the year ended 31.03.2018 '000
A) CIF Value of Imports		
Capital Goods	-	-
B) Others	6,933.17	3,570.61
	6,933.17	**3,570.61**

4.34 Earnings in Foreign Exchange :

Particulars	For the year ended 31.03.2019 Rupees in '000	For the year ended 31.03.2018 Rupees in '000
Aircraft Certification, Headset services, rentals and others	25,082	29,007
	25,082	**29,007**

4.35 Provision and/or payments in respect of Auditor's Remuneration

Particulars	For the year ended 31.03.2019 Rupees in '000	For the year ended 31.03.2018 Rupees in '000
a. Statutory Audit Fees	100.00	60.00
Taxation Matters (Including Tax Audit)	50.00	40.00
	150.00	**100.00**

4.38 Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31,2019 by contract-type. The Company believes that this disaggregation best depicts the nature, amount, timing and uncertainty of our revenues and cash flows that are affected by industry, market and other economic factors.

Particulars	Year ended March 31,2019
Revenues by contract type:	
Fixed Price:	
a) Maintenance Repair & Overhaul (MRO) charges (Including MRO Rentals)	132,731,478
b) Income from training programmes	4,677,169
c) Income from sub-lease	106,569
d) Other Rental Incomes	5,893,944
Total revenue from operations	**143,409,160**

4.37 Impact of Floods

Consequent to the flood occurred in the State during the month of August, 2018, there is disruption in the operation of the Company for few days and there was damage to some of the assets. The Company incurred expenses for refurbishment and clearing, which is debited to Statement of Profit and Loss as part of normal repair and maintenance expenses. The cost of assets damaged/impaired amounting to Rs.1.24 lakhs has been charged to Statement of Profit and Loss and the insurance claim receivable having virtual certainty has been credited to Statement of Profit and Loss in accordance with Ind As 16.

4.38 Disputed demand for Building tax:

Local Municipal authorities had raised demand for payment of building tax (including penalty) amounting to Rs.508.68 lakhs considering the Aviation building and the two bay hangars as unauthorised constructions, though the constructions were carried out based on Govt Order GO(Rt) No 595/01/LSGD dt 17.02.2011, which states that the Kerala Municipality Building Rules do not apply to constructions carried out in the land owned by Cochin International Airport Ltd. Against the demand, the Company filed appeal before the Hon'ble Court of Kerala and got stay for recovery. Further based on the direction of the Hon'ble High Court, Rs.90.00 lakhs had been remitted towards the admitted tax on an estimate. The Management has worked out the possible building tax liability Rs.81.98 lakhs and the same has been charged to Statement of Profit and Loss during the year and adjusted towards the admitted tax paid and the balance demand is considered as contingent liability.

4.39 Litigation: The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations.

4.40 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

4.41 Contingent Liabilities not provided for :

i) Award passed by the Arbitrator (Refer Para 4.5) which has been disputed in appeal Rs.13,39,24,004/- (13,39,24,004/-)

ii) Disputed demand for payment of Building tax (Refer Para 4.39), which has been disputed in appeal before the Hon'ble High Court of Kerala Rs.418.68 lakhs (net of payment).

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

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

Signatures to Note 1 to 4.43 forms integral part of accounts.

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
Chairman
(DIN: 1806859)

sd/-
A C K Nair
Managing Director
(DIN: 1327169)

sd/-
Lenny Sebastian
Chief Financial Officer

sd/-
Saji Daniel
Company Secretary

Place : Kochi
Date : 29.06.2019

As per our separate report of even date attached

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

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