

AIR KERALA INTERNATIONAL SERVICES LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

2021-22

AIR KERALA INTERNATIONAL SERVICES LIMITED

Regd. Office: XI/318E, Cochin International Airport Buildings, Nedumbassery
Kochi Airport P.O. – 683 111, Ernakulam, CIN: U62100KL2006PLC019227

Phone & Fax: 0484 2374154; e-mail: akislsec@gmail.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 16th Annual General Meeting of Air Kerala International Services Limited will be held on **Monday**, the **25th July 2022** at **04.00 p.m.** at **XI/318E, Cochin International Airport Building, Kochi Airport P.O, Nedumbassery, Ernakulam - 683 111**, the registered office of the Company to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2022, the Statement of Profit and Loss for the year ended on that date, Annexures and Schedules thereto and the report of the Directors and Auditors of the Company.
2. To appoint a Director in the place of Sri.M.A.Yusuffali (DIN: 00364677) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory auditor and fixation of remuneration:

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

“Resolved that pursuant to Section 139 and all other applicable provisions of the Companies Act 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) M/s.Sen George Associates, (Firm Registration No: 007399S), Chartered Accountants, Ernakulam, be and are hereby appointed as the statutory auditor of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

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

“Resolved that pursuant to the provisions of Section 152, Section 161 and all other applicable provisions of the Companies Act 2013 and the rules made thereunder, Sri. S.Suhas IAS (DIN 08540981) Managing Director / CIAL, who was appointed as an Additional Director by the Board of Directors at its meeting held on 02nd September 2021 and whose term of office expires at this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 along with the deposit of requisite amount, proposing the candidature of Sri. S.Suhas IAS for the office of Director, be and is hereby appointed as a Director and the period of office of Sri. S.Suhas IAS shall be liable to determination by retirement of directors by rotation.”

for and on behalf of the Board of Directors

sd/-

Pinarayi Vijayan
Chairman

DIN: 01907262

Date : 23rd June 2022

Place : Thiruvananthapuram

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.**
2. Instrument of proxies, in order to be effective, must be duly filled, stamped, signed and deposited at the Company's registered office not later than 48 hours before the commencement of the meeting.

Explanatory Statement pursuant to Section 102 of the Companies Act 2013 regarding item No: 04

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

Sri. S.Suhas is 2012 batch IAS Officer. Keeping in view Sri. S.Suhas' rich and varied experience in Management and administration, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as a Director of the Company whose office is liable to retire by rotation.

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

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

As per the requirement of Secretarial Standard 2, the following information relating to the directors, as contained at item 2 & 4, is furnished below:

Particulars	Information	Information
Name	Sri.M.A. Yusuffali (DIN: 00364677)	Sri. S. Suhas IAS (DIN: 08540981)
Age	67 Years	34 Years
Qualification	DBA	B.E
Experience	Industrialist with 45 years of experience	10 years in Indian Administrative Service
Terms and Conditions of appointment	Retiring Director, being eligible offer himself for reappointment	As per resolution no. 04
Remuneration last drawn	Nil	Nil
Date of first appointment on Board	15 th March 2006	02 nd September 2021
Shareholding in Company	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	Nil	Nil
Number of Meetings of Board attended	2	2
Other Directorships, Memberships/Chairmanships of Committees of other Boards	<p>Director and Managing Director in –</p> <ol style="list-style-type: none"> 1. Emmay Projects (India) Private Limited 2. Emmay Ventures (India) Private Limited 3. Lulu Hypermarket Private Limited 4. Lulu Trivandrum Mall Private Limited 5. Lulu International Shopping Mall Private Limited 6. Lulu International Convention Centre Private Limited 7. Lulu Convention and Exhibition Center Private Limited 8. Lulu Convention Centre Calicut Private Limited 9. Lulu India Shopping Mall Private Limited 10. Line Properties Private Limited 11. Lulu Group International Private Limited <p>Director in –</p> <ol style="list-style-type: none"> 12. Lulu Tech Park Private Limited 13. Cochin International Airport Limited 14. Emmay Logistics (India) Private Limited 15. Kannur International Airport Limited 16. UAE – India Business Council 17. Lulu Cyber Park Private Limited 18. Norka – Roots (Sec 8 Company) 	<p>Chairman & Director</p> <ol style="list-style-type: none"> 1. Cochin International Aviation Services Limited 2. CIAL Dutyfree and Retail Services Limited 3. CIAL Infrastructures Limited <p>Director</p> <ol style="list-style-type: none"> 4. Air Kerala International Services Limited 5. Kerala Infrastructure Fund Management Limited <p>Director & Managing Director</p> <ol style="list-style-type: none"> 6. Kerala Waterways and Infrastructures Limited 7. Roads and Bridges Development Corporation of Kerala Limited.

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DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 16th Annual Report and the Company's audited financial statement for the financial year ended 31st March 2022.

STATE OF AFFAIRS OF THE COMPANY

The primary objective of your Company is to establish a low cost Airline based at Cochin International Airport to benefit the huge population of Non Resident Keralites in the Middle East. It is a view to provide budget carrier with a very clear purpose of providing a superior quality travelling along with a hassle free experience to population residing in Gulf areas.

In the National Civil Aviation Policy (NCAP) issued by Ministry of Civil Aviation (MoCA) on 15th June 2016, the requirement of 5/20 has been partially modified. Currently, the requirement that mandated the airlines to have five years of domestic operations to be eligible to fly overseas, has been scrapped. However, an airline can commence international operations provided that they deploy 20 aircrafts or 20% of total capacity (in terms of average number of seats on all departures put together), whichever is higher for domestic operations. Even though, the Government of Kerala had earlier earmarked Rs.10 crore in the State Budget to commence the commercial operations, the Company could not initiate actions due to the existing restrictive clause of deployment of 20 aircrafts for commencing the international operations. The possibility to commence the operations in the backdrop of Covid-19 is very remote.

DIVIDEND AND TRANSFER TO RESERVES

Since the Company has not commenced its operations, your Directors are not recommending dividend for the year ended 31st March 2022 and no amounts have been transferred to General Reserve Account.

ANNUAL RETURN

The Annual Return of the Company as on 31st March 2022 is available on the CIAL's website and can be accessed at <https://cial.aero/contents/viewcorporatecontent.aspx?linkId=231>

MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the period under review, on 08th April 2021, 05th June 2021, 02nd September 2021, 21st December 2021 and 21st February 2022.

The composition and category of the Directors along with their attendance at Board Meetings for the financial year ended 31st March 2022 are given below:

Sl.No.	Name of the Director	Category of Director	No. of Board Meetings	
			Held during the tenure	Attended
1.	Sri.Pinarayi Vijayan	Chairman	5	1
2.	Sri. M A Yusuffali	Director	5	2
3.	Sri. V J Kurian (upto 01.09.2022)	Director	2	2
4.	Sri.A.M.Shabeer	Director	4	4
5.	Sri.S.Suhas (from 02.09.2021)	Director	2	2

DIRECTORS

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

SI.No.	DIN	Name of the Director	Designation
1.	01907262	Sri. Pinarayi Vijayan	Chairman
2.	00364677	Sri. M A Yusuffali	Director
3.	01643446	Sri.A.M.Shabeer	Director
4.	08540981	Sri.S.Suhas	Director

The provisions of Section 149 of the Companies Act 2013 and rules framed thereunder are not applicable with respect to the appointment of Independent Director and Women Director. Further, the Company is not covered under the provisions of Section 177 and 178 of the Companies Act 2013 with respect to the constitution of various statutory Sub - committee(s) of the Board.

Sri.V.J.Kurian, Director who retires by rotation at the previous Annual General Meeting held on 01st September 2021 had not sought for re-appointment. During the Board Meeting held on 02nd September 2021, Sri Sri.S.Suhas (DIN: 08540981) was appointed as Additional Director under section 161(4) of the Companies Act 2013. The Board therefore recommends the appointment of Sri.Suhas as Director of the Company in this Annual General Meeting. No Directors or Key Managerial Personnel of the Company were appointed or resigned during the period under review.

Sri. M.A.Yusuffali (DIN: 00364677) who retires by rotation and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act 2013:

- in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards and the instructions provided under Schedule III of the Companies Act 2013 have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2022 and of the loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITOR

M/s. Sen George Associates (Firm Registration No: 007399S), the Statutory Auditors of the Company, hold office till the conclusion of this Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re - appointment, if made, would be within the prescribed limits under the

Act and they are not disqualified for re - appointment. The notes on financial statement referred in the auditors' report are self - explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remarks or disclaimer.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT 2013

During the year under review, your Company has not made any loans, guarantees or investments falling under the purview of Section 186 of the Companies Act 2013.

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

Since the Company has not commenced its commercial activities, no information as per the provisions under Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is attached. There are no foreign exchange earnings or outgo during the period.

RELATED PARTY TRANSACTIONS

During the year under review, an advance of Rs. 94,000 from its holding Company, was received to meet the various expenses. The transactions were not likely to have a conflict with the interest of the Company. Disclosures of particulars of contracts / arrangements entered into by the Company with related parties are given in Form AOC - 2 as Annexure A to this Report.

PERSONNEL AND INDUSTRIAL RELATIONS

There were no employees of the company who have drawn remuneration in excess of the limits set out under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. The industrial relations of your company were cordial during the period.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

The Company has an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021 - 22:

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

RISK MANAGEMENT

The Company has adequate system of business risk evaluation and management, to ensure stable & sustainable business growth and to promote pro-active approach in evaluating and resolving the risks associated with the business. The Company has identified the potential risks such as financial risk, legal & statutory risks and the internal process risk and has put in place appropriate measures for its mitigation. At present, the Company has not identified any element of risk which may threaten the existence of the Company

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Details relating to deposits covered under Chapter V of the Act.
- c. Issue of sweat equity shares by the Company.
- d. Details of Employee Stock Option Scheme, offered to the employees of the Company.
- e. The Company has not made any application and no proceedings are pending under the Insolvency and Bankruptcy Code 2016 (31 of 2016) during the year under review.
- f. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions are not applicable to AKISL.
- g. The Company is not required to maintain cost records as specified by the Central Government under Sub – Section (1) of Section 148 of the Companies Act 2013.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

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

The provisions with respect to Section 135 of the Companies Act 2013, pertaining to Corporate Social Responsibility were not applicable.

Your Directors further state that during the year under review, no frauds were reported by the Auditors of the Company.

ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation and gratitude for the assistance and cooperation received from Central and State Governments, Management and staff of Cochin International Airport and the members of the Company.

for and on behalf of the Board

sd/-

Pinarayi Vijayan
Chairman

DIN: 01907262

Date : 23rd June 2022
Place : Thiruvananthapuram

Form AOC – 2

[Pursuant to clause (h) of Sub – Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub – Section (1) of Section 188 of the Companies Act 2013 including certain arm's length transaction under third proviso thereto.

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

SI. No	Particulars	Details
1	Name (s) of the related party	Nil
2	Nature of relationship	Nil
3	Nature of contracts / arrangements / transactions	Nil
4	Duration of the contracts / arrangements / transactions	Nil
5	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
6	Justification for entering into such contracts or arrangements or transactions	Nil
7	Date of approval by Board	Nil
8	Amount paid as advance, if any	Nil
9	Date on which the Special Resolution was passed in General Meeting as required under first proviso to Section 188	Nil

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

SI. No	Name of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by Board	Amount paid as advance, if any
1	Cochin International Airport Limited	Holding Company	ROC filing fees, certification charges and audit fees	N.A.	Payment made towards various statutory filings with Registrar of Companies and the Certification charges in connection therewith and also the Statutory Audit Fee. The total amount involved was Rs.94,000/-	N.A.	Nil

for and on behalf of the Board

sd/-

Pinarayi Vijayan
Chairman

DIN : 01907262

Date : 23rd June 2022
Place : Thiruvananthapuram

SEN GEORGE ASSOCIATES
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of AIR KERALA INTERNATIONAL SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **AIR KERALA INTERNATIONAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March 2022**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March 2022**, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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:

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

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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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

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directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid the dividend during the year and is in compliance with Section 123 of the Companies Act 2013.
2. As required by the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **SEN GEORGE ASSOCIATES**
Chartered Accountants (FRN: 007399S)

Sd/-

CA. K. J. JOSE, FCA

Partner (M.No.204821)

UDIN: 22204821ALWGQE8965

Place : Kochi

Date : 23rd June 2022

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SEN GEORGE ASSOCIATES
Chartered Accountants

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **AIR KERALA INTERNATIONAL SERVICES LIMITED** 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 **AIR KERALA INTERNATIONAL SERVICES LIMITED** (“the Company”) as of **31st March 2022** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management of the Company 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. 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 respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Head Office	:	Shreyas, B1, Cheruparambath Road, Kadavanthra, Kochi-20 Ph: 0484 2323540, Mob: 9846021796, e-mail-casengeorge@gmail.com
Branch	:	F-16, Municipal Stadium Complex, Palai, Kottayam-686 575

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

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 authorisations 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.

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 **31st March 2022**, 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 **SEN GEORGE ASSOCIATES**
Chartered Accountants (FRN: 007399S)

Sd/-

CA. K. J. JOSE, FCA
Partner (M.No.204821)

UDIN: 22204821ALWGQE8965

Place : Kochi
Date : 23rd June 2022

Head Office : Shreyas, B1, Cheruparambath Road, Kadavanthra, Kochi-20
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SEN GEORGE ASSOCIATES
Chartered Accountants

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AIR KERALA INTERNATIONAL SERVICES LIMITED of even date)

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
The Company has not commenced commercial operations in the current year and does not have Property, Plant and Equipment and Intangible Assets and hence reporting under clause 3(i) of the order is not applicable.
- ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the order is not applicable.
- iii) The company has not made investments in, provided any guarantee or security granted any loans or advances in the nature of loans, secured or unsecured to Companies, firms, LLPs, or any other parties.
- iv) The Company has not given any loans or guarantees/made any investments within the meaning of Sections 185 & 186 of the Companies Act 2013.
- v) The Company has not accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of the Companies Act 2013.
- vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act 2013.
- vii)
 - a) The company is regular in depositing undisputed statutory dues with appropriate authorities.
 - b) According to the records of the company, there are no statutory dues which have not been deposited on account of any delay.
- viii) There were no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.
- ix)
 - (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

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SEN GEORGE ASSOCIATES
Chartered Accountants

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) (a) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/ employees have not been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT - 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) The transactions entered into with related parties are in compliance with Section 177 & 188 of the Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company has no internal audit system as the company has not commenced commercial operations so far.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act 2013 are not applicable to the Company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

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SEN GEORGE ASSOCIATES
Chartered Accountants

- xvii) The company has incurred cash losses of Rs. 0.32 lakhs in the Financial Year. The company had earned a net profit of Rs. 0.16 lakhs in the immediately preceding Financial Year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.
- xx) (a) In respect of other than ongoing projects, the Company has no amount transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to Sub-Section (5) of Section 135 of the said Act.
- (b) In respect of ongoing projects, the company has no amount remaining unspent under Sub-Section (5) of Section 135 of Companies Act to special account in compliance with provision of Sub-Section (6) of Section 135 of the said Act.

For **SEN GEORGE ASSOCIATES**
Chartered Accountants (FRN: 007399S)

Sd/-

CA. K. J. JOSE, FCA

Partner (M.No.204821)

UDIN: 22204821ALWGQE8965

Place : Kochi

Date : 23rd June 2022

Head Office : Shreyas, B1, Cheruparambath Road, Kadavanthra, Kochi-20
Ph: 0484 2323540, Mob: 9846021796, e-mail-casengeorge@gmail.com

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PART I : BALANCE SHEET
AIR KERALA INTERNATIONAL SERVICES LIMITED
CIN : U62100KL2006PLC019227
BALANCE SHEET AS AT 31st MARCH 2022

(Rupees in '000)

Particulars	Note No.	31.03.2022	31.03.2021
I. ASSETS			
Non Current Assets			
Property, plant and equipment		-	-
Capital work-in-progress		-	-
Intangible assets		-	-
Financial assets			
(i) Loans		-	-
Income Tax Assets (Net)	5	29.91	23.08
Other non-current assets		-	-
Current Assets			
Financial assets			
(i) Trade Receivables		-	-
(ii) Cash & Cash equivalents	6	1,348.40	1,287.16
(iii) Loans & Receivables			
(iv) Other financial assets			
Other current assets			
Total Assets		1,378.31	1,310.24
II. EQUITY & LIABILITIES			
Equity			
Equity Share Capital	7	10,641.20	10,641.20
Other Equity	8	(14,992.25)	(14,960.24)
Liabilities			
Non Current Liabilities			
Provisions		-	-
Deferred tax liabilities (Net)		-	-
Current Liabilities			
Financial Liabilities			
(i) Trade Payables	9	35.40	29.50
Other current liabilities (Net)	10	5,693.96	5,599.78
Provisions		-	-
Total Equity and Liabilities		1,378.31	1,310.24

For and on behalf of the Board of Directors

As per our separate report of even date attached

sd/-

S. Suhas

Director

(DIN: 08540981)

sd/-

A.M. Shabeer

Director

(DIN: 01643446)

For **SEN GEORGE ASSOCIATES**

Chartered Accountants

(FRN: 007399S)

sd/-

CA. K. J. JOSE, FCA

Partner (M.No.204821)

UDIN: 22204821ALWGQE8965

Place : Thiruvananthapuram

Date : 23rd June 2022

PART II : STATEMENT OF PROFIT & LOSS ACCOUNT
AIR KERALA INTERNATIONAL SERVICES LIMITED

CIN : U62100KL2006PLC019227

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2022

		(Rupees in '000)		
Particulars		Note No:	31.03.2022	31.03.2021
	Income:			
I.	Revenue from Operations		-	-
II.	Other Income	11	68.05	74.59
III.	Total Income		68.05	74.59
	Expenses:			
	Other Expenses	12	100.06	52.99
IV.	Total Expenses		100.06	52.99
V.	Profit before exceptional items and tax (III-IV)		(32.01)	21.60
VI	Exceptional Items		-	-
VII	Profit before Tax		(32.01)	21.60
VIII	Tax expense:			
	a. i) Current tax		-	5.62
	ii) MAT Credit Entitlement		-	-
	b. Tax for earlier years		-	-
	c. Deferred tax		-	-
			-	5.62
IX	Profit for the period from continuing operations (VII-VIII)		(32.01)	15.98
X	Profit for the period from discontinuing operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit after tax from discontinued operations		-	-
XIII	Profit for the year (IX+XII)		(32.01)	15.98
XIV	Other comprehensive income			
	- Items that will not be reclassified to profit or loss		-	-
	- Income tax relating to items that will not be reclassified to profit or loss		-	-
	- Items that will be reclassified to profit or loss		-	-
	- Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total comprehensive income for the period (Profit/ loss + other comprehensive income)		(32.01)	15.98
XVI	Earnings per equity share (for continuing operations)			
	a) Basic		(0.030)	0.015
	b) Diluted		(0.030)	0.015
XVII	Earnings per equity share (for discontinued operations)			
	a) Basic		-	-
	b) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	a) Basic		(0.030)	0.015
	b) Diluted		(0.030)	0.015

For and on behalf of the Board of Directors

sd/-
S. Suhas
 Director
 (DIN: 08540981)

sd/-
A.M. Shabeer
 Director
 (DIN: 01643446)

As per our separate report of even date attached

For **SEN GEORGE ASSOCIATES**
 Chartered Accountants
 (FRN: 007399S)

sd/-

CA. K. J. JOSE, FCA
 Partner (M.No.204821)
 UDIN: 22204821ALWGQE8965

Place : Thiruvananthapuram
 Date : 23rd June 2022

STATEMENT OF CHANGES IN EQUITY
AIR KERALA INTERNATIONAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2022

A Equity Share Capital

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

Particulars	Number in '000	Rs. in '000
Balance at March 31, 2020	1,064.12	10,641.20
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	1,064.12	10,641.20
Changes in equity share capital during the year	-	-
Balance at March 31, 2022	1,064.12	10,641.20

B Other Equity

(Rupees in '000)

Particulars	Retained Earnings	Equity Instruments through Other Comprehensive Income	General Reserve	Total
Balance at March 31, 2020	(14,976.22)	-	0.00	(14,976.22)
Profit for the year	15.98	-		15.98
Other comprehensive income for the year, net of income tax	0.00	-		0.00
Total Comprehensive Income for the year	15.98	-		15.98
Balance at March 31, 2021	(14,960.24)	-	0.00	(14,960.24)
Profit for the year	(32.01)	-		(32.01)
Other comprehensive income for the year, net of income tax	0.00	-		0.00
Total Comprehensive Income for the year	(32.01)	-		(32.01)
Balance at March 31, 2022	(14,992.25)	-	0.00	(14,992.25)

For and on behalf of the Board of Directors

As per our separate report of even date attached

sd/-

S. Suhas

Director

(DIN: 08540981)

sd/-

A.M. Shabeer

Director

(DIN: 01643446)

For **SEN GEORGE ASSOCIATES**

Chartered Accountants

(FRN: 007399S)

sd/-

CA. K. J. JOSE, FCA

Partner (M.No.204821)

UDIN: 22204821ALWGQE8965

Place : Thiruvananthapuram

Date : 23rd June 2022

AIR KERALA INTERNATIONAL SERVICES LIMITED

CIN : U62100KL2006PLC019227

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022 (Rupees in '000)

Particulars	For the period 01.04.2021 to 31.03.2022	For the period 01.04.2020 to 31.03.2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax from		
Continuing Operations	(32.01)	21.60
Discontinued operations	-	-
Profit before income tax including discontinued operations	(32.01)	21.60
Adjustments for:		
Other comprehensive income not reclassified to profit or loss	-	-
Depreciation	-	-
Loss on Fixed Asset sold/discarded	-	-
Interest income	68.05	74.59
Operating profit before working capital changes	(100.06)	(52.99)
Adjustments for:		
(Increase)/decrease in Inventories	-	-
(Increase)/decrease in Trade receivables	-	-
(Increase)/decrease in Pre-payments and Other receivables	-	-
Increase/(decrease) in Liabilities & provisions	100.08	57.58
Cash generated from operations	0.02	4.59
Direct Tax Payments	(6.83)	(10.19)
Net Cash Flow from Operating Activities	(6.81)	(5.60)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital work-in-progress	-	-
Interest received	68.05	74.59
Net Cash Flow from Investing Activities	68.05	74.59
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Proceeds from Long-Term Borrowing	-	-
Proceeds from Short-Term Borrowing	-	-
Repayment of Long-Term Borrowing	-	-
Net Cash Flow from Financing Activities	-	-
Net increase/(decrease) in cash and cash equivalents	68.05	74.59
Cash and cash equivalents at the beginning of the period	1,287.16	1,218.17
Cash and cash equivalents at the end of the period	1,348.40	1,287.16

For and on behalf of the Board of Directors

sd/-
S. Suhas
 Director
 (DIN: 08540981)

sd/-
A.M. Shabeer
 Director
 (DIN: 01643446)

As per our separate report of even date attached

For **SEN GEORGE ASSOCIATES**
 Chartered Accountants
 (FRN: 007399S)

sd/-

CA. K. J. JOSE, FCA
 Partner (M.No.204821)
 UDIN: 22204821ALWGQE8965

Place : Thiruvananthapuram
 Date : 23rd June 2022

NOTES TO FINANCIAL STATEMENTS:**1. GENERAL INFORMATION**

Air Kerala International Services Limited was incorporated on 21st February 2006. The main objective of the company is to carry on in India and abroad the business to organize, develop and operate air transport services, scheduled and non-scheduled, for carriage of passengers, animals, goods of all description, mail etc.

The financial statements were approved for issue by the Company's Board of Directors on 23rd June 2022.

2. OPERATIONS & CONTINUITY

The company was formed to develop and operate air transport services. Due to technical reasons, the company has not commenced any commercial operations. However, as the company is expecting a policy change in aviation, going concern assumption is not at stake as of now.

3. SIGNIFICANT ACCOUNTING POLICIES**a) Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 as applicable.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis.

c) Use of Estimates and judgment

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

i) Revenue Recognition

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

ii) Earnings per share

The earnings considered in ascertaining the company's Earnings per share, comprise of the net profit after tax. The number of shares used in computing the basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted Earnings per share comprises the weighted average shares considered for deriving the basic earning per share.

iii) Taxes on Income

Income tax expense comprises current tax and deferred tax charge or credit. The current tax is determined as the amount of tax payable in respect of the estimated taxable income of the period. The deferred tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax

asset are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets are reviewed at each Balance Sheet date based on the developments during the period. The deferred tax position as on 31st March 2022 represented by unabsorbed depreciation or loss is not considered in the absence of virtual certainty about sufficient future profits.

iv) Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal or external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital.

v) Provisions, Contingent Liabilities and Contingent Assets

The company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

vi) Cash and cash equivalents

Cash and cash equivalents comprise cash on deposit with bank and financial institutions. Fixed Deposit with bank has been split into upto 3 months and more than 3 to 12 months.

vii) 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 expense associated with investing or financing cash flows.

viii) Risk Management

The Company's activities expose it to a variety of risks: credit risk, liquidity risk, and performance risk of contracts.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The company is expecting a policy change in aviation to commence commercial operations and thus the Company's activities are not exposed to any risk.

4. APPLICATION OF NEW ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) on 18th June 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules 2021. These rules shall be applicable with immediate effect from the date of the notification i.e., 18th June 2021 which means that the amendments are effective for the financial year ended 31st March 2022 onwards.

Major amendments notified in the Companies (Ind AS) Amendment Rules 2021 are provided below: -

- (a) Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word ‘Framework’ with the ‘Conceptual Framework of Financial Reporting in Ind AS’, respective changes have been made in the standard.
- (b) Ind AS 16 | Property, Plant and Equipment –The amendment has been made by substituting the words “Recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use” with “Recoverable amount is the higher of an asset’s fair value less costs of disposal and its value in use”.
- (c) Ind AS 34 | Interim Financial Reporting –The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.
- (d) Ind AS 37 | Provisions, Contingent Liabilities and Contingent Assets – The amendment substitutes the definition of the term ‘Liability’ as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.
- (e) Ind AS 38 | Intangible Assets – The amendment substitutes the definition of the term ‘Asset’ as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.
- (f) Ind AS 101 | Presentation of Financial Statements – The amendment substitutes the item (d) mentioned in paragraph BI as ‘Classification and measurement of financial instruments. The term ‘financial asset’ has been replaced with financial instruments.
- (g) Ind AS 102 | Share-Based Payment – The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term ‘Equity Instrument’ which shall be applicable for the annual reporting periods beginning on or after 01st April 2021.
- (h) Ind AS 103 | Business Combinations – The amendment substitutes the definition of ‘assets’ and ‘liabilities’ in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.
- (i) Ind AS 104 | Insurance Contracts – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.
- (j) Ind AS 105 | non-current assets held for sale and discontinued operations – The amendment substitutes the definition of — “fair value less costs to sell” with “fair value less costs of disposal”
- (k) Ind AS 106 | Exploration for and evaluation of mineral resources – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.

- (l) Ind AS 107 | Financial Instruments: Recognition, Presentation and Disclosure – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like
 - (i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform.
 - (ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.
- (m) Ind AS 109 | Financial Instruments – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.
- (n) Ind AS 111 | Joint Arrangements – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.
- (o) Ind AS 114 | Regulatory Deferral Accounts – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.
- (p) Ind AS 115 | Revenue from Contracts with Customers – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.
- (q) Ind AS 116 | Leases – The amendments extend the benefits of the Covid - 19 related rent concession that were introduced last year (which allowed lessees to recognize Covid - 19 related rent concessions as income rather than as lease modification) from 30th June 2021 to 30th June 2022.

The amendments are made with an intention to align the Ind ASs with the amendments made in IFRS. While, largely, the amendments are clarificatory or editorial in nature, there are significant amendments relating to the extension of COVID 19 related to practical expedient under Ind AS 116 for lease concessions and practical expedient due to the interbank offered rate (IBOR) interest rates for financial instruments.

5 Income Tax Assets (Net) **Amount (Rs in '000)**

Particulars	31.03.2022	31.03.2021
Advance Tax & TDS Net of Provision	29.91	23.08
	29.91	23.08

4 Cash and cash equivalents **Amount (Rs in '000)**

Particulars	31.03.2022	31.03.2021
Balance with Banks		
- In Current Account	11.36	11.37
- In Fixed Deposit	1,275.80	1,206.80
maturity less than 3 months	0.00	
maturity between 3 to 12 months	<u>1,337.04</u>	
Cash on hand	-	-
	1,348.40	1,287.16

7 Equity share capital **Amount (Rs in '000)**

Particulars	31.03.2022	31.03.2021
A. Authorised		
20,00,00,000 Equity shares of Rs. 10 each (Previous Year 20,00,00,000 Equity shares of Rs. 10 each).	20,00,000.00	20,00,000.00
	20,00,000.00	20,00,000.00
B. Issued, Subscribed & Paid Up		
10,64,120 Equity shares of Rs. 10 each (Previous Year 10,64,120 Equity shares of Rs. 10 each).	10,641.20	10,641.20
	10,641.20	10,641.20

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-.

Details of persons holding more than 5% shares is as follows: **Amount (Rs in '000)**

Particulars	%	31.03.2022	31.03.2021
a) Cochin International Airport Limited 1064050 equity shares of Rs.10/- each (PY : 1064050 equity shares)	99.99%	10,640.50	10,640.50

The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March 2022 and 31st March 2021

(No. of shares & Amt in '000)

Particulars	31.03.2022	31.03.2021
Number of shares at the beginning	1,064.12	1,064.12
Value of shares at the beginning	10,641.20	10,641.20
Add: Shares issued during the period (Number)	-	-

	(Value)	-	-
Number of shares at the end		1,064.12	1,064.12
Value of shares at the end		10,641.20	10,641.20

Equity Shares held by the promoter or holding/ultimate holding company and/or their subsidiaries/associates

Particulars	As at March 31 2022		As at March 31 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Cochin International Airport Limited	10,64,050.00	99.99300	10,64,050.00	99.99300
2. A. Chandrakumaran Nair	10.00	0.00100	10.00	0.00100
3. A. M. Shabeer	10.00	0.00100	10.00	0.00100
4. Joseph Peter Painukal	10.00	0.00100	10.00	0.00100
5. V. Suresh Babu	10.00	0.00100	10.00	0.00100
6. R. Venkiteswaran	20.00	0.00200	20.00	0.00200
7. V. Shankar	10.00	0.00100	10.00	0.00100
	10,64,120.00	100.00	10,64,120.00	100.00

During this financial year, there is no change in the promoter share holding in respect of equity shares issued by the company.

8 Other Equity

Amount (Rs in '000)

Particulars	31.03.2022	31.03.2021
Profit & Loss Account		
Opening Balance	(14,960.24)	(14,976.22)
Current period Profit	(32.01)	15.98
Closing balance	(14,992.25)	(14,960.24)

9 Trade payables

Amount (Rs in '000)

Particulars	31.03.2022	31.03.2021
(A) Amounts due to Micro and small enterprises		
(B) Dues of creditors other than dues to micro and small enterprises		
- Dues to external parties	35.40	29.50
- Dues to related parties		
	35.40	29.50
Ageing of the (B) above (Outstanding for following periods from due date of transaction)		
Less than 1 year	29.50	29.50
1-2 years	5.90	-
2-3 years	-	-
More than 3 years	-	-
	35.40	29.50

10 Other Current Liabilities

Amount (Rs in '000)

Particulars	31.03.2022	31.03.2021
Dues to Related Parties	5,693.96	5,599.78
	5,693.96	5,599.78

11 Other Income

Amount (Rs in '000)

Particulars	31.03.2022	31.03.2021
Interest on Deposits	68.05	74.59
	68.05	74.59

11.1 Under the Income Tax Act 1961, the Company has neither surrendered nor disclosed any transactions as income that has not been recorded in the books of accounts during the tax assessments for this financial year. Accordingly, there are no undisclosed income to report for this financial year.

11.2 The Company has neither traded nor invested in Crypto currency or Virtual Currency during the current financial year and the previous financial year. Accordingly, there are no gain/(loss) to disclose.

12 Other Expenses

Amount (Rs in '000)

Particulars	31.03.2022	31.03.2021
Payments to the Auditor for		
(a) Statutory Audit	23.60	23.60
(b) Tax Audit	5.90	5.90
Rates & Taxes	29.24	3.85
Professional charges	41.32	19.64
	100.06	52.99

13 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

Particulars	Current Year (Rs. In '000)	Previous Year (Rs. In '000)
a. Claims against the company not acknowledged as debt	Nil	Nil
b. Estimated amounts of contracts remaining to be executed on capital account and not provided for	Nil	Nil

14. RELATED PARTY DISCLOSURES

A. Name of the related party and nature of relationship

a) Holding Company

Cochin International Airport Limited

b) Fellow Subsidiaries

CIAL Infrastructures Limited

Cochin International Aviation Services Limited

CIAL Dutyfree & Retail Services Limited

c) Enterprises where significant influence of Key Management Personnel or their relatives exists:

Kerala Waterways and Infrastructures Limited

d) Key Management Personnel

Sri. S. Suhas - Managing Director of Holding Company (appointed w.e.f. 10.06.2021)

Sri. V. J. Kurian - Managing Director of Holding Company (ceased w.e.f. 09.06.2021)

Sri. Saji K. George - Company Secretary of Holding Company

Sri. Saji Daniel - Chief Financial Officer of Holding Company

B. Transactions with related parties as per the books of account during the year

Particulars	Current Year (Rs. In '000)	Previous Year (Rs. In '000)
Cochin International Airport Limited Advances Received	94.18	65.18

C. Amount Outstanding as at 31st March 2022

Particulars	Current Year (Rs. In '000)	Previous Year (Rs. In '000)
Cochin International Airport Limited	5693.96 Cr	5,599.78

15 Basic and Diluted Earning per Share (EPS), of face value Rs.10/- has been calculated as under:

Particulars	Current Year (Rs. In '000)	Previous Year (Rs. In '000)
Numerator		
Net Profit for the year	(32.01)	15.98
Denominator		
Weighted average number of equity shares outstanding during the year	1,064.12	1,064.12
Earnings per Share	(0.030)	0.015

16 The details of Provisions as per Ind AS-37 are given below:

Amount (Rs in '000)

Particulars	Opening Balance	Additions/ Reversals	Closing Balance
Provision for Taxation	5.62	(5.62)	-

17 Additional Information

Amount (Rs in '000)

Particulars	Current Year	Previous Year
a) CIF Value of imports made during the year	Nil	Nil
b) Earnings in Foreign Exchange (Export of Goods)	Nil	Nil
c) Expenditure in Foreign Currency	Nil	Nil
d) Amount remitted during the year in foreign currency	Nil	Nil

18. There are no amount overdue to any enterprises which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act 2006.
19. Previous year figures have been regrouped /reclassified wherever necessary to suit the current year's layout.
20. The company has not made any investments, accordingly disclosure requirements for compliance with the number of layers prescribed under clause (87) of Section 2 of the Companies Act 2013 read with companies (Restriction on number of layers) Rules 2017 is not applicable.
21. Details charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as on the balance sheet date is Nil (Previous year: Nil)
22. As on the date of approval of this financial statements, the company is not declared as a wilful defaulter by any bank or financial institution or other lender.

23. **Analytical Ratios**

Particulars	Numerator	Denominator	Current Year	Previous Year	Variance
Current Ratio	Total Current Assets	Total Current Liabilities	0.24	0.23	4.35%
Debt- Equity Ratio	Total Debt	Total equity	0.00	0.00	0.00%
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and Principal repayments	0.00	0.00	0.00%
Return on Equity Ratio	Net Profit for the year	Average shareholder's equity	0.74%	-0.37%	-300.00%
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	0.00	0.00	0.00%
Trade Payables turnover ratio	Purchases of services and other expenses	Average trade payables	3.08	1.80	71.11%
Net Capital Turnover ratio	Revenue from operations	Working capital	-3.69	-2.20	67.73%
Net Profit Ratio	Net Profit for the year	Total Turnover	-47%	21%	-323.81%
Return On Capital employed	Profit before tax and finance costs	Capital employed = Total Assets- Current Liabilities	0.74%	-0.50%	-248.00%

For and on behalf of the Board of Directors

sd/-
S. Suhas
 Director
 (DIN: 08540981)

sd/-
A.M. Shabeer
 Director
 (DIN: 01643446)

As per our separate report of even date attached

For **SEN GEORGE ASSOCIATES**
 Chartered Accountants
 (FRN: 007399S)

Place : Thiruvananthapuram
 Date : 23rd June 2022

sd/-
CA. K. J. JOSE, FCA
 Partner (M.No.204821)
 UDIN: 22204821ALWGQE8965