



CIASL

COCHIN INTERNATIONAL
AVIATION SERVICES LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

2017-18

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 Thirteenth Annual Report together with the Audited Accounts for the financial year 2017-18.

(Rupees in lakhs)

FINANCIAL RESULTS	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017
Total Income	1102.12	893.79
Less:		
Employee Cost	509.55	408.13
Administrative & Other Expenses	192.09	159.33
Interest and Finance Charges	0.18	0.09
Profit / (Loss) before depreciation	400.30	326.24
Depreciation	(384.42)	(423.78)
Profit / (Loss) before Tax	15.88	(97.54)
Provision for Income Tax (Current & Deferred Tax)	-	-
Other Comprehensive Income	1.04	(0.12)
Total Comprehensive Income for the period	16.93	(97.66)

REVIEW OF OPERATIONS

The operations of your company have registered a robust growth of around 23% during year under review. The total revenue has increased to Rs.1102 lakhs as against Rs.893.79 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.16.93 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 29th June 2017, 18th September 2017, 16th December 2017 and 08th March 2018.

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 IAS (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.N V George 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.3,58,94,746/- from its operations and had incurred expenditure in foreign exchange equivalent to Rs.29,22,424/- 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

The present statutory auditors M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Ernakulam, were appointed for a period commencing from the 11th Annual General Meeting of the company held on 27/9/2016 till the conclusion of the Annual General Meeting to be held in the year 2019 subject to ratification of the appointment at every AGM.

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. None of the independent directors are due for re-appointment.

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**

Place : Ernakulam
Date : 22nd June 2018

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

**Annexure to Board's Report
FORM NO. MGT 9**

Extract of Annual Return as on financial year ended on 31.03.2018

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) FII's	-	-	-	-	-	-	-	-	-
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 / encumbered 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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net change Indebtedness	-	-	-	-
At the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Lakh)**

SI 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 Pottokaran	
1	Independent Directors Fee for attending board committee meetings	-	-	-	-	30,000	30,000	60,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	30,000	30,000	60,000
2	Other Non - Executive Directors	-	-	-	-	-	-	-
	Fee for attending board / committee meetings	-	20,000	40,000	30,000	-	-	90,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	20,000	40,000	30,000	-	-	90,000
	Total (B)=(1+2)	-	20,000	40,000	30,000	30,000	30,000	1,50,000
	Total Managerial Remuneration	-	20,000	40,000	30,000	30,000	30,000	1,50,000
	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

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
1	Gross salary	65786	55320	121106
	(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)	65786	55320	121106

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**

Place : Ernakulam
Date : 22nd June 2018

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

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
22nd June 2018

for Cochin International Aviation Services Ltd.
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: cfccochoin@gmail.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

*[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). 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 31.03.2018, 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 31.03.2018 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 a subsidiary company of M/s Cochin International Airport Limited (CIN: U63033KL1994PLC007803).

As informed to 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. 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.

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 29.06.2017, 18.09.2017, 16.12.2017 and 08.03.2018 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 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 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. 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.

The Audit Committee has met three times respectively on 29.06.2017, 16.12.2017 and 08.03.2018 and considered internal audit report of each quarter and evaluated all items and appraised and discussed about the comments in the report. The meeting of the Nomination and Remuneration Committee has held two times respectively on 16.12.2017 and 08.03.2018 of which the meeting held on 08th March 2018 has been considered as a separate meeting of independent directors without the attendance of non independent directors and members of the management to satisfy the requirement that independent directors shall hold at least one such meeting as per Schedule IV of the Companies Act, 2013. In that meeting independent directors have reviewed as per the requirement under the Companies Act, 2013, the performance of non- independent directors and the Board as a whole and also reviewed the performance of the Chairman and expressed satisfaction. The proceedings of the above committees were duly recorded and signed by the Chairman. The Annual General Meeting of the company for the financial year ending 31.03.2017 was held on 18.09.2017 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. 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 : 22.06.2018

'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- 683111

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 : 22.06.2018

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

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, 2018, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

Krishnamoorthy & Krishnamoorthy

Chartered Accountants

We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

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 2018 and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Emphasis of Matters

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

- a. Note 4.39 to the financial statements regarding, award passed by the Arbitrator (Refer Note 4.5) which has been disputed in appeal Rs.13,39,24,004/- which is not acknowledged as debt by the Company. The ultimate outcome of the above claims cannot be determined at this stage.

Our opinion is not qualified in respect of these matters.

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 Changes in Equity and the Statement of Cash Flows 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, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 B"; and

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

- 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:
- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 4.38 and 4.40 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 4.39 to the financial statements.
 - iii) The Company did not have any amount to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The disclosures requirements relating to holding as well as dealings in specified bank notes were applicable for the period from 08th November 2016 to 30th December 2016 which are not relevant to these Standalone financial statements, hence reporting under this clause is not applicable.

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

Sd/-

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

Place : Cochin -16
Date : 22.06.2018

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 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 Goods and Service Tax or Wealth Tax or 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, 2018.
- 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 defaulted in repayment of dues to banks during the year. Further, the company has not obtained

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

- any loans from financial institution, government and debenture holders.
- 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 : 22.06.2018

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, 2018 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

Krishnamoorthy & Krishnamoorthy
Chartered Accountants

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 31st March 2018, 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)

Place : Cochin -16
Date : 22.06.2018

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

PART I : BALANCE SHEET
COCHIN INTERNATIONAL AVIATION SERVICES LIMITED
BALANCE SHEET AS AT 31st MARCH 2018

(Rupees in '000)

	Particulars	Note No:	As at 31 st March 2018	As at 31 st March 2017
	ASSETS			
1	Non Current Assets			
a	Property, Plant and Equipment	4.1	385,583.75	422,859.15
b	Intangible assets	4.2	29.20	73.69
c	Financial assets			
	(i) Other financial assets	4.3	28,250.00	92.76
d	Income tax assets (Net)	4.4	10,466.92	5,493.51
e	Other non-current assets	4.5	136.86	13.09
2	Current Assets			
a	Inventories	4.6	1,948.11	2,025.04
b	Financial assets			
	(i) Trade Receivables	4.7	20,296.37	14,714.68
	(ii) Cash & Cash equivalents	4.8	20,373.75	16,303.24
	(iii) Bank Balances Other than above	4.9	29,253.05	15,856.02
	(iv) Other Financial Assets	4.10	2,021.03	1,521.65
c	Other current assets	4.11	5,714.23	3,730.77
	Total Assets		504,073.26	482,683.61
	EQUITY & LIABILITIES			
	Equity			
a	Equity Share Capital	4.12	753,194.00	753,194.00
b	Other Equity	4.13	(276,528.60)	(278,222.14)
	Liabilities			
1	Non Current Liabilities			
a	Financial Liabilities			
	(i) Other financial liabilities	4.14	14,574.07	-
b	Provisions	4.15	3,392.23	1,867.10
c	Deferred tax liabilities (Net)	4.16	-	-
d	Other non current liabilities	4.17	1,529.01	-
2	Current Liabilities			
a	Financial Liabilities			
	(i) Borrowings	4.18	174.64	-
	(ii) Trade Payables	4.19	55.38	-
	(iii) Other financial liabilities	4.2	647.81	974.09
b	Other current liabilities (Net)	4.21	6,642.60	4,545.85
c	Provisions	4.22	392.13	324.72
	Total Equity and Liabilities		504,073.26	482,683.61

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
Chairman

sd/-
A C K Nair
Managing Director

As per our report of even date attached

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

sd/-
Lenny Sebastian
Chief Financial Officer

sd/-
Saji Daniel
Company Secretary

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

Place : Kochi
Date : 22.06.2018

Part II : STATEMENT OF PROFIT & LOSS
COCHIN INTERNATIONAL AVIATION SERVICES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2018

(Rupees in '000)

Particulars		Note No:	For the year ended 31.03.2018	For the year ended 31.03.2017
Income:				
I.	Revenue from Operations	4.23	106,442.22	86,666.74
II.	Other Income	4.24	3,770.32	2,712.95
III.	Total Income		110,212.55	89,379.69
IV. Expenses:				
	Employee Benefits	4.25	50,955.45	40,813.10
	Finance Costs	4.26	18.38	9.09
	Depreciation and amortisation expenses	4.2	38,440.49	42,377.97
	Other Expenses	4.27	19,209.58	15,933.52
	Total Expenses		108,623.90	99,133.68
V.	Profit/(Loss) before Tax		1,588.65	(9,753.99)
VI. Tax expense:				
	a. Current tax		-	-
	ii) MAT Credit Entitlement		-	-
	c. Deferred tax		-	-
VII.	Profit for the period from continuing operations (VII-VIII)		1,588.65	(9,753.99)
VIII	Profit for the period from discontinued operations		-	-
IX	Tax expense of discontinued operations		-	-
X	Profit after tax from discontinued operations		-	-
XI	Profit/(Loss) for the period (V-VI)		1,588.65	(9,753.99)
XII Other comprehensive income				
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined employee benefit plan		104.90	(12.05)
	(ii) 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			
XIII	Total comprehensive income for the period (Profit/(loss) + other comprehensive income)		1,693.54	(9,766.04)
XIV Earnings per equity share (for continuing operations)				
	a) Basic	4.27	0.02	(0.13)
	b) Diluted		0.02	(0.13)
XV Earnings per equity share (for discontinued operations)				
	a) Basic		-	-
	b) Diluted		-	-
XVI Earnings per equity share (for discontinued & continuing operations)				
	a) Basic		0.02	(0.13)
	b) Diluted		0.02	(0.13)

See accompanying notes to the 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

As per our report of even date attached

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

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

Place : Kochi
Date : 22.06.2018

COCHIN INTERNATIONAL AVIATION SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

(Rupees in '000)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation and extra-ordinary items	1,588.65	(9,753.99)
Adjustments for:		
Depreciation	38,440.49	42,377.97
Excess depreciation income		
Interest income	(3,076.67)	(1,745.14)
Interest Expense	18.38	9.09
Loss on sale of Fixed asset	174.58	204.95
Profit on sale of Fixed asset	-	(303.70)
Remeasurement of defined benefit plans	104.90	(12.05)
Operating profit before working capital changes	37,250.31	30,777.13
Adjustments for:		
(Increase)/decrease in Inventories	76.93	203.32
(Increase)/decrease in Trade receivables	(5,581.69)	(1,124.88)
(Increase)/decrease in Other Assets	(30,763.84)	(547.75)
Increase/(decrease) in Provisions	1,592.55	(9,960.73)
Increase/(decrease) in Trade Payables	55.38	
Increase/(decrease) in Current Liabilities	1,770.47	
Cash generated from operations	4,400.11	19,347.09
Direct Tax (payments)/refunds (Net)	(4,973.41)	1,405.04
Net Cash Flow from Operating Activities	(573.30)	20,752.14
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(1,323.15)	(777.35)
Interest received	3,076.67	1,745.14
Disposal of Property, Plant and Equipment	27.99	1,002.20
Net Cash Flow from Investing Activities	1,781.52	1,969.99
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Interest paid	(18.38)	(9.09)
Increase in Security Deposits	16,103.08	
Net Cash Flow from Financing Activities	16,084.69	(9.09)
Net increase/(decrease) in cash and cash equivalents	17,292.91	22,713.03
Cash and cash equivalents at the beginning of the period	32,159.26	9,446.23
Cash and cash equivalents at the end of the period	49,452.16	32,159.26
Cash and Cash Equivalents as per above comprises of the following		
Cash and cash equivalents (Refer Note:4.8 and 4.9)	49,626.80	32,159.26
Bank Overdrafts (Refer Note:4.18)	(174.64)	-
Balances as per Statement of Cash Flows	49,452.16	32,159.26

See accompanying notes to the 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

As per our report of even date attached

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

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

Place : Kochi
Date : 22.06.2018

STATEMENT OF CHANGES IN EQUITY
COCHIN INTERNATIONAL AVIATION SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2018

(Rupees in '000)

A Note No 4.12 : Equity Share Capital

Particulars	Notes	Amount
Balance at April 1, 2016		453,194.00
Changes in equity share capital during the year		
(a) Issue of Shares		300,000.00
Balance at March 31, 2017		753,194.00
Changes in equity share capital during the year		-
Balance at March 31, 2018	4.12	753,194.00

B

Other Equity	Reserves & Surplus		
	Retained Earnings	Other Comprehensive Income	Total
Balance as on 31.03.2016	(268,456.10)	-	(268,456.10)
Total Comprehensive Income for the year	(12.05)	-	(12.05)
Profit/(Loss) for the year	(9,753.99)	-	(9,753.99)
Balance at the end of the reporting period	(278,222.14)	-	(278,222.14)
Balance as on 31.03.2017	(278,222.14)	-	(278,222.14)
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	(276,528.60)	-	(276,528.60)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st 2018:**1. CORPORATE INFORMATION**

Cochin International Aviation Services Limited 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-683111 and the principal place of business is located in Nedumbassery, Kochi-683111.

The company is engaged in Aircraft Maintenance and Aviation Training business.

The financial statements were approved for issue by the Company's Board of Directors on 22/06/2018.

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 Sec-

tion 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 are applied consistently to all the periods presented in the financial statements.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value except for financial instruments if any, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 (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, 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:

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.
 A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.
- (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

Incomes from Line Maintenance Operations and the Aviation Academy are recognized on an accrual basis.

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.

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.

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 expected 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 subsequent years as mentioned below:

a) Ind AS - 21: The effect of change in foreign exchange rates (applicable for annual periods beginning on or after 01.04.2018)

b) Ind AS 115: Revenue from Contracts with customers (applicable for annual periods beginning on or after 01.04.2018)

c) Ind AS 116: Leases (applicable for annual periods beginning on or after 01.04.2019)

Ind AS - 21: The effect of change in foreign exchange rates

The amendment clarifies on the accounting of transaction that includes receipt of payment of advance consideration in a foreign currency. The appendix clarifies the date of transaction for the purpose of determining the exchange rates to use on initial recognition of related asset expense or income when an entity has received or paid advance consideration in foreign currency.

The amendment will come into force from 01.04.2018. The company is evaluating the impact of this amendment on its financial statements.

Ind AS 115: Revenue from Contracts with customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standards Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts when it becomes effective.

Ind AS 115 introduces a new framework of 5 step model for the analysis of revenue transactions. The model specifies that revenue should be recognized when an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosure about the nature, amount, timing and uncertainties of revenue and cash flows arising from entities contract with customers. The company is evaluating the requirements of the Ind AS 115 and the effect on the financial statements is being evaluated.

Ind AS 116 – Leases

As Ind AS 116 substantially carry forward the lessor accounting requirements in Ind AS 17, a lessor will continue to classify its leases as operating lease or finance lease and to account for those two types of leases differently. Ind AS 116 eliminates the classification of leases for the lessees as either operating leases or finance leases as required by Ind AS 17 and instead introduces a single lease accounting model whereby a lessee is required to recognize assets and liabilities for all leases with a term i.e. greater than 12 months unless the underlying asset is of low value and to recognize depreciation of leased assets separately from interest on leased liabilities in the income statements. Ind AS 116 is effective from 01.04.2019.

4.1 Property, Plant and Equipment

i) Tangible Assets as at 31.03.2018

(Rupees in '000)

Name of the Asset	Gross Block				Depreciation				Net Block	
	Cost/ Value as on 01.04.2017	Cost/ Value as on 31.03.2018	Addition during the Year	Deletion during the Year	As at 01.04.2017	Depreciation for the year	Sales Adjustments	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Building	328,730.68	328,730.68	-	-	113,016.92	24,692.08	-	137,709.00	191,021.68	215,713.76
Building - Hangar	215,160.24	215,160.24	-	-	53,502.03	6,102.45	-	59,604.48	155,555.76	161,658.21
Fire Fighting Equipment	8,500.33	8,500.33	-	-	2,423.49	811.62	-	3,235.11	5,265.22	6,076.84
Electrical Fittings	11,741.08	11,741.08	-	-	3,378.34	1,116.91	-	4,495.25	7,245.84	8,362.75
Plant & Machinery	34,903.34	35,129.24	493.06	267.16	14,728.53	2,898.32	64.61	17,562.24	17,567.00	20,174.81
Computer and Peripherals	2,318.96	2,706.65	387.69	-	2,071.49	258.31	-	2,329.80	376.85	247.48
Motor Car	640.75	640.75	-	-	223.54	58.40	-	281.94	358.81	417.21
Office Equipment	187.46	206.96	19.50	-	64.42	29.82	-	94.24	112.72	123.04
Furniture & fittings	19,422.29	19,814.05	391.76	-	10,368.45	2,259.18	-	12,627.63	7,186.41	9,053.84
Tools and Equipments	2,597.97	2,629.12	31.14	-	1,566.76	168.90	-	1,735.66	893.46	1,031.21
Books	468.12	468.12	-	-	468.12	-	-	468.12	0.00	0.00
Total	624,671.23	625,727.22	1,323.15	267.16	201,812.09	38,395.99	64.61	240,143.47	385,583.75	422,859.15
Previous Year	626,519.33	624,671.24	693.36	2,541.45	161,116.61	42,333.48	1,638.00	201,812.09	422,859.15	465,402.72

Note No. 4.2 Property, Plant and Equipment

ii) Intangible Assets as at 31.03.2018

Name of the Asset	Gross Block			Accumulated Depreciation			Net Block		
	Cost/ Value as on 01.04.2017	Cost/ Value As on 31.03.2018	Addition During the Year	Deletion During the Year	As at 01.04.2017	For the year	Sales Adjustments	As at 31.03.2018	As at 31.03.2017
Software	162.95	162.95	-	-	89.26	44.50	-	133.75	34.20
Total	162.95	162.95	-	-	89.26	44.50	-	133.75	34.20
Previous Year	78.96	162.95	83.99	-	44.76	44.50	-	89.26	34.20

4.3 Other Financial Assets

Particulars	As at 31.03.2018 Rupees in thousands	As at 31.03.2017 Rupees in thousands
a. Others		
Bank Deposits with Maturity More than 12 months	28,157.24	0.00
Bank Deposits with Maturity More than 12 months held under lien with Commercial tax authorities	92.76	92.76
	28,250.00	92.76

4.4 Income Tax assets (Net)

Particulars	As at 31.03.2018 Rupees in thousands	As at 31.03.2017 Rupees in thousands
Income Tax Assets (Net of provision)	10,466.92	5,493.51
	10,466.92	5,493.51

4.5 Other Non Current Assets

Particulars	As at 31.03.2018 Rupees in thousands	As at 31.03.2017 Rupees in thousands
Unsecured, considered good		
a. Security Deposits	136.86	24.13
Unsecured, considered doubtful		
a. Others	8,045.19	8,045.19
Less: Allowance on doubtful assets	(8,045.19)	(8,045.19)
	136.86	24.13

Security Deposit includes an amount of KVAT paid under protest and the proceedings for its refund is in process.

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.

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.

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

Particulars	As at 31.03.2018 Rupees in thousands	As at 31.03.2017 Rupees in thousands
Stores & Spares	1,948.11	2,025.04
	1,948.11	2,025.04

4.7 Trade Receivables

Particulars	As at 31.03.2018 Rupees in thousands	As at 31.03.2017 Rupees in thousands
Secured, considered good	0.00	0.00
Unsecured, considered good	20,296.37	14,714.68
Doubtful	0.00	0.00
Allowance for doubtful debts	0.00	0.00
	20,296.37	14,714.68

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.

4.8 Cash & Cash Equivalents

Particulars	As at 31.03.2018 Rupees in thousands	As at 31.03.2017 Rupees in thousands
a. Balance with Banks		
In Current Accounts	1,833.20	1,303.24
In Deposit Accounts (maturity <3 months)	18,540.55	15,000.00
b. Cash on hand	0.00	0.00
	20,373.75	16,303.24

4.9 Bank Balances- Others

Particulars	As at 31.03.2018 Rupees in thousands	As at 31.03.2017 Rupees in thousands
a. Balance with Banks In Deposit Accounts Maturity 3 to 12 months	29,253.05	15,856.02
	20,373.75	16,303.24

4.10 Other Financial Assets (current)

Particulars	As at 31.03.2018 Rupees in thousands	As at 31.03.2017 Rupees in thousands
a. Security Deposits	0.00	174.81
b. Interest Accrued on fixed deposits	2,021.03	1,346.84
	2,021.03	1,521.65

4.11 Other Current Assets

Particulars	As at 31.03.2018 Rupees in thousands	As at 31.03.2017 Rupees in thousands
Advances other than Capital Advances :		
(i) Advances recoverable in cash or in kind or for value to be received.	5,637.66	3,336.72
(ii) Balances with Central Excise , Customs & Other Authorities	0.00	394.05
(iii) Due from Related Parties in the ordinary course of business	76.57	0.00
	5,714.23	3,730.77

Notes to Accounts**4.12 Share Capital**

Particulars	As at 31.03.2018 Rupees in '000	As at 31.03.2017 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 31.03.2018		As at 31.03.2017	
	No. of shares	Rupees	No. of shares	Rupees
No. of shares as at the beginning of the financial year	75,319.40	753,194.00	75,319.40	753,194.00
Add: Shares issued during the year	-	-	-	-
No. of shares as at the end of the financial year	75,319.40	753,194.00	75,319.40	753,194.00

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. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31.03.2018		As at 31.03.2017	
	%	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 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
Retained Earnings		
(i) Opening Balance	(278,222.13)	(268,456.09)
(ii) Profit/(Loss) for the year	1,693.54	(9,766.04)
	(276,528.59)	(278,222.13)

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 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
Security Deposits including Retention Moneys	14,574.07	0.00
	14,574.07	0.00

4.15 Provision (Non Current)

Particulars	As at 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
Provision for Employee Benefits		
Provision for leave benefits	2,808.41	1,273.21
Provision for Gratuity	583.82	593.89
	3,392.23	1,867.10

DISCLOSURE IN ACCORDANCE WITH AS - 19 ON EMPLOYEE BENEFITS**a) Defined Contribution Plans**

During the year the following amounts have been recognised in the Statement of profit and loss on account of defined contribution plans:

Particulars	As at 31 st March 2018	As at 31 st March 2017
Employers contribution to Provident Fund	3,521.82	3,634.33

b) Defined Benefit Plan - Gratuity : Unfunded Obligation

i) Actuarial Assumptions		
Discount Rate	7.70%	7.29%
Compensation Escalation Rate	3.00%	6.00%
ii) Reconciliation of present value obligation		
Present Value of Obligations at the Beginning of the year	631.05	494.00
Current Service Cost	58.00	86.00
Interest Cost	49.00	39.00
Benefits paid	-	-
Actuarial (gain) / loss	(104.90)	12.05
Present Value of Obligations at the End of the year	633.15	631.05
iii) Net (Asset) / Liability recognized in the Balance Sheet as at year end		
Present Value of Obligations at the End of the year	633.15	631.05
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	633.15	631.05
iv) Expenses recognized in the Statement of Profit and Loss		
Current Service Cost	58.00	86.00
Past Service Cost	-	-
Interest Cost	49.00	39.00
Expected return on Plan Assets	-	-
Expenses recognized in the statement of Profit & Loss	107.00	125.00

v) Amount disclosed under Other Comprehensive Income (OCI)		
Opening amount disclosed under OCI		
Actuarial Gain / Loss on obligation side during the period	104.90	(12.05)
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	104.90	(12.05)
c) Long Term Employee Benefits - Compensated absences : Unfunded Obligation		
i) Actuarial Assumptions		
Discount Rate	7.70%	7.29%
Compensation Escalation Rate	3.00%	6.00%
ii) Reconciliation of present value obligation		
Present Value of Obligations at the Beginning of the year	1,561.6	1,903.7
Current Service Cost	1,432.0	1,025.0
Interest Cost	82.0	37.8
Benefits paid	(1,003.0)	(2,840.3)
Actuarial (gain) / loss	1,080.0	1,435.5
Present Value of Obligations at the End of the year	3,152.6	1,561.6
iii) Net (Asset) / Liability recognized in the Balance Sheet as at year end		
Present Value of Obligations at the End of the year	3,152.6	1,561.6
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	3,152.6	1,561.6
iv) Expenses recognized in the Statement of Profit and Loss		
Current Service Cost	1,432.0	1,025.0
Past Service Cost	-	-
Interest Cost	82.0	37.8
Expected return on Plan Assets	-	-
Expenses recognized in the statement of Profit & Loss	1,514.0	1,062.8
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 is adjusted in the current year final accounts.

4.16 Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
A. Deferred Tax Liability	50,335.84	50,493.36
B. Deferred Tax Asset		
On Provisions	138,904.47	139,690.06
Deferred Tax Liabilities (Net) A-B	0.00	0.00

The computation of deferred tax results in deferred tax asset and no effect is given for the deferred tax asset since there is no certainty that there will be sufficient future profit to absorb the deferred tax asset.

4.17 Other non current liabilities

Particulars	As at 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
Others		
i) Deferred Revenue arising from Security deposit	1,529.01	0.00
	1,529.01	0.00

4.18 Borrowings

Particulars	As at 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
Secured Loans:		
Loan repayable on demand from Banks	174.64	-
	174.64	0.00

Overdraft facility from Federal 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 9.63% p.a.

4.19 Trade Payables

Particulars	As at 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
Others	55.38	0.00
	55.38	0.00

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.

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.

4.20 Other Financial Liabilities (Current)

Particulars	As at 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
Security Deposits including Retention	647.81	974.09
	647.81	974.09

4.21 Other Current Liabilities

Particulars	As at 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
Advance from Related Parties	0.00	2,855.32
Others		
Statutory Dues	4,615.59	991.62
Expenses Payable	614.38	698.91
Deferred Revenue arising from security deposits	1,412.62	0.00
	6,642.60	4,545.85

4.22 Short-term provisions

Particulars	As at 31.03.2018 Rupees in '000	As at 31.03.2017 Rupees in '000
Provision for employee benefits		
Provision for leave benefits	343.78	288.36
Provision for Gratuity	48.35	36.35
	392.13	324.72

4.23 Revenue from Operations

(Amount in '000)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
a) Income from sale of services		
i) Maintenance Repair & Overhaul (MRO)		
Aircraft Certification	52,664.30	51,053.40
Headset Services	29,359.71	27,507.44
Rentals for MRO Hangar / Ground support services	16,328.36	1,778.13
Aircraft Parking	415.00	336.00
ii) Academy		
Diploma Courses	3,202.00	3,893.28
Application and Registration Fees for workshops	1,322.78	553.25
b) Other Operating Income		
Rental income from office space	3,150.07	1,545.25
	106,442.22	86,666.74

4.24 Other Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest Income	3,076.67	2,080.42
Net Foreign Exchange gains	139.36	60.09
Other Non-Operating Income	554.29	572.44
	3,770.32	2,712.95

4.25 Employee Benefits

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries & Wages	44,886.64	35,084.11
Contribution to Provident and Other Funds	3,521.82	3,634.33
Workmen and Staff Welfare Expenses	2,546.99	2,094.66
	50,955.45	40,813.10

4.26 Finance Costs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest expenses:		
Bank	17.88	7.20
Others	0.50	1.90
	18.38	9.09

4.27 Other Expenses

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Repair to Plant, Equipment & others	1,904.34	1,503.99
Safety, Security & Immigration Expenses	1,726.29	1,273.26
Power, Water & Fuel Charges	1,507.21	907.46
Consumption of Stores, Spares & Consumables	463.51	494.35
Hangar operational expenses	836.12	-
Renewal and Registration Charges	2,922.35	2,221.50
Travelling & Conveyance	2,654.86	1,313.93
Housekeeping Expenses	2,291.51	1,943.05
Professional & Consultancy charges	1,860.01	2,119.16
Insurance	472.27	409.17
Postage & Telephone	233.84	229.09
Printing & Stationery	118.10	73.81
Rent	128.34	417.58
Lease Rentals (Refer Note No 4.29)	315.03	315.03
Rates & Taxes	356.20	1,135.85
Bank Charges	68.32	72.15

Advertisement & Publicity	86.40	630.37
Loss on Sale of Fixed Assets	174.56	204.95
Auditor's Remuneration (Refer Note:4.37)	100.00	100.00
Miscellaneous Expenses	840.34	428.82
Sitting Fee - Directors	150.00	140.00
	19,209.58	15,933.52

4.28 Earnings Per Share

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Basic:		
Profit/(loss) after taxation for the Year (Rs.)	1,589	(9,754)
Weighted Average Number of Equity Shares of Rs. 10/- each (fully paid-up)	75,319	75,319
Basic Earnings per Share (In Rupees)	0.02	(0.13)
Diluted:		
Profit/(loss) after taxation for the Year (Rs.)	1,589	(9,754)
Weighted Average Number of Equity Shares of Rs. 10/- each (fully paid-up)	75,319	75,319
Diluted Earnings per Share	0.02	(0.13)

4.29 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 31.03.2018	Year ended 31.03.2017
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	4,095	4,410

4.30 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.

4.31 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.

- 4.32** 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.
- 4.33** Based on the assessment made, losses on account of impairment of assets have not been recognized in the books, since the Management is of the opinion that the same is not material.
- 4.34** Disclosure of transactions with related parties as required by INDAS 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)

b) Fellow Subsidiaries

CIAL Infrastructures Limited

CIAL Dutyfree and Retail Services Limited

Air Kerala International Services Limited

Kerala Waterways and Infratructures Limited

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

- i) Mr. V.J. Kurian, Chairman
- ii) Mr. A Chandrakumaran Nair, Managing Director since 08/04/2016
- iii) Mr. Lenny Sebastian, Chief Financial Officer
- iv) Mr. Saji Daniel, Company secretary

d) 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:

Nature of Transaction	Holding Company		TOTAL	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Debit for meeting expenses	304,138	297,778	304,138	297,778
Receipt of services				
a) Lease Rent paid	315,025	315,025	315,025	315,025
b) Energy charges	1,218,824	729,840	1,218,824	729,840
c) Others	61,400	-	61,400	-
Providing of services				
Rental income from Cochin International Airport Limited	2,061,235	963,075	2,061,235	963,075

Rental income from CIAL Infrastucture Limited	106,569	97,688	106,569	97,688
Training fee	346,000	290,000	346,000	290,000
Outstanding as on Balance sheet date				
Receivable / (Payable)	76,572	(2,855,319)	76,572	(2,855,319)

Details of transactions with key managerial personnel

Nature of Transaction	31 st March 2018	31 st March 2017
Remuneration to Managing Director	-	-

4.35 Expenditure in Foreign Currency on account of:

Particulars	For the year ended 31.03.2018 '000	For the year ended 31.03.2017 '000
A) CIF Value of Imports		
Capital Goods	-	-
B) Others	3,570.61	2,198.41
	3,570.61	2,198.41

4.36 Earnings in Foreign Exchange :

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
Aircraft Certification, Headset services, rentals and others	29,007	35,895
	29,007	35,895

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

Particulars	For the year ended 31.03.2018 Rupees in '000	For the year ended 31.03.2017 Rupees in '000
a. Statutory Audit Fees	60.00	60.00
Taxation Matters (Including Tax Audit)	40.00	40.00
	100.00	100.00

4.38 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.

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

4.40 Contingent Liabilities not provided for :

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

4.41 Disclosure on Specified Bank Notes (SBNs)

During the year the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308 (E) dated March 31, 2017 on the details of Specified Bank Notes

(SBN) held and transacted during the period from 08th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification given below.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08/11/2016	8.00	0.87	8.87
(+) Permitted receipts	-	41.20	41.20
(-) Permitted payments	-	42.07	42.07
(-) Amount deposited in banks	8.00	-	8.00
Closing cash in hand as on 30/12/2016	-	-	-

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/-
Lenny Sebastian
Chief Financial Officer

Place : Kochi
Date : 22.06.2018

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

sd/-
Saji Daniel
Company Secretary

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)