9TH ANNUAL REPORT
2017-18

KANNUR
International Airport Ltd.

OUR BANKERS

Canara Bank, Sasthamangalam Branch, Tvm
Federal Bank, Kannur Branch, Kannur
Federal Bank, Mattannur Branch
South Indian Bank, Corporate Branch, Tvm
South Indian Bank, Mattannur Branch, Kannur
Central Bank of India, Rishimangalam Branch, Tvm
State Bank of India, Chacka Branch, Tvm

STATUTORY AUDITOR

Sasi Vijayan & Rajan
Chartered Accountants
72, PHRWA, Power House Link Road,
Palarivattom, Kochi, Kerala - 682025

REGISTRAR & SHARE TRANSFER AGENTS

SKDC Consultants Ltd.
Category I, Registrars and Share Transfer Agents
Kanapathy Towers, 3rd Floor, 1391/A1,
Sathy Road, Ganapathy, Coimbatore – 641 006

LEGAL ADVISOR

Sri. Arjunan Pillai, Advocate

REGISTERED OFFICE

Parvathy, TC 84/3,
Chacka, NH Bypass
Thiruvananthapuram – 695024
Ph: 0471 2508668/70, Fax : 0471 2508669

AIRPORT OFFICE

Kannur International Airport Ltd
Kara-Peravoor P.O Mattannur, Kannur-670702
Ph: 0490-2474463/64, Fax:0490-2474464

KANNUR
International Airport Ltd.

Present Board of Directors

1.	Sri. Pinarayi Vijayan	-	Hon'ble Chief Minister, Kerala, Chairman
2.	Sri. E. Chandrasekharan	-	Hon'ble Minister of Revenue and Housing, Director
3.	Sri. E.P. Jayarajan	-	Hon'ble Minister of Industries, Sports & Youth Affairs
4.	Sri. A.K. Saseendran	-	Hon'ble Minister of Transport, Director
5.	Sri. Ramachandran Kadannappally	-	Hon'ble Minister of Ports, Museum and Archaeology, Director
6.	Smt. K. K.Shylaja Teacher	-	Hon'ble Minister of Health and Social Justice, Director
7.	Sri. V. Thulasidas IAS (Retd.)	-	Managing Director, Kannur Airport
8.	Sri. M.A Yusuffali	-	CMD Lulu Group International, Director
9.	Dr.Shamsheer V. P.	-	MD, VPS Health Care, Director
10.	Sri. Abdul Qadir Theruvath	-	Chairman, Express Printing Services, Director
11.	Dr. M.P. Hassan Kunhi	-	Chairman and CEO, Medtech Corporation, Director
12.	Sri. G. Chandramouli	-	Airport Director, Chennai, AAI , Nominee Director.
13.	Sri. S. Sreekumar	-	RED Southern Region, AAI , Nominee Director
14.	Sri. Prasad K Panicker	-	ED I/C, BPCL , Nominee Director
15.	G. Ananthakrishnan	-	Chief General Manager, (Finance), Kochi Refinery, BPCL- Nominee Director
16.	Sri. Maniedath Madhavan Nambiar	-	Independent Director
17.	Smt. K. Parvathy Ammal		Independent Director

Committees of Board of Directors

CSR Committee

Sri. E. Chandrasekharan, Hon'ble Minister of Revenue and Housing - Chairman
Sri. V. Thulasidas IAS(Retd), Managing Director, Kannur Airport - Member
Sri. M. MadhavanNambiar, Independent Director - Member
Sri Prasad K Panicker, Nominee Director, BPCL - Member

Stakeholder Relationship Committee:

Sri. E. Chandrasekharan, Hon'ble Minister of Revenue and Housing - Chairman
Sri. V. Thulasidas IAS(Retd),Managing Director, Kannur Airport - Member

Technical Committee

Sri. E.P. Jayarajan, Hon'ble Minister , Industries, Sports and Youth Affairs - Chairman
Sri. V. Thulasidas IAS(Retd), Managing Director, Kannur Airport - Member
Sri. M. Madhavan Nambiar, Independent Director - Member
Sri. G. Chandramouli, Nominee Director, AAI - Member

Nomination and Remuneration Committee.

Sri. A.K. Saseendran,Hon'ble Minister, Transport - Chairman
Sri. V. Thulasidas IAS (Retd), Managing Director, Kannur Airport - Member
Sri. M. Madhavan Nambiar, Independent Director - Member
Smt. Parvathy Ammal, Independent Director - Member

HR & Selection Committee

Smt. Ramachandran Kadannappally, Hon'ble Minister of Ports, Museum and Archaeology - Chairman
Sri. V. Thulasidas IAS(Retd),Managing Director, Kannur Airport - Member
Sri. M. Madhavan Nambiar, Independent Director - Member
Sri Prasad K Panicker, Nominee Director, BPCL - Member

Share Allotment & Transfer Committee:

Smt. K.K. Shylaja Teacher, Hon'ble Minister of Health and Social Justice - Chairperson
Sri. V. Thulasidas IAS(Retd), Managing Director, Kannur Airport - Member

Strategic Management Committee:

Sri. M. Madhavan Nambiar, Independent Director - Chairman
Sri. V. Thulasidas IAS(Retd), Managing Director, Kannur Airport - Member
Sri. M. A Yusuffali, CMD, Lulu International Group, Director - Member
Sri. Prasad K Panicker-Nominee Director, BPCL- Member

Audit Committee

Smt. Parvathy Ammal, Independent Director – Chairperson
Sri. M. Madhavan Nambiar, Independent Director – Member
Sri. G. Ananthakrishnan, Nominee Director BPCL - Member

NOTICE

NOTICE is hereby given that the 9th Adjourned Annual General Meeting of Kannur International Airport Limited will be held at 10.30 am on 19 January 2019 at Sadhoo Kalyanamandapam, Kannur to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Annual Accounts of the Company for the year ended 31 March 2018 together with Directors' Report and Auditors' Report thereon.

2. To appoint Statutory Auditors for the financial year 2018-19.

By order of the Board
For Kannur International Airport Limited

Sd/-
Gnanendrakumar. G
Company Secretary

Date: 17 December 2018
Thiruvananthapuram

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business set out in the notice is annexed thereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself /herself and such proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. Form of proxy is attached at the end of the Notice.
3. Instrument of Proxies, in order to be effective, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting.
4. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.
5. Admission strictly restricted to members / proxies only and members / proxies are advised to bring the attendance slip, duly filled up and signed, and handover the same at the entrance and collect the entry pass.
6. The register of members and share transfer books of the Company will remain closed from 14 January 2019 to 19 January 2019 both days inclusive.

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of the Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014 as amended or re-enacted from time to time,the Company is pleased to provide members facility to exercise their votes for all the shareholders resolutions detailed in the notice of the Annual General Meeting for the financial year 2017-18 scheduled to be held on 19 January 2019 at 10.00 am by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities as per the instructions below.

Please read the instructions for the members for remote e-voting before exercising the votes. This communication forms an integral part of the notice dated 15 November 2018 for the Annual General Meeting of the Company scheduled to be held on 19 January 2019, which is being sent to you along with the said notice. The notice of the General Meeting and this communication are also available on the website of the company www.kannurairport.in

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 16 January 2019, 9.00 am and ends on 18 January 2019, 5.00 pm.During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14 January 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

  a. For CDSL: 16 digits beneficiary ID,

  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

  c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Demat A/c No/ Folio Number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN relevantto Kannur International Airport Limited on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can also download the said app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk. evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

നോട്ടീസ്

താഴെ പറയുന്ന ഇടപാടുകൾക്കായി കണ്ണൂർ ഇന്റർനാഷണൽ എയർപോർട്ട് ലിമിറ്റഡിന്റെ ഓഹരി ഉടമകളുടെ മാറ്റിവെയ്ക്കപ്പെട്ട 9-ാമത് വാർഷിക പൊതുയോഗം 2019-ാം ആണ്ട് ജനുവരി മാസം 19-ാം തീയതി പകൽ 10.30 ന് കണ്ണൂർ ഉള്ള സാധൂ കല്യാണ മണ്ഡപത്തിൽ വച്ച് കൂടുന്നതിനായി ഇതിനാൽ അറിയിക്കുന്നു.

<u>സാധാരണ ഇടപാടുകൾ</u>

1. 2018 മാർച്ച് 31-ൽ അവസാനിച്ച സാമ്പത്തിക വർഷത്തിന്റെ ഓഡിറ്റ് ചെയ്ത ബാലൻസ് ഷീറ്റ്, ലാഭനഷ്ട കണക്കുകൾ അവയുടെ അനുബന്ധങ്ങൾ, പട്ടികകൾ, കമ്പനി ഡയറക്ടർമാരുടെയും ഓഡിറ്റർമാരുടെ റിപ്പോർട്ട് എന്നിവ സ്വീകരിച്ച് പരിഗണിക്കുകയും അംഗീകരിക്കുകയും ചെയ്യുക.
2. സാമ്പത്തിക വർഷം 2018-19 ലെ കമ്പനിയുടെ സ്റ്റാട്ട്യൂട്ടറി ഓഡിറ്ററുടെ നിയമനത്തെ സംബന്ധിച്ച്.

ബോർഡിന്റെ ഉത്തരവുപ്രകാരം
കണ്ണൂർ ഇന്റർനാഷണൽ എയർപോർട്ട് ലിമിറ്റഡിനു വേണ്ടി

ഒപ്പ്
ജി. ജ്ഞാനേന്ദ്രകുമാർ
കമ്പനി സെക്രട്ടറി

തീയതി : 17 ഡിസംബർ 2018
സ്ഥലം : തിരുവനന്തപുരം

അംഗങ്ങളുടെ ശ്രദ്ധയ്ക്ക്

1. 2013 കമ്പനി നിയമത്തിലെ വകുപ്പ് 102 പ്രകാരമുള്ള പ്രമേയങ്ങൾക്കുള്ള വിശദീകരണ പ്രസ്താവന ഇതോടൊപ്പം ചേർക്കുന്നു.

2. യോഗത്തിൽ പങ്കെടുക്കാനും വോട്ട് ചെയ്യാനും അവകാശമുള്ള ഒരംഗത്തിന് പ്രതിപുരുഷനെ (പ്രോക്സി) നിയമിക്കുവാനും തനിക്കു പകരം ഇയാളെ വോട്ടെടുപ്പിൽ പങ്കെടുപ്പിക്കാനും അവകാശമുണ്ടായിരിക്കുന്നതാണ്. ഇത്തരം പ്രതിപുരുഷൻമാർ കമ്പനിയുടെ അംഗമായിരിക്കണ മെന്നില്ല. പ്രതിപുരുഷനായി വരുന്ന വ്യക്തി പരമാവധി 50 ഓഹരി ഉടമകളിൽ നിന്ന് പ്രോക്സി ഫോം വാങ്ങാവുന്നതും എന്നാൽ അതേസമയം പ്രതിപുരുഷൻ വാങ്ങിയ പ്രോക്സി ഫോമിൽ അടങ്ങി യിരിക്കുന്ന ഓഹരികളുടെ എണ്ണം കമ്പനിയുടെ മൊത്ത മൂലധനത്തിന്റെ 10 ശതമാനത്തിൽ അധി കമാകാനും പാടില്ല. എന്നിരിക്കിലും കമ്പനിയുടെ മൊത്ത മൂലധനത്തിന്റെ 10 ശതമാനത്തിൽ അധികം ഓഹരികൾ കൈവശമുള്ള ഓഹരി ഉടമയ്ക്ക് ഒരു പ്രതിപുരുഷനെ തനിക്കു പകരമായി നിയമിക്കാനും ഇയാളെ വോട്ടെടുപ്പിൽ പങ്കെടുപ്പിക്കാനും അവകാശമുണ്ടായിരിക്കുന്നതാണ്. എന്നാൽ പ്രസ്തുത പ്രതിപുരുഷൻ മറ്റു ഓഹരിയുടമകളുടെ പ്രതിപുരുഷനായി വർത്തിക്കുവാൻ പാടില്ല. പ്രതിപുരുഷനെ (പ്രോക്സി) നിയമിക്കാനുള്ള ഫോം ഈ നോട്ടീസിന്റെ അവസാന പേജിൽ ലഭ്യമാണ്.

3. പ്രതിപുരുഷനെ നിയോഗിച്ച് കൊണ്ടുള്ള നോട്ടീസ് സാധുവാക്കുന്നതിന് ടി. നോട്ടീസ്, യോഗം തുട ങ്ങുന്നതിന് 48 മണിക്കൂർ മുമ്പ് രജിസ്റ്റേർഡ് ഓഫീസിൽ നല്കിയിരിക്കേണ്ടതാണ്.

4. കമ്പനികളും സൊസൈറ്റികളും നിയമിക്കുന്ന പ്രതിപുരുഷൻമാർ അവരെ നിയമിച്ചുകൊണ്ടുള്ള പ്രമേയത്തിനെയോ, അധികാരപത്രത്തിന്റെയോ പകർപ്പ് ഹാജരാക്കേണ്ടതാണ്.

5. പൊതുയോഗത്തിലേക്കുള്ള പ്രവേശനം അംഗങ്ങൾക്കും പ്രതിപുരുഷൻമാർക്കും മാത്രമായിരിക്കും. അംഗങ്ങൾ/പ്രതിപുരുഷൻമാർ പൂരിപ്പിച്ച് ഒപ്പിട്ട അറ്റൻഡൻസ് സ്ലിപ്പുകൾ കൊണ്ടുവരേണ്ടതും അവ യോഗവേദിയിലെ പ്രവേശന കവാടത്തിൽ ഏൽപ്പിച്ച് പ്രവേശന പാസ്സ് കൈപ്പറ്റേണ്ട തുമാകുന്നു.

6. കമ്പനിയുടെ അംഗത്വ രജിസ്റ്ററും ഓഹരി കൈമാറ്റ പുസ്തകവും 2019 ജനുവരി 14-ാം തീയതി മുതൽ 2019 ജനുവരി 19-ാം തീയതിവരെ (ഇരുദിവസവും ഉൾപ്പെടെ) അടച്ചുവെച്ചിരിക്കുന്നതാണ്.

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the 9th Annual Report and Audited Accounts of your Company for the financial year ended 31 March 2018.

1. Financial Highlights

The Company is yet to commence commercial operations and no income has so far been generated from business activity. Details of other income are as follows:

Particulars	**For the year ended 31 March 2018 (Rs. in lakhs).**
Revenue from operations	Nil
Other operating income	42.00
Other Income	300.61
Expenses	1324.56
Share of net profit of associates (JV C)	(21.71)
Profit before exceptional items and tax	(1003.66)
Exceptional items	12.97
Profit before tax	(990.69)
Profit (Loss) for the period	(990.69)

2. Authorized and Paid-up Capital

The authorized capital of the Company is Rs. 1500 Crores. The paid up capital of the Company during the period under consideration is Rs. 1059.7 crores.

There was an increase of Rs. 72.7080 crores in the Paid up Capital of the Company during the year under consideration. Thus the total paid up capital of the Company increased from Rs. 987 crores to Rs. 1059.7 crores.

3. Change in Directors as on the date of the Report.

Your Directors hereby state that as per the provisions of Companies Act, 2013 and Articles of Association of the Company, from the date of the earlier report till this report, following changes has occurred in the Board of Directors of the Company:

- Government of Kerala nominated Sri Sri. E.P. Jayarajan, Minister of Industries, Sports and Youth Affairs as Director of the Company in place of Dr. Sharmila Mary Joseph IAS, Secretary (Finance Expenditure) .

4. Audit Committee

During the year under consideration, Audit Committee of the Board met twice for reviewing and approving the Internal Audit Reports of the F.Y 2017-18.

Audit Committee as on the date of Report

The Audit Committee of Board of Directors of the Company comprise the following members:

a) Smt. Parvathy Ammal, Independent Director - Chairperson
b) Shri. M. Madhavan Nambiar, Independent Director – Member
c) Sri. G. Ananthakrishnan, Nominee Director , BPCL - Member

5. Your directors declare that the Independent directors of the company Sri. M. Madhavan Nambiar & Smt. Parvathy Ammal has given declaration with respect to Section 149 (6) of the Companies Act, 2013.

6. Corporate Social Responsibility

During the year under consideration, Company has spent Rs. 48,00,000/- towards Corporate Social Responsibility scheme.

CSR Committee as on the date of Report

The CSR Committee of Board of Directors of the Company consists of following members:

a) Sri E. Chandrasekharan - Hon'ble Minister of Revenue and Housing – Chairman
b) Shri. V. Thulasidas IAS(Retd), MD-Kannur Airport -Member
c) Shri. M. Madhavan Nambiar, IAS(Retd), Independent Director- Member
d) Shri. Prasad K Panicker, Nominee Director, BPCL - Member

8. Statutory Auditors and Audit Report

M/s SASI VIJAYAN & RAJAN Chartered Accountants, Palarivattom, Kochi was appointed by C&AG as the Statutory Auditors of the Company for the Financial Year 2017-18. Their report forms part of this report.

Management's response to the Statutory Auditor's Qualification/comments on the Company's Financial Statements.

SlNo.	Basis for qualified opinion	Reply
1	The Company has accounted the asset "passenger boarding bridge" on 31-03-2018 for Rs.7,31,76,249/- based on Performa Invoice. The invoice was dated 25-04-2018 and actual delivery of the asset was in the financial year 2018-19. Hence that extent the assets and liabilities of the Company remains overstated.	The risk and perils with regard to the asset is already with KIAL as on the end of the year even though the goods were received in April 2018. Hence the value of the asset was recognized in our books
2	In cash flow statement an amount of Rs.272.68 lakhs being interest received from deposit of borrowed capital is included under operating activity instead of showing in financing activity.	The company is earning interest on the unused capital temporarily parked in flexi deposits and fixed deposits which is considered as an operating activity for the purpose of cashflows rather than an investing activity. The temporary parking the unused capital cannot be termed as an investing activity of the company, instead is considered as a prudent working capital management of the company. Further as per in paras 31-33 of Ind AS 7 Statement of Cash Flows states about the non-consensus in the treatment of interest income between organizations and to maintain consistency in accounting with the prior years the interest income is grouped under interest income
Reply to other matter paragraph (Both Standalone and Consolidated)		
a)	In point No.9 of significant accounting policies, Revenue Recognition, the interest earned to the extent of unused capital is credited to the profit & loss account as per Ind AS 38 has to be replaced by Ind AS 18 (Revenue) read with Ind AS 109 (Financial Instruments)	The recognition of Preliminary and Other Pre-operative Expenses is as per IAS 38 Intangible Assets. The interest income earned during the period is recognised as an income in the statement of profit and loss on the basis of Ind AS 38. The applicability of Ind AS 18 (Revenue) is definitely attributable towards the classification of the revenue.
b)	The Company has not filed the financial statements as required under section 137 of the Companies Act, 2013 with the	As per the provision of the Section 137 of the Companies Act, 2013 copy of the financial statements duly adopted at the

	Registrar of Companies. Necessary disclosure regarding the additional fees payable and fines imposable is not provided in the financial statements.	annual general meeting of the Company, should be filed with the Registrar with in thirty days of the date of the annual general meeting. It is further provided that if the financial statements are not adopted at the annual general meeting or adjourned meeting, that un adopted statements are to be filed provisionally and the financial statements adopted in the adjourned annual general meeting shall be filed with the Registrar with in 30 days of the date of such adjourned annual general meeting. The annual general meeting of Kannur Airport for the F.Y 2016-17 was held on 19 September 2017. The financial statements were not adopted since the statutory audit was not completed before the notice date for the said AGM. There is no provision available presently with MCA for filing un adopted statements in XBRL format, since the system will accept the respective filing only once. If un adopted statements are filed in XBRL format, as applicable to the Company, adopted financial statements could not be filed. The financial statements with respect to the F.Y 2016-17 was adopted in the adjourned annual general meeting held on 29 September 2018. The adopted financial statements was filed with ROC with a normal fees of Rs. 600. Additional fees was not paid and no fines were imposed on the Company since the provisions of Section 137 of the Companies Act, 2013 was strictly complied with. As such there is no base for this qualification by the auditor.
c)	The Company adopted the Financial Statements for the year 2016-17 without obtaining the report from Comptroller & Auditor General of India as required under Section 394 & 395 of the Companies Act, 2013.	Section 394 & 395 of the Companies Act, 2013 is applicable only to Government Companies. Kannur International Airport is not a Government Company and the aforesaid sections are not applicable to Kannur Airport. Government of Kerala vide its letter No 995072/D2/2016/Trans dated 5 January 2018 has intimated the Company that Section 394 & 395 of the Companies Act, 2013 is not applicable to Kannur International Airport since it is not a Government Company.

d)	Changes in Accounting Policies - The company has changed the accounting policy regarding treatment of Taxes & Duties which was earlier capitalised in Capital Work in Progress. During the current financial year Company has transferred Rs.4,38,35,383.40 being the CVD on various assets to input credit of GST (TRAN -1). This change was not disclosed in the notes to accounts.	The TRAN 1 was filed expecting that the CVD credit could be utilized by the Company. Later it was decided by the Company not to opt for the credit and to consider the credit as the cost of the asset to avail depreciation benefits which is beneficial to the Company due to uncertainties in GST credits. The books of accounts have been adjusted taking the GST portion as part of the cost of the asset instead of input credit. As and when the permission to revise the Form TRAN 1 (Form for availing tax credits prior to GST era) is made available in the GST portal, the Company shall revise the same.
e)	The liability outstanding to KELTRON Rs.11,29,238/- towards the purchase of software was treated as remission of liability and taken as exceptional item.	The treatment for the above is consistent with the Indian GAAP.
f)	The reconciliation of Tax Deducted at Source as per Form 26AS and Books of Accounts are not provided for our verification.	The difference in the TDS as per the books and as the form 26AS is due to the deduction on the accrued interest portion as calculated by the banks which is in the nature of a timing difference. The Company has been consistent in accounting the interest income as per the statements of the banks.
g)	As per section 171 of The Goods and Services Act,2017 any reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of reduction in price. The company has got certificate under section 171 of the GST Act from Larson & Toubro and provided the necessary entries in the books of accounts but no such certificates were obtained and not provided necessary entries for other contracts.	The company has made necessary entries wherever there is an impact on GST rate on contract awarded prior to GST regime. The company has received anti profiteering certificates from such contractors.
h)	Larson & Toubro charged GST on invoices without deducting the service portion of the advances made during pre	The advances are paid for material during the pre-GST period and therefore KVAT / CST was applicable and not Service Tax. Materials on which advances are paid, may

	GST regime which was exempted from Service Tax at that time	be converted into works done during the post-GST regime. Therefore only the differential rate of tax during post-GST regime and pre-GST regimes only need to be adjusted, which the company has already done. Hence the comment is not relevant

9. Secretarial Auditors and Secretarial Audit Report

The Board had appointed M/s ABVR and Associates, Company Secretaries Thiruvananthapuram as Secretarial Auditors of the Company for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended 2017-18 is attached with this report. The Secretarial Audit report does not contain any qualification, reservation or adverse remarks.

10. Directors' Responsibility Statement:

As per the provisions of Section 134(3) (c) of the Companies Act, 2013 we state that:-

i. In the preparation of accounts, the applicable Accounting Standards have been followed.
ii. Accounting policies selected have been applied consistently and reasonably and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at the end of 31 March 2017, and of the profit of the company for the period from 1 April 2016 to 31 March 2017.
iii. Proper and sufficient care has been taken for the 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.
iv. The annual accounts of the Company have been prepared on a going concern basis.

11. Number of meetings of the Board

A total of 4 meetings of the Board of Directors were held during the Financial Year 2017-18.

12. Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

The particulars as required under the provisions of Section 134 (3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review. Further, during the year under review, the Company has not earned any foreign exchange.

Foreign Exchange Earnings – Nil.
Foreign Exchange Outgo – Nil.

13. Deposits

The Company has not accepted deposit from members or the general public as on 31 March 2018. There are no small depositors in the Company.

14. Acknowledgment

Your directors wish to thank the Government of Kerala, Government of India, Bharat Petroleum Corporation Limited, Airports Authority of India, Ministry of Civil Aviation, Bureau of Civil Aviation and Security and various other regulatory and statutory authorities of Government of India, Government of Kerala, Mattannur Municipality and Keezhallur Gramapanchayat for their keen interest in the progress of the Company and for their timely help and guidance for reaching the completion stage of the project. Your Directors place on record their gratitude to the lenders and bankers for their whole-hearted support and look forward to their continued assistance, co-operation and support. Your Directors are thankful to the esteemed shareholders for their continued patronage and the confidence reposed in the Company and its management. Your Directors are also thankful to the society at large for their valuable support and co-operation. Your Directors also take this opportunity to acknowledge the loyal and sincere work put in by the employees of the Company during the year under report.

For and on behalf of the Board

Sd/-
Chairman

Thiruvananthapuram
15 November 2018

ABVR & ASSOCIATES
COMPANY SECRETARIES

Partners:
CS Anilkumar B S FCMA ACS
CS Rajendran V FCS LLB IP

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 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,

KANNUR INTERNATIONAL AIRPORT LIMITED
[CIN: U63033KL2009SGC025103]
'Parvathy', T.C.36/1
NH Bye pass, Pettah, Kerala

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s KANNUR INTERNATIONAL AIRPORT LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 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:

1

1st Floor, Room No.107, Hudson Building, Opposite LIC PATTOM, Pattom Post, Trivandrum, Kerala-695004
Tel: 0471-2910237/8281783186/9383431172

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Not applicable as the company is an unlisted public company

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

Not applicable as the company is an unlisted public company

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

Not applicable as the company is an unlisted public company

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Not applicable as the company is an unlisted public company

2

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not applicable as the company is an unlisted public company

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

Not applicable as the Company is not registered as Registrar to Issue and share Transfer Agent during the financial year under review

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not applicable as the Company has not bought back or propose to buy back any of its securities during the financial year under review.

(vi) The Company has obtained following clearances and approvals from various authorities and the Airport is ready for commissioning in September 2018.

a) All the inspection procedures are completed and it is expected that Aerodrome Licence would be obtained by 15 September 2018.

b) AAI is preparing procedure based on verified and validated OLS / Aerodrome data. Publication of procedure by AAI in AIP would be completed by 11 October 2018.

c) Kannur International Airport has been declared Customs Airport by Ministry of Finance, Government of India.

d) Kannur International Airport Limited has been declared as an Immigration check post.

e) Company is in the process of submitting applications for the renewal of NOC

3

from Ministry of Defence which expires on 27th September 2018.

We have also examined compliance with the applicable clauses of the following Secretarial Standards:

The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2)- (together referred to as the Secretarial Standards), as approved by the Central Government, issued by the Institute of Company Secretaries of India (ICSI) under the provisions of Section 118(10) of the Companies Act, 2013, vide ICSI Notification No. 1 (SS) of 2015 dated April 23rd, 2015 and published in the Gazette of India Extraordinary Part III - Section 4.

The Company has complied all the applicable provisions of secretarial standards-1and secretarial standards-2 related to Board Meeting and General Meeting respectively.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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. The company is also following the system of circulating the minutes of the Board meeting in draft form to all Directors within the time stipulated in the secretarial standards and get confirmation thereon.

4

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and as informed, the company has responded to notices in time issued by statuary/regulatory authorities and initiated actions where ever necessary.

We further report that during the audit period the company has

(i) Subject to the provisions of section 42 and 62 of the companies Act, 2013 had allotted a total of 72,70,800 (Seventy Two Lakhs Seventy thousand Eight hundred) equity shares on private placement basis, to aggregate Rs 72,70,80,000 (Seventy Two Crores Seventy Lakhs Eighty Thousand only) and complied with the provisions of Rule 13 and Rule 14 of the Companies (share Capital and Debentures) Rules 2014 and Companies (Prospectus and Allotment of Securities) Rules, 2014 respectively.

(ii) In compliance of provisions of section 135 of Companies Act 2013 read with Company (Corporate Social responsibility Policy) Rules 2014 the Company has an approved Corporate Social Responsibility policy and constituted a committee of the Board for carrying out the activities as mandated under Schedule VII.

In addition to the mandatory provisions, the Ministry of Environment and Forests while granting environmental clearance for the airport project stipulated that at least 5% of the cost of the project shall be earmarked towards the Corporate Social Responsibility and item wise details with time bound action plan shall be prepared and submitted to the Ministry. Company has earmarked Rs.94.6 crores, being the 5% of the project cost of Rs. 1892 crores, for ensuring environmental sustainability of local area of the project and for other schemes. Company has framed a time bound action plan to spend Rs.94.6 crores under CSR activities in a period of 20 years and started spending for the activities as mandated under Schedule VII and complying with the applicable provisions of the Companies Act, 2013.

The Company had spent so far Rs. 106.092 Lakhs towards CSR activities and Rs. 48 Lakhs during the current year.

Apart from these there are no specific events/actions having a major bearing on the company's affairs in pursuance of the laws, regulations, guidelines, standards, etc. referred to above.

Place: Trivandrum
Date: 06/08/2018

V. RAJENDRAN FCS
Practicing Company Secretary
CP No: 13941

SASI VIJAYAN & RAJAN
CHARTERED ACCOUNTANTS
72 PHRWA, POWERHOUSE LINK ROAD
PALARIVATTOM, KOCHI, KERALA – 682025

PH: 0484 –2334219

EMAIL: [illegible]

Offices at: PATHANAMTHITTA, PANDALAM, ADOOR, MAVELIKARA & KAYAMKULAM

INDEPENDENT AUDITOR'S REPORT

To the Members of
Kannur International Airport Limited
Parvathy, T.C 36/1, Chacka, N.H Bypass Road, Thiruvananthapuram, Kerala

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Kannur International Airport Limited ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including other Comprehensive Income, the statement of Cash Flows and the Statement of changes in Equity for the year then ended, and a summary of 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 the 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.

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.

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

Basis For Qualified Opinion

1) ***The Company has accounted the asset "passenger boarding bridge" on 31-03-2018 for Rs.7,33,76,249/- based on Performa Invoice. The invoice was dated 23-04-2018 and actual delivery of the asset was in the financial year 2018-19. Hence that extent the assets and liabilities of the Company remains overstated.***
2) ***In cash flow statement an amount of Rs.272.68 lakhs being interest received from deposit of borrowed capital is included under operating activity instead of showing in financing activity.***

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for Qualified Opinion paragraph, 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 March 31, 2018, and its Loss, total comprehensive income, its Cash Flows and the changes in equity for the year ended on that date.

Other Matter Paragraph

a) ***In point No.9 of significant accounting policies, Revenue Recognition, the interest earned to the extent of unused capital is credited to the profit & loss account as per Ind AS 38 has to be replaced by Ind AS 18 (Revenue) read with Ind AS 109 (Financial Instruments)***

2

b) The company has not filed the financial statements as required under section 137 of the Companies Act, 2013 with the registrar of Companies. Necessary disclosure regarding the additional fees payable and fines imposable is not provided in the financial statements.

c) The Company adopted the Financial Statements for the year 2016-17 without obtaining the report from Comptroller & Auditor General of India as required under section 394 & 395 of the Companies Act, 2013.

d) Changes in Accounting Policies – The company has changed the accounting policy regarding treatment of Taxes & Duties which was earlier capitalised in Capital Work in Progress. During the current financial year Company has transferred Rs.4,38,35,383.40 being the CVD on various assets to input credit of GST (TRAN -1). This change was not disclosed in the notes to accounts.

e) The liability outstanding to KELTRON Rs.11,29,238/- towards the purchase of software was treated as remission of liability and taken as exceptional item.

f) The reconciliation of Tax Deducted at Source as per Form 26AS and Books of Accounts are not provided for our verification.

g) As per section 171 of The Goods and Services Act,2017 any reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of reduction in price. The company has got certificate under section 171 of the GST Act from Larsen & Toubro and provided the necessary entries in the books of accounts but no such certificates were obtained and not provided necessary entries for other contracts.

h) Larson & Toubro charged GST on invoices without deducting the service portion of the advances made during pre GST regime which was exempted from Service Tax at that time.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 paragraphs 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 purpose of our audit,

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

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

3

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) We did not have any observations or comments on financial transactions or matters except the matters prescribed in the Basis for Qualified opinion paragraph above, which have adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

g) 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**".

h) Qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith are disclosed in Basis of Qualified Opinion Paragraph.

i) 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 if any of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note XXV to the standalone Ind AS financial statements.

ii) The Company is not required to make any provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

3. As required by Section 143(5) of the Companies Act 2013, we give a statement on the compliance to the directions issued by the Comptroller and Auditor General of India, refer to our separate report in "**Annexure C**"

For SASI VIJAYAN & RAJAN
Chartered Accountants
(F. R. No. 003629S)

G DILEEP KUMAR FCA
Partner
M.No.104319

Place: Thiruvananthapuram
Date : 13/11/2018

4

SASI VIJAYAN & RAJAN
CHARTERED ACCOUNTANTS
72 PHRWA, POWERHOUSE LINK ROAD
PALARIVATTOM, KOCHI, KERALA – 682025

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EMAIL: sasivijayanrajan@gmail.com

Offices at: PATHANAMTHITTA, PANDALAM, ADOOR, MAVELIKARA & KAYAMKULAM

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date)

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

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies between the book of records and the physical fixed assets have been noticed.

(c) Out of 621.67 acres of land acquired on phase II, an extent of 74.67 acres of land was to be leased to the Company. The extent of 74.67 acres includes 3.45 acres of land, which is to be transferred to local self government institutions for development of roads in the land provided for rehabilitation. The lease agreement for 71.22 acres is pending for execution. The lease corresponding to this is therefore pending for accounting.

As per GO.Ms 29/2014/Trans dated 21/03/2014, sanction was accorded to purchase 11.44acres of land directly by KIAL and subsequent transfer to Government. Accordingly KIAL had purchased 10.52 acres of land for Rs 9,87,17,980.00 out of 11.44 acres (remaining land pending for purchase for want of documents from LAO).Administrative sanction was accorded for the reimbursement of an amount Rs 9,87,17,982.00 (Vide GO(R)No.146/2016/Trans dated 22/03/2016) to meet the expenditure incurred in connection with purchase of 10.52 acres of land which was realized on 13/04/2016.Company has written to the Government vide Letter No.KIAL/CA/91 dated 29/04/2016 to pass necessary orders for transfer of ownership and the GO is pending for issue. This land needs to be transferred to Government since ownership of any land other than land in the form of equity contribution by Government in KIAL should vest with the Government and leased out to KIAL.

2) The Company has not carried inventory of material value as the Company has not commenced commercial operations.

1

3) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

7) According to the information and explanation 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, Goods and Service Tax, Sales tax, Service Tax, Excise Duty, Value added Tax, Cess and any other material statutory dues with the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues at the last day of financial year concerned for a period of more than six months from the date they became payable.

b) According to the information and explanation 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 Customs Duty or Excise Duty or Value Added Tax or Cess, which have not been deposited on account of any dispute as on 31st March 2018.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures as at 31st March 2018.

9) In our opinion and according to the information and explanations given to us, monies raised by way of term loans during the year have been applied by the Company for the purposes for which they were raised.

2

10) Based upon the audit procedures performed and the information and explanations given to us by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been properly disclosed in the standalone Ind AS Financial Statements as required by the applicable accounting standards.

14) The Company has made private placement of 72,70,800 equity shares of Rs.100/- each amounting to Rs.7,270.80 Lakhs during the year and in our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 of the Companies Act, 2013, for the preferential allotment or private placement of shares made during the year.

15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For SASI VIJAYAN & RAJAN
Chartered Accountants
(F. R. No. 003629S)

G DILEEP KUMAR FCA
Partner
M.No.104319

Place: Thiruvananthapuram
Date : 13/11/2018

3

SASI VIJAYAN & RAJAN
CHARTERED ACCOUNTANTS
72 PHRWA, POWERHOUSE LINK ROAD
PALARIVATTOM, KOCHI, KERALA – 682025

PH: 0484 – 2334319

EMAIL: sasivijayanrajan@gmail.com

Offices at PATHANAMTHITTA, PANDALAM, ADOOR, MAVELIKARA & KAYAMKULAM

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Kannur International Airport Limited ("the Company") as of March 31, 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. 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

1

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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, 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 March 31, 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 SASI VIJAYAN & RAJAN
Chartered Accountants
(F. R. No. [illegible])

G DILEEP KUMAR FCA
Partner
M.No.104319

Place: Thiruvananthapuram
Date : 13/11/2018

SASI VIJAYAN & RAJAN
CHARTERED ACCOUNTANTS
72 PIRWA, POWERHOUSE LINK ROAD
PALARIVATTOM, KOCHI, KERALA – 682025

PH: 0484 - 2334319

EMAIL: [illegible]

Offices at PATHANAMTHITTA, PANDALAM, ADOOR, MAVELIKARA & [illegible]

"ANNEXURE C" TO THE AUDITOR'S REPORT FOR THE YEAR ENDED 31-03-2018

SL.NO	Directions/Sub-directions	Action Taken	Impact on Financial Statements
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined, including the mode and present stage of disinvestment process.	The company has not been selected for disinvestment during the financial year 2017-2018.	NA
2	To report whether there are any cases of waiver/write off of debts/loans/interest etc; if yes, the reasons thereof, and the amount involved	Rs. BSNL - 2.00 Professional Tax - 2,620.00 [illegible] -5,469.00	No material impact
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	According to information and explanation given to us there are no inventories lying with third parties and no assets have been received as gifts from Government or other authorities.	NIL

1

4	A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	The Company has 10 pending legal/arbitration cases. The age-wise classification obtained from the management is as under: More than 3 years - 3 One to Three years - 7 Less than one year - 0 Total 10 These cases are pending for hearing/disposal at the respective forums. The Company has a system for monitoring expenditure on legal cases (foreign and local) which, in our view, is effective.	NIL
5	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	a) As per GO.Ms 29/2014/Trans dated 21/03/2014, sanction was accorded to purchase 11.44acres of land directly by KIAL and subsequent transfer to Government. Accordingly KIAL had purchased 10.52 acres of land for Rs 9,87,17,980.00 out of 11.44 acres (remaining land pending for purchase for want of documents from LAO).Administrative sanction was accorded for the reimbursement of an amount Rs 9,87,17,982.00 (Vide GO(Rt)No.146/2016/Tran dated 22/03/2016) to meet the expenditure incurred in connection with purchase of 10.52 acres of land which was realized on 13/04/2016.Company has written to the Government vide Letter No.KIAL/CA/91 dated 29/04/2016 to pass necessary orders for transfer of ownership and the GO is pending for issue. This land needs to be transferred to Government since ownership of any land other than land in the form of equity contribution by Government in KIAL should vest with the Government and leased out to KIAL.	NIL

2

		b) Out of 621.67 acres of land acquired on phase II, an extent of 74.67 acres of land was to be leased to the Company. The extent of 74.67 acres includes 3.45 acres of land, which is to be transferred to local self government institutions for development of roads in the land provided for rehabilitation. The lease agreement for 74.67 acres is pending. Hence, lease rent has not been accounted.	NIL

SUB DIRECTIONS-INFRASTRUCTURE SECTOR

1	Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation not put to use o declared surplus? Details may be provided	According to information and explanation given to us , there is no land belonging to the Company which is encroached, or under litigation not put to use nor declared as surplus land.	NIL
2	Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/policies of the Government? Comment on deviation, if any.	According to information and explanation given to us, this Company does not come under the Public Private Partnership guidelines and policies framed by the Ministry of Finance, Government of India.	NIL
3	Whether system for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/losses from contracts, etc., have been properly accounted for in the books.	Yes, there is a proper system for monitoring the execution of works vis-à-vis milestones stipulated by the agreements. No significant cost escalation was noticed.	NIL

3

4	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized? List the cases of deviation.	According to information and explanation given to us the funds received from the State Government, converted as Share capital has been properly accounted for/utilized.	NIL
5	Whether the bank guarantees have being revalidated in time?	There were no pending revalidation of Bank Guarantees during the year.	NA
6	Comment on the Confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	The management has obtained confirmation of balances from bank accounts. Confirmation of balances have not been received in respect of the accounts receivables and payables, in reply to the request for confirmations sent to these parties by the Company.	NIL
7	The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.	There were no abandoned projects during the year under Audit.	NIL

For SASI VIJAYAN & RAJAN
Chartered Accountants
(F. R. No. 003629S)

G DILEEP KUMAR FCA
Partner
M.No.104319

Place: Thiruvananthapuram
Date : 13/11/2018

KANNUR INTERNATIONAL AIRPORT LIMITED
PARVATHY, T C 84/1, CHACKA, N H BYPASS ROAD, THIRUVANANTHAPURAM, KERALA
STANDALONE BALANCE SHEET AS AT 31 MARCH 2018

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	I	31,539.10	33,628.49
Capital work-in-progress	II	1,46,051.59	1,27,712.56
Other intangible Asset	I	3.40	2.77
Financial Assets			
Investments	III	191.00	191.00
Other non-current assets			
Capital Advances	IV	297.00	1,308.88
Other advances	V	928.18	1,474.33
		1,79,090.27	1,52,322.31
Current assets			
Financial Assets			
Cash and Cash equivalents	VI	6,980.58	6,724.86
Other current assets	VII	782.39	630.81
		7,762.97	7,355.67
TOTAL ASSETS		1,86,853.24	1,59,677.98
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	VIII	1,05,970.82	98,700.00
Other Equity	IX	191.01	1,159.99
		1,06,161.81	99,859.99
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	X	77,426.68	58,138.02
Other non current liabilities	XI	120.02	80.73
		77,546.70	58,218.75
Current liabilities			
Other current liabilities	XII	2,090.84	1,162.46
Provisions	XIII	1,053.89	436.78
		3,144.73	1,599.24
TOTAL EQUITY AND LIABILITY		1,86,853.24	1,59,677.98

The accompanying notes are an integral part of the financial statements
As per our report of even date

For Sasi Vijayan & Raam
Chartered Accountants

For Kannur International Airport Limited

Director

Managing Director

Chief Financial Officer

Company Secretary

KANNUR INTERNATIONAL AIRPORT LIMITED
PARVATHY, T C 84/3, CHACKA, N H BYPASS ROAD, THIRUVANANTHAPURAM, KERALA

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2018

[illegible]

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Other operating income	[illegible]	42.00	42.00
Other income	[illegible]	303.51	435.51
Total Revenue		**342.61**	**477.51**
Expenses			
Employee benefit expense	[illegible]	384.53	302.34
Depreciation and amortisation expense		54.85	17.64
Finance costs		114.92	
Other expenses	[illegible]	732.71	207.91
Total expenses		**1,324.58**	**605.49**
Profit before exceptional items and tax		-981.95	-127.88
Exceptional items		12.57	
Profit before tax		-968.58	-127.88
Tax expense:			
(1) Current tax			
Less MAT Credit entitlement c/f			
Less Prior year excess provision			-100.41
(2) Deferred tax			
Profit (Loss) for the period from continuing operations		-968.58	-27.47
Profit/(loss) from discontinuing operations			
Tax expense of discontinuing operations			
Profit/(loss) from Discontinuing operations (after tax)			
Profit (Loss) for the period			
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit and loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total comprehensive income for the period (Comprising profit (loss) and Other comprehensive income for the period)			
Earnings per equity share of face value Rs.100/- (for the continuing operation) in INR			
(1) Basic	[illegible]	-1.95	-0.03
(2) Diluted	[illegible]	-1.95	-0.03

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For [illegible] & Associates
Chartered Accountants

[illegible]
FRN: [illegible]
Membership No. [illegible]
Trivandrum
[illegible].11.2018

For Kannur International Airport Limited

Director
DIN - [illegible]

Managing Director
DIN - [illegible]

Chief Financial Officer
PAN - [illegible]

Company Secretary
PAN - [illegible]

KANNUR INTERNATIONAL AIRPORT LIMITED
PARVATHY, T.C 8A/2, CHACKA, N H BYPASS ROAD, THIRUVANANTHAPURAM, KERALA

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A Equity Share Capital

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Notes	Amount
As at 1 April 2016		86,476.55
Changes in the equity share capital		12,213.45
As at 31 March 2017		98,700.00
Changes in the equity share capital	15	7,170.83
As at 31 March 2018		1,05,870.80

B Other Equity

[illegible]

Particulars	Share application money pending allotment	Capital reserve	Retained Earnings	Total Other Equity
Balance at 1 April 2016	500.00	30.75	1,156.79	1,687.21
Profit / (Loss) for the year	-	-	22.47	22.47
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the year ended 31 March 2017	-	-	-27.47	-27.47
Transaction with owners in their capacity as owners:				
Dividends paid	-	-		-
Forfeiture of shares	-	0.25		0.25
Share application money pending allotment	-500.00	-		-500.00
Balance at 31 March 2017	-	30.75	1,128.79	1,158.99
Profit / (Loss) for the year	-	-	-968.98	-968.98
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the year ended 31 March 2018	-	-	-968.98	-968.98
Transaction with owners in their capacity as owners:	-	-	-	
Dividends paid	-	-	-	-
Forfeiture of shares	-	-	-	-
Share application money pending allotment	-	-	-	-
Balance at 31 March 2018	-	30.75	160.11	191.01

The above Statement of changes in equity should be read in conjunction with the accompanying notes.
The accompanying notes are an integral part of the financial statements.
As per our report of even date

For [illegible] Chartered Accountants

[illegible]
FRN: [illegible]
Membership [illegible]
Trivandrum
[illegible]

For Kannur International Airport Limited

Director
DIN: [illegible]

Managing Director
DIN: [illegible]

Chief Financial Officer
[illegible]

Company Secretary
[illegible]

KANNUR INTERNATIONAL AIRPORT LIMITED

[illegible]

STANDALONE STATMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Period Ended 31-03-2018	Period Ended 31-03-2017
Operating Activities		
Profit before tax	-358.98	-117.88
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	14.10	12.02
Amortisation and impairment of intangible assets	0.68	0.62
Working capital adjustments:		
Increase in other Current Assets	20.43	-42.24
Increase / (Decrease) in provisions	437.17	-211.36
Cash generated from operations	-316.55	-387.75
Income tax paid (net of refunds)	194.33	-93.58
Net cash flow from operating activities (A)	**-122.22**	**-481.33**
B. Cash flow from investing activities		
Purchase of property, plant and equipment	-21,441.07	-37,580.14
Intangible asset under development	-1.31	-0.13
Purchase of Non Current Investments	-	-39.00
Interest received (finance income)	115.49	540.45
Net cash flow used in investing activities (B)	**-21,326.89**	**-36,973.82**
C. Cash flow from financing activities		
Proceeds from issue of share capital	7,270.80	11,723.45
Capital Reserve	-	0.25
Proceeds from borrowings	21,182.66	25,855.78
Interest paid	-5,548.82	-4,550.99
Net cash flow used in financing activities (C)	**22,904.65**	**32,828.49**
Net decrease in cash and cash equivalents (A+B+C)	**255.72**	**-4,825.64**
Cash and cash equivalents at the beginning of the year	**6,724.86**	**11,550.50**
Cash and cash equivalents at the end of the year	**6,980.58**	**6,724.86**

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For [illegible]
Chartered Accountants

[illegible]
FRN : [illegible]
Memb # [illegible]
[illegible]

25-11-2018

For Kannur International Airport Limited

Director
DIN - [illegible]

Managing Director
DIN - [illegible]

Chief Financial Officer
[illegible]

Company Secretary
[illegible]

Notes to the Standalone financial statements as at and for the year ended 31 March 2018

A. Company overview

Kannur International Airport Limited ("the Company") was incorporated in 10 December 2009 in India as a private limited company and later converted into a public limited company in August 2010. The Company is having its registered office in Thiruvananthapuram, set up by the Government of Kerala to build and operate Kannur International Airport. The airport is being built at Moorkhanparamba area in Kannur District with a proposed runway length of 3,400m or more. The airport is expected to have an annual traffic of more than 1.47 million international passengers and 0.14 million domestic passengers as per the projected estimates for its first year of operations. Construction of the runway is in progress and the commercial operations are expected to start by 9 December 2018.

B. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

i. Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These financial statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

ii. Basis of preparation and presentation

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of initial recognition.

a) Certain financial assets/liabilities are measured at fair value and

b) Any other item as specifically stated in the accounting policy.

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts are in Indian Rupees rounded off to lakhs, except share data and per share data, unless otherwise stated.

The financial statements of the Company for the year ended 31 March, 2018 were authorised for issue in accordance with a resolution of the directors on 18 August 2018.

iii. Use of Estimate and judgment

In the application of accounting policy which are described in Para C below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are notably apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions in accounting estimates are recognised in the period in which the estimates are revised.

C. Summary of Significant Accounting Policies

1) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any, except for freehold land which is not depreciated.

Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is derecognised.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is derecognised.

Description of the Asset Estimated Useful life

Tangible:	Useful Lives
Motor vehicles	8 years
Plant & machinery	15 years
Furniture & fixtures	10 years
Computers	3 years
Office equipment	5 years
Electrical equipment	10 years

Depreciation on the Property, Plant and Equipment, is provided over the useful life of assets on straight line method as specified in Schedule II to the Companies Act, 2013.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2) Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets are amortised in the Statement of Profit and Loss using the straight line method over their estimated useful lives, from the date that they are available for use. Accordingly, at present, these are being amortised on straight line basis for 10 years.

3) Impairment of tangible (Plant Property and Equipment) and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The resulting impairment loss if any is recognised in the Statement of Profit and Loss.

4) Inventories

The company has not started its commercial operations and is yet to possess any kind of inventories to date.

5) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease, if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. The company is not having any arrangements in the nature of a lease on the date of this financials.

6) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management's estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it. Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

7) Foreign Currency Transactions

The financial statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

8) Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the Ind AS 7. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The company has parked its funds in flexi deposits and fixed deposits with banks with original maturity more than 3 months with the intention of meeting the commitments of construction of the airport. Even though the deposits are having original maturity of more than 3 months majority of the deposits are prematurely closed for payment for construction contract obligations. The very purpose of parking idle funds in the flexi deposits and fixed deposits are to meet the short term fund requirements of the company's construction contract obligations, therefore these funds are considered as part of Cash and cash equivalents for the purpose of cash flows.

9) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of Services
Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

As the company has not started its commercial operations operational income has not been generated by the company. License fees received from BPCL-KIAL Fuel Farm Pvt Limited (Associate Company) on the land being used for the purpose of development and operation of a fuel farm in the airport premises is recognized as operating income.

Interest income

Interest income on financial assets measured at amortized cost is recognized on a time-proportion basis using the effective interest method. The company is yet to commence commercial operations. The unutilized surplus funds of the company are parked in short term deposits with Banks yielding interest. Interest is accrued on time basis on the amount outstanding and at the applicable rates using the effective interest method. The interest earned on unused capital temporarily parked in flexi deposits and fixed deposits are credited to the Profit & Loss account as per Ind AS 38 and erstwhile AS 26 Intangible Assets. The interest earned on the borrowed funds temporarily parked in short term deposits with banks yielding interest has been deducted from the borrowing cost as per Ind AS 23 and erstwhile AS 16.

10) Borrowing costs

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, financing charges and all ancillary / incidental costs incurred in connection with the arrangement of borrowing. Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. To the extent that the borrowing cost are incurred specifically for the purpose of obtaining a qualifying asset are added to the cost of the qualifying asset for capitalisation and the borrowing cost is reduced from any investment income earned on the temporary investment of those borrowings.

11) Employee Benefits

a) Short Term Employee Benefits
All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

Post-employment obligations

Defined contribution plans:
A defined contribution plan is a post employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) Long Term Employee Benefits
The Company provides for the encashment/ availment of leave with pay for Airport Authority of India staff subject to the rules of AAI. The employees of AAI (on deputation with KIAL) are entitled to accumulate leave subject to limits as prescribed by AAI. The liability is provided based on the number of days of unutilized leave at each balance sheet date.

As the long term employee benefits in the nature of post-employment plans is not defined by the company, actuarial valuation has not been carried out. The impact of the actuarial valuation on the defined benefit plans has not been given effect in the financial statements.

The gratuity liability of the company has been provided in the books of accounts for the employees who have completed five years of service but the corresponding amount has not been dispensed by creation of a gratuity fund as the human resources policy of the company is yet to be finalized by the company. Expenses on account of gratuity contribution and leave salary to the officers on deputation to the Company from the Airports Authority of India have been provided during the year under audit and included in the expenses for the year.

12) Taxes on income

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum Alternate Tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of relevant tax laws and based on the expected outcome of assessments/ appeals.

b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

As the company has not started its operations the tax impact on the temporary differences are not recognized in the books of accounts of the company.

13) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be consumed in 12 months. The operating cycle of the company is not considered as the company has not started its commercial operations.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in 12 months. The operating cycle of the company is not considered as the company has not started its commercial operations.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

The operating cycle is not considered as the company has not started its commercial operations.

14) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events if any is adjusted with the standalone Ind AS financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

15) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

16) Operating Segments

The company has not started its operations during the current financial year and as such there are no reportable segments.

17) Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in such basis except for transactions in the scope of Ind AS 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The company is holding having a joint venture with Bharat Petroleum Corporation Limited for operating a fuel farm and is presently holding 26% stake in the company. As the company has not started its operations the value has been disclosed at cost.

18) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets
A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets of the Company comprise cash and cash equivalents, Bank balances, Investments in equity shares of companies, investment other than equity shares, loans/ advances to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs if any, of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Investments in equity instruments are classified as Fair value through profit and loss, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

B) Financial Liabilities
The Company's financial liabilities include loans and borrowings, accrued expenses and other payables.

The Company initially recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are measured at fair value on initial recognition which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities if any, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Subsequent to initial recognition, the liability component of the financial instrument is measured at amortised cost using the effective interest method.

Derecognition

A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
2. the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the group has transferred substantially all the risks and rewards of the asset, or b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

Impairment of financial assets: The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired.

Notes to the Standalone financial statements as at and for the year ended 31 March 2018

All amounts are in Rupees Lakhs unless otherwise stated

NOTE – I – Property Plant & Equipment

₹ in lakhs

Description of Assets	Free hold land	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Electrical Equipment	Computers	Total	Intangible assets	Capital Work in progress
Gross Block										
Deemed Cost of the asset at 1 April 2017	31,593.04	5.54	36.63	15.44	10.27	6.23	31.19	31,698.34	4.24	1,17,712.90
Additions during the year	-	0.08	8.08	-	7.39	-	9.26	24.81	1.31	28,318.49
Sales / Disposal / Writeoff	-	-	-	-	-	-	-	-	-	-
At cost as at 31.03.2018	31,593.04	5.62	44.71	15.44	17.66	6.23	40.45	31,723.15	5.55	1,46,031.39
Depreciation Block										
Accumulated Depreciation as at 01.04.2017	-	2.46	16.31	11.49	7.65	2.02	27.89	67.88	1.47	-
Depreciation/ amortisation for the period		0.19	6.73	3.53	1.74	0.59	1.47	14.17	0.68	-
Adjustments during the year	-	-	-	-	-	-		-	-	-
Accumulated depreciation / amortisation as at 31/03/2018	-	2.67	23.04	15.02	9.39	2.61	29.30	82.03	2.15	-
Net Block										
As at 31.03.2017	31,593.04	3.08	20.32	3.95	2.62	4.21	3.30	31,626.46	2.77	1,17,712.90
As at 31.03.2018	31,593.04	2.95	21.67	0.42	8.27	3.62	11.15	31,639.12	3.40	1,46,031.39

The company is currently occupying a land admeasuring to 71.22 Acres lying contiguously to the free hold land of the company. This land is procured by KINFRA on behalf of the Government of Kerala with an initial plan to be leased to KIAL vide Kerala Government order (MS) No. 50 /2015 dated 09-03-2015. The Government of Kerala is yet to confirm on the lease agreement in the subsequent Cabinet Meetings to be held in the current financial year. The value of the lease hold land is not accounted for in the books of accounts of the company. The free hold land in absolute ownership of the company as at 31 March 2018 is 1183 Acres (previous year 1183 Acres)

Land held pending transfer of ownership to Government

As per the GO.Ms 29/2014/Trans dated 21.03.2014, sanction was accorded to purchase 11.44 acres of land directly by KIAL for subsequent transfer to Government. Accordingly, KIAL had purchased 10.52 acres of land for Rs 9,87,17,380/- out of 11.44 Acres (remaining land pending for purchase was for want of documents from LAO). Administrative sanction was accorded for the reimbursement of an amount Rs 9,87,17,380/- (vide GO (Rt) No.146/2016/Tran dated 22/03/2016) to meet the expenditure incurred in connection with purchase of 10.52 acres of land which was realised on 13-Apr-2018. As such, the expenditure incurred in connection with the acquisition of this land was treated as a Current Asset in the Balance Sheet as on 31 March 2018 as the amount is recoverable from the Government of Kerala.

NOTE - II CAPITAL WORK IN PROGRESS

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Opening Balance as at the beginning of the year	1,17,712.96	78,240.57
Add: Additions during the year	22,814.64	35,277.35
Add: Borrowing cost pending capitalisation	5,548.63	4,950.99
Less: Income from temporary investment out of borrowed funds	-44.84	-755.95
Closing balance as at the end of the year	1,46,031.39	1,17,712.96

NOTE - III INVESTMENTS (Non current)

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Equity Shares at fair value through other comprehensive income		
Investment in KIAL BPCL Fuel Farm Private Limited (19,50,000 shares of BPCL KIAL FUEL FARM PRIVATE LIMITED at par (previous year 19,50,000 shares of Rs 10 each) fully paid up unquoted non traded stated at cost being 26% of the total equity)	195.00	195.00
Total	195.00	195.00

As the company has not started its operations the investment is considered as available for sale and the fair value is recognized at cost.

NOTE - IV OTHER NON CURRENT ASSETS - Capital Advances

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Larsen & Toubro Ltd - Material on Site (EPC-1)	284.83	440.91
Larsen & Toubro Ltd - Material on Site (Package A)	12.17	867.95
Mobilisation Advance (Package A)		
Land (Held Pending Transfer of Ownership to Government)		-
Total	297.00	1,308.86

NOTE - V: OTHER ADVANCES - Other Non Current Assets

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Unsecured		
Kannur International Airport Promotion Society	13.38	13.38
Security Deposits	40.59	11.58
	53.97	**24.96**
Other non current assets Non Current Tax Assets		
Advance Income Tax		
Advance Income Tax Assessment Year 2012-13	-	-
Advance Income Tax Assessment Year 2013-14	207.93	207.93
Advance Income Tax Assessment year 2014-15	354.00	354.00
Advance Income Tax Assessment year 2015-16	-	-
Advance Income Tax Assessment year 2016-17	-	168.50
Advance Income Tax Assessment year 2017-18	210.35	210.15
Advance Income Tax Assessment year 2018-19	52.70	
Income Tax paid AY 2013-14 against appeal with CIT (A)	36.30	66.35
Income Tax paid AY 2014-15 against appeal with CIT (A)	30.43	30.43
Tax Deducted at Source (Cumulative)	200.90	270.25
	1,092.41	1,237.54
Less: Provision for Taxation	442.29	442.29
	650.12	795.25
Add: MAT Credit Entitlement	220.29	220.29
CENVAT Credit Deferred	-	453.74
Total	924.38	1,474.24

CENVAT credit deferred on the counter vailing duty paid for the import of machineries has been transferred to the cost of the respective asset.

NOTE - VI: CASH AND CASH EQUIVALENTS (current)

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Balances with Banks		
i) In Treasury Savings Bank Account	0.01	0.01
ii) In Current Account	27.17	4.12
iii) In Fixed Deposit Accounts	7,065.91	6,286.28
iv) In Flexi Deposit Accounts	20.07	377.07
v) In Term Loan Escrow / Flexi FD	-132.58	57.38
Total	6,980.58	6,724.86

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Balances with Banks (of the nature of cash and cash equivalents)	8,080.58	4,774.80
Cheques, drafts on hand; and	-	-
Cash on hand	-	-

NOTE - VII OTHER CURRENT ASSETS

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Advances other than capital Advances	724.24	465.83
Security Deposits	1.60	1.22
License Fees receivable from BKTPL (Related Party)	27.41	47.84
Other Advances	29.14	115.92
Total	782.39	630.81

Note VIII Equity Share Capital

Particulars	As at 31 March 2017	Changes in during the year	As at 31 March 2018
Share Capital			
(a)Authorised			
15,00,00,000 Equity Shares of Rs 100/-each	1,50,000.00	-	1,50,000.00
(b) Issued, Subscribed and Paid up			
105970800 Equity Shares of Rs 100/- each fully paid	98,700.00	7,270.80	1,05,970.80
(Previous Year: 98700000 Equity Shares of Rs 100/- each)		-	
TOTAL	98,700.00	7,270.80	1,05,970.80

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. 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.

(c) Reconciliation of Number of Shares *The face value per share is Rs 100/-*	Year ended 31.03.2018	Year ended 31.03.2017
	No of shares	No of shares
Number of Shares in the opening	98700000	86476300
Shares issued during the year		
(a) Kerala Government	-	-
(b) PSUs	300000	4380000
(c) Airports Authority of India	-	-
(d) Others - Private Sector	6970800	7841200
(e) Partly paid shares converted into fully paid shares		
(i) PSU's	-	-
(i) Others	-	2500
Shares bought back during the year	-	-
Forfeited shares re-issued	-	-
Number of Shares as in the closing	105970800	98700000
(d) Equity Shares - Partly Paid		
Number of Shares in the opening	-	2500
Less: Partly paid shares converted into fully paid	-	-2500
Forfeited shares	-	-
Number of Shares as in the closing	-	-
(e) Rights, Preference and Restrictions attached to each class of shares		
No such rights, preferences, restrictions etc., attached		
(f) Shares held by Holding Company, Subsidiary Company, Associates etc		
Shares held by:		
(1) Its Holding Company and its Ultimate Holding Company	NIL	NIL
(2) Subsidiaries of its Holding Company and its Ultimate Holding Company	NIL	NIL
(3) Associates of its Holding Company and its Ultimate Holding Company	NIL	NIL
(g) Shares held by each shareholder -		
(i) Holding more than 5% shares including PSUs		
(1) Government of Kerala - Fully Paid	35000000	35000000
(2) BPCL - Fully Paid Fully Paid	21680000	21380000
(3) Airports Authority of India - Fully Paid	10000000	10000000
(4) MA Yusafali	9500000	4500000

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(ii) Held by PSUs with less than 5%	No of shares	No of shares
(1) Kerala State Beverages (Manufacturing & Marketing) Corporation Ltd - Fully Paid	806000	806000
(2) Kerala Minerals & Metals Limited - Fully Paid	500000	500000
(3) Kerala State Industrial Enterprises Ltd - Fully Paid	10000	10000
(4) Kerala Hotels & Resorts Ltd (KTDC) - Fully Paid	4000	4000
(5) Kerala State Industrial Development Corporation - Fully Paid	1000000	1000000
(h) Shares reserved for issue under options and contracts/commitments	NIL	NIL
(i) During the last five years		
(1) Aggregate number and class of share allotted as fully paid up pursuant to contracts without payment being received in cash	Nil	Nil
(2) Aggregate number and class of shares allotted as fully paid up by way of bonus shares	NIL	NIL
(3) Aggregate number and class of share bought back		
(j) Terms of any of securities convertible into Equity/Preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date	NIL	NIL
(k) Calls Unpaid		
(1) By Directors	NIL	NIL
(2) By Officers	NIL	NIL
(l) Shares issued for consideration other than cash		
1) Government of Kerala		
Number of Shares as on 1 April 2017	31593000	31593000
Shares issued during the year	-	-
Number of Shares as on 31 March 2018	31593000	31593000

Note 9: Other Equity

Particulars	Share application money pending allotment	Reserves and Surplus		Other Comprehensive Income	Total
		Capital reserve	Retained Earnings		
Balance at the beginning of the reporting period	-	50.74	1,129.29	-	1,180.03
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-968.98	-	-968.98
Dividends	-	-	-	-	-
Transferred to retained earnings	-		-	-	-
Any other Changes	-		-	-	-
Share application money pending allotment	-	-	-		-
Balance at the end of the reporting period	-	50.74	160.31	-	211.05
Previous Year	-	50.74	1,129.29		1,180.03

NOTE - X BORROWINGS

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Term Loan-Canara Bank	59,939.41	43,525.41
Term Loan-Federal Bank Limited	7,820.00	5,673.88
Term Loan-South Indian Bank Limited	9,560.67	6,938.73
Total	77,320.68	56,138.02

Security and terms of repayment in respect of above borrowings are as follows

Term loan borrowings are from a consortium of banks with Canara Bank as the lead bank. Member banks involved in the consortium are South Indian Bank Limited and The Federal Bank limited.

The Company agreed to borrow from the Consortium the sums to the maximum extent of Rs.892 Crores (Rupees Eight hundred and Ninety two Crores only) out of which Rs. 692 Crores (Rupees Six Hundred and Ninety Two Crores Only) is from Canara Bank, Rs 110 Crores (Rupees One Hundred and ten crores) from South Indian Bank Limited and Rs. 90 Crores (Rupees Ninety Crores Only) from The Federal Bank Limited, on the security of immovable properties and other securities mentioned hereunder:

a) pari passu first charge in all immovable and moveable assets of the Company both present and future.

b) The right, title and interest of the Company by way of first charge in, to and under all the Government Approvals, insurance policies and uncalled capital of the Company.

c) The company has created an equitable mortgage (EM) of 1192.18 acres of land as security for term loan sanctioned by Canara Bank.

Further the Government of Kerala has pledged 51% of shareholding in the company with the lenders as security to the term loan.

The tenor of the loan is fixed at 15 years and 2 quarters from the 1 st quarter of F.Y 2015-2016 till the 2nd quarter of F.Y 2030-2031. The tenor is subject to change due to delays in the construction of the airport project and postponement of the commercial operations date.

The Company shall be liable to pay penal interest at the rate of 2% per annum or at such other rate as is specified by the lending banks, over and above the normal rate of interest, from the date of default until due repayment in addition to and irrespective of any other consequences and remedies available to the lending Banks

Agreed rate of Interest

Bank Name	Rate of interest per annum	Base Rate /MCLR	Spread on the base rate	Effective Interest Rate
Canara Bank	10.40%	9.15%	0.40%	9.55%
South Indian Bank Ltd	10.40%	9.90%	0.40%	10.30%
Federal Bank Ltd	10.40%	9.15%	0.40%	9.55%

Current maturities of the long term debt is not reclassified as the repayment will begin only after the end of the moratorium period or the date of commercial operation.

NOTE - XI OTHER NON-CURRENT LIABILITES

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Amount due to contractors	224.86	79.57
Others	1.16	1.16
Total	226.02	80.73

NOTE - XII OTHER CURRENT LIABILITES

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Amount due to contractors	2,067.32	3,146.16
Deposits received	23.52	16.32
Total	2,090.84	3,162.48

NOTE - XIII PROVISIONS - Current

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Statutory Audit Fee Payable	5.86	1.90
Internal Audit Fee Payable	3.24	0.65
Current maturities of long-term debt	-	-
Expenses Payable	828.72	134.99
Statutory Liabilities	216.01	299.16
Other payables	0.06	0.06
Total	1,053.89	436.76

NOTE - XIV OTHER OPERATING INCOME

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
License Fee for Unpaved Land from [illegible] (Income from Related parties)	42.00	42.00
Total	42.00	42.00

NOTE -XV OTHER INCOME

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Interest on Fixed Deposits	272.68	417.25
Interest on Income Tax Refund	13.29	12.24
Interest on Share Final Call A/c	-	-
Miscellaneous income	14.64	6.12
Total	300.61	435.61

The interest under section 244 A of the Income Tax Act 1961 on the refund of income tax paid in advance for the Assessment year 2016-17 is received in the current Financial as per the intimation under section 143(1) of the Income Tax Act 1961. Total amount received including the interest is Rs 2,40,32,694/-

NOTE -XVI EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Salaries & Allowances	397.60	282.36
Manpower Outsourcing charges	89.32	28.77
Contribution to provident and other funds		
Employer Contribution to Provident Fund	22.40	16.62
Employer Contribution to EDLI	0.61	0.28
Provident Fund & EDLI Admn. Charges	0.80	0.49
Gratuity	13.50	10.60
Leave Salary	12.23	11.70
Staff Welfare Expenses	48.03	31.29
Medical Expenses Reimbursement	0.39	3.73
Total	584.93	385.84

NOTE -XVII OTHER EXPENSES

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Advertisement	128.50	25.76
Audit Fees		
i) For Statutory Audit:		
a) For Company Law Matters	3.01	2.09
b) For Reimbursement of Expenses		
ii) For Internal Audit		
a) For Company Law Matters	3.58	2.10
b) For Reimbursement of Expenses	-	-
Bank Charges	-	0.27
Blasting related expenses	0.66	1.20
Communication Charges	4.62	3.52
Computer running and maintenance	0.25	0.24

NOTE -XVII OTHER EXPENSES Contd

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Consultancy charges	10.84	
CSR Expenditure	56.75	38.67
Uniform Design Competition Prize Money	0.45	
Electricity Charges	4.51	4.51
Entertainment Expenses	0.23	0.34
Housekeeping Charges	0.08	0.05
Insurance Premium Paid - Assets	0.71	0.41
Insurance Premium Paid - Medical Insurance	5.89	1.52
Insurance Premium Paid - Vehicles	1.47	0.22
Land Taxes	3.15	2.17
Meeting Expenses	11.46	4.80
Miscellaneous Expenses	0.55	0.23
Numbering of Trees	-	0.54
Newspaper & Periodicals	0.04	0.05
Postage, Courier & Telegrams	3.08	4.06
Printing and Stationery	5.29	6.00
Professional Development Expenditure	0.90	0.05
Professional Fee	33.38	11.60
Project Site & office Development Expenditure	-	0.24
Recruitment Expenses	37.12	18.99
Refreshments	3.11	2.57
Registration Expenses	55.95	0.55
Rehabilitation Expenses	-	1.93
Rent, Rates and Taxes	33.66	27.37
Prior period expenses Repairs & Maintenance-AOL	-	15.26
Repairs & Maintenance-Office & Guest House	0.06	2.99
Repairs & Maintenance-Others	25.95	
Retainership Fees-Legal	3.52	2.93
Secretarial Audit Fee	0.75	1.04
Server Hosting Charges	12.16	-
Site Progress Videography	-	-
Sitting Fee	0.87	0.46
Soil Investigation for Runway Extension	-	4.32
Software development charges written off	36.42	
Sponsorship Fees	-	1.61
TDS Interest	-	-
Travelling Expenses	14.35	9.74
Trial Landing Operation Expenditure	-	
Vehicle Running and Maintenance Repairs	2.05	1.46
Visitors Accommodation and Expenses	5.21	3.24
Water Charges	0.03	0.01
Total	510.75	207.01

NOTE -XVIII Details of CSR Expenditure

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Gross amount required to be spent during the year	Nil	Nil
Amount spent during the year:		
(i) Construction/ acquisition of any asset - -		
(ii) On purposes other than (i) above	56.79	38.47
(iii) Unpaid amount out of (i) and (ii) above		

Note XIX- Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Profit attributable to equity holders of the company for basic earnings	-968.38	-27.47
Weighted average number of equity shares for basic EPS*	101545878	93841240
Basic Earnings per Share (of face value Rs.100) INR	-0.95	-0.03
Effect of dilution:		
Weighted average number of equity shares adjusted for the effect of dilution*	101448878	93900144
Diluted Earnings per share (of face value Rs.100) INR	-0.95	-0.03

The nominal value is Rs.100 per share.

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

Note XX, Interest in joint venture

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
19,50,000 shares of BPCL KIAL FUEL FARM PRIVATE LIMITED at par (previous year 19,50,000 shares of Rs 10 each) fully paid up unquoted non traded stated at cost being 26% of the total equity)	195.00	195.00

Note XXI: Related party transactions

Related party transactions
Details of related parties

Description of relationship	Names of related parties	
A. Party with substantial interest and its affiliates	Bharat Petroleum Corporation Limited	
	Kerala State Beverages (Manufacturing & Marketing) Corporation Ltd	
	Kerala Minerals & Metals Limited	
	Kerala State Industrial Enterprises Ltd	
	Kerala Hotels & Resorts Ltd	
	Kerala State Industrial Development Corporation	
B. Associate	BPCL KIAL Fuel Farm Private Limited	
C. Directors, Non Executive Directors and Key management personnel	Mr. Pinarayi Vijayan	Chairman
	Mr. Ramachandran Kadannappalli	Director
	Mrs. A.K. Shylaja Teacher	Director
	Mr. Yusuffali Musaliam Veettil Abdul Kader	Director
	Mr. [illegible]	Director
	Mr. [illegible]	Director
	Mrs. P. Parvathy Ammal	Director
	Mr. P. Chandramohan	Director
	Mr. [illegible]	Director
	Mr. Thulasidas V	Managing Director - From Mar 18
	Mr. P Balakiran	Managing Director - up to Mar 18
	Mr. Jayakrishnan	Chief Financial Officer
	Mr. [illegible] Kumar G	Company Secretary

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

	Particulars	Associate Company	KMP	Relatives of KMP	Total
Rendering of services					
Mr. P Balakiran	Salary		[illegible]		[illegible]
	Remuneration		[illegible]		[illegible]
Mr. Thulasidas V	Salary	-	-	-	-
Mr. Jayakrishnan	Salary	-	[illegible]		[illegible]
Mr. [illegible] Kumar G	Salary	-	[illegible]	-	[illegible]
Mr. [illegible]	Sitting Fees	-	[illegible]	-	[illegible]
	Remuneration		[illegible]		[illegible]
Mrs. P. Parvathy Ammal	Sitting Fees	-	[illegible]	-	[illegible]
Investment					
BPCL KIAL Fuel Farm Private Limited	Investment	[illegible]	-	-	[illegible]
Other Operating Income					
BPCL KIAL Fuel Farm Private Limited	License fees on Leased land	[illegible]	-	-	[illegible]
Other Current Assets					
BPCL KIAL Fuel Farm Private Limited	License fees receivable	[illegible]	-	-	[illegible]
	Security Deposit	[illegible]			[illegible]

Note XXII: Financial risk management objectives and policies

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, Fair value through other comprehensive income (FVTOCI) investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates interest rate will affect the fair value of the assets of the company as the company has not started its commercial operations and the interest cost has a direct bearing on the borrowing cost to be capitalised. The impact of increase or decrease of 100 basis points on the loan will change the fair value of assets (PPE) by Rs. 771.21 Lakhs.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the purchase of assets from abroad. The company's only exposure at the end of the year is an outstanding balance payable to M/s Shenzhen CIMC-TIANDA Airport Support Ltd,China amounting to USD 13,33,300 (INR 868.78 Lakhs) (Previous year (USD 6,00,630 (INR 389.04 Lakhs)). The impact of increase or decrease of 100 basis points on the outstanding balance will change the fair value of assets (PPE) by Rs. 8.69 Lakhs.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk as it has not started its commercial operations.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other contracts. The company has mitigated the risk by placing funds in short term deposits with banks to match with the lead time for the disbursement of loans from the banks. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Note XXIII: Events after the reporting period

There are no material events to be disclosed subsequent to the end of the reporting period.

Note XXIV: Capital and other commitments

The company has the following capital commitments towards the construction of the airport.

Particulars of Contract	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Software Development Costs	5.05	5.05
EPC-1: Runway and Airside Works	5710.00	7,730.00
Package – A: Terminal Buildings	5495.00	9,860.00
Baggage Handling Systems	463.24	603.14
Elevators	315.32	97.54
Lifts and Escalators	477.88	561.61
Interior Design & Decoration	276.46	337.11
Hand held and door frame metal detector	17.47	51.19
Internal Way Finding & External LED Fascia Signage	139.29	203.89
Passenger Boarding Bridges	868.78	835.92
Total	**13,775.09**	**20,286.05**

Note XXV: Provisions & Contingent Liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

The company has pending the following pending litigations with various courts and which in its opinion has no impact on its financial position in the financial statements as on 31 March 2018

Case No.	Petitioner & Respondent	Date of admission
WP (C) No. 2170/2012	P.K. Kabeer v/s KIAL	23 January 2012
W.P. (C) No. 1685/2015	One Earth One Life v/s 1. MD, KIAL	6.11.2014
W.P. (C) No. 83/2017	Albin Peter v/s 1. State of Kerala 2. Two others	4.01.2017
W.P. (C) No. 30366/2016	Vishnu K v/s State of Kerala & 2 others	29.09.2017
W.P. (C) No. 19187/2017	Air Corporation Employees Union (ACEU) v/s Union of India and 4 others	04.07.2017
W.P. (C) No. 27705/2017	Kariyil Sunil v/s Mattannur Municipality & 2 others	12.06.2017
Cmplt No: 1338/2014 D	A.K. Shaji v/s 1. DC, Kannur 2. Asst Collector, Kannur 3. CFE, KIAL Mattannur	6.11.2014
IA /1507/2014	A.K. Shaji v/s DC, Kannur & Others	
Income Tax Appeal	Appeal with Commissioner of Income Tax (Appeals) for AY 2013-14 (amount paid as advance Rs.36,24,660/-)	01-04-2016
Income Tax Appeal	Appeal with Commissioner of Income Tax (Appeals) for AY 2014-15 (amount paid as advance Rs.30,42,420/-)	02-02-2017

As per our report of even date

For Sasi Vijayan & Rajan
Chartered Accountants

G Deepakumar
FRN / 003629S
Memb # 104119
Trivandrum
25.11.2018

For Kannur International Airport Limited

Director
DIN: [illegible]

Managing Director
DIN: [illegible]

Chief Financial Officer
PAN: [illegible]

Company Secretary
[illegible]

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Offices at PATHANAMTHITTA, PANDALAM, ADOOR, MAVELIKARA & KAYAMKULAM [illegible]

INDEPENDENT AUDITOR'S REPORT

To the Members of
Kannur International Airport Limited
Parvathy, T.C 36/1, Chacka, N.H Bypass Road, Thiruvananthapuram, Kerala

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Kannur International Airport Limited (hereinafter referred to as "the holding Company") and its subsidiaries(the holding company and its subsidiaries collectively referred to as the "Group"), its associate and jointly controlled entities/joint venture and joint operation, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Cash Flow statement, the Consolidated Statement of changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other Comprehensive Income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Jointly controlled entities/Joint ventures and Joint operation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014/ Indian accounting standards prescribed under Section 133 of the Act . The respective Board of Directors of the Companies included in the Group and of its Associates and Jointly controlled entities /Joint ventures and Joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Associates and its Jointly controlled entities/Joint ventures and Joint operations 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

1

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on 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 consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the other matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis For Qualified Opinion

We draw your attention to the following qualification to the audit opinion of the financial statements

1) *The Company has accounted the asset "passenger boarding bridge" on 31-03-2018 for Rs.7,33,76,249/- based on Performa Invoice. The invoice was dated 23-04-2018 and actual delivery of the asset was in the financial year 2018-19. Hence that extent the assets and liabilities of the Company remains overstated.*
2) *In cash flow statement an amount of Rs.272.68 lakhs being interest received from deposit of borrowed capital is included under operating activity instead of showing in financing activity.*

2

We draw your attention to the following qualification to the audit opinion of the financial statements of BPCL-KIAL FUEL FARM PRIVATE LIMITED, a joint venture of the Company issued by an independent firm of Chartered Accountants vide its report dated 26/07/2018 reproduced by us as under:

1. ***The Company has not accounted for the service tax and GST charged by the Bharat Petroleum Corporation Limited for the salary reimbursement billed by the party during the year. Further the Company has written back the service tax charged by the BPCL and accounted by the company during the previous years under the head exceptional items (Note No.17). Hence the company has understated its Other Current Liabilities (Note No.10) to the extent of Rs.6.66 lakhs towards salary reimbursement to Bharat Petroleum Corporation Limited, as compared to the confirmation obtained from the party concerned. The above qualification results in overstatement of income by Rs.2.54 lakhs and understatement of liability by Rs.6.66 lakhs.***

2. ***The Company has not adopted the Audited Ind AS Financial Statements for the financial year 2016-17 in the Annual General Meeting till the date of this report. The opening balances for the year 2017-18 have been brought forward based on the non- adopted Ind As Financial Statements. The possible effect if any in the opening balances for the year on subsequent non-adoption of the financial statements cannot be quantified***

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and jointly controlled entities / joint venture and joint operation, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and except for the effects of the matter referred to in the Basis for Qualified opinion paragraph above , give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group, its associates and jointly controlled entities/joint ventures and joint operations as at 31st March, 2018, and their consolidated loss (financial performance including other comprehensive income) , their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter paragraph

a) ***In point No.9 of significant accounting policies, Revenue Recognition, the interest earned to the extent of unused capital is credited to the profit & loss account as per Ind AS 38 has to be replaced by Ind AS 18 (Revenue) read with Ind AS 109 (Financial Instruments)***
b) ***The company has not filed the financial statements as required under section 137 of the Companies Act, 2013 with the registrar of Companies. Necessary disclosure regarding the additional fees payable and fines imposable is not provided in the financial statements.***
c) ***The Company adopted the Financial Statements for the year 2016-17 without obtaining the report from Comptroller & Auditor General of India as required under section 394 & 395 of the Companies Act, 2013.***

1

d) *Changes in Accounting Policies – The company has changed the accounting policy regarding treatment of Taxes & Duties which was earlier capitalised in Capital Work in Progress. During the current financial year Company has transferred Rs.4,38,35,383.40 being the CVD on various assets to input credit of GST (TRAN -1). This change was not disclosed in the notes to accounts.*

e) *The liability outstanding to KELTRON Rs.11,29,238/- towards the purchase of software was treated as remission of liability and taken as exceptional item.*

f) *The reconciliation of Tax Deducted at Source as per Form 26AS and Books of Accounts are not provided for our verification*

g) *As per section 171 of The Goods and Services Act,2017 any reduction in the rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of reduction in price. The company has got certificate under section 171 of the GST Act from Larsen & Toubro and provided the necessary entries in the books of accounts but no such certificates were obtained and not provided necessary entries for other contracts.*

h) *Larsen & Toubro charged GST on invoices without deducting the service portion of the advances made during pre GST regime which was exempted from Service Tax at that time.*

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entities/joint ventures and joint operations, as noted in the 'other matter' paragraph, we report, to the extend applicable, 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 purpose of our audit of the aforesaid consolidated financial statements.

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 and reports of the other auditors.

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

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) We did not have any observations or comments on financial transactions or matters except the matters prescribed in the Basis for Qualified opinion paragraph above, which have adverse effect on the functioning of the Company.

4

f) On the basis of the written representations received from the directors of the company as on 31st March 2018 taken on record by the Board of Directors of the company and the reports of the statutory auditors of its joint venture incorporated in India, none of the directors of the Group companies ,its joint venture incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of section 164(2) of the Act;

g) Qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith are disclosed in Basis of Qualified Opinion Paragraph.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled entities/joint ventures and joint operations incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

i) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the joint venture, as noted in the 'other matter' paragraph:

i) The Group has disclosed the impact if any of pending litigations on its financial position in its consolidated Ind AS financial statements.

ii) The Group is not required to make any provision, as required under the applicable law or accounting standards for material foreseeable loses, if any, on long-term contracts including derivative contracts

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group; and

For SASI VIJAYAN & RAJAN
Chartered Accountants
(F.R. No. 003629S)

G DILEEP KUMAR FCA
Partner
M.No.104319

Place: Thiruvananthapuram
Date : 13/11/2018

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Offices at PATHANAMTHITTA, PANDALAM, ADOOR, MAVELIKARA & KAYAMKULAM

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Kannur International Airport Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India as of March 31, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Company's management of Holding company and its subsidiary Companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 internal financial controls over financial reporting of the holding company and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

1

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their report referred to in the " other matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the holding company and its subsidiary companies, which are companies incorporated in India .

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management overriding 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, 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 March 31, 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 SASI VIJAYAN & RAJAN
Chartered Accountants
(F.R.No.003626S)

G DILEEP KUMAR FCA
Partner
M.No.104319

Place: Thiruvananthapuram
Date : 13/11/2018

2

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Offices at PATHANAMTHITTA, PANDALAM, ADOOR, MAVELIKARA & KAYAMKULAM

"ANNEXURE B" TO THE AUDITOR'S REPORT FOR THE YEAR ENDED 31-03-2018

SLNO	Directions/Sub-directions	Action Taken	Impact on Financial Statements
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined, including the mode and present stage of disinvestment process.	The company has not been selected for disinvestment during the financial year 2017-2018.	NA
2	To report whether there are any cases of waiver/write off of debts/loans/interest etc; if yes, the reasons thereof, and the amount involved	Rs. BSNL - 2.00 Professional Tax - 2,620.00 Sudha L Amin -5,469.00	No material impact
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	According to information and explanation given to us there are no inventories lying with third parties and no assets have been received as gifts from Government or other authorities.	NIL

1

4	A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	The Company has 10 pending legal/arbitration cases. The age-wise classification obtained from the management is as under. More than 3 years - 3 One to Three years - 7 Less than one year - 0 Total 10 These cases are pending for hearing/disposal at the respective forums. The Company has a system for monitoring expenditure on legal cases (foreign and local) which, in our view, is effective.	NIL
5	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	a) As per GO.Ms 29/2014/Trans dated 21/03/2014, sanction was accorded to purchase 11.44acres of land directly by KIAL and subsequent transfer to Government. Accordingly KIAL had purchased 10.52 acres of land for Rs 9,87,17,980.00 out of 11.44 acres (remaining land pending for purchase for want of documents from LAO).Administrative sanction was accorded for the reimbursement of an amount Rs 9,87,17,982.00 (Vide GO(Rt)No.146/2016/Tran dated 22/03/2016) to meet the expenditure incurred in connection with purchase of 10.52 acres of land which was realized on 13/04/2016.Company has written to the Government vide Letter No.KIAL/CA/91 dated 29/04/2016 to pass necessary orders for transfer of ownership and the GO is pending for issue. This land needs to be transferred to Government since ownership of any land other than land in the form of equity contribution by Government in KIAL should vest with the Government and leased out to KIAL.	NIL

2

		b) Out of 621.67 acres of land acquired on phase II, an extent of 74.67 acres of land was to be leased to the Company. The extent of 74.67 acres includes 3.45 acres of land, which is to be transferred to local self government institutions for development of roads in the land provided for rehabilitation. The lease agreement for 74.67 acres is pending. Hence, lease rent has not been accounted.	NIL

SUB DIRECTIONS-INFRASTRUCTURE SECTOR

1	Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation not put to use o declared surplus? Details may be provided	According to information and explanation given to us , there is no land belonging to the Company which is encroached, or under litigation not put to use nor declared as surplus land.	NIL
2.	Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/policies of the Government? Comment on deviation, if any.	According to information and explanation given to us, this Company does not come under the Public Private Partnership guidelines and policies framed by the Ministry of Finance, Government of India.	NIL
3.	Whether system for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/losses from contracts, etc., have been properly accounted for in the books	Yes, there is a proper system for monitoring the execution of works vis-à-vis milestones stipulated by the agreements. No significant cost escalation was noticed.	NIL

3

4	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized? List the cases of deviation.	According to information and explanation given to us the funds received from the State Government, converted as Share capital has been properly accounted for/utilized.	NIL
5	Whether the bank guarantees have being revalidated in time?	There were no pending revalidation of Bank Guarantees during the year.	NA
6	Comment on the Confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	The management has obtained confirmation of balances from bank accounts. Confirmation of balances have not been received in respect of the accounts receivables and payables, in reply to the request for confirmations sent to these parties by the Company.	NIL
7	The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.	There were no abandoned projects during the year under Audit.	NIL

For SASI VIJAYAN & RAJAN
Chartered Accountants
(F. R. No. 003629S)

G DILEEP KUMAR FCA
Partner
M.No.104319

Place: Thiruvananthapuram
Date : 13/11/2018

KANNUR INTERNATIONAL AIRPORT LIMITED

'PARVATHY', T.C 84/3, CHACKA, N.H BYPASS ROAD, THIRUVANANTHAPURAM, KERALA

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	I	31,639.30	31,626.48
Capital work-in-progress	II	1,46,031.39	1,17,712.96
Other Intangible Asset	I	3.40	2.77
Financial Assets			
Investment accounted for using the equity method	III	135.82	158.14
Other non-current assets			
Capital Advances	IV	237.00	1,308.86
Other advances	V	926.38	1,474.26
		1,79,011.90	1,52,285.65
Current assets			
Financial Assets			
Cash and Cash equivalents	VI	6,980.56	6,724.86
Other current assets	VII	782.39	630.81
		7,762.97	7,355.67
TOTAL ASSETS		1,86,794.87	1,59,641.32
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	VIII	1,05,970.80	98,730.00
Other Equity	IX	132.64	1,123.33
		1,06,103.44	99,853.33
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	X	77,320.68	56,138.02
Other non current liabilities	XI	226.02	80.73
		77,546.70	56,218.75
Current liabilities			
Other current liabilities	XII	2,090.84	3,102.48
Provisions	XIII	1,053.89	436.70
		3,144.73	3,539.24
TOTAL EQUITY AND LIABILITY		1,86,794.87	1,59,641.32

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sasi Vijayan & Rajan
Chartered Accountants

G Dileep Kumar
FRN : [illegible]
Memb # [illegible]
Trivandrum
15-11-2018

For Kannur International Airport Limited

Director
DIN - [illegible]

Managing Director
DIN - [illegible]

Chief Financial Officer
PAN - [illegible]

Company Secretary
PAN - [illegible]

KANNUR INTERNATIONAL AIRPORT LIMITED

PARVATHY, T.C 84/3, CHACKA, N.H BYPASS ROAD, THIRUVANANTHAPURAM, KERALA

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2018

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Other operating income	XV	47.30	47.91
Other income	XV	500.51	431.51
Total Revenue		547.81	477.61
Expenses:			
Employee benefits expense	VIII	566.53	335.84
Depreciation and amortisation expense	I	14.85	12.54
Finance costs		314.35	
Other expenses	XVI	535.75	337.51
Total expenses		1,334.56	685.49
Profit before share of net profits of investments accounted for using equity method and tax			
Share of net profit of associates accounted for using the equity method		21.71	-12.43
Profit before exceptional items and tax		-1,203.66	-100.31
Exceptional items		22.97	-
Profit before tax		-900.69	-150.31
Tax expense			
(1) Current tax			
Less MAT Credit entitlement A/c		-	
Less Prior year excess provision		-	100.41
(2) Deferred tax			
Profit (Loss) for the period from continuing operations		-990.89	-49.90
Profit/(loss) from discontinuing operations		-	
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	
Profit (Loss) for the period			
Other Comprehensive Income		-	-
A (i) Items that will not be reclassified to profit and loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss			-
(ii) Income tax relating to items that will be reclassified to profit or loss			-
Total comprehensive income for the period (Comprising profit (Loss) and Other comprehensive income for the period)		-	-
Earnings per equity share of face value Rs.100/- (for the continuing operation) in INR			
(1) Basic	XX	-3.88	-0.05
(2) Diluted	XX	-3.98	-0.05

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sait Hasan & Ryan
Chartered Accountants

G Dileep Kumar
Partner
Firm Reg. No.
Thiruvananthapuram
12-12-2018

Director
Din:

Chief Financial Officer

For Kannur International Airport Limited

Managing Director
Din:

Company Secretary

KANNUR INTERNATIONAL AIRPORT LIMITED

"PARVATHY", T C 9/425, ULAKKA, N H BYPASS ROAD, THIRUVANANTHAPURAM, KERALA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A - Equity Share Capital

All amounts are in Rupees lakhs unless otherwise stated

Particulars	Notes	Amount
As at 1 April 2016		86,476.95
Changes in the equity share capital		12,233.41
As at 31 March 2017		98,700.20
Changes in the equity share capital	xiii	1,270.60
As at 31 March 2018		1,09,973.80

B - Other Equity

Attributable to owners of Kannur International Airport Limited

Particulars	Share application money pending allotment	Capital reserve	Retained Earnings	Total Other Equity
Balance at 1 April 2016	300.00	111.45	1,142.33	1,673.88
Profit / (Loss) for the year	-	-	-49.91	-49.91
Other Comprehensive Income			-	-
Total comprehensive income for the year ended 31 March 2017	-	-	-49.91	-49.91
Transactions with owners in their capacity as owners:				-
Dividends paid			-	
Forfeiture of shares	-	0.25		0.25
Share application money pending allotment	500.00		-	500.00
Balance at 31 March 2017	-	30.70	1,092.42	1,123.12
Profit / (Loss) for the year			-990.59	-990.59
Other Comprehensive Income	-		-	-
Total comprehensive income for the year ended 31 March 2018	-	-	-990.59	-990.59
Transactions with owners in their capacity as owners:	-		-	-
Dividends paid			-	-
Forfeiture of shares			-	-
Share application money pending allotment	-		-	-
Balance at 31 March 2018	-	30.70	101.84	132.54

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

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

As per our report of even date

For Sankar Vijayan & Co
Chartered Accountants

K Dileep Kumar
FRN: [illegible]
Memb # [illegible]
Trivandrum
[illegible]

Director
DIN: [illegible]

Chief Financial Officer
Pan: [illegible]

For Kannur International Airport Limited

Managing Director
DIN: [illegible]

Company Secretary
Pan: [illegible]

KANNUR INTERNATIONAL AIRPORT LIMITED

[illegible]

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Period Ended 31-03-2018	Period Ended 31-03-2017
Operating Activities		
Profit before tax	-490.69	-150.51
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	14.15	12.00
Amortisation and impairment of intangible assets	0.68	0.62
Fairvalue changes in investments	23.71	22.43
Working capital adjustments:		
Increase in other Current Assets	20.43	-42.24
Increase / (Decrease) in provisions	427.13	-231.89
Cash generated from operations	-316.55	-387.71
Income tax paid (net of refunds)	194.33	-93.58
Net cash flow from operating activities (A)	**-122.22**	**-481.31**
B. Cash flow from investing activities		
Purchase of property, plant and equipment	-22,661.07	-37,380.14
Intangible asset under development	-1.11	-0.13
Purchase of Non Current Investments		-30.00
Interest received (finance income)	135.39	646.43
Net cash flow used in investing activities (B)	**-22,526.89**	**-36,977.82**
C. Cash flow from financing activities		
Proceeds from issue of share capital	2,220.00	11,723.43
Capital Reserve	-	0.25
Proceeds from borrowings	21,182.64	25,855.78
Interest paid	-3,500.02	-4,950.99
Net cash flow used in financing activities (C)	**22,906.83**	**32,628.49**
Net decrease in cash and cash equivalents (A+B+C)	**255.72**	**-4,829.64**
Cash and cash equivalents at the beginning of the year	**6,724.86**	**11,558.50**
Cash and cash equivalents at the end of the year	**6,980.38**	**6,724.86**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sasi Vijayan & Rajan
Chartered Accountants

S Dileep Kumar
FRN : 0051285
Mem. # 104333
Trivandrum

29-11-2018

For Kannur International Airport Limited

Director
DIN : [illegible]

Managing Director
DIN : [illegible]

Chief Financial Officer
PAN - [illegible]

Company Secretary
PAN - [illegible]

Notes to the Consolidated financial statements as at and for the year ended 31 March 2018

A. Company overview

Kannur International Airport Limited ("the Company") was incorporated on 8 December 2009 in India as a private limited company and later converted into a public limited company in August 2010. The Company is having its registered office in Thiruvananthapuram, set up by the Government of Kerala to build and operate Kannur International Airport. The airport is being built at Moorkhanparambu area in Kannur District with a proposed runway length of 3,400m or more. The airport is expected to have an annual traffic of more than 1.47 million international passengers and 0.54 million domestic passengers as per the projected estimates for its first year of operations. Construction of the runway is in progress and the commercial operations are expected to start by 9 December 2018.

B. Principles of consolidation and equity accounting

The consolidated financial statements comprise of the financial statements of the Company and M/s BPCL KIAL Fuel Farm Private Limited as on March 31, 2018. The company is holding 26% of the voting power as at 31 March 2018 and the balance 74% being held by Bharat Petroleum Corporation limited.

I. Interest in Joint Venture

This company has invested in a joint venture as a party to joint venture and does not have joint control over that. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. Investments in joint venture with 26% holding is accounted as an associate and consolidated using the equity method of accounting.

II. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in The Consolidated Statement of Profit and Loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains if any on transactions between the Company and joint venture are eliminated to the extent of the Company's interest in these entities. Unrealised losses if any are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy.

III. Changes in ownership interests

When the Company ceases to equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in Consolidated Statement of Profit and Loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate. In addition, any amounts previously recognised in other comprehensive income in respect of that associate are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

C. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

i. Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These consolidated financial statements have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

ii. Basis of preparation and presentation

The consolidated financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of initial recognition.

a) Certain financial assets/liabilities are measured at fair value and
b) Any other item as specifically stated in the accounting policy.

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts are in Indian Rupees rounded off to lakhs, except share data and per share data, unless otherwise stated.

The consolidated financial statements of the Company for the year ended 31 March, 2018 were authorised for issue in accordance with a resolution of the directors on 18 August 2018.

iii. Use of Estimate and judgment

In the application of accounting policy which are described in Para D below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

D. Summary of Significant Accounting Policies

1) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any, except for freehold land which is not depreciated.

Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in consolidated Statement of Profit and Loss when asset is derecognised.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is derecognised.

Description of the Asset Estimated Useful life

Tangible:	Useful Lives
Motor vehicles	8 years
Plant & machinery	15 years
Furniture & fixtures	10 years
Computers	3 years
Office equipment	5 years
Electrical equipment	10 years

Depreciation on the Property, Plant and Equipment, is provided over the useful life of assets on straight line method as specified in Schedule II to the Companies Act, 2013.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.1 Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated Statement of Profit and Loss when the asset is derecognised.

Intangible assets are amortised in the consolidated Statement of Profit and Loss using the straight line method over their estimated useful lives, from the date that they are available for use. Accordingly, at present, these are being amortised on straight line basis for 10 years.

3) Impairment of tangible (PPE) and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss if such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The resulting impairment loss if any is recognised in the Consolidated Statement of Profit and Loss.

4) Inventories

The company has not started its commercial operations and is yet to possess any kind of Inventories to date.

5) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease, if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. The company is not having any arrangements in the nature of a lease on the date of this consolidated financials.

6) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management's estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a consolidated asset only when the reimbursement is virtually certain.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it. Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

7) Foreign Currency Transactions

The consolidated financial statements of Company are presented in INR, which is also the functional currency. In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

8) Cash Flows and Cash and Cash Equivalents

Consolidated Statement of cash flows is prepared in accordance with the indirect method prescribed in the Ind AS 7. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The company has parked its funds in flexi deposits and fixed deposits with banks with original maturity more than 3 months with the intention of meeting the commitments of construction of the airport. Even though the deposits are having original maturity of more than 3 months majority of the deposits are prematurely closed for payment for construction contract obligations. The very purpose of parking idle funds in the flexi deposits and fixed deposits are to meet the short term fund requirements of the company's construction contract obligations, therefore these funds are considered as part of Cash and cash equivalents for the purpose of cash flows.

9) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of Services
Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

As the company has not started its commercial operations operational income has not been generated by the company. License fees received from BPCL-KIAL Fuel Farm Pvt Limited (Associate Company) on the land being used for the purpose of development and operation of a fuel farm in the airport premises is recognised as operating income.

Interest Income

Interest income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method. The company is yet to commence commercial operations. The unutilized surplus funds of the company are parked in short term deposits with banks yielding interest. Interest is accrued on time basis on the amount outstanding and at the applicable rates using the effective interest method. The interest earned on unused capital temporarily parked in flexi deposits and fixed deposits are credited to the Profit & Loss account as per Ind AS 38 and erstwhile AS 26 Intangible Assets. The interest earned on the borrowed funds temporarily parked in short term deposits with banks yielding interest has been deducted from the borrowing cost as per Ind AS 23 and erstwhile AS 16.

10) Borrowing costs

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, financing charges and all ancillary / incidental costs incurred in connection with the arrangement of borrowing. Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as a part of cost pertaining to those assets using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. To the extent that the borrowing cost are incurred specifically for the purpose of obtaining a qualifying asset are added to the cost of the qualifying asset for capitalisation and the borrowing cost is reduced from any investment income earned on the temporary investment of those borrowings.

11) Employee Benefits

a) Short Term Employee Benefits
All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, incentives etc., are recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

Post-employment obligations

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

b) Long Term Employee Benefits
The Company provides for the encashment/ availment of leave with pay for Airport Authority of India staff subject to the rules of AAI. The employees of AAI (on deputation with KIAL) are entitled to accumulate leave subject to limits as prescribed by AAI. The liability is provided based on the number of days of unutilized leave at each balance sheet date.

As the long-term employee benefits in the nature of post-employment plans is not defined by the company, actuarial valuation has not been carried out. The impact of the actuarial valuation on the defined benefit plans has not been given effect in the consolidated financial statements.

The gratuity liability of the company has been provided in the books of accounts for the employees who have completed five years of service but the corresponding amount has not been expensed by creation of a gratuity fund as the human resources policy of the company is yet to be finalised by the company. Expenses on account of gratuity contribution and leave salary to the officers on deputation to the Company from the Airports Authority of India have been provided during the year under audit and included in the expenses for the year.

12) Taxes on income

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) Current Tax
Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum Alternate Tax) or normal provision of Income Tax Act. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of relevant tax laws and based on the expected outcome of assessments/ appeals.

b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

As the company has not started its operations the tax impact on the temporary differences are not recognised in the books of accounts of the company.

13) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:
- Expected to be realised or intended to be consumed in 12 months. The operating cycle of the company is not considered as the company has not started its commercial operations.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:
- It is expected to be settled in 12 months. The operating cycle of the company is not considered as the company has not started its commercial operations.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

The operating cycle is not considered as the company has not started its commercial operations.

14) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events if any is adjusted with the consolidated Ind AS financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

15) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs

associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

16) Operating Segments

The company has not started its operations during the current financial year and as such there are no reportable segments.

17) Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such basis except for transactions in the scope of Ind AS 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The company is holding having a joint venture with Bharat Petroleum Corporation Limited for operating a fuel farm and is presently holding 26% stake in the company. As the company has not started its operations the value has been disclosed at cost.

18) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets of the Company comprise cash and cash equivalents, Bank balances, investments in equity shares of companies, investment other than equity shares, loans/ advances to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs if any, of financial assets carried at fair value through profit or loss are expensed in Consolidated Statement of Profit and Loss.

Investments in equity instruments are classified as fair value through profit and loss, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

b) Financial Liabilities

The Company's financial liabilities include loans and borrowings, accrued expenses and other payables.

The Company initially recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are measured at fair value on initial recognition which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities if any, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Subsequent to initial recognition, the liability component of the financial instrument is measured at amortised cost using the effective interest method.

Derecognition

A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
2. the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the group has transferred substantially all the risks and rewards of the asset, or b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

Impairment of financial assets: The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired.

19) Changes and Corrections in Draft Annual Accounts

The Board of Directors approved the draft annual accounts for 2016-17 in the board meeting held on 3 January 2018, and authorized the Managing Director to forward the same to Statutory Auditors and Comptroller and Auditor General (CAG) for audit. The Managing Director was authorized to incorporate necessary corrections as may be advised by Statutory Auditors and CAG. Hence after completion of Statutory Audit and CAG audit, a few changes/corrections have been made in the annual accounts in view of their comments.

Notes to the Consolidated financial statements as at and for the year ended 31 March 2018

All amounts are in Rupees Lakhs unless otherwise stated

NOTE - 1 Property Plant & Equipment

₹ in lakhs

Description of Assets	Free Hold Land	Plant & Equipment	Furnitures & Fixtures	Vehicles	Office Equipment	Electrical Equipment	Computers	Total	Intangible assets	Capital Work in progress
Gross Block										
Deemed Cost of the asset at 1 Apr 2017	11,593.04	3.54	36.63	15.44	10.27	6.23	31.15	11,696.34	4.24	1,17,711.96
Additions during the year	-	0.08	8.06	-	7.39	-	9.28	24.81	1.31	28,519.41
Sales / Disposal / Writeoff	-	-	-		-		-	-	-	-
At cost as at 31.03.2018	11,593.04	3.62	44.71	15.44	17.66	6.23	40.43	11,721.15	5.55	1,46,231.37
Depreciation Block										
Accumulated Depreciation as at 01.04.2017	-	2.48	16.13	11.49	7.65	2.02	27.09	67.86	1.77	-
Depreciation/ amortisation for the period		0.19	6.71	3.53	1.74	0.39	1.43	14.17	0.38	-
Adjustments during the year	-	-	-	-	-		-	-	-	-
Accumulated depreciation / amortisation as at 31/03/2018	-	2.67	22.84	15.02	9.39	2.41	28.52	82.03	2.15	
Net Block										
As at 31.03.2017	11,593.04	1.06	20.50	3.95	2.62	4.21	4.06	11,628.48	2.47	1,17,711.96
As at 31.03.2018	11,593.04	0.95	21.87	0.42	8.27	3.82	11.91	11,639.12	3.40	1,46,231.37

The company is currently occupying a land admeasuring to 71.22 Acres lying contiguously to the free hold land of the company. This land is procured by KINFRA on behalf of the Government of Kerala with an initial plan to be leased to KIAL vide Kerala Government order (MS) No. 50/2015 dated 03-09-2015. The Government of Kerala is yet to confirm on the lease agreement in the subsequent Cabinet Meetings to be held in the current financial year. The value of the lease hold land is not accounted for in the books of accounts of the company. The free hold land in absolute ownership of the company as at 31 March 2018 is 1193 Acres (previous year 1193 Acres).

Land held pending transfer of ownership to Government

As per the GO.Ms 23/2014/Trans dated 21.03.2014, sanction was accorded to purchase 11.44 acres of land directly by KIAL for subsequent transfer to Government. Accordingly, KIAL had purchased 10.52 acres of land for Rs 9,87,17,982/- out of 11.44 Acres (remaining land pending for purchase was for want of documents from LAO). Administrative sanction was accorded for the reimbursement of an amount Rs 9,87,17,982/- (vide GO (Rt) No.146/2016/Tran dated 22/03/2016) to meet the expenditure incurred in connection with purchase of 10.52 acres of land which was realised on 13-Apr-2016. As such, the expenditure incurred in connection with the acquisition of this land was treated as a Current Asset in the Balance Sheet as on 31 March 2016 as the amount is recoverable from the Government of Kerala.

NOTE - II CAPITAL WORK IN PROGRESS

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Opening Balance as at the beginning of the year	1,17,712.96	78,240.57
Add: Additions during the year	22,814.64	35,277.35
Add: Borrowing cost pending capitalisation	5,548.65	4,950.99
Less: Income from temporary investment out of borrowed funds	-44.84	-755.95
Closing balance as at the end of the year	1,46,031.39	1,17,712.96

NOTE - III Interest in Joint Venture

"Set out below is the associate of the company as at 31 March 2017 which, in the opinion of the directors, are material to the group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

BPCL KIAL FUEL FARM PRIVATE Limited (the "Company") is a private limited company, incorporated on 22nd December 2015 as a joint venture between Kannur International Airport Ltd. (KIAL) and Bharat Petroleum Corporation Ltd. (BPCL) for fuel farm and distribution services in Kannur International Airport which is under construction. BPCL's investment in the project amounts to Rs. 170 Cr. KIAL and BPCL have signed a shareholders' agreement for this investment."

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
BPCL KIAL FUEL FARM PRIVATE LIMITED		
Investment in KIAL BPCL Fuel Farm Private Limited		158.34
Percentage of interest	26%	26%
Reconciliation to carrying amounts		
Opening carrying amount	158.34	141.77
Investment in Joint venture during the year	-	39.00
Effect of transitional provisions provided in Accounting Standard 27		
Financial Reporting of Interests in Joint Ventures	-	
Profit / (Loss) for the year	-21.71	-22.43
Other comprehensive income		-
Dividend received		-
Closing net assets	136.63	158.34

NOTE - IV OTHER NON CURRENT ASSETS - Capital Advances

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Larsen & Toubro Ltd - Material on Site (EPC-1)	284.83	440.91
Larsen & Toubro Ltd - Material on Site (Package-A)	12.17	867.95
Mobilisation Advance (Package-A)		
Land (Held Pending Transfer of Ownership to Government)		-
Total	297.00	1,308.86

NOTE - V OTHER ADVANCES -Other Non Current Assets

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Unsecured		
Kannur International Airport Promotion Society	13.38	13.38
Security Deposits	40.59	11.58
	53.97	24.96
Other non current assets Non Current Tax Assets		
Advance Income Tax		
Advance Income Tax: Assessment Year 2012-13	-	-
Advance Income Tax: Assessment Year 2013-14	207.53	207.53
Advance Income Tax: Assessment year 2014 - 15	354.00	354.00
Advance Income Tax: Assessment year 2015 - 16	-	-
Advance Income Tax: Assessment year 2016 - 17		108.50
Advance Income Tax: Assessment year 2017 - 18	210.15	210.15
Advance Income Tax: Assessment year 2018 - 19	52.70	
Income Tax paid AY 2013-14 against appeal with CIT (A)	16.30	16.30
Income Tax paid AY 2014-15 against appeal with CIT (A)	10.43	30.43
Tax Deducted at Source (Cumilative)	240.90	230.23
	1,092.41	1,237.54
Less: Provision for Taxation	442.29	442.29
	650.12	795.25
Add: MAT Credit Entitlement	220.29	220.29
CENVAT Credit Deferred	-	413.74
Total	924.38	1,474.24

NOTE - VI CASH AND CASH EQUIVALENTS (current)

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Balances with Banks		
i) In Treasury Savings Bank Account	0.01	0.01
ii) In Current Account	27.17	4.17
iii) In Fixed Deposit Accounts	7,065.01	6,286.38
iv) In Flexi Deposit Accounts	20.07	377.07
v) In Term Loan Escrow / Flexi FD	-132.58	57.38
Total	6,980.58	6,724.86

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Balances with Banks (of the nature of cash and cash equivalents)	6,980.58	6,724.86
Cheques, drafts on hand; and	-	-
Cash on hand	-	-

NOTE - VII OTHER CURRENT ASSETS

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Advances other than capital Advances	724.18	465.83
Security Deposits	1.60	1.22
License Fees receivable from BCFPL (Related Party)	27.41	47.84
Other Advances	29.14	315.92
Total	782.33	830.81

Note VIII Equity Share Capital

Particulars	As at 31 March 2017	Changes in during the year	As at 31 March 2018
Share Capital			
(a) Authorised			
15,00,00,000 Equity Shares of Rs. 100/- each	1,50,000.00	-	1,50,000.00
(b) Issued, Subscribed and Paid up 105970800 Equity Shares of Rs 100/- each fully paid (Previous Year: 98700000 Equity Shares of Rs.100/- each)	98,700.00	7,270.80	1,05,970.80
TOTAL	98,700.00	7,270.80	1,05,970.80

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. 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.

(c) Reconciliation of Number of Shares *The face value per share is Rs 100/-*	**Year ended 31.03.2018**	**Year ended 31.03.2017**
	No of shares	No of shares
Number of Shares in the opening	98700000	86476300
Shares issued during the year		
(a) Kerala Government	-	-
(b) PSUs	300000	4380000
(c) Airports Authority of India	-	-
(d) Others - Private Sector	6970800	7841200
(e) Partly paid shares converted into fully paid shares		
(i) PSU's	-	-
(ii) Others	-	2500
Shares bought back during the year	-	-
Forfeited shares re-issued	-	-
Number of Shares as in the closing	105970800	98700000
(d) Equity Shares - Partly Paid		
Number of Shares in the opening	-	2500
Less: Partly paid shares converted into fully paid	-	-2500
Forfeited shares	-	-
Number of Shares as in the closing	-	-
(e) Rights, Preference and Restrictions attached to each class of shares		
No such rights, preferences, restrictions etc., attached		

(f) Shares held by Holding Company, Subsidiary Company, Associates etc.	Year ended 31.03.2018	Year ended 31.03.2017
	No of shares	No of shares
Shares held by		
(1) its Holding Company and its Ultimate Holding Company	NIL	NIL
(2) Subsidiaries of its Holding Company and its Ultimate Holding Company	NIL	NIL
(3) Associates of its Holding Company and its Ultimate Holding Company	NIL	NIL
(g) Shares held by each shareholder -		
(i) Holding more than 5% shares including PSUs		
(1) Government of Kerala - Fully Paid	35000000	35000000
(2) BPCL - Fully Paid Fully Paid	21680000	21380000
(3) Airports Authority of India - Fully Paid	10000000	10000000
(4) MA Yusufali	9500000	4500000
(ii) Held by PSUs with less than 5%		
(1) Kerala State Beverages (Manufacturing & Marketing) Corporation Ltd - Fully Paid	806000	806000
(2) Kerala Minerals & Metals Limited - Fully Paid	500000	500000
(3) Kerala State Industrial Enterprises Ltd - Fully Paid	10000	10000
(4) Kerala Hotels & Resorts Ltd (KTDC) - Fully Paid	4000	4000
(5) Kerala State Industrial Development Corporation - Fully Paid	1000000	1000000
(h) Shares reserved for issue under options and contracts/commitments	NIL	NIL
(i) During the last five years		
(1) Aggregate number and class of share allotted as fully paid up pursuant to contracts without payment being received in cash	Nil	Nil
(2) Aggregate number and class of shares allotted as fully paid up by way of bonus shares	NIL	NIL
(3) Aggregate number and class of share bought back		
(j) Terms of any of securities convertible into Equity/Preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date	NIL	NIL
(k) Calls Unpaid		
(1) By Directors	NIL	NIL
(2) By Officers	NIL	NIL
(l) Shares issued for consideration other than cash		
1) Government of Kerala		
Number of Shares as on 1 April 2017	31593000	31593000
Shares issued during the year	-	-
Number of Shares as on 31 March 2018	31593000	31593000

Note IX: Other Equity

(All amounts are in Rupees Lakhs unless otherwise stated)

Particulars	Share application money pending allotment	Reserves and Surplus		Other Comprehensive Income	Total
		Capital reserve	Retained Earnings		
Balance at the beginning of the reporting period	-	30.75	1,092.43	-	1,123.18
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated Balance at the beginning of the reporting period	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-990.49	-	-990.49
Dividends	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	-
Any other Changes	-	-	-	-	-
Share application money pending allotment	-	-	-	-	-
Balance at the end of the reporting period	-	30.75	101.94	-	132.69
Previous Year	-	30.75	1,122.39	-	1,153.14

NOTE - X BORROWINGS

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Term Loan-Canara Bank	59,939.41	43,525.41
Term Loan-Federal Bank Limited	7,820.60	5,673.88
Term Loan-South Indian Bank Limited	9,560.67	6,938.73
Total	77,320.68	56,138.02

Term loan borrowings are from a consortium of banks with Canara Bank as the lead bank. Member banks involved in the consortium are South Indian Bank Limited and The Federal Bank limited.

The Company agreed to borrow from the Consortium the sums to the maximum extent of Rs.892 Crores (Rupees Eight hundred and Ninety two Crores only) out of which Rs. 692 Crores (Rupees Six Hundred and Ninety Two Crores Only) is from Canara Bank, Rs.110 Crores (Rupees One hundred and ten crores) from South Indian Bank Limited and Rs. 90 Crores (Rupees Ninety Crores Only) from The Federal Bank Limited, on the security of immovable properties and other securities mentioned hereunder:

a) pari passu first charge in all immovable and moveable assets of the Company both present and future.

b) The right, title and interest of the Company by way of first charge in, to and under all the Government Approvals, insurance policies and uncalled capital of the Company.

c) The company has created an equitable mortgage (EM) of 1192.16 acres of land as security for term loan sanctioned by Canara Bank.

Further the Government of Kerala has pledged 51% of shareholding in the company with the lenders as security to the term loan.

The tenor of the loan is fixed at 15 years and 2 quarters from the 3 rd quarter of F.Y 2015-2016 till the 2nd quarter of FY 2030-2031. The tenor is subject to change due to delays in the construction of the airport project and postponement of the commercial operations date.

The Company shall be liable to pay penal interest at the rate of 2% per annum or at such other rate as is specified by the lending banks, over and above the normal rate of interest, from the date of default until due repayment in addition to and irrespective of any other consequences and remedies available to the lending banks.

Agreed rate of Interest

Bank Name	Rate of interest per annum	Base Rate /MCLR	Spread on the base rate	Effective Interest Rate
Canara Bank	10.40%	9.15%	0.40%	9.55%
South Indian Bank Ltd	10.40%	9.90%	0.40%	10.30%
Federal Bank Ltd	10.40%	9.15%	0.40%	9.55%

Current maturities of the long term debt is not reclassified as the repayment will begin only after the end of the moratorium period or the date of commercial operation.

NOTE -XI OTHER NON-CURRENT LIABILITES :

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Amount due to contractors	224.88	79.57
Others	1.10	1.16
Total	226.02	80.73

NOTE -XII OTHER CURRENT LIABILITES

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Amount due to contractors	2,067.32	3,146.16
Deposits received	23.52	16.32
Total	2,090.84	3,162.48

NOTE -XIII PROVISIONS - Current

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Statutory Audit Fee Payable	3.86	1.90
Internal Audit Fee Payable	3.24	0.65
Current maturities of long-term debt	-	-
Expenses Payable	828.72	134.99
Statutory Liabilities	218.01	299.16
Other payables	0.06	0.06
Total	1,053.89	436.76

NOTE -XIV OTHER OPERATING INCOME

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
License Fee for Unpaved Land from BKFFPL (Income from Related parties)	42.00	42.00
Total	42.00	42.00

The interest under section 244 A of the Income Tax Act 1961 on the refund of Income tax paid in advance for the Assessment year 2016-17 is received in the current financial as per the intimation under section 143(1) of the Income Tax Act 1961. Total amount received including the Interest is Rs 2,00,32,094/-

NOTE -XV OTHER INCOME

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Interest on Fixed Deposits	272.68	417.25
Interest on Income Tax Refund	13.29	12.24
Interest on Share Final Call A/c	-	
Miscellaneous Income	14.64	6.12
Total	300.61	435.61

NOTE -XVI EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Salaries & Allowances	397.60	282.36
Manpower Outsourcing charges	39.32	28.77
Contribution to provident and other funds		
Employer Contribution to Provident Fund	22.40	16.62
Employer Contribution to EDLI	0.61	0.28
Provident Fund & EDLI Admin. Charges	0.80	0.49
Gratuity	13.50	10.60
Leave Salary	12.29	11.70
Staff Welfare Expenses	98.02	31.29
Medical Expenses Reimbursement	0.39	3.73
Total	584.93	385.84

NOTE - XVII OTHER EXPENSES

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Advertisement	128.50	25.76
Audit Fees :		
i) For Statutory Audit		
a) For Company Law Matters	3.11	2.09
b) For Reimbursement of Expenses		
ii) For Internal Audit		
a) For Company Law Matters	3.58	2.19
b) For Reimbursement of Expenses		-
Bank Charges	-	0.27
Blasting related expenses	0.66	1.20
Communication Charges	4.82	3.52
Consultancy charges	10.84	
Computer running and maintenance	0.25	0.24
CSR Expenditure	56.75	38.67
Uniform Design Competition Prize Money	0.45	
Electricity Charges	4.51	4.51
Entertainment Expenses	0.23	0.34
Housekeeping Charges	0.08	0.06
Insurance Premium Paid - Assets	0.71	0.61
Insurance Premium Paid - Medical insurance	5.89	1.52
Insurance Premium Paid - Vehicles	1.47	0.22
Land Taxes	3.15	2.17
Meeting Expenses	11.46	4.60
Miscellaneous Expenses	0.59	0.23
Numbering of Trees	-	0.54
Newspaper & Periodicals	0.04	0.05
Postage, Courier & Telegrams	3.88	4.66
Printing and Stationery	5.28	6.60
Professional Development Expenditure	0.99	0.05
Professional Fee	15.38	11.60
Project Site & office Development Expenditure	-	0.24
Recruitment Expenses	37.12	18.59
Refreshments	3.11	3.57
Registration Expenses	55.55	0.55
Rehabilitation Expenses	-	1.93
Rent, Rates and Taxes	18.66	27.97
Prior period expenses Repairs & Maintenance-ADL	-	15.26
Repairs & Maintenance-Office & Guest House	0.06	2.99
Repairs & Maintenance-Others	25.95	
Retainership Fees Legal	3.52	2.59
Secretarial Audit Fee	0.25	1.04
Server Hosting Charges	12.16	-
Site Progress Videography	-	-
Sitting Fee	0.87	0.46
Software development charges written off	36.42	
Soil Investigation for Runway Extension		4.32
Sponsoring Fees	-	1.83

NOTE -XVII OTHER EXPENSES Contd.

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
TDS Interest	-	-
Travelling Expenses	14.36	9.74
Trial Landing Operation Expenditure	-	-
Vehicle Running and Maintenance-Repairs	2.05	1.46
Visitors Accommodation and Expenses	5.21	3.24
Water Charges	0.00	0.02
Total	510.75	207.01

NOTE -XVIII Details of CSR Expenditure

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Gross amount required to be spend during the year	Nil	Nil
Amount spent during the year		
(i) Construction/ acquisition of any asset		
(ii) On purposes other than (i) above	56.75	38.67
(iii) Unpaid amount out of (i) and (ii) above		

Note XIX: Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	As at 31 March 2018	As at 31 March 2017
	₹ in Lakhs	₹ in Lakhs
Profit attributable to equity holders of the company for basic earnings	-990.69	-49.90
Weighted average number of equity shares for basic EPS*	101545878	93841240
Basic Earnings per Share (of face value Rs.100) INR	-0.98	-0.05
Effect of dilution		
Weighted average number of equity shares adjusted for the effect of dilution*	101648878	93900144
Diluted Earnings per share (of face value Rs.100) INR	-0.98	-0.05

* The nominal value is Rs.100 per share.

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these consolidated financial statements.

Note XX: Related party transactions

The disclosure that transactions with related parties are made on terms equivalent to an arm's length transaction is only made if an entity can substantiate such terms. The Company was able to substantiate the terms and therefore provides the disclosure.

Related party transactions
Details of related parties

Description of relationship	Names of related parties		
A. [illegible]	[illegible] Limited		
	Kerala State Beverages (Manufacturing & Marketing) Corporation Ltd		
	Kerala Minerals & Metals Limited		
	Kerala State Industrial Enterprises Ltd		
	Kerala Hotels & Resorts Ltd		
	Kerala State Industrial Development Corporation		
B. Associate	BPCL KIAL Fuel Farm Private Limited		
C. Directors, Non-Executive Directors and Key managerial personnel	Mr. Pinarayi Vijayan	Chairman	
	Mr. Ramachandran Kadannappally	Director	
	Mrs. KK Shylaja Teacher	Director	
	Mr. [illegible]	Director	
	Mr. [illegible]	Director	
	Mr. [illegible]	Director	
	Mrs. [illegible]	Director	
	Mr. [illegible]	Director	
	Mr. [illegible]	Director	
	Mr. Thulaseedas V	Managing Director	From Mar-18
	Mr. P Balakiran	Managing Director	upto Mar-18
	Mr. Jayakrishnan	Chief Financial Officer	
	Mr. [illegible] Kumar [illegible]	Company Secretary	
Note: Related parties have been identified by the Management			

Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

	Particulars	Associate Company	KMP	Relatives of KMP	Total
Rendering of services					
Mr. P Balakiran	Salary		[illegible]		[illegible]
	Honorarium		[illegible]		[illegible]
Mr. Thulaseedas V	Salary	-	-		-
Mr. Jayakrishnan	Salary	-	21.[illegible]		21.[illegible]
Mr. [illegible] Kumar [illegible]	Salary	-	[illegible]		[illegible]
Mr. [illegible]	Sitting Fees	-	[illegible]		[illegible]
	Honorarium		[illegible]		[illegible]
Mrs. [illegible]	Sitting Fees	-	[illegible]		[illegible]
Investment					
BPCL KIAL Fuel Farm Private Limited	Investment	[illegible]	-	-	[illegible]
Other Operating Income					
BPCL KIAL Fuel Farm Private Limited	Licence fees on unpaved land	[illegible]	-	-	[illegible]
Other Current Assets					
BPCL KIAL Fuel Farm Private Limited	Licence fees receivable	[illegible]	-	-	[illegible]
	Security Deposit	[illegible]			[illegible]

Note XX: Financial risk management objectives and policies

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through other comprehensive income (FVTOCI) investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The effect of change in the interest rate will affect the fair value of the assets of the company as the company has not started its commercial operations and the interest cost has a direct bearing on the borrowing cost to be capitalised. The impact of increase or decrease of 100 basis points on the loan will change the fair value of assets (PPE) by Rs. 271.21 Lakhs.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the purchase of assets from abroad. The company's only exposure at the end of the year is an outstanding balance payable to M/s Shenzhen CIMC-TIANDA Airport Support Ltd.China amounting to USD 13,95,700 (INR 908.79 Lakhs) (Previous year (USD 6,00,630 (INR 389.04 Lakhs)). The impact of increase or decrease of 100 basis points on the outstanding balance will change the fair value of assets (PPE) by Rs. 8.69 Lakhs.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk as it has not started its commercial operations.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other contracts. The company has mitigated the risk by placing funds in short term deposits with banks to match with the lead time for the disbursement of loans from the banks. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Note XXII: Events after the reporting period

There are no material events to be disclosed subsequent to the end of the reporting period.

Note XXIII: Capital and other commitments

The company has the following capital commitments towards the construction of the airport:

Particulars of Contract	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Software Development Costs	5.65	5.65
EPC-1: Runway and Airside Works	5710.00	7,710.00
Package – A: Terminal Buildings	5435.00	8,860.00
Baggage Handling Systems	469.24	603.14
Elevators	315.32	97.54
Lifts and Escalators	477.88	561.61
Interior Design & Decoration	276.46	117.11

Hand held and door frame metal detector	17.47	51.19
Internal Way Finding & External LED Fascia Signage	139.28	203.89
Passenger Boarding Bridges	868.78	835.92
Total	**13,775.09**	**20,286.05**

Note XXIV: Provisions & Contingent Liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

The company has pending the following pending litigations with various courts and which in its opinion has no impact on its financial position in the consolidated financial statements as on 31st March 2018

Case No.	Petitioner & Respondent	Date of admission
WP (C) No. 2170/2012	P.K. Kabeer v/s KIAL	23 January 2012
W.P. (C) No. 1685/2015	One Earth One Life v/s 1. MD, KIAL	6.11.2014
W.P. (C) No. 83 /2017	Albin Peter v/s 1. State of Kerala 2. Two others	4 .01. 2017
W.P. (C) No: 38166/2016	Vishak v/s State of Kerala & 2 others	29.05.2017
W.P. (C) No. 19187/2017	Air Corporation Employees Union (ACEU) v/s Union of India and 4 others	04.07.2017
W.P. (C) No. 20703/2017	Kariyil Sanil v/s Mattannur Municipality & 2 others	22.06. 2017
Cmplt No. 1158/2014 D	A.K. Shaji v/s 1. DC, Kannur 2. Asst Collector, Kannur 3. CPE, KIAL Mattannur	6.11.2014
IA /1507/2014	A.K. Shaji v/s DC, Kannur & Others	
Income Tax Appeal	Appeal with Commissioner of Income Tax (Appeals) for AY 2013-14 (amount paid as advance Rs.36,29,650/-)	07-04-2016
Income Tax Appeal	Appeal with Commissioner of Income Tax (Appeals) for AY 2014-15 (amount paid as advance Rs.30,42,620/-)	02-02-2017

For Sasi Vijayan & Rajan
Chartered Accountants

G Dileep Kumar
FRN : 003675S
Memb # 104319
Trivandrum
15-11-2018

For Kannur International Airport Limited

Director

Managing Director

Chief Financial Officer

Company Secretary

Notes

Notes

ATTENDANCE SLIP
KANNUR INTERNATIONAL AIRPORT LIMITED

Registered Office: Parvathy', T.C. 84/3, Near Ananthapuri Hospital, NH Bye pass,
Pettah Thiruvananthapuram - 695024

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall

Full Name of Shareholder/Representative/Proxy in Block Letters:

Address:

Folio No: No of shares held:

I hereby record my presence at the Adjourned Annual General Meetingof the Company for the financial year 2017-18 being held at 10.30 am on 19 January 2019 at SadhooKalyanamandapam, Kannur.

Signature of Shareholder/Representative/Proxy:

If Shareholder/Representative, please sign here	If Proxy, please sign here

Note: Only Shareholders of the Company/Representatives of Bodies Corporate or their proxies will be allowed to attend the Meeting.

FORM –MGT -11
Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

CIN:U63033KL2009PLC025103
Name of the Company:Kannur International Airport Limited
Registered Office: 'Parvathy', T.C. 84/3, Near Ananthapuri Hospital, NH Byepass, Pettah Thiruvananthapuram – 695024

Name of the member (s) :
Registered address:
E-mail id:
Folio No. / Client Id:
DP ID :

I/We, being the member (s) of……………….. shares of above named Company, hereby appoint

1. Name :
   Address :
   E-mail –id:
   Signature : ………………., or failing him

2. Name :
   Address :
   E-mail –id:
   Signature : ………………., or failing him

3. Name :
   Address :
   E-mail –id:
   Signature : ………………., or failing him

as my/ our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the Adjourned Annual General Meeting of the Company to be held at 10.30 am on 19 January 2019 at Sadhoo Kalyanamandapam, Kannur and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Ordinary Business
1	To consider and adopt the Annual Accounts of the Company for the year ended 31 March 2018 together with Directors' Report and Auditors' Report thereon.
2	To appoint Statutory Auditors for the financial year 2018-19.

Signed this …………. day of ………….2019.

Signature of the shareholder

Affix Re 1
Revenue
Stamp Here

Signature of the proxy holder (s)

Note : The proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. A proxy need not be a member.

KANNUR
International Airport Ltd.

Registered Office

Parvathy, T.C 84/3, Chacka, NH Bypass
Thiruvananthapuram-695024
Ph: 0471 2508668/70, Fax: 0471 2508669

Airport Office

Kannur International Airport Ltd
Kara-Peravoor P.O Mattannur, Kannur-670702
Ph: 0490-2474463/64, Fax:0490-2474464