

AIR KERALA INTERNATIONAL SERVICES LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

2019-20

AIR KERALA INTERNATIONAL SERVICES LIMITED

Regd. Office: XI/318E, Cochin International Airport Buildings, Nedumbassery

Kochi Airport P.O – 683 111, Ernakulam, CIN: U62100KL2006PLC019227

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

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of Air Kerala International Services Limited will be held on **Friday, the 04th day of September 2020 at 09.30 a.m. at XI/318E, Cochin International Airport Buildings, Nedumbassery, Kochi Airport P.O., Ernakulam - 683 111** the registered office of the Company to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2020, the Statement of Profit and Loss for the year ended on that date, Annexures and Schedules thereto and the report of the Directors and Auditors of the Company.
2. To appoint a director in place of Sri. M.A.Yusuffali (DIN 0000364677) Director who retires by rotation and being eligible, offers himself for re- appointment.
3. Appointment of Statutory auditor and fixation of remuneration:

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

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

By order of the Board
for **Air Kerala International Services Limited**

sd/-
Pinarayi Vijayan
Chairman
DIN: 0001907262

Place : Thiruvananthapuram

Date : 18th July 2020

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Instrument of Proxies, in order to be effective, must be duly filled, stamped, signed and deposited at the Company's registered office not later than 48 hours before the commencement of the meeting.

As per the requirement of Secretarial Standard 2, the following information relating to the Director retiring by rotation who is being re-appointed, as contained in item 2, is furnished below:

Particulars	Information
Name	M.A.Yusuffali (DIN: 0000364677)
Age	65 Years
Qualifications	DBA
Experience	Industrialist with 43 years of experience.
Terms and Conditions of appointment	Retiring director, being eligible offer himself for re-appointment.
Remuneration last drawn	Nil
Date of first appointment on Board	15.03.2006
Shareholding in Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	Nil
Number of Meetings of Board attended	2
Other Directorships, Memberships / Chairmanships of Committees of other Boards	<p>Managing Director –</p> <ol style="list-style-type: none"> 1. Lulu International Shopping Mall Private Limited 2. Lulu International Convention Center Private Limited 3. Lulu Hypermarket Private Limited 4. Lulu Group International Private Limited 5. Lulu Convention Center Calicut Private Limited 6. Lulu Trivandrum Mall Private Limited 7. Lulu Convention and Exhibition Center Private Limited 8. Lulu India Shopping Mall Private Limited 9. Line Properties Private Limited 10.Emmay Projects (India) Private Limited 11.Emmay Ventures (India) Private Limited <p>Director –</p> <ol style="list-style-type: none"> 1. Lulu Tech Park Private Limited 2. Lulu Cyber Park Private Limited 3. Emmay Logistics (India) Private Limited 4. Cochin International Airport Limited 5. Kannur International Airport Limited 6. UAE-India Business Council (Section 25 Company) 7. Norka-Roots (Section 25 Company)

AIR KERALA INTERNATIONAL SERVICES LIMITED

Regd. Office: XI/318 E, Cochin International Airport Buildings, Nedumbassery,

Kochi Airport P.O – 683 111, Ernakulam. CIN: U62100KL2006PLC019227

Ph: 0484 2374154, e-mail: akislsec@gmail.com, website : www.cial.aero

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 14th Annual Report and the Company's audited financial statements for the financial year ended 31st March 2020.

STATE OF AFFAIRS OF THE COMPANY

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

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

DIVIDEND AND TRANSFER TO RESERVES

Since the Company has not commenced its operations, your Directors are not recommending dividend for the year ended 31st March 2020 and no amounts have been transferred to General Reserve Account.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company in the prescribed Form MGT-9 is annexed herewith as Annexure A to this Report.

DIRECTORS

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

Sl.No.	DIN	Name of the Director	Designation
1.	0001907262	Sri. Pinarayi Vijayan	Chairman
2.	0000364677	Sri. M.A. Yusuffali	Director
3.	0000030106	Sri. C.V. Jacob	Director
4.	0001806859	Sri. V.J. Kurian	Director

The provisions of Section 149 of the Companies Act 2013 and Rules framed thereunder are not applicable with respect to the appointment of Independent Director and Women Director. Further, the Company is not covered

under the provisions of Section 177 and 178 of the Companies Act 2013 with respect to the constitution of various statutory Sub - committee(s) of the Board.

No Directors or Key Managerial Personnel of the Company were appointed or resigned during the period under review.

Sri. M.A. Yusuffali (DIN 0000364677) is liable to retire by rotation at the ensuing AGM and being eligible offer himself for re-appointment. The Board therefore recommends his re-appointment as Director of the Company.

MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the period under review on 29th June 2019, 28th September 2019, 10th December 2019 and 26th March 2020.

The composition and category of the Directors along with their attendance at Board Meetings for the financial year ended March 31, 2020 are given below:

Sl.No.	Name of the Director	Category of Director	No. of Board Meetings	
			Held during the tenure	Attended
1.	Sri. Pinarayi Vijayan	Chairman	4	1
2.	Sri. V.J. Kurian	Director	4	4
3.	Sri. M.A. Yusuffali	Director	4	2
4.	Sri. C.V. Jacob	Director	4	4

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended 31st March 2020, the applicable accounting standards and the instructions provided under Schedule III of the Companies Act 2013 have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITOR

M/s.Sen George Associates (Firm Registration No:007399S), the Statutory Auditor of the Company, hold office till the conclusion of this Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and they are not disqualified for re-appointment. The notes on financial statement referred in the auditors' report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remarks or disclaimer.

SECRETARIAL STANDARDS OF ICSI

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

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

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

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

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

RELATED PARTY TRANSACTIONS

During the year under review, an advance of Rs.33,750 & Rs.3,630 from its holding Company, CIAL and the fellow subsidiary company, CIAL Infrastructures Limited respectively were received to meet the various expenses. The transactions were not likely to have a conflict with the interest of the Company. Disclosures of particulars of contracts / arrangements entered into by the Company with related parties are given in Form AOC - 2 as Annexure B to this Report.

PERSONNEL AND INDUSTRIAL RELATIONS

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2019 - 20:

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

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

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

GENERAL

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

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Details relating to deposits covered under Chapter V of the Act.
- c. Issue of sweat equity shares by the Company.
- d. Details of Employee Stock Option Scheme offered to the employees of the Company.

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

Other than the impact of Covid-19, there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

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

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

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

ACKNOWLEDGEMENTS

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

for and on behalf of the Board

sd/-

Pinarayi Vijayan

Chairman

DIN: 0001907262

Date : 18th July 2020

Place : Thiruvananthapuram

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

Extract of Annual Return as on financial year ended on 31.03.2020

[Pursuant to Section 92(3) of the Companies Act 2013 and Rule 12(1) of the Companies (Management & Administration) Rules 2014]

I. REGISTRATION & OTHER DETAILS

1.	CIN	U62100KL2006PLC019227
2.	Registration Date	21 st February 2006
3.	Name of the Company	Air Kerala International Services Limited
4.	Category / Sub-category of the Company	Company Limited by shares / Indian Non-Government Company
5.	Address of the Registered Office & contact details	XI/318E, Cochin International Airport Buildings Kochi Airport P O., Ernakulam 683 111 Telephone : 0484-2374154, email : akislsec@gmail.com
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Airline operation	51101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	Cochin International Airport Limited, Room No.35, 4 th Floor GCDA Commercial Complex Marine Drive, Ernakulam 682 031	U63033KL1994PLC007803	Holding	99.99	2(46)

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

i) Category-wise Share Holding.

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	-	70	70	0.01	-	70	70	0.01	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Governments	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	10,64,050	10,64,050	99.99	-	10,64,050	10,64,050	99.99	-

e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	10,64,120	10,64,120	100	-	10,64,120	10,64,120	100	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of promoter(A)=(A)(1)+(A)(2)	-	10,64,120	10,64,120	100	-	10,64,120	10,64,120	100	-
B. Public Shareholding									
a) Mutual Funds/ Banks/ FI	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Governments	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIIIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non - Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Resident Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by custodian for GDRs & ADRs									
Grand Total (A+B+C)		10,64,120	10,64,120	100	-	10,64,120	10,64,120	100	-

ii) Shareholding of Promoter-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	CIAL	10,64,050	99.993	--	10,64,050	99.993	--	--
2	A. Chandrakumaran Nair	10	0.001	--	10	0.001	--	--
3	A.M. Shabeer	10	0.001	--	10	0.001	--	--
4	Joseph Peter Painunkal	10	0.001	--	10	0.001	--	--
5	V. Suresh Babu	10	0.001	--	10	0.001	--	--
6	R. Venkiteswaran	20	0.002	--	20	0.002	--	--
7	V. Sankar	10	0.001	--	10	0.001	--	--
Total		10,64,120	100.00	--	10,64,120	100.00	--	--

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

Sl. No.	Name of the Shareholder(s)	Shareholding at the beginning of the year		Date wise increase/ decrease in shareholding		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	CIAL	10,64,050	99.993	-	-	10,64,050	99.993
2	A. Chandrakumaran Nair	10	0.001	-	-	10	0.001
3	A.M. Shabeer	10	0.001	-	-	10	0.001
4	Joseph Peter Painunkal	10	0.001	-	-	10	0.001
5	V. Suresh Babu	10	0.001	-	-	10	0.001
6	R. Venkiteswaran	20	0.002	-	-	20	0.002
7	V. Sankar	10	0.001	-	-	10	0.001
Total		10,64,120	100.00	-	-	10,64,120	100.00

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of Total Shares of the Company
Nil					

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholder(s)	Shareholding at the beginning of the year		Date wise increase / decrease in shareholding		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Sri. Pinarayi Vijayan	-	-	-	-	-	-
2	Sri. M.A. Yusuffali	-	-	-	-	-	-
3	Sri. C.V. Jacob	-	-	-	-	-	-
4	Sri. V.J. Kurian	-	-	-	-	-	-

V) INDEBTEDNESS - (Rupees in lakh)

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

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

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

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

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

Sl. No.	Particulars of Remuneration	Name of Directors			
1	Independent Directors				
	Fee for attending board / committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non - Executive Directors	Pinarayi Vijayan (DIN: 0001907262)	C. V. Jacob (DIN: 0000030106)	M. A. Yusuffali (DIN: 0000364677)	V.J. Kurian (DIN: 0001806859)
	Fee for attending board / committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Nil			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO (Nil)	CS (Nil)	
1	Gross salary	--	--	--
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act 1961	--	--	--

	(b) Value of perquisites u/s 17(2) of Income-Tax Act 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) of Income- Tax Act 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify...	-- --	-- --	-- --
5	Others, please specify	--	--	--
	Total (A)	--	--	--

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

for and on behalf of the Board

sd/-

Pinarayi Vijayan
Chairman

DIN: 0001907262

Date : 18th July 2020
Place : Thiruvananthapuram

Annexure B

Form AOC – 2

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

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

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

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

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

Sl. No.	Name of the related party	Nature	Nature of contracts / arrangements / transaction	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by Board	Amount paid as advance, if any
1	Cochin International Airport Limited	Holding Company	ROC filing fees, certification charges and audit fees	-	Payment made towards various statutory filings with Registrar of Companies and the Certification charges in connection therewith. The Statutory Audit Fee also paid. The total amount involved was Rs.33,750/-	-	Nil
2	CIAL Infrastructures Limited	Fellow Subsidiary Company	Remittance of self-assessment income tax	-	Payment made towards the remittance of self-assessment income tax amounting to Rs.3,630/-	-	Nil

for and on behalf of the Board

sd/-

Pinarayi Vijayan
Chairman

Date : 18th July 2020

Place : Thiruvananthapuram

DIN : 0001907262

SEN GEORGE ASSOCIATES
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of AIR KERALA INTERNATIONAL SERVICES LIMITED

Report on the audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **AIR KERALA INTERNATIONAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March 2020**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March 2020**, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

SEN GEORGE ASSOCIATES
Chartered Accountants

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified u/s 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

SEN GEORGE ASSOCIATES
Chartered Accountants

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.

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

SEN GEORGE ASSOCIATES
Chartered Accountants

- e) On the basis of the written representations received from the Directors as on **31st March 2020** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March 2020** from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-
CA. SEN GEORGE, FCA
Partner
(M.No.204417)
UDIN: 20204417AAAAAS8771

Place : Thiruvananthapuram
Date : 18.07.2020

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

SEN GEORGE ASSOCIATES
Chartered Accountants

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **AIR KERALA INTERNATIONAL SERVICES LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of **AIR KERALA INTERNATIONAL SERVICES LIMITED** (“the Company”) as of **31st March 2020** in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

SEN GEORGE ASSOCIATES
Chartered Accountants

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March 2020**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
CA. SEN GEORGE, FCA
Partner
(M.No.204417)
UDIN: 20204417AAAAAS8771

Place : Thiruvananthapuram

Date : 18.07.2020

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

SEN GEORGE ASSOCIATES
Chartered Accountants

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i) The Company has not commenced commercial operations in the current year and does not have fixed assets and hence clause is not applicable.
- ii) The Company does not have inventory in the current year and hence the clause is not applicable.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under Section 189 of The Companies Act 2013.
- iv) 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 Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposits from the public.
- vi) The Company is not required to maintain cost records as specified in subsection (1) of Section 148 of the Companies Act 2013.
- vii)
 - a) The Company is regular in depositing undisputed statutory dues with appropriate authorities.
 - b) According to the records of the company, there are no statutory dues which have not been deposited on account of any delay.
- viii) The Company has not defaulted in any repayment of dues to any financial institution or bank or debenture holders.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans.
- x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards

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

SEN GEORGE ASSOCIATES
Chartered Accountants

- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares during the year under review and consequently the requirement of Section 42 of the Companies Act 2013 does not apply.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934

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

Sd/-
CA. SEN GEORGE, FCA
Partner
(M.No.204417)
UDIN: 20204417AAAAAS8771

Place : Thiruvananthapuram
Date : 18.07.2020

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

Branch : F-16, Municipal Stadium Complex, Palai, Kottayam-686 575

PART I : BALANCE SHEET
AIR KERALA INTERNATIONAL SERVICES LIMITED

CIN : U62100KL2006PLC019227

BALANCE SHEET AS AT 31st MARCH 2020

(Rupees in '000)

Particulars	Note No.	31.03.2020	31.03.2019
I. ASSETS			
Non Current Assets			
Property, plant and equipment		0.00	0.00
Capital work-in-progress		0.00	0.00
Other intangible assets		0.00	0.00
Financial assets			
(i) Loans		0.00	0.00
Other non-current assets		0.00	0.00
Current Assets			
Financial assets			
(i) Trade Receivables		0.00	0.00
(ii) Cash & Cash equivalents	4	1,218.17	1,143.03
(iii) Loans & Receivables		0.00	0.00
(iv) Others		0.00	0.00
Income Tax Assets (Net)	5	18.51	19.51
Total Assets		1,236.68	1,162.54
II. EQUITY & LIABILITIES			
Equity			
Equity Share Capital	6	10,641.20	10,641.20
Other Equity	7	(14,976.22)	(15,012.98)
Liabilities			
Non Current Liabilities			
Provisions		0.00	0.00
Deferred tax liabilities(Net)		0.00	0.00
Current Liabilities			
Financial Liabilities			
(i) Trade Payables	8	29.50	29.50
Other current liabilities (net)	9	5,542.20	5,504.82
Provisions		0.00	0.00
Total Equity and Liabilities		1,236.68	1,162.54

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
 Director
 (DIN:0001806859)

sd/-
C.V. Jacob
 Director
 (DIN:0000030106)

As per our report of even date attached

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

Place : Thiruvananthapuram
 Date : 18.07.2020

Sd/-
CA. SEN GEORGE, FCA
 Partner (M.No.204417)
 UDIN: 20204417AAAAAS8771

PART II : STATEMENT OF PROFIT & LOSS ACCOUNT
AIR KERALA INTERNATIONAL SERVICES LIMITED
CIN : U62100KL2006PLC019227
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2020

		(Rupees in '000)		
Particulars		Note No:	31.03.2020	31.03.2019
	Income:			
I.	Revenue from Operations		0.00	0.00
II.	Other Income	10	83.49	74.30
III.	Total Revenue		83.49	74.30
	Expenses:			
	Other Expenses	11	33.75	31.90
IV.	Total Expenses		33.75	31.90
V.	Profit before exceptional items and tax (III-IV)		49.74	42.40
VI	Exceptional Items		0.00	0.00
VII	Profit before Tax		49.74	42.40
VIII	Tax expense:			
	a. i) Current tax		12.94	11.02
	ii) MAT Credit Entitlement		0.00	0.00
	b. Tax for earlier years		0.04	0.00
	c. Deferred tax		0.00	0.00
			12.98	11.02
IX	Profit for the period from continuing operations (VII-VIII)		36.76	31.38
X	Profit for the period from discontinuing operations		0.00	0.00
XI	Tax expense of discontinued operations		0.00	0.00
XII	Profit after tax from discontinued operations		0.00	0.00
XIII	Profit for the year (IX+XII)		36.76	31.38
XIV	Other comprehensive income		0.00	0.00
	- Items that will not be reclassified to profit or loss		0.00	0.00
	- Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
	- Items that will be reclassified to profit or loss		0.00	0.00
	- Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
XV	Total comprehensive income for the period (Profit / loss + other comprehensive income)		36.76	31.38
XVI	Earnings per equity share (for continuing operations)			
	a) Basic		0.035	0.029
	b) Diluted		0.035	0.029
XVII	Earnings per equity share (for discontinued operations)			
	a) Basic		0.00	0.00
	b) Diluted		0.00	0.00
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	a) Basic		0.035	0.029
	b) Diluted		0.035	0.029

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
Director
(DIN:0001806859)

sd/-
C.V. Jacob
Director
(DIN:0000030106)

As per our report of even date attached

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

Place : Thiruvananthapuram
Date : 18.07.2020

Sd/-
CA. SEN GEORGE, FCA
Partner (M.No.204417)
UDIN: 20204417AAAAAS8771

STATEMENT OF CHANGES IN EQUITY
AIR KERALA INTERNATIONAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

A Equity Share Capital

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

Particulars	Number in '000	Rs. in '000
Balance at March 31, 2018	1,064.12	10,641.20
Changes in equity share capital during the year	0.00	0.00
Balance at March 31, 2019	1,064.12	10,641.20
Changes in equity share capital during the year	0.00	0.00
Balance at March 31, 2020	1,064.12	10,641.20

B Other Equity

(Rupees in '000)

Particulars	Retained Earnings	Equity Instruments through Other Comprehensive Income	General Reserve	Total
Balance at March 31, 2018	(15,044.36)	0.00	0.00	(15,044.36)
Profit for the year	31.38	0.00	0.00	31.38
Other comprehensive income for the year, net of income tax	0.00	0.00	0.00	0.00
Total Comprehensive Income for the year	31.38	0.00	0.00	31.38
Balance at March 31, 2019	(15,012.98)	0.00	0.00	(15,012.98)
Profit for the year	36.76	0.00	0.00	36.76
Other comprehensive income for the year, net of income tax	0.00	0.00	0.00	0.00
Total Comprehensive Income for the year	36.76	0.00	0.00	36.76
Balance at March 31, 2020	(14,976.22)	0.00	0.00	(14,976.22)

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
 Director
 (DIN:0001806859)

sd/-
C.V. Jacob
 Director
 (DIN:0000030106)

As per our report of even date attached

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

Place : Thiruvananthapuram
 Date : 18.07.2020

Sd/-
CA. SEN GEORGE, FCA
 Partner (M.No.204417)
 UDIN: 20204417AAAAAS8771

AIR KERALA INTERNATIONAL SERVICES LIMITED

CIN : U62100KL2006PLC019227

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(Rupees in '000)

Particulars	For the period 01.04.2019 to 31.03.2020	For the period 01.04.2018 to 31.03.2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax from		
Continuing Operations	49.74	42.40
Discontinued operations	0.00	0.00
Profit before income tax including discontinued operations	49.74	42.40
Adjustments for:		
Other comprehensive income not reclassified to profit or loss	0.00	0.00
Depreciation	0.00	0.00
Loss on Fixed Asset sold/discarded	0.00	0.00
Interest income	83.49	74.30
Operating profit before working capital changes	(33.75)	(31.90)
Adjustments for:		
(Increase)/decrease in Inventories	0.00	0.00
(Increase)/decrease in Trade receivables	0.00	0.00
(Increase)/decrease in Pre-payments and Other receivables	0.00	0.00
Increase/(decrease) in Liabilities & provisions	37.38	35.27
Cash generated from operations	3.63	3.37
Direct Tax Payments	(11.98)	(10.80)
Net Cash Flow from Operating Activities	(8.35)	(7.43)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital work-in-progress	0.00	0.00
Interest received	83.49	74.30
Net Cash Flow from Investing Activities	83.49	74.30
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	0.00	0.00
Proceeds from Long-Term Borrowing	0.00	0.00
Proceeds from Short-Term Borrowing	0.00	0.00
Repayment of Long-Term Borrowing	0.00	0.00
Net Cash Flow from Financing Activities	0.00	0.00
Net increase/(decrease) in cash and cash equivalents	75.14	66.87
Cash and cash equivalents at the beginning of the period	1,143.03	1,076.16
Cash and cash equivalents at the end of the period	1,218.17	1,143.03

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
 Director
 (DIN:0001806859)

sd/-
C.V. Jacob
 Director
 (DIN:0000030106)

As per our report of even date attached

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

Place : Thiruvananthapuram
 Date : 18.07.2020

Sd/-
CA. SEN GEORGE, FCA
 Partner (M.No.204417)
 UDIN: 20204417AAAAAS8771

NOTES TO FINANCIAL STATEMENTS:**1. Company Overview**

Air Kerala International Services Limited was incorporated on 21.02.2006. The main objective of the Company is to carry on in India and abroad the business to organize, develop and operate air transport services, scheduled and non-scheduled, for carriage of passengers, animals, goods of all description, mail etc.

2. Operations & Continuity

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

3. Significant Accounting Policies**a) Statement of compliance**

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

b) Basis of measurement

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

Use of Estimates and judgment

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

i) Revenue Recognition

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

ii) Earnings Per Share

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

iii) Taxes on Income

Income tax expense comprises current tax and deferred tax charge or credit. The current tax is determined as the amount of tax payable in respect of the estimated taxable income of the period. The deferred tax charge or credit is recognised using prevailing enacted or substantively

enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax asset are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets are reviewed at each Balance Sheet date based on the developments during the period. The deferred tax position as on 31.03.2020 represented by unabsorbed depreciation or loss is not considered in the absence of virtual certainty about sufficient future profits.

iv) Impairment of Assets

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

v) Provisions, Contingent Liabilities and Contingent Assets

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

vi) Cash and Cash Equivalents

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

vii) Cash Flow Statement

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

viii) Risk Management

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

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

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

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

4. Cash and Cash equivalents**(Rupees in '000)**

Particulars	31.03.2020	31.03.2019
Balance with Banks		
- In Current Account	11.37	11.37
- In Fixed Deposit	1,206.80	1,131.66
maturity less than 3 months	0.00	
maturity between 3 to 12 months	<u>1,206.80</u>	
Cash on hand	0.00	0.00
	1,218.17	1,143.03

5. Income Tax Assets (Net)**(Rupees in '000)**

Particulars	31.03.2020	31.03.2019
Advance Tax & TDS Net of Provision	18.51	19.51
	18.51	19.51

6. Equity Share Capital**(Rupees in '000)**

Particulars	31.03.2020	31.03.2019
A. Authorised		
20,00,00,000 Equity shares of Rs.10 each (Previous Year 20,00,00,000 Equity shares of Rs. 10 each).	20,00,000	20,00,000
	20,00,000	20,00,000
B. Issued, Subscribed & Paid Up		
10,64,120 Equity shares of Rs.10 each (Previous Year 10,64,120 Equity shares of Rs. 10 each)	10,641.20	10,641.20
	10,641.20	10,641.20

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

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

Particulars	%	31.03.2020	31.03.2019
a) Cochin International Airport Limited 10,64,050 equity shares of Rs.10/- each (PY : 10,64,050 equity shares)	99.99	10,640.50	10,640.50

The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March 2020 and 31st March 2019

(Number of shares & Amount in '000)

Particulars	31.03.2020	31.03.2019
Number of shares at the beginning	1,064.12	1,064.12
Value of shares at the beginning	10,641.20	10,641.20
Add: Shares issued during the period (Number)	-	-
(Value)	-	-
Number of shares at the end	1,064.12	1,064.12
Value of shares at the end	10,641.20	10,641.20

7. Other Equity

(Rupees in '000)

Particulars	31.03.2020	31.03.2019
Profit & Loss Account		
Opening Balance	(15,012.98)	(15,044.36)
Current period Profit	36.76	31.38
Closing balance	(14,976.22)	(15,012.98)

8. Trade Payables

(Rupees in '000)

Particulars	31.03.2020	31.03.2019
Creditors for Expenses	29.50	29.50
	29.50	29.50

9. Other Current Liabilities

(Rupees in '000)

Particulars	31.03.2020	31.03.2019
Other Current Liabilities	5,542.20	5,504.82
	5,542.20	5,504.82

10. Other Income

(Rupees in '000)

Particulars	31.03.2020	31.03.2019
Interest on Deposits	83.49	74.30
	83.49	74.30

11. Other Expenses

(Rupees in '000)

Particulars	31.03.2020	31.03.2019
Payments to the Auditor for		
(a) Statutory Audit	23.60	23.60
(b) Tax Audit	5.90	5.90
Rates & Taxes	4.25	2.40
	33.75	31.90

12. Contingent Liabilities And Commitments (to the extent not provided for)

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

13. Related Party Disclosures**A. Name of the related party and nature of relationship****a) Holding Company**

Cochin International Airport Limited

b) Fellow Subsidiary

Kerala Waterways and Infrastructures Limited

Cochin International Aviation Services Limited

CIAL Dutyfree & Retail Services Limited

CIAL Infrastructures Limited

c) Key Managerial Personnel

Mr. V.J. Kurian - Managing Director of Holding Company

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

Mr. Sunil Chacko - Chief Financial Officer of Holding Company

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

Particulars	Current Year (Rupees in '000)	Previous Year (Rupees in '000)
Cochin International Airport Limited		
Advances Received	33.75	31.90
CIAL Infrastructures Limited		
Advances Received	3.63	3.37

C. Amount Outstanding as at 31st March 2020

Particulars	Current Year (Rupees in '000)	Previous Year (Rupees in '000)
Cochin International Airport Limited	5,534.60 Cr	5,500.85 Cr
CIAL Infrastructures Limited	7.60 Cr	3.97 Cr

14. Basic and Diluted Earning Per Share (EPS), of face value Rs.10 has been calculated as under:

Particulars	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Numerator		
Net Profit for the year	36,760	31,380
Denominator		
Weighted average number of equity shares outstanding during the year	10,64,120	10,64,120
Earnings Per Share	0.035	0.029

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

(Rupees in '000)

Particulars	Opening Balance	Additions/ Reversals	Closing Balance
Provision for Taxation	26.58	(13.65)	12.93

16. Additional Information

(Rupees in '000)

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

17. There are no amount overdue to any enterprises which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act 2006.

18. Previous year figures have been regrouped /reclassified wherever necessary to suit the current year's layout.

For and on behalf of the Board of Directors

sd/-
V.J. Kurian
Director
(DIN:0001806859)

sd/-
C.V. Jacob
Director
(DIN:0000030106)

As per our report of even date attached

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

Place : Thiruvananthapuram
Date : 18.07.2020

Sd/-
CA. SEN GEORGE, FCA
Partner (M.No.204417)
UDIN: 20204417AAAAAS8771

AIR KERALA INTERNATIONAL SERVICES LIMITED

Regd. Office: XI/318 E, Cochin International Airport Buildings, Nedumbassery

Kochi Airport P.O – 683 111, Ernakulam. CIN: U62100KL2006PLC019227

Ph: 0484 2374154, e-mail: akislsec@gmail.com, website : www.cial.aero

Form No: 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	CIN: U62100KL2006PLC019227
Name of the Company	AIR KERALA INTERNATIONAL SERVICES LIMITED
Registered Office	XI/318 E, Cochin International Airport Buildings, Nedumbassery, Kochi Airport P.O – 683 111
Name of the Member(s)	
Registered Address	
e-mail ID	
Folio No	

I/We, being the member(s) of ----- shares of the above named company, hereby appoint

1.	Name		Signature
	Address		
	e-mail ID		
	or failing him		
2.	Name		Signature
	Address		
	e-mail ID		
	or failing him		
3.	Name		Signature
	Address		
	e-mail ID		

as my/our proxy to attend and vote (on poll) for me/us and on my or our behalf at the 14th Annual General Meeting of the Company to be held on Friday, the 04th day of September, 2020 at 09.30 a.m. at XI/318E, Cochin International Airport Buildings, Nedumbassery, Kochi Airport P.O., 683 111, the registered office of the Company and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Nos:

1.	2.	3.
----	----	----

affix Re.1
revenue
stamp

Signed this ----- day of ----- 2020

Signature of shareholder: -----

Signature of Proxy holder(s) :-----

Note: The form of proxy in order to be effective should be duly completed and deposited at the registered Office of the company, not less than 48 hours before the commencement of the meeting.

