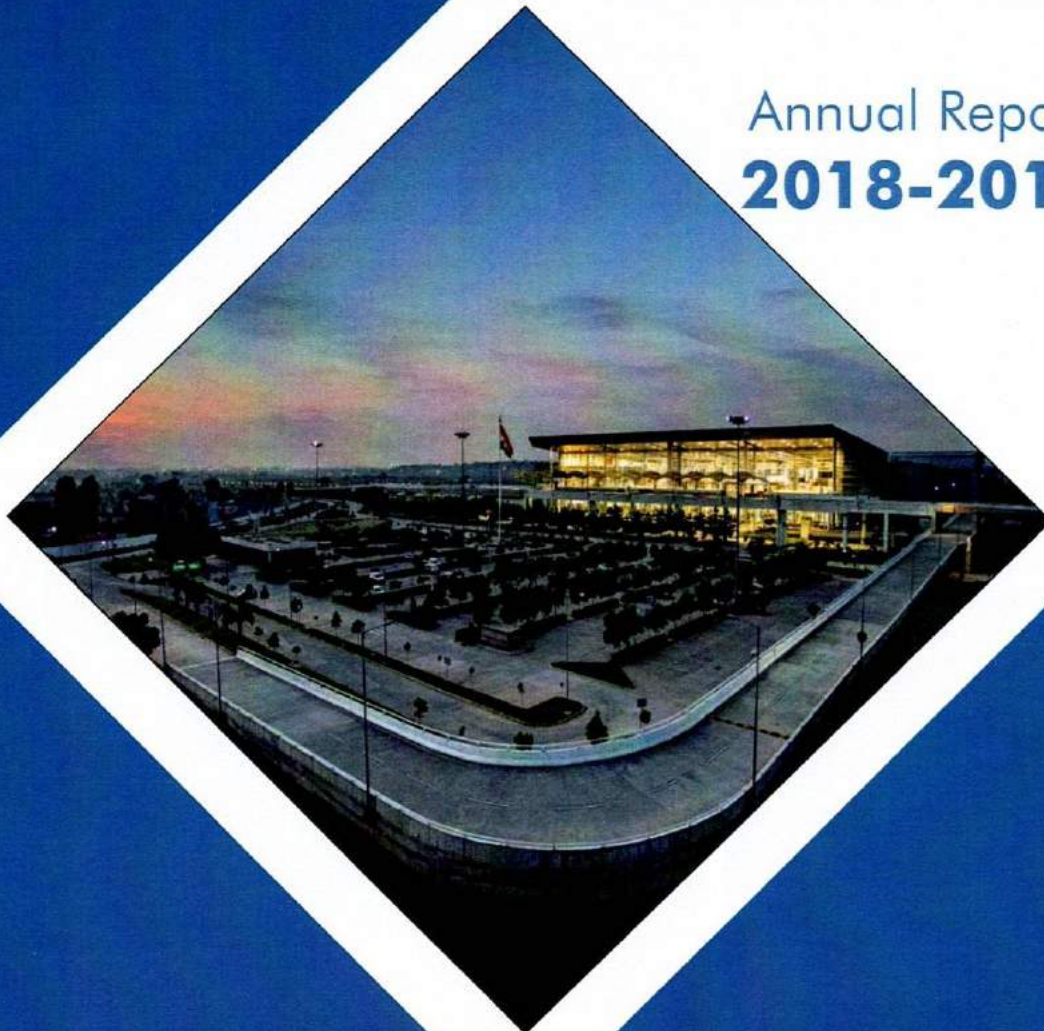




Annual Report
2018-2019



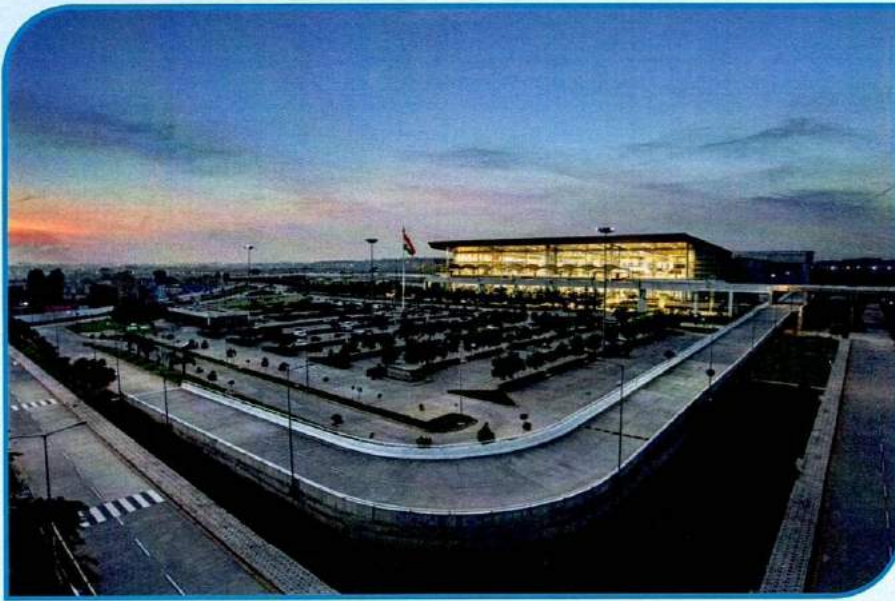
CHANDIGARH
International Airport Ltd.



Annual Report 2018-2019

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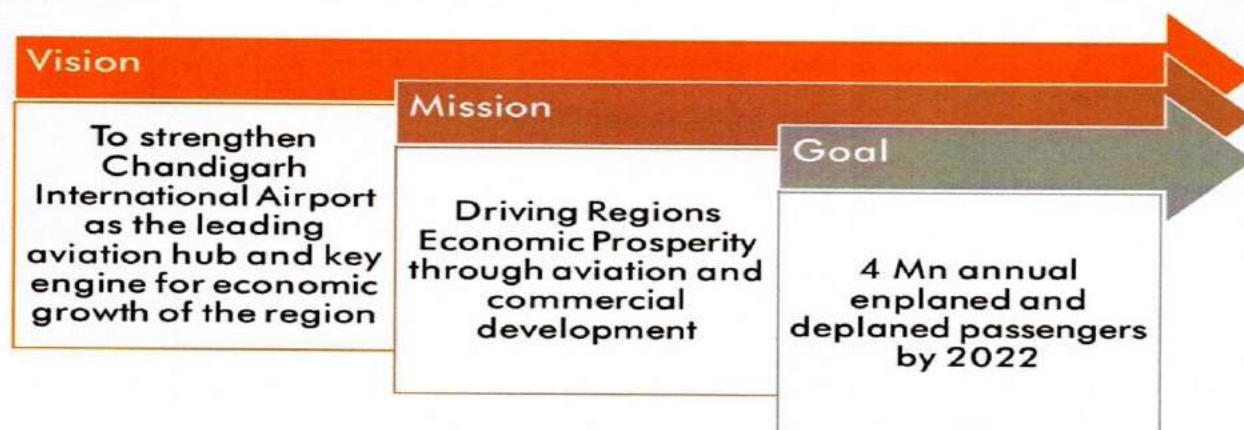
CHANDIGARH INTERNATIONAL AIRPORT LIMITED - PROFILE

Chandigarh International Airport is a civil airport which serves the Union Territory Chandigarh and other Indian states of Punjab, Haryana, Himachal Pradesh etc. The airport runway is located in the Union Territory of Chandigarh while the International Terminal is located on the southern side of the runway in the village Jhurheri, Mohali, Punjab.

Providing insight about the company, Chandigarh International Airport Limited (CHIAL) is a joint venture company with Airports Authority of India having 51% Equity Stake, Punjab Government (Greater Mohali Area Development Authority-GMADA) and Haryana Government (Haryana Urban Development Authority-HUDA) each having 24.5% Equity Stake to operate, develop and maintain the Chandigarh International Airport (a new state of art International Airport at Mohali, Punjab). The New Civil Air Terminal has been established with distinct green building features on a land area of 300 Acres. The new International Airport is operational from October 19, 2015.

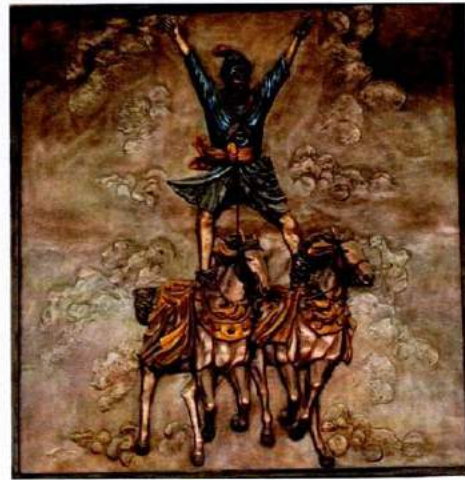
Being the fastest growing airports in India, the Chandigarh International Airport has shown exponential growth in terms of its passenger base ranging from 0.15 m to 2.09 m over the span of 12 years and remains a key engine for economic growth of the region.

The modern Integrated Terminal Building is made of glass and steel structure and is equipped with the modern state-of-the-art equipment and passenger facilities. Terminal Building is fully air conditioned with Common Use Terminal Equipment (CUTE), Flight Information Display System (FIDS) and In-line Baggage handling system etc. for efficiency of operations.



CHIAL's strategy, driven by its mission and vision, focuses on honoring and respecting its core values while delivering major overreaching goal of increasing passenger numbers. Currently, the airport's total passenger count includes both business and leisure travelers. The Company's strategic medium term goal has been adjusted upwards of 4 million passengers enplaned and deplaned by 2022 which includes both domestic and international passengers.

At Chandigarh International Airport (CHIAL), Our Excellent service standards are a result of an inspired, motivated, passionate and dedicated Team Work that treats its 'Guest as Equivalent to God' (ATHITHI DEVOY BHAVA). It is an epitome of modernization with its contemporary aesthetics together with the world-class provisions as the leading aviation hub in north of India and considered as gateway to the tourist destinations. The Airport building has been layered with awe-inspiring interiors. The blend of sophisticated artifacts and lush green landscaping give a splendid touch to the airport premises.



UPCOMING HIGHLIGHTS AT CHANDIGARH INTERNATIONAL AIRPORT

- Upgrading from CAT – I ILS to CAT – III B ILS resulting in avoidance, cancellation & diversion of flights during fog season.
- Construction of Southern taxi track to improve runway occupancy time.
- Installation of Inline X-Ray Baggage System for faster and better security to passengers.
- Construction of Integrated Cargo Hub (Perishable & Non-Perishable).



CHIAL - AWARDS AND RECOGNITION

- Certified with a Four Star Rating Under GRIHA.
- CIDC (Construction Industry Development Council) Award for Best Construction.
- SKOCH Award for Energy Conversation, Environment Conservation, Skill Development, Employment Generation, Financial Growth of Region and Completion without Time and Cost Over Run.
- IBC Award for Excellence in Built Environment 2014-15 for "New Integrated Terminal Building of Chandigarh International Airport".
- Network 18 and Honeywell Smart building Awards, 2016 & 2017.
- Award for Completion of Project without Time and Cost Over Run by AAI.
- Chandigarh International Airport received award for rank number one in Customer Satisfaction Index Survey 2016 in the segment of similar category of Airports conducted by Airports Council International.
- Chandigarh International Airport Limited has ranked 1st position for "Clean & Safe Airport" Award out of 22 AAI Airports conducted by Quality Council Inspection team.
- Chandigarh International Airport Limited won ASQ 2018 award for Best Airport by size and Region and Best Environment & Ambience by Size (2-5 Million Passengers) in ASIA PACIFIC.
- Chandigarh International Airport Limited has also won First in INDIA Swachhta Award presented by AAI for the year 2018-19.



CHIAL BOARD OF DIRECTORS

BOARD MEMBERS
AS ON
31ST MARCH, 2019

REPRESENTATIVES OF AIRPORTS AUTHORITY OF INDIA



Sh. Anuj Aggarwal,
Member (HR),
AAI & Chairman,
CHIAL



Sh. Narasimha Murthy Indrakanti,
Member (Operations),
AAI & Nominee Director,
CHIAL



Sh. Rakesh Kalra,
RED (NR),
AAI & Nominee Director,
CHIAL



Sh. Ravichandran Gurusamy,
ED (JVC),
AAI & Nominee Director,
CHIAL

REPRESENTATIVES OF MoCA



Sh. Venkatramana R. Hegde
Director
MoCA & Nominee Director, CHIAL

REPRESENTATIVES OF PUNJAB GOVT.



Sh. Tejveer Singh, IAS,
Principal Secretary to CM,
Punjab & Nominee Director,
CHIAL



Smt. Gurneet Tej, IAS,
CA, GMADA,
& Nominee Director,
CHIAL

REPRESENTATIVES OF HARYANA GOVT.



Sh. Devender Singh, IAS,
Principal Secretary to Govt. Haryana,
Civil Aviation Department &
Nominee Director, CHIAL



Dr. J. Ganesan, IAS
CA, HUDA
& Nominee Director,
CHIAL

CHIAL BOARD OF DIRECTORS

PRESENT BOARD MEMBERS

REPRESENTATIVES OF AIRPORTS AUTHORITY OF INDIA



Sh. Narasimha Murthy Indrakanti,
Member (Operations),
AAI & Chairman,
CHIAL



Sh. Vineet Gulati,
Member (ANS),
AAI & Nominee Director,
CHIAL



Sh. M.N.N. Rao,
RED (NR),
AAI & Nominee Director,
CHIAL



Sh. Rakesh Kalra,
ED (Engg.),
AAI & Nominee Director,
CHIAL

REPRESENTATIVES OF MoCA



Sh. Venkatramana R. Hegde
Director,
MoCA & Nominee Director, CHIAL

REPRESENTATIVES OF PUNJAB GOVT.



Sh. Tejveer Singh, IAS,
Principal Secretary to CM,
Punjab & Nominee Director,
CHIAL



Smt. Kavita Singh, IAS,
CA, GMADA
& Nominee Director
CHIAL

REPRESENTATIVES OF HARYANA GOVT.



Sh. Devender Singh, IAS,
Principal Secretary to Govt. Haryana,
Civil Aviation Department &
Nominee Director, CHIAL



Dr. D. Suresh, IAS,
CA, HUDA
& Nominee Director,
CHIAL

KEY MANAGERIAL PERSONNEL

PRESENT KEY MANAGERIAL PERSONNEL



Sh. Suneel Dutt,
Chief Executive Officer



Sh. Rakesh Dembla,
Chief Financial Officer



Ms. Avneet Kaur
Company Secretary

KEY MANAGERIAL PERSONNEL AS ON 31ST MARCH, 2019



Sh. Suneel Dutt,
Chief Executive Officer



Sh. Rakesh Dembla,
Chief Financial Officer



Ms. Avneet Kaur
Company Secretary

REFERENCE INFORMATION

Registered Office : Room No. 1, Project Office Building, Airport Authority of India,
Civil Airport, Chandigarh-160003

Corporate Office : New Civil Air Terminal, Jhurheri, Mohali (Punjab)160004

Telephone No. : 0172-2242016, Fax No.: 0172-2242003

E-mail Id : secretary.chial@rediffmail.com

CIN : U63013CH2010GOI03199

Bankers:

Yes Bank, Mohali
State Bank of India, Chandigarh

Statutory Auditors:

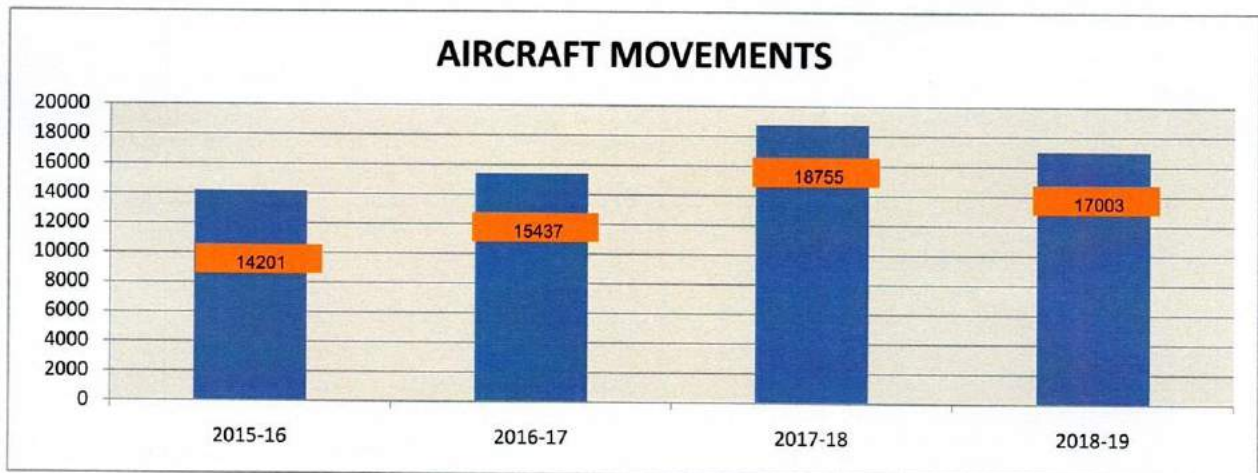
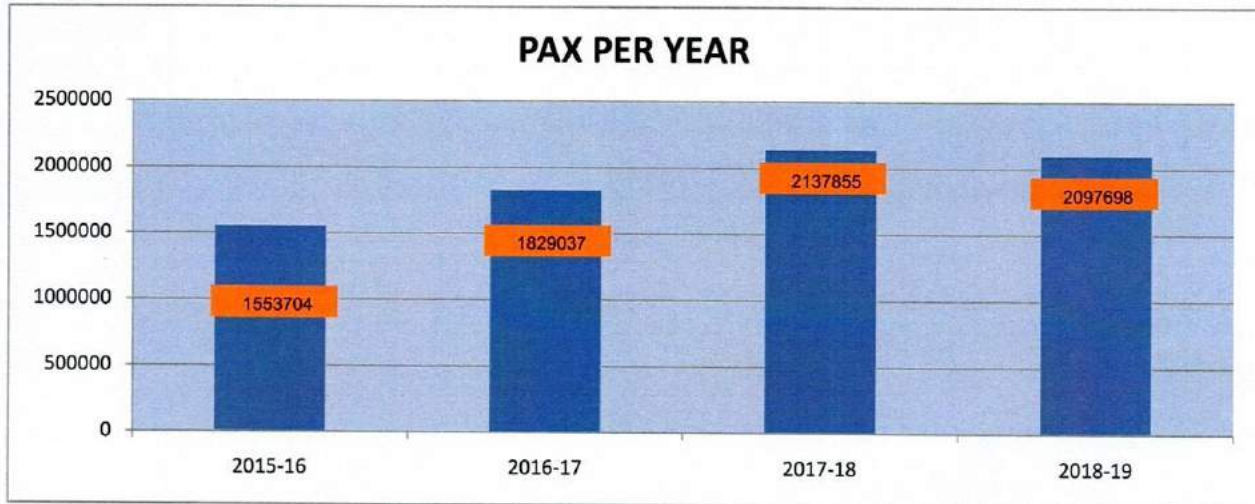
M/s. Rajiv Goel & Associates, Chandigarh

Internal Auditors:

M/s. Anil Puneet & Associates, Panchkula

Cost Auditors:

M/s. Narasimha Murthy & Co., Hyderabad

OPERATIONAL HIGHLIGHTS

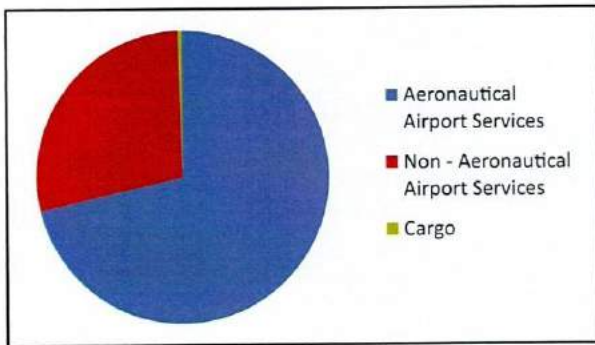
Over the years, Chandigarh has become a prominent destination for people traveling to Punjab, Haryana and Himachal Pradesh. Currently there are approx. 31 operational flights at the Airport with some of the prominent flight operators being Air India, Air Asia, Tata SIA Airlines, Go Air, Indigo etc. The passenger flow at the airport has witnessed a CAGR of approx. 28% from nearly 0.64 millions in 2010-11 to 1.83 millions in 2016-17 and is expected to grow at a CAGR of nearly 18% till 2021. However, Airport remain closed for 20 days (12 May 2018 to 31 May 2018) and restriction on operational watch hours at the Airport (i.e. for 13 hours till 2019 owing to Runway carpeting work being carried out by Indian Air Force) which would affect the passenger flow in 2019 resulting in expected reduction of 10% - 15% of total future passenger flow.

Some of the key international destinations with regular flights include Dubai and Sharjah. Air India was the first flight operator to take off an international flight from Chandigarh Airport to Sharjah in September 2016. Some of the existing developments at the airport include Indian Air-force Base, terminal building, solar panels, airport authority office, surface parking, service yards etc. By the end of 2019-20, with the proposed expansion plans of the airport, tremendous growth has been envisaged and a highly positive outlook for the region is anticipated.

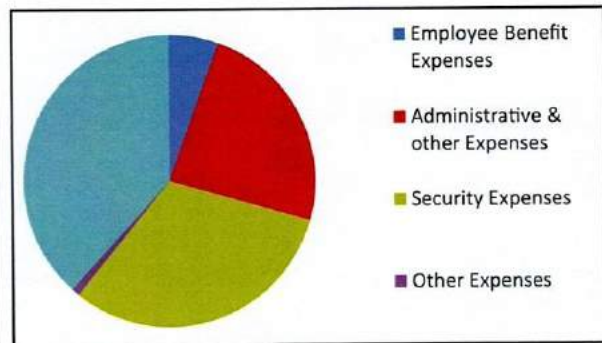
FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

Particulars	2018-19	2017-18
Revenue from operations	10717.94	9235.12
Other income	742.20	398.09
Total Income	11460.14	9633.21
Expenses	5457.54	4282.39
Profit /(Loss) before Depreciation	6002.60	5350.82
Less: Depreciation	3383.35	3264.42
Profit/(Loss) after Depreciation but before Tax	2619.25	2086.40
Less: Provision for Tax	746.52	679.92
Profit/(Loss) after Tax	1872.73	1406.48



Composition of Revenue



Composition of Expenditure

CHAIRMAN ADDRESS

DEAR SHAREHOLDERS,

I am delighted to welcome you all to the 9th Annual General Meeting of CHIAL. The Annual Report for financial year ending March 31, 2019 along with the Directors' Report, Audited Annual Accounts and Auditor's report of your Company are with you and with your permission, I take them as read.

We are living an era of disruptive change, with technology and digitization rewriting every rule of the book. As the winds of change impact every aspect of our lives - social, economic, political and environmental, it cannot be business as usual. As the old order changes and gives way to the new, we have no choice but to reinvent ourselves and evolve in this new landscape.

Chandigarh International Airport is a civil airport which serves the Union Territory Chandigarh and other states of Punjab, Haryana, Himachal Pradesh etc. The airport runway is located in the Union Territory of Chandigarh while the International Terminal is located on the southern side of the runway in the village Jhurheri, Mohali, Punjab. The New Civil Air Terminal has been established with distinct green building features on a land area of 300 Acres. The new International Airport is operational from October 19, 2015.

The Airport Echo building has been layered with awe-inspiring interiors. The blend of sophisticated artifacts and lush green landscaping provide it with a splendid touch. Horticulture and landscape features developed on around 12 acres of land, creates pleasant environment at Airport. In the view to make the airport environmental friendly, a 3 MWp solar power plant has been installed which enables Airport to function completely on solar power during the day time.

At Chandigarh International Airport (CHIAL), our Excellent service standards are a result of an inspired, motivated, passionate and dedicated Team Work that treats its 'Guest as Equivalent to God' (ATHITHI DEVOY BHAVA). It is an epitome of modernization with its contemporary aesthetics together with the world-class provisions as the leading aviation hub in north of India and considered as gateway to the tourist destinations.

Being the fastest growing airports in India, Chandigarh International Airport has shown exponential growth in terms of its passenger base ranging from 0.15 m to 2.09 m over the span of 10 years and remains a key engine for economic growth of the region.

I take this opportunity to share my views on the present performance of the Company:

FINANCIAL PERFORMANCE

During the year under review, Company has achieved commendable growth in all key performance parameters despite with so many limitations. The total revenue for the year ended 31.03.2019 is Rs. 114.60 Crores which recorded an impressive growth of 18.97% over the previous financial year. The Company has reported a profit after tax of Rs. 18.72 Crores for the current year as compared to the profit after tax of Rs. 14.06 Crores reported during the last financial year.

ACHIEVEMENTS

One of the key achievements based on the performance in the past year was that our Airport has received the award for Best Airport by size and region (in the category of 2-5 million passengers per year) AND Best Environment & Ambience by size (in the category of 2-5 million Passengers), Asia-Pacific category. Our Airport has also won first prize in India Swachhta Award presented by AAI. Our Airport achieved a score of 4.95 in a five point scale index in the ACI Airport Service Quality (ASQ) conducted by an Independent Agency for the year 2018-19.

DEVELOPMENT PLANS

The Terminal Building has a total capacity of 4.5 million passengers per annum. Further, to increase the capacity of building to cater passenger movement for further 5-6 years, the possibility of addition of 4 nos. of PBBs towards west side of the building adjoining the apron which will facilitate to add around additional 400 no. of passenger seats, extension of corridor of departure and arrival of New Terminal Building is in progress. Further, following future expansion plans are also in progress:

- Construction of Integrated Cargo Hub (Perishable & Non-Perishable).
- Upgrading from CAT - I ILS to CAT - III ILS.
- Construction of Southern taxi track to improve runway occupancy time.
- Installation of Inline X-Ray Baggage for more security to passengers.
- Procurement of Automatic Tray Retrieval (ATR) system.
- Installation of Body Scanners.

CORPORATE GOVERNANCE

I am pleased to inform you that your Company has complied with the Corporate Governance norms as stipulated by the Central Government through the guidelines issued by Department of Public Enterprises and your Company is taking all efforts to adopt the best Corporate Governance practices. Your Company's Directors report contains a separate section on Corporate Governance. Your Company is committed to maintain the highest level of transparency, accountability and equity in operations. Your company always strives to follow the path of good Governance through a broad framework of various processes.

CONCLUSION

Before concluding, I wish to place on record our deep sense of appreciation of the sincere efforts put in by our employees at all levels which enabled your Company to record improved performance during the year. I would also like to thank my colleagues on the Board, who spared considerable time and participated actively in the deliberations of the Board with their in depth knowledge and guidance on various issues which greatly contributed in taking appropriate decisions. I wish to convey my sincere thanks to Airports Authority of India, Ministry of Civil Aviation, Govt. of Punjab, Govt. of Haryana, Air Force, Ministry of Defense, Government of Union territory, Chandigarh and Banks for their continued support and cooperation.



चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड Chandigarh International Airport Limited

NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of **Chandigarh International Airport Limited** will be held on Monday, 30th day of September, 2019 at 11.00 A.M. at Registered Office of the Company to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2019, Statement of Profit & Loss Account and Cash Flow Statement for the financial year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To take note of the appointment of M/s Rajiv Goel & Associates, Chartered Accountants, Chandigarh as Statutory Auditors of the Company and to ratify their appointment, remuneration and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the appointment of M/s. Rajiv Goel & Associates, Chartered Accountants, Chandigarh (Firm Registration No. 011106N) as the Statutory Auditors of the Company for the financial year 2019-20 in terms of the letter issued by Comptroller & Auditor General of India (C&AG) vide letter no. CA. V/COY/CENTRAL GOVERNMENT, CIAL(0)/426 dated 06.08.2019 be and is hereby noted and the remuneration payable to them of Rs. 100,000/- plus GST (as applicable) per annum be and is hereby ratified."

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of section 148 of the Companies Act, 2013 and the Companies (Cost Audit) Rules, 2014, M/s Narasimha Murthy & Company, Cost Accountants, Hyderabad be and are hereby appointed as cost auditors of the Company to audit the cost records of the Company for the year ended 31st March, 2020, at a remuneration of Rs. 100,000/- plus GST per annum and reimbursement of travelling and incidental expenses.

पंजीकृत कार्यालय: कक्ष संख्या 1, परियोजना कार्यालय भवन, सिविल एयरपोर्ट, चंडीगढ़-160003

Registered Office: Room No. 1, Project Office Building, Civil Airport, Chandigarh- 160003

कॉर्पोरेट कार्यालय: नई सिविल एयर टर्मिनल, झुरेरी, मोहाली (पंजाब) 140306

Corporate Office: New Civil Air Terminal, Jhurheri, Mohali (Punjab) 140306

Tel No. : 0172-2242016, Fax No. 0172-2242003, email: secretary.chial@rediffmail.com, website: chial.org

CIN U63013CH2010GOI031999



चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड Chandigarh International Airport Limited

RESOLVED FURTHER THAT Mr. Rakesh Dembla, CFO of the Company be and is hereby authorized to effect such appointment and to do all such acts, deeds and things which are necessary in relation to the above."

By Order of the Board
For Chandigarh International Airport Limited

Place: Delhi
Date: 28.09.2019

SD/-
Company Secretary

NOTES

1. MEMBER ENTITLED TO ATTEND AND VOTE MAY APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF THEMSELVES AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE VALID MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE APPOINTED TIME OF THE MEETING.
2. MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP SENT HERewith DULY FILED IN FOR ATTENDING THE MEETING. MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES TO ATTEND THE MEETING ARE REQUESTED TO SEND TO THE COMPANY, AUTHORIZATION LETTER AUTHORIZING THE REPRESENTATIVE TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING.
3. AN EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NO. 3 IS FURNISHED HEREIN.

पंजीकृत कार्यालय: कक्ष संख्या 1, परियोजना कार्यालय भवन, सिविल एयरपोर्ट, चंडीगढ़-160003
Registered Office: Room No. 1, Project Office Building, Civil Airport, Chandigarh- 160003
कॉर्पोरेट कार्यालय: नई सिविल एयर टर्मिनल, झुरेरी, मोहाली (पंजाब) 140306
Corporate Office: New Civil Air Terminal, Jhurheri, Mohali (Punjab) 140306
Tel No. : 0172-2242016, Fax No. 0172-2242003, email: secretary.chial@rediffmail.com, website: chial.org
CIN U63013CH2010GOI031999



चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड Chandigarh International Airport Limited

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

In pursuance of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company approved the appointment of M/s Narasimha Murthy & Company, Cost Accountants, Hyderabad as the Cost Auditor of the Company for the financial year 2019-20 at a remuneration of Rs. 100,000/- plus GST per annum and reimbursement of travelling & incidental expenses (On actual basis).

The Board recommends this resolution for approval of the Members for ratification of the remuneration payable to the cost auditor for the financial year 2019-20.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution.

By Order of the Board
For Chandigarh International Airport Limited

Place: Delhi
Date: 28.09.2019

SD/-
Company Secretary

पंजीकृत कार्यालय: कक्ष संख्या 1, परियोजना कार्यालय भवन, सिविल एयरपोर्ट, चंडीगढ़-160003
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Corporate Office: New Civil Air Terminal, Jhurheri, Mohali (Punjab) 140306
Tel No. : 0172-2242016, Fax No. 0172-2242003, email: secretary.chial@rediffmail.com, website: chial.org
CIN U63013CH2010GOI031999



चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड Chandigarh International Airport Limited

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 : U63013CH2010GOI031999
Name of the company : CHANDIGARH INTERNATIONAL AIRPORT LIMITED
Registered Office : ROOM NO. 1, PROJECT OFFICE BUILDING,
 AIRPORTS AUTHORITY OF INDIA, CIVIL AIRPORT,
 CHANDIGARH 160003

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 the above named company, hereby appoint:

Name:	E-mail Id:
Address:	
Signature: _____, or failing him	

Name:	E-mail Id:
Address:	
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 9th Annual General Meeting of the Company, to be held on Monday, 30th day of September, 2019 at 11.00 A.M. at Room No. 1, Project Office Building, Civil Airport, Chandigarh- 160003 and at any adjournment thereof in respect of such resolutions as are indicated below:

पंजीकृत कार्यालय: कक्ष संख्या 1, परियोजना कार्यालय भवन, सिविल एयरपोर्ट, चंडीगढ़-160003
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 कॉर्पोरेट कार्यालय: नई सिविल एयर टर्मिनल, झुरेरी, मोहाली (पंजाब) 140306
 Corporate Office: New Civil Air Terminal, Jhurheri, Mohali (Punjab) 140306
 Tel No. : 0172-2242016, Fax No. 0172-2242003, email: secretary.chial@rediffmail.com, website: chial.org
 CIN U63013CH2010GOI031999



चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड Chandigarh International Airport Limited

Resolution No.

S. No.	Resolution(s)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Cash Flow Statement, Balance Sheet, report of Board of Directors and Auditors for the financial year ended 31 st March, 2019.		
2.	To take note of appointment of M/s. Rajiv Goel & Associates, Chartered Accountants, Chandigarh as Statutory Auditors of the Company for the year 2019-20 & to ratify their appointment and remuneration.		
3.	To take note of appointment of M/s. Narasimha Murthy & Company, Cost Accountants, Hyderabad as Cost Auditors of the Company for the year 2019-20 & to ratify their remuneration.		

Signed this ___ day of ___ 2019

Signature of Shareholder

Signature of Proxy holder (s)

Affix Revenue
Stamps

Note: This 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.

पंजीकृत कार्यालय: कक्ष संख्या 1, परियोजना कार्यालय भवन, सिविल एयरपोर्ट, चंडीगढ़-160003
Registered Office: Room No. 1, Project Office Building, Civil Airport, Chandigarh- 160003
कॉर्पोरेट कार्यालय: नई सिविल एयर टर्मिनल, झुरेरी, मोहाली (पंजाब) 140306
Corporate Office: New Civil Air Terminal, Jhurheri, Mohali (Punjab) 140306
Tel No. : 0172-2242016, Fax No. 0172-2242003, email: secretary.chial@rediffmail.com, website: chial.org
CIN U63013CH2010GOI031999



चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड Chandigarh International Airport Limited

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

9th Annual General Meeting on Monday, 30th day of September, 2019 at 11.00 A.M. at Room No. 1, Project Office Building, Civil Airport, Chandigarh- 160003

Full name of the members attending _____
(In block capitals)

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of Proxy _____
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 9th Annual General Meeting of the Chandigarh International Airport Limited at Room No. 1, Project Office Building, Civil Airport, Chandigarh- 160003 on Monday, 30th September, 2019.

(Member's /Proxy's Signature)

Note:

- 1) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 2) A Proxy need not be a member of the Company.

पंजीकृत कार्यालय: कक्ष संख्या 1, परियोजना कार्यालय भवन, सिविल एयरपोर्ट, चंडीगढ़-160003
Registered Office: Room No. 1, Project Office Building, Civil Airport, Chandigarh- 160003
कॉर्पोरेट कार्यालय: नई सिविल एयर टर्मिनल, झुरेरी, मोहाली (पंजाब) 140306
Corporate Office: New Civil Air Terminal, Jhurheri, Mohali (Punjab) 140306
Tel No. : 0172-2242016, Fax No. 0172-2242003, email: secretary.chial@rediffmail.com, website: chial.org
CIN U63013CH2010G0I031999

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Ninth Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

Your Directors take immense pride to report that Chandigarh International Airport Limited (CHIAL) is the proud recipient of a 2018 Airport Service Quality (ASQ) Award for best Environment & Ambience by Size and best Airport by Size & Region (2-5 Million Passengers) in ASIA PACIFIC by ACI World. Our Airport has also won first prize in India Swachhta Award presented by AAI for the year 2018-19.

1. FINANCIAL RESULTS OF THE COMPANY**(Rs. In Lacs)**

Particulars	2018-19	2017-18
Revenue from operations	10717.94	9235.12
Other Income	742.20	398.09
Total Income	11460.14	9633.21
Expenses	5457.54	4282.39
Profit/(Loss) before Depreciation	6002.60	5350.82
Less: Depreciation	3383.35	3264.42
Profit/(Loss) after Depreciation but Before Tax	2619.25	2086.40
Less: Tax Expense	746.52	679.92
Profit/ (Loss) after Tax	1872.73	1406.48
Balance brought forward	(1303.24)	(2709.72)
Balance carried forward	576.45	(1303.24)

2. REVIEW OF OPERATIONS**(a) Financial overview:**

During the year under review, your Company has achieved commendable growth in all key performance parameters. The total revenue for the year ended 31.03.2019 was Rs. 114.60 Crores which recorded an impressive growth of 18.97% over the previous financial year. The Company has reported a profit after tax of Rs. 18.72 Crores for the current year as compared to the profit after tax of Rs. 14.06 Crores reported during the last financial year.

(b) Aircraft Movements and Passenger Throughput

The details of Aircraft movements and Passenger throughput (Domestic & International) for the financial year 2018-19 are presented below:

Particulars	Domestic (In Nos.)	International (In Nos.)	Total (In Nos.)
Passenger Throughput	19,71,198	1,26,500	20,97,698
Aircraft Movements	16,136	867	17,003

3. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the company.

4. DIVIDEND

Company has commenced its commercial operations from 19.10.2015 and the company has started earning profit from the year 2017-18 after initial loss of operations for two years i.e. 2015-16 & 2016-17. Further, future expansion plans are also in line for making it more and more profitable in near future. Thus, Dividend is not to be distributed till the future expansion plans are in pipeline.

5. RESERVES

During the year, the Company has not transferred any amount to Reserves.

6. SHARE CAPITAL

The Paid Up Capital as on 31st March, 2019 was Rs. 969,44,94,050/ (Rupees Nine Hundred Sixty Nine Crores Forty Four Lakhs Ninety Four Thousand and Fifty Only) comprises of 96,94,49,405 (Ninety Six Crores Ninety Four Lakhs Forty Nine Thousand Four Hundred and Five) equity shares of face value of Rs. 10/- (Rupees Ten) each . During the year under review, the Company had not issued shares with differential voting rights nor granted Stock Options nor Sweat Equity nor Bonus Shares. Also, the Company has not increased its Share Capital and has not Buy Back its Securities.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

APPOINTMENTS

Directors

During the year, Mr. I. N. Murthy, Mr. G. Ravichandran w.e.f. 31.08.2018 and Ms. Gurmeet Tej w.e.f. 28.09.2018, have been appointed as Nominee Directors of the Company.

Key Managerial Personnel (KMP)

During the year, Mr. Rakesh Dembla w.e.f. 24.05.2018 have been appointed as Chief Financial Officer (CFO) of the Company.

RESIGNATIONS

During the year, Mr. Sudhir Raheja, Mr. Suresh Seshadri w.e.f. 31.08.2018 and Mr. Ravi Bhagat w.e.f. 28.09.2018 has resigned as a Nominee Director of the Company.

8. MEETINGS

During the financial year, Five (5) Board Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Companies during the year under review.

10. STATUTORY AUDITORS

Being a Government Company, the Comptroller & Auditor General (C&AG) of India vide its letter No./CA. V/COY/CENTRAL GOVERNMENT, CIAL(0)/429 dated 02.08.2018 had appointed M/s Rajiv Goel & Associates, Chartered Accountants, Chandigarh as Statutory Auditors of the Company for the financial year 2018-19. The Statutory Auditors of the Company is being paid an audit fee of Rs. 1,00,000/- plus GST per annum as directed by CAG and thereafter approval by CHIAL Board.

11. AUDITORS' REPORT

The Auditors' Report does not contain any qualification, reservation or remarks. The notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

12. C & AG'S REPORT

The comments of the Comptroller and Auditor General (C&AG) of India, through letter No. GAP/CHIAL/A/C/6-54/2019-20/411 dated 09.09.2019 on the Audited Financial Statements of the Company for the financial year ended 31.03.2019 under the Companies Act, 2013 has been received. C&AG have offered NIL comments on the report.

13. INTERNAL AUDITORS

The Board of Directors of your Company has appointed M/s Anil Puneet & Associates, Chartered Accountants, Panchkula as Internal Auditors, pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2018-19.

14. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. The company has adopted policies and procedures including 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 the Company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures under the Companies Act, 2013. The internal audit team of the company carries out extensive audits quarterly across all functional areas and submit its report. Based on the report of the internal auditor, the process owners undertake corrective action in their respective areas and thereby strengthen the controls.

15. COST AUDITOR

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company had appointed M/s. Narasimha Murthy & Company, Cost Accountants as Cost Auditors for the financial year 2018-19 for conducting the audit of cost records of your company in respect to Aeronautical Services as applicable under CETA heading covered under non-regulated services sector. M/s. Narasimha Murthy & Company, have submitted the cost audit report for the financial year 2018-19. There are no qualifications, reservations or adverse remarks in the cost audit report for the financial year 2018-19.

16. SECRETARIAL AUDIT

The provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

17. RISK MANAGEMENT POLICY

The Company has adequate system of business risk evaluation and management to ensure 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 risk and the internal process risk and has put in place appropriate measures for its mitigation. Runway is also being managed by Air Force and watch hours are also been decided by the Air Force. At present, the Company has not identified any element of risk which may threaten the existence of the Company.

18. CORPORATE SOCIAL RESPONSIBILITY

As per the requirement of Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules 2014 and Schedule VII of the Companies Act, 2013, the Board of Directors of your company constituted a Corporate Social Responsibility Committee to monitor the CSR activities. Annual Report on Corporate Social Responsibility Activities of the Company is annexed as Annexure I to this report.

19. EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return as on 31st March, 2019 in the prescribed Form MGT 9 is annexed as Annexure II to this report.

20. DECLARATION BY INDEPENDENT DIRECTORS

The Company is not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Hence, no declaration is required.

21. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence, the company has not devised any policy relating to appointment of directors, payment of managerial remuneration, directors qualification, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

22. STAKEHOLDER RELATIONSHIP COMMITTEE

The provisions of Section 178(5) relating to constitution of Stakeholders Relationship Committee are not applicable to the Company and hence, the Company has not constituted such committee.

23. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

24. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The significant events occurred between the end of the financial year of the Company to which financial statements relate and the date of the report has been shown under disclosures to Balance Sheet.

25. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

26. PARTICULARS OF EMPLOYEES

Personnel and industrial relations were cordial and satisfactory during the year under review. None of the employee has received remuneration exceeding the limit set out under Section 197 of the Companies Act, 2013 read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

27. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

There is no amount lying in Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013.

28. DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, the Company has not provided any loan and guarantees and has not made any investment pursuant to Section 186 of the Companies Act, 2013.

30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been shown under disclosures to Balance Sheet. These transactions are not likely to have a conflict with the interest of the company. All the related party transactions are negotiated on arm's length basis and are intended to protect the interest of the company.

31. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, your company has constituted an Internal Complaints Committee to address the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. No complaints have been received during the financial year 2018-19.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013, are provided in Annexure III to this report.

33. CORPORATE GOVERNANCE

Your Company strongly believes that the spirit of Corporate Governance goes beyond the statutory form. Sound Corporate Governance is a key driver of sustainable corporate growth and long-term value creation for the stakeholders including shareholders, employees and customers. Your Company is committed to maintain the highest level of transparency, accountability and equity in operations. Your company always strive to follow the path of good Governance through a broad framework of various processes.

34. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, with respect to Director's Responsibility Statement, it is hereby confirmed that -

- (a) In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable Indian Accounting Standards (Ind AS) have been followed along with proper explanations relating to any material departures;

- (b) The directors selected such accounting policies/practices and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the Company for the year under review;
- (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 Accounts for the financial year ended 31st March, 2019 on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere thanks and gratitude to Airports Authority of India, Ministry of Civil Aviation, Government of Punjab, Government of Haryana, Air Force, Ministry of Defence, Government of Union territory, Chandigarh, Shareholders and Bankers for their valuable support and encouragement to the Company.

Your Directors also wish to place on record their sincere appreciation to all the employees of the Company for their unstinted commitment and continued contribution to the Company. Their dedication and competence has ensured that the Company continues to be a leading player in the Airport industry.

For and on behalf of the Board of Directors
For Chandigarh International Airport Limited

Place: Delhi
Date: 28.09.2019

Sd/-
Chairman

Annexure I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes:

Policy Statement

Our mission is to be a committed Corporate Citizen alive towards Social Responsibility with a view to make a positive difference to society. CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with a minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

Organisation setup

The CSR projects will be implemented under the guidance of the Board's Sub-Committee on CSR which presently comprises three directors. The terms of reference of the Committee is given below:

- a) To recommend the amount of expenditure to be incurred on the activities referred to in the CSR policy.
- b) To monitor the implementation of Corporate Social Responsibility Policy of the Company from time to time.
- c) The CSR Committee shall arrange to provide all required inputs to undertake CSR activities and shall review all Social initiatives.
- d) The CSR committee shall update the Board of Directors on periodically basis.

Scope of activities

The CSR activities are as per the provisions of Schedule VII of the Companies Act, 2013.

(2) Composition of the CSR Committee:

- (i) Sh. Anuj Aggarwal, Chairman (Nominee Director)
- (ii) Sh. J. Ganesan, Member (Nominee Director)
- (iii) Smt. Gurneet Tej, Member (Nominee Director)

(3) Average net profit of the company for last three financial years:

Rs. (552.68) Lakhs

(4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

NIL

(5) Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: NIL
- (b) Amount unspent , if any: NIL
- (c) Manner in which the amount spent: N.A.

(6) Reasons for not spending 2% of average net profit of the last three financial years:

The applicability for spending arise in case of average net profits in last three years whereas CHIAL has not earned average net profits during the last three financial years.

(7) Responsibility statement of the CSR Committee:

The implementation and monitoring of Company CSR Policy is in compliance with CSR objectives and policy of the company.

SD/-
(Suneel Dutt)
Chief Executive Officer

SD/-
(I.N. Murthy)
Chairman – CSR Committee

Annexure II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U63013CH2010GOI031999
2	Registration Date	28/01/2010
3	Name of the Company	CHANDIGARH INTERNATIONAL AIRPORT LIMITED
4	Category/ Sub-category of the Company	COMPANY LIMITED BY SHARES UNION GOVERNMENT COMPANY
5	Address of the Registered office & contact details	ROOM NO. 1, PROJECT OFFICE BUILDING, AIRPORT'S AUTHORITY OF INDIA, CIVIL AIRPORT, CHANDIGARH- 160003, TEL NO. 0172-2242012
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Supporting and auxiliary transport activities, travel agencies etc.	63	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	Pan No.	Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	47,50,30,210	47,50,30,210	49	Nil	47,50,30,210	47,50,30,210	49	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other - PSU	Nil	49,44,19,195	49,44,19,195	51	Nil	49,44,19,195	49,44,19,195	51	Nil
Sub-total A (1)	Nil	96,94,49,405	96,94,49,405	100	Nil	96,94,49,405	96,94,49,405	100	Nil
(2) Foreign									
a) NRIs - Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total A (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoters A (1+2)	Nil	96,94,49,405	96,94,49,405	100	Nil	96,94,49,405	96,94,49,405	100	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks/ FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total B (1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.Non-Institutions									
a) Bodies Corp.									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total B (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding B (1+2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	96,94,49,405	96,94,49,405	100	Nil	96,94,49,405	96,94,49,405	100	Nil

(ii) Shareholding of Promoters

S. 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	Airports Authority of India (AAI)	49,44,19,195	51	0	49,44,19,195	51	0	No Change
2	Greater Mohali Area Development Authority (GMADA)	23,75,15,105	24.5	0	23,75,15,105	24.5	0	No Change
3	Haryana Urban Development Authority (HUDA)	23,75,15,105	24.5	0	23,75,15,105	24.5	0	No Change

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

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

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters				

Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL
At the end of the year	

(v) Shareholding of Directors and Key Managerial Personnel:

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			NIL	
	At the end of the year				

V) INDEBTEDNESS

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

	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			NIL	
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:**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	---	
1	Gross salary					NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) 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

S. No	Particulars of Remuneration	Name of Directors	Total Amount
1	Non-Executive Directors		NIL
	Fee for attending board/ committee meetings		
	Commission		
	Others, please specify		
	Total		
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO (From 24.05.2018-31.03.2019)	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained	39,67,445	17,06,818	6,45,060	63,19,323

	in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	39,67,445	17,06,818	6,45,060	63,19,323

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For Chandigarh International Airport Limited

SD/-
Chairman

Annexure III**Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information on Conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act,2013 read with Rule 8 of the Companies(Accounts) Rules,2014,are as follows:

a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	<ol style="list-style-type: none"> 1. Around 35% to 40 % of all the electrical fixtures are of LED instated during project time. 2. 400 Watts 375 Nos. HPSV Roof fitting replaced with 200 Watt LED and 250/150 Watt MH Light replaced with 80 watt LED. 3. All Electrical Motors are of EFF-1Class i.e most energy efficient motors. 4. Motors are fitted with VFD (Variable Frequency Drives) controls. 5. HVAC Chillers are of COP 6.3. 6. 1800 KVAR capacitor bank has been installed to take care of power factor. 7. All AHUs, Cooling Towers are fitted with Variable Frequency Drives. 8. Conventional FIDS monitors have been replaced with Energy efficient LED monitors. 9. Conversion of balance conventional type light fixtures to energy efficient LED type light fixture is in process.
(ii)	the steps taken by the company for utilizing alternate sources of energy	<p>A work to erect 5MWp (3MWP in phase-I and 2MWP in Phase -II), ground mount solar power plant was awarded to M/s Renew Solar Power New Delhi, on RESCO (BOO) Model.</p> <p>Phase - I i.e. 3 MWp Solar Power Plant commissioned on date 26.10.2016. Net metering connection received from PSPCL state electricity board & system put in operation w. e. f. 10/08/2019.</p>
(iii)	the capital investment on energy conservation equipment's	<p>No capital investment done. 3 MWp Solar Power Plant is completely on RESCO Model (BOO Basis) through M/s Renew Solar Power, New Delhi, Per unit charges of electricity is Rs. 4.64 till 25 Yrs. and net per unit saving is Rs. 2.99 (7.23 - 4.64).</p>

Power Consumption:

Electricity	2018-19	2017-18
a) Units purchased (in lakhs)	56.98	61.97
b) Total amount (Rs. in lakhs)	506.69	473.02
c) Rate per unit (in Rs.) PSPCL	8.89 (Avg.)	7.63 (Avg.)
d) Units purchased (in lakhs) - Solar Power	19.09	20.25
e) Total amount (Rs. In Lakhs) - Solar Amount	88.58	93.97
f) Rate per unit (in Rs.) - Solar	4.64	4.64

g) Own generation through Diesel Generator (Units in lakhs)	2.02	1.08
h) Unit per liter of diesel oil (KWH/litre)	1.53	1.85
i) Cost per unit (in Rupees)	40.76	56.59

b) Technology absorption

(i)	the efforts made towards technology absorption	1. Technology of LED Lamps in replacement of FTL, CFL lamps. 2. Technology LED light in replacement of HPSV and MH Light. 3. Technology of Variable Frequency Drive for Electrical motors. 4. Highest Energy Efficiency motors.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Reduction in operational cost by highest energy efficiency and less power consumption.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	N.A.
	(b) the year of import	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	the expenditure incurred on Research and Development	N.A.

c) Foreign exchange earnings and Outgo

Foreign exchange earnings and Outgo details during the year is as under:

Foreign exchange Earnings	NIL
Foreign exchange Outgo	Rs. 733.32 Lakhs (USD 10,39,765.12)

For Chandigarh International Airport Limited

SD/-
Chairman

CORPORATE GOVERNANCE REPORT

Corporate Governance is essentially an ethos which guides and directs the management of the Company in handling its affairs in the best interest of all the stakeholders and promotes fairness, transparency, integrity and societal expectations.

The Department of Public Enterprises (DPE) of the Government of India has issued Guidelines on Corporate Governance which are applicable to all Central Public Sector Enterprises (CPSE's) so as to achieve highest standard of fairness, transparency, trust, integrity, responsibility and accountability with a strong emphasis on the ethical and professional conduct.

Chandigarh International Airport Limited (CHIAL) believes that an organization must provide empowerment to the executive management and simultaneously create a mechanism of checks and balances, which ensures that the decision-making powers vested in the executive management are used with due care and responsibility and are not being misused. Our Governance practices stems from an inherent desire to improve, innovate and reflects the culture of trusteeship that is deeply ingrained in our value system and forms part of the strategic thought process.

CHIAL is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. CHIAL's Corporate Governance processes continuously reinforce and help in actualizing the CHIAL's belief in ethical corporate citizenship and is manifested through exemplary standards of ethical behavior, both within the organization as well as in external relationships.

1. BOARD OF DIRECTORS

The Board of Directors ("Board" or "the Board") of any organization is the flag bearer of the corporate governance principle and practice and it oversees and ensures that long term interest of all the stakeholders is protected. The Company is managed by the Board of Directors, which formulates strategies and policies, oversees their implementation and also reviews Company Performance periodically. Board of Directors is at the core of the Company's corporate governance practices and oversees how the management serves and protects the long term interest of the stakeholders.

Chandigarh International Airport Limited (CHIAL) is a Private Limited Company incorporated under Companies Act, 1956 with Airports Authority of India (AAI) having 51% Equity Stake, Punjab Government (Greater Mohali Area Development Authority-GMADA) and Haryana Government (Haryana Urban Development Authority-HUDA) each having 24.5% Equity Stake.

Articles of Association of the Company stipulates that the number of the Directors shall not be less than nine and not more than twelve. The number of Directors on the Board of the Company shall be in proportion to the shareholding of AAI, GMADA and HUDA. As long as the Board of Directors consists of nine Directors, AAI shall have right to nominate five Directors and GMADA and HUDA shall have right to nominate two Directors each. Hence, CHIAL comprises of Nominee Directors only. The members on the Board are highly experienced personnel in their respective functional areas who provide directions to the management on operational issues, adoption of systems and best

practices in management and oversee compliance of various statutory, legal and other requirements.

Every director has disclosed his/her concern or interest in other Company or companies or body corporate firms or other association with individuals, by giving a declaration in writing.

The Composition of the Board as on 31.03.2019 are as under:-

Representatives of Airports Authority of India	
Sh. Anuj Aggarwal	Chairman
Sh. Narasimha Murthy Indrakanti	Nominee Director
Sh. Rakesh Kalra	Nominee Director
Sh. Ravichandran Gurusamy	Nominee Director
Representative of MoCA	
Sh. Venkatramana R. Hegde	Nominee Director
Representatives of Punjab Government	
Sh. Tejveer Singh, IAS	Nominee Director
Smt. Gurneet Tej, IAS	Nominee Director
Representatives of Haryana Government	
Sh. Devender Singh, IAS	Nominee Director
Dr. J. Ganesan, IAS	Nominee Director

Changes in the Board of Directors

During the year, Sh. I. N. Murthy, Sh. G. Ravichandran w.e.f. 31.08.2018 and Smt. Gurneet Tej w.e.f. 28.09.2018, have been appointed as Nominee Directors of the Company. The Board welcomes all the new Directors and hopes that the Company shall immensely benefit from their rich experience.

During the year, Sh. Sudhir Raheja, Sh. Suresh Seshadri w.e.f. 31.08.2018 and Sh. Ravi Bhagat w.e.f. 28.09.2018 has resigned as a Nominee Director of the Company. The Board appreciated the efforts and valuable contribution put in and guidance provided by Sh. S. Raheja during his tenure as Chairman of the Company. The journey, under his chairmanship, has been an absolute pleasure and a learning experience.

The Board also appreciated the hard-work and dedication towards work put in by Sh. S. Suresh and Sh. Ravi Bhagat during his tenure as a member of the Board.

Key Managerial Personnel

As per Section 2(51) of the Companies Act, 2013, the following Key Managerial Personnel (KMP) were appointed/continuing:

- Sh. Suneel Dutt, Chief Executive Officer
- Sh. Rakesh Dembla, Chief Financial Officer (w.e.f. 24.05.2018)
- Smt. Avneet Kaur, Company Secretary

2. BOARD MEETINGS

CHIAL complies with the Section 173 of the Companies Act, 2013 and Rules & Regulations applicable w.r.t. convening and conducting the Board/Committee Meetings. The meetings of the Board are held regularly within the period prescribed under the Companies Act, 2013 and are convened by giving appropriate advance notice after approval of the Chairman of the Board. The meeting of the Board are conducted as per a structured agenda and members of the Board have complete access to all information of the Company and are also free to recommend inclusion of any subject matter in the agenda for discussion. Detailed agenda containing the management reports and the explanatory statements are circulated in advance amongst the members of the Board for facilitating meaningful, informed and focussed decisions at the meetings. Where it is not practicable to circulate any document or the agenda note for a particular item of business, the same is tabled with the approval of Chairman and majority of the Board members. Senior officials are called to provide additional inputs to the items being discussed by the Board, as and when necessary.

During the financial year 2018-19, Five (5) meetings of the Board were held, the details of which are as below:

S. No.	Meeting No.	Date of Board Meeting	Board Strength	No. of Nominee Directors present
1	36	27/06/2018	9	6
2	37	31/08/2018	9	6
3	38	28/09/2018	9	3
4	39	15/11/2018	9	8
5	40	14/03/2019	9	7

Attendance of Directors at Board Meetings and last Annual General Meeting are given hereunder:

Name of Director	No. of Board Meetings held during his/her tenure	No. of Board Meetings attended	Attendance at last Annual General Meeting (AGM)	No. of Directorship*
Sh. Anuj Aggarwal	5	4	Absent	3
Sh. Narasimha Murthy Indrakanti (w.e.f. 31.08.2018)	4	2	Absent	4
Sh. Rakesh Kalra	5	5	Present	1
Sh. Ravichandran Gurusamy (w.e.f. 31.08.2018)	4	3	Absent	3
Sh. Venkatramana R. Hegde	5	0	Absent	3
Sh. Tejveer Singh, IAS	5	3	Absent	1
Smt. Gurneet Tej, IAS (w.e.f. 28.09.2018)	3	2	Absent	2
Sh. Devender Singh, IAS	5	3	Absent	8
Dr. J. Ganesan, IAS	5	3	Present	4

* No. of Directorships in entities including this entity as on 31st March, 2019 is taken into account.

Recording of Minutes of the Board Meetings and follow-up mechanism

The minutes of the each Board Meetings are recorded by the Company Secretary. Draft minutes are circulated to members for their comments and finalized minutes are entered into the minutes book within 30 Days of the conclusion of the meeting. Decisions taken in the Board Meetings are communicated to respective departments for necessary action and action taken report on decisions of the previous meetings(s) is placed at the succeeding meeting of the Board for information of the members.

Compliances

While preparing the Agenda, notes to agenda and minutes of the meetings(s) adherence to applicable laws, rules and regulations including Companies Act 2013 read with rules issued there under, and secretarial standards issued by the Institute of Company Secretaries of India is ensured.

3. AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company. Hence, Audit Committee is not constituted.

4. NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence, the Company has not constituted such committee.

5. STAKEHOLDER RELATIONSHIP COMMITTEE

The provisions of Section 178(5) relating to constitution of Stakeholders Relationship Committee are not applicable to the Company and hence, the Company has not constituted such committee.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee (hereinafter referred as "the CSR Committee") as per the provision of Section 135 of the Companies Act, 2013. The composition of CSR Committee as on 31.03.2019 is given below:

Sr. No.	Name of the Member	Designation	Status in the Committee
1.	Sh. Anuj Aggarwal	Nominee Director	Chairman
2.	Smt. Gurneet Tej, IAS	Nominee Director	Member
3.	Dr. J. Ganeasan, IAS	Nominee Director	Member

Mrs. Avneet Kaur, Company Secretary of the Company shall act as the Secretary to the CSR Committee.

The terms of reference of the CSR Committee are:

- To recommend the amount of expenditure to be incurred on the activities referred to in the CSR policy.
- To monitor the implementation of Corporate Social Responsibility Policy of the Company from time to time.
- The CSR Committee shall arrange to provide all required inputs to undertake CSR activities and shall review all Social initiatives. The CSR committee shall update the Board of Directors on periodically basis.

During the year, two (2) meetings of CSR Committee were held on 28/09/2018 and 14/03/2019. The attendance details are as under:

Name of the Director	Designation	No. of Board Meetings held during his/her tenure	No. of Board Meetings attended
Sh. Anuj Aggarwal	Chairman	2	2
Smt. Gurneet Tej, IAS	Member	2	1
Dr. J. Ganesan, IAS	Member	2	1

7. GENERAL BODY MEETINGS

ANNUAL GENERAL MEETING

The Annual General Meetings of the Company are held at the Registered Office of the Company i.e. Room No. 1, Project Office Building, Airports Authority of India, Civil Airport, Chandigarh - 160004. The details of such meetings held during the last three years are as under:

Year	Date	Time	Special Resolution Passed
2018-19	30.09.2019	11:00 A.M	Nil
2017-18	28.09.2018	1:30 P.M	Nil
2016-17	29.09.2017	11:30 A.M	Nil

8. DISCLOSURES

- During the year, there were no transactions of material nature with the Directors or the Management or the subsidiary or relatives that had potential conflict of interest with the Company.
- The details of "Related Party Disclosures" have been disclosed at Note No. 29 in the Notes forming part of Accounts in the Annual Report.
- There was no case of non-compliance of provisions of Companies Act, 2013 or any other statutory laws. The statutory authorities have also not passed any stricture or imposed penalty on the company under any Act/Rules.
- The Company has complied with the requirements of DPE Guidelines on Corporate Governances.

9. MEANS OF COMMUNICATION

- Annual Report contains Audited Annual Accounts, Director's Report, Management Discussion and Analysis Report, Auditor's Report, Corporate Governance Report including information for the Shareholders and other important information is circulated to the members and other entitle thereto.
- CHIAL produce periodic reports and press releases covering important matters relating to CHIAL.
- CHIAL also have a facility for information sharing with stakeholders through the use of Information and Communication Technologies (ICT) to ensure prompt delivery of document, less paper consumption, save trees and avoid loss of documents in transit.

10. TRAINING OF BOARD MEMBERS

No specific training programmes were arranged for Board Members. However, at the Board/ Committee Meeting, detailed presentations are made by senior executives / professionals / consultants on business related issues, risk assessment etc.

11. REVIEW OF COMPLIANCE OF APPLICABLE LAWS

The Board has periodically reviewed the compliance reports of all applicable laws to the company and has ensured the compliance of all the applicable laws.

CEO/CFO Certification

To

The Board of Directors
CHIAL.

We, Suneel Dutt, Chief Executive Officer (CEO) and Rakesh Dembla, Chief Financial Officer (CFO), certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2019 on that date and that to the best of our knowledge and belief:
 - i. the said statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. the said statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the auditors:
 - i. Significant changes in internal control over financial reporting during the year financial year 2018-19.
 - ii. The significant changes in accounting policies during the financial year 2018-19 and their disclosures in the notes to the financial statement.
 - iii. That there are no instances of significant fraud of which we have become aware.

Place: Chandigarh
Date: 28.09.2019

Sd/-
Suneel Dutt
Chief Executive Officer

Sd/-
Rakesh Dembla
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The objective of this report is to share and keep you abreast with the happenings and transformations occurring within CHIAL, that in the industry and economy, its technology and its overall business strategies. Among other things, the Management Discussion & Analysis provides an overview of the previous year of operations and how CHIAL fared in that time. It also provides the report on the upcoming year, outlining future goals and approaches to new projects. We begin with a general review of the industry, followed by the operational and financial details of CHIAL including details of its human resources.

Statements in the Management Discussion and Analysis describing CHIAL's objectives, projections, estimate expectations may be "forward looking statements". Actual results could differ materially from those expressed or implied. Important factors that could influence CHIAL's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The aviation industry is a service industry providing transport services in which Indian Aviation Industry can broadly be divided into military and civil aviation. Ministry of Civil Aviation is responsible for civilian aviation and Ministry of Defence is responsible for the Indian Air Force.

Airlines and Airports Operator are the two main players/Stakeholder in the industry. While Airlines offer the actual transport service whereas Airports Operator provide the ground Navigational / Terminal, City Side infrastructure to handle aircraft movements.

India's civil aviation has witnessed phenomenal growth rate of approx. 18% in the last 3 years. According to IATA Traffic Study, India, at 7th position as of now in the world, is likely to take 3rd position by 2023-24 by overtaking UK, Japan, Spain & Germany. The current rate of the growth in domestic aviation sector of India is the highest globally. However, it said that its projection of India being the third largest aviation market globally by 2024 is contingent upon its airport infrastructure and capacity growth.

The government has allowed 100 per cent FDI under automatic route in Airports; Ground Handling Services subject to sectoral regulations & security clearance, and for Maintenance and Repair organizations; flying training institutes; and technical training institutions. 100 percent FDI under automatic route is also allowed in Non-Scheduled Air Transport Services and Helicopter services/seaplane services with DGCA approval.

Further, 100% FDI under automatic route is allowed in Scheduled air transport service, regional air transport service and domestic scheduled passenger airlines, however, FDI over 49 per cent would require government approval.

India's aviation industry is largely untapped with huge growth opportunities, considering that air transport is still expensive for majority of the country's population, of which nearly 40 per cent is the upwardly mobile middle class. And the need is to implement efficient and rational decisions that would boost India's civil aviation industry. With the right policies and relentless focus on quality, cost and passenger interest, India would be well placed to achieve its vision of becoming the third-largest aviation market soon.

BUSINESS OVERVIEW

Chandigarh International Airport Limited (CHIAL) is a joint venture company with Airports Authority of India having 51% Equity Stake, Punjab Government (Greater Mohali Area Development Authority-GMADA) and Haryana Government (Haryana Urban Development Authority-HUDA) each having 24.5% Equity Stake to operate, develop and maintain the Chandigarh International Airport (a new state of art International Airport at Mohali, Punjab). The New Civil Air Terminal has been established with distinct green building features on a land area of 300 Acres. The new International Airport is operational from October 19, 2015.

Since its inception, Chandigarh International Airport has added umpteen amenities along with increased air service to support the needs of rapidly expanding population base. Presently, 5 airline companies are operating flights to more than 10 destinations, including 2 international destinations. Air India was the first flight operator to take off an international flight from Chandigarh Airport to Sharjah in September 2016.

With the foremost objective to provide high quality aviation facility, which is both safe and secure, team CHIAL, also strives to provide a comfortable and delightful stay to the passengers at the airport. The modern Integrated Terminal Building is made of glass and steel structure and is equipped with the modern state-of-the-art equipment and passenger facilities. Terminal Building is fully air conditioned with Common Use Terminal Equipment (CUTE), Flight Information Display System (FIDS) and IN-line Baggage handling system etc. for efficiency of operations. Terminal Building is designed on the concept of eco-building with energy efficient features and qualifies for a "4 STAR" Green Rating for Integrated Habitat Assessment (GRIHA). Local Art & Culture of Punjab & Haryana State and the Union Territory, Chandigarh is depicted in the terminal building through murals & paintings.

CHIAL's persistent efforts to improve the services and passenger facilities at its airports have placed it amongst the best service providers in the world. ACI World 2018, adjudged Chandigarh International Airport Limited, the best Airport by Size and Region and Best environment and ambience by Size and Region (2-5 Million Passengers) in ASIA PACIFIC. Chandigarh International Airport has achieved an overall satisfaction score of 4.90 for the year 2018-19 in the ACI Airport Service Quality passenger survey (ASQ). CHIAL has emerged as First in INDIA and won Swachhta Award evaluated by AAI.

Revenue Mix

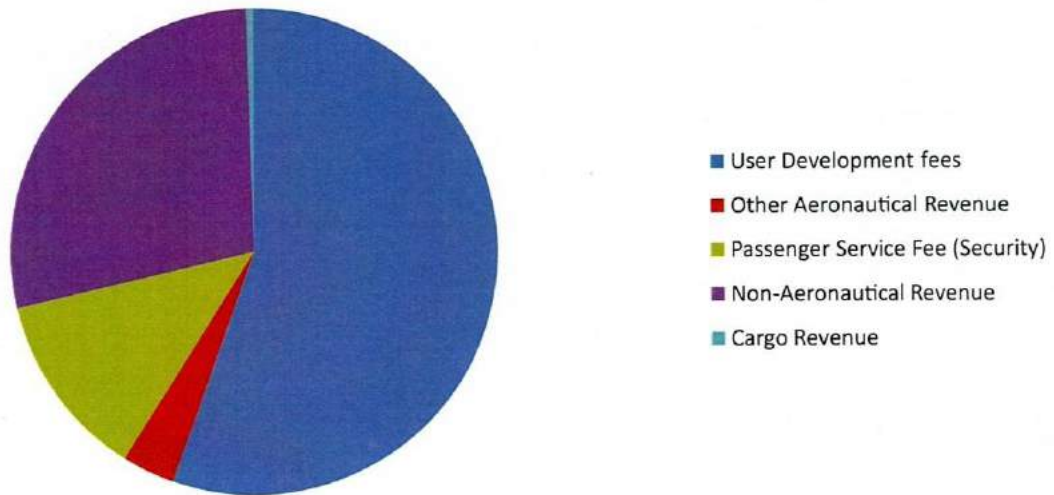
CHIAL's revenues can be broadly categorized into Aeronautical, Non-aeronautical, Cargo, Airport lease Revenues and other from Allied services such as Consultancy projects. Aeronautical revenues for CHIAL are dominated by User Development Fees (UDF) whereas its Non Aeronautical revenues come from commercial operations at Airports like Retail, F&B, Car parking, other concessions and rentals in terminals and city side premises.

Revenue of the CHIAL increased by ₹ 14.84 crore (16.07%) in 2018-19 as compared to previous year, details thereof are as follows:

Amount (in ₹ Crore)

S. No.	Revenue Constituent	FY 18-19	FY 17-18	Increase(+) or Decrease(-) Over last FY in terms of Rs.	Increase(+) or Decrease(-) in terms of %
1.	User Development Fees	59.50	45.41	14.09	31.03
2.	Other Aeronautical Airport services	3.77	5.50	(1.73)	(31.45)
3.	Passenger Service Fee (Security)	13.23	13.55	(0.32)	(2.36)
4.	Non-Aeronautical Airport services	30.19	27.34	2.85	10.42
5.	Cargo revenue	0.49	0.54	(0.05)	(9.26)
	Total Revenue	107.18	92.34	14.84	16.07

Revenue Mix (FY 2018-19)



Cargo revenue is minimal since at CHIAL there is no Cargo Terminal. Construction of New Integrated Cargo hub at CHIAL has been awarded on BOT (Build Operate and Transfer) basis to M/s AAI Cargo Logistics and Allied Services Ltd., a wholly owned Subsidiary Company of Airports Authority of India and same is in progress.

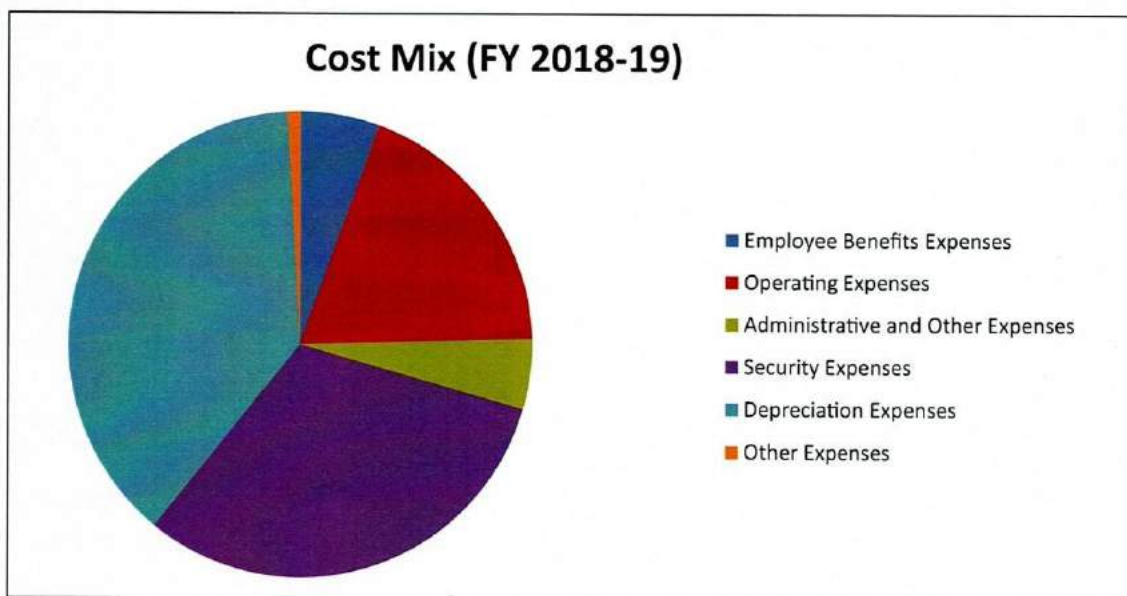
Cost Mix

CHIAL's key expense categories include employee costs (comprising employee salaries, allowance and contributions to provident fund), operating expenses including aviation security, administration expenses, financing costs and depreciation.

The expenditure has increased by Rs. 12.94 crores (17.15%) in 2018-19 as compared to previous year thereof, details thereof are as follows:-

Amount (in ₹Crores)

Sr. No.	Cost Constituent	FY 18-19	FY 17-18	Increase(+) or Decrease(-) Over last FY	Increase(+) or Decrease(-) in terms of %
1.	Employee Benefits Expenses	4.89	5.22	(0.33)	(6.32)
2.	Operating Expenses	16.83	13.31	3.52	26.45
3.	Administrative and Other Expenses	4.31	3.12	1.19	38.14
4.	Security Expenses	27.74	20.49	7.25	35.38
5.	Depreciation Expenses	33.83	32.64	1.19	3.65
6.	Other Expenses	0.81	0.69	0.12	17.39
	Total	88.41	75.47	12.94	17.15



Increase in Operating Expenditure was mainly on account of increase in R&M expenses, Up-keep expenses and electricity expenses. Further, Security expenses increased due to deployment of additional CISF manpower.

Traffic Handled (2018-19 Vs 2017-18)

There has been decline in Passenger throughput and Aircraft Traffic Movements in 2018-19 as compared to previous year due to:

- Complete Airport closure from 12 May, 2018 to 31 May, 2018 for Runway Resurfacing work by Indian Air Force.
- Reduction in Airport operation hours from 22.00 hrs to 16.00 hrs from Monday to Saturday.
- Full closure on Sunday's from Apr to Jun, 18 and partial closure from Jul, 18.

The total Passenger throughput and Aircraft Traffic Movements have decreased by 1.87% and 9.15% respectively. Details of traffic handled during the year and comparison with previous year are given below:-

Particulars	2018-19	2017-18	% change
Passengers Throughput (in numbers)			
Domestic	1971198	1989691	(0.93)
International	126500	148048	(14.55)
Total	2097698	2137739	(1.87)
Aircraft Movements (in numbers)			
Domestic	16136	17664	(8.65)
International	867	1051	(17.51)
Total	17003	18715	(9.15)

KEY STRENGTHS AND WEAKNESSES

Chandigarh International Airport serves dynamic and growing Chandigarh region which has proximity to 5 states i.e Jammu & Kashmir, Uttranchal, Punjab, Haryana & Himachal Pradesh and has grown tremendously in the last 10 years with more flights to national and international destinations. By 2022, Chandigarh Airport is anticipating to serve approx. 4 million passengers. In this regard, a proposal for Extension of Corridor is in progress. The Airport is beginning to attract more business aviation to its modern facilities and is expected to increase its share at the airport over the next few years. The catchment area of Chandigarh contains huge number of international travelers and availability of business class travelers is also huge. Per capita income of Chandigarh is among the highest in India.

CHIAL serves the state of Punjab where NRI footprint is high travelling to destinations like Europe, US, London, Canada etc. which are high in demand from Chandigarh. Potential for UK/US/Canada/Pacific Countries is very huge but due to limitations of Bilateral Rights, International flights to these destinations are not able to start from Chandigarh which is one of the key weakness.

MAJOR OPPORTUNITIES AND THREATS

Airports have now become more than just a port that people travel through on their destination, with many now operating as Hubs that send passengers around the world. Owing to the airport's strategic location i.e. closer to the tri city of Mohali, Chandigarh & Panchkula, there is an ample opportunity for growth of city side development, Huge prospects of capturing the NRI & tourist driven market of Punjab and Haryana. Increasing passenger traffic year on year would lead to a strong network of destination.

Further, there is a huge potential to develop as an MRO hub being the second highest cost component for Indian Carriers.

Leverage on Non-aeronautical Revenues such as retail, advertising, vehicle parking etc; Increasing the Cargo Business, Leverage on Improved Technology, Huge Investment potential in the Industry, International opportunities for consulting and other services and marketing initiatives to improve engagement with customers are being seen as great opportunities.

The wide variations in airport tariffs create challenges for domestic and foreign airlines who have to recover the same from passengers. Many domestic and global investors and lenders have highlighted this as one of the key reasons for staying away from investing in India, despite being the fastest growing aviation market in the world. The government is planning to correct the anomaly of wide variations in airport tariffs by amending the Airports Economic Regulatory Authority of India (AERA) act to have provisions for new tariff models for airports as well as change the definition of major aerodromes. Hence, the major threat to CHIAL is that AERA tariff proposal has been approved till 2021 and further, new tariff proposal is to be submitted which can lead to decrease in revenue of CHIAL.

Further, Increasing competition from other regional airports, Economic fluctuation, Unpredicted rate growth, Stricter environment & safety norms and Terrorism are also being considered as major threats. Also, Airport Industry is highly Capital-intensive Industry and it takes much longer term to recover the higher cost of control.

RISKS AND CONCERNS

Hazardous activities affecting safety, inadequate financial processes and IT back-up systems are amongst the most typical operational risks within the Aviation industry. Other Operational risks identified include potential degradation of service delivery standards, unforeseen disruption to flow management, maintenance challenges to aging facilities. Further, Strategic risks like decisions related to pricing, development of airport infrastructure, findings new products or markets, alliance decisions which will affect future operations decisions.

Compliance risks regard the adherence with external regulations and legislations, and any non-compliance may lead to heavy penalties and above all loss of reputation. Also breach of contract, even though unintentionally, may bring legal consequences impacting CHIAL. Further, CHIAL's operations are exposed to a variety of financial risks too like credit risk, liquidity risk, interest rate risk and foreign currency risk.

CHIAL understand the significance of risk management and its criticality for organization's success and business continuity. Thus, the Company has adequate system of business risk evaluation and management to ensure sustainable business growth and to promote pro-active approach in evaluating and resolving the risks associated with the business. Furthermore, the decisions at every level including Board level are taken considering the risk involved. Also, Audit function reports the efficacy of risk management controls which helps the management in improving the measures required to be taken in this regard.

INTERNAL CONTROLS AND PROCEDURES

CHIAL has a sound system of internal controls which ensures compliance with statutory requirements, regulations and various policies and guidelines of the Company. Besides, Statutory Audit and Audit by the C&AG, regular and exhaustive internal audits are conducted through professional agencies to ensure that a proper system of checks and balance is in place in the Company to take care that all the assets are safeguarded and protected against any possible loss and all the transactions are authorized, recorded and reported properly.

Internal Audit is conducted as per the Accounting Standards and Rules/Policies formulated by the Company from time to time. The Company has a well - defined Delegations of Powers (DOP) in place, which lays down the powers for different managerial levels and Committees to facilitate faster decision making. The systems and procedures laid down by the Company ensure maximum transparency in all commercial deals. The various policies, procedures and guidelines are continuously reviewed and modified from time to time based on experience gained in the past transactions so as to improve the effectiveness of the systems of due diligence of associates and risk mitigation.

Vigilance division, AAI oversees that the guidelines of the Government and the rules/procedures of the Company are strictly adhered to/implemented in all matters. The Vigilance Division conducts inspection of the Company and makes suggestions for taking corrective/preventive action.

OUTLOOK

The Civil Aviation Industry in India has ushered in a new era of expansion. It is considered to be one of the fastest growing industry in the country and is expected to become the third largest aviation market in the near future. As per the report of ACI, India is leading the Asia Pacific Region with highest growth in Air passenger traffic. So, the outlook for the airport sector remains positive.

Chandigarh International Airport is a customs airport which serves the Union Territory Chandigarh and other Indian states of Punjab, Haryana, Himachal Pradesh etc. The airport runway is located in the Union Territory of Chandigarh while the International Terminal is located on the southern side of the runway in Jhurheri, Mohali, Punjab. The present runway 11/29 has length of 10,400 ft. The runway 11 uses a CAT-I ILS system and runway 29 uses a CAT-II ILS system as of now. The terminal is equipped with aero - bridges and apron for parking wide bodied jet aircrafts. Since its inception, Chandigarh International Airport has added many amenities, and significantly increased air service to support the needs of the rapidly expanding population base. The airport is poised to continue growing as the primary air - service facility in the growing region and is considered as the air gateway to the northern part of India. With the proposed expansion plans of the airport, tremendous growth has been envisaged and a highly positive outlook for the region is anticipated. The environment in which CHIAL operates is dynamic and changing and CHIAL would be able to respond to the changes in the environment.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Company has commenced its commercial operations from 19.10.2015 and initial loss of operations for first two years i.e. 2015-16 & 2016-17. Expected revenue breakeven was nearly 6-7 years initially, which has been achieved in a record time of 3 years. The passenger flow at the airport has witnessed a CAGR of approx. 28% from nearly 0.64 millions in 2010-11 to 1.83 millions in 2016-17 and is expected to grow at a CAGR of nearly 18% till 2021. However, Airport remain closed for 20 days (12 May-31 May 2018) and also there were restriction on operational watch hours at the Airport (i.e. for 13 hours till 2019 owing to civil work carried out by Indian Air Force) which has affected the passenger flow. The total Passenger throughput and Aircraft Traffic Movements have decreased by 1.87% and 9.15% respectively as compared to previous year. Despite of decrease in passenger flow, profitability has increased by 33.15% as compared to previous year (i.e. 2017-18)

During the year 2018-19, Company has achieved commendable growth in all key performance parameters. The total revenue for the year ended 31.03.2019 was Rs. 114.60 Crores which recorded an impressive growth of 18.97% over the previous financial year. The Company has reported a profit after tax of Rs. 18.72 Crores for the current year as compared to the profit after tax of Rs. 14.06 Crores reported during the last financial year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Human capital has continued to be the key engine for our growth and aspirations. CHIAL has taken several initiatives to focus on creating a positive work environment that provides employees with ample growth and development opportunities as well as ensuring high levels of motivation and engagement. Measures for safety of employee, welfare, training, performance based appraisal system, compensation, career growth continued to remain key priority of the Company.

ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

The steps taken or impact on conservation of energy are as under:

- Around 35% to 40 % of all the electrical fixtures are of LED instated during project time.
- 400 Watts 375 Nos. HPSV Roof fitting replaced with 200 Watt LED and 250/150 Watt MH Light replaced with 80 watt LED.
- All Electrical Motors are of EFF-1 Class i.e most energy efficient motors.
- Motors are fitted with VFD (Variable Frequency Drives) controls.
- HVAC Chillers are of COP 6.3.
- 1800 KVAR capacitor bank has been installed to take care of power factor.
- All AHUs, Cooling Towers are fitted with Variable Frequency Drives. (2HD)
- Conventional FIDS monitors have been replaced with Energy efficient LED monitors.
- Conversion of balance conventional type light fixtures to energy efficient LED type light fixture is in process.

The efforts made towards technology absorption are as under:

- Technology of LED Lamps in replacement of FTL, CFL lamps.
- Technology LED light in replacement of HPSV and MH Light.
- Technology of Variable Frequency Drive for Electrical motors.
- Highest Energy Efficiency motors.

Foreign exchange earnings and Outgo details during the year is as under:

Foreign exchange Earnings	NIL
Foreign exchange Outgo	Rs. 733.32 Lakhs (USD 10,39,765.12)

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility Committee (hereinafter referred as "the CSR Committee") as per the provision of Section 135 of the Companies Act, 2013. Our mission is to be a committed Corporate Citizen alive towards Social Responsibility with a view to make a positive difference to society. CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with a minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

The CSR projects will be implemented under the guidance of the Board's Sub-Committee on CSR which presently comprises three directors. The terms of reference of the Committee is given below:

- a) To recommend the amount of expenditure to be incurred on the activities referred to in the CSR policy.
- b) To monitor the implementation of Corporate Social Responsibility Policy of the Company from time to time.
- c) The CSR Committee shall arrange to provide all required inputs to undertake CSR activities and shall review all Social initiatives.
- d) The CSR committee shall update the Board of Directors on periodically basis.

The applicability for spending arise in case of average net profits in last three years whereas CHIAL has not earned average net profits during the last three financial years. The implementation and monitoring of Company CSR Policy is in compliance with CSR objectives and policy of the company.

CAUTIONARY STATEMENT

Certain statement contained in the Annual Report may constitute forward-looking statement within the meaning of applicable laws and regulations. These statements are based on management's views and assumptions at the time information was prepared and involve known and unknown risks and uncertainties that could cause actual results or performance to differ materially from those expressed or implied in such statements made in the Annual Report. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances or which any such statements are based.

RAJIV GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

SCO 823-824, 1st FLOOR, Sector 22-A, Chandigarh

TELEPHONE NO.0172-4644607

Email: rgaca91@gmail.com

UDIN - 19089669AAAAC T8340

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHANDIGARH INTERNATIONAL AIRPORT LIMITED

Revised Report on the Audit of the Standalone Financial Statements

Opinion

Our Report dated 05.08.2019 on the accounts for the financial year 2018-19 has been revised to give effect to the observations made by the Comptroller & Auditor General of India in the supplementary audit carried out by them under section 143(6) (a) of the Companies Act 2013.

We have audited the accompanying standalone financial statements of **CHANDIGARH INTERNATIONAL AIRPORT LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow, notes to the financial statements and Statement of changes in Equity for the year ended 31st March, 2019, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 standalone financial statements

Responsibility of Management for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making



judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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


Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.
- 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of

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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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. We enclose our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure B" on the directions and sub directions issued by the Comptroller and Auditor General of India.

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

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:

- (a) 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;
- (b) The Company does not have any branch office. Hence, the report on the accounts of any branch office of the company is not applicable;
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 C" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

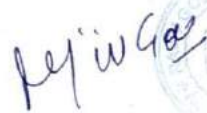
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- i. The Company is having two pending litigations as detailed below: -
- (1) CWP No. 18628 of 2015 (The Federation of Indian Airlines (FIA) Versus Union of India and Others)
CHIAL awarded entire Ground Handling Contract to M/s Air India Air Transport Services Limited (AIATSL) as per the Airport Authority of India (AAI)(General Management Entry for Ground Handling Services) Regulations, 2007. The same is challenged by FIA and is pending before the High Court of Punjab & Haryana. The High Court allowed the Writ Petition in favour of the petitioners i.e. FIA vide order dated 24.09.2015 and ordered that Ground Handling functions shall be performed by the bonafide whole time employees of the airlines and the other ground handling agencies specifically permitted in writing by the AAI to undertake Ground Handling activities through their bonafide whole time employee. The High Court further ordered 'Status Quo' on the order dated 24.09.2015 vide its order dated 20.10.2015. There is no financial implication on the company due this litigation.
- (2) CWP No. 27436 of 2015 (Mohali Industries Association Versus Union of India and Others)
A CWP was filed by the Mohali Industries Association in the High Court of Punjab & Haryana, to ensure the operation of the International flights at the Chandigarh International Airport since in their view the non-operation of the same is causing huge loss to the public exchequer and also to passenger services and business and/or industries situated in Punjab, Haryana and Himachal Pradesh. The litigation is pending in the court; however, there is no financial implication on the company.
- 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.

Place: Chandigarh
Date: 22.08.2019

For **Rajiv Goel & Associates**
Chartered Accountants
(Firm's Registration No.011106N)


CA Rajiv Goel
Partner
(Membership No. 089669)



“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in Independent Auditors Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2019, we report that:

i) In respect of the Company’s Fixed Assets: -

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

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

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

ii) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable and no discrepancy has been found as such. Inventory consists of stores and consumables generally consumed within a financial year.

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

iv) In our opinion and according to the information and explanations given to us, the company has not granted any loan or made any investment as defined under the provisions of section 185 and 186 of the Companies Act, 2013.

v) 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 relevant rules framed thereunder with regard to the deposits accepted from the public are not applicable.


vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of Cost Records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

vii) (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, the Company did not have any undisputed amounts payable in respect of the above and there were no arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, goods and service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.

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viii) The Company does not have any loans or borrowing from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.

ix) Based upon the audit procedures performed and the information and explanations given by the management, the company did not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

x) According to 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.

xi) Based upon the audit procedures performed and the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Companies Act are not applicable to the Company. Therefore, the provisions of clause 3 (xi) of the Order are not applicable to the Company.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable.

xiii) 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 disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

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

xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

xvi) 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.

For **Rajiv Goel & Associates**
Chartered Accountants
(Firm's Registration No.011106N)


CA Rajiv Goel
Partner
(Membership No. 089669)



Place: Chandigarh
Date: 22.08.2019

“Annexure B” to the Independent Auditors’ Report

Referred to in paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has IT system to process the accounting transactions. As there are no accounting transactions outside IT system of the company, therefore no financial implications on the integrity of the accounts.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated.	NIL during the year
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Yes, funds received from Ministry of Commerce & Industries under scheme namely Trade Infrastructure for Export Scheme (TIES) are properly accounted for.

For **Rajiv Goel & Associates**
Chartered Accountants
(Firm’s Registration No.011106N)

CA Rajiv Goel
Partner
(Membership No. 089669)

Place: Chandigarh
Date: 22.08.2019

“Annexure C” to the Independent Auditor’s

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 Chandigarh International Airport Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls


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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

Pravin Goel


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.

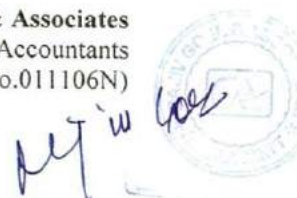
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 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 March 31, 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajiv Goel & Associates
Chartered Accountants
(Firm's Registration No.011106N)



CA Rajiv Goel
Partner
(Membership No. 089669)

Place: Chandigarh
Date: 22.08.2019

**RAJIV GOEL &
ASSOCIATES**
CHARTERED ACCOUNTANTS
SCO 823-824, 1st FLOOR, Sector 22-A, Chandigarh
TELEPHONE NO.0172-4644607,
Email: rgaca91@gmail.com

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Chandigarh International Airport Limited** for the year ended 31.03.2019 in accordance with the directions/sub-directions issued by the C & AG of India under Section 143 (5)& (6) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

For **Rajiv Goel & Associates**
Chartered Accountants
(Firm's Registration No.011106N)


CA Rajiv Goel
Partner
(Membership No. 089669)

Place: Chandigarh
Date: 22.08.2019

Chandigarh International Airport Limited
Balance Sheet as at March 31, 2019

(INR in lakhs)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	84,202.26	86,686.85
(b) Capital work-in-progress	3	911.95	88.01
(c) Deferred Tax Assets	16	810.13	1,005.61
Current Assets			
(a) Inventories	4	6.24	6.12
(b) Financial Assets			
(i) Trade Receivables	5	676.63	1,372.37
(ii) Cash & Cash Equivalents	6	12,142.75	7,172.42
(iii) Others	7	1,120.11	665.57
(c) Current Tax Assets	8	1,172.95	716.04
(d) Other Current Assets	9	124.57	33.70
Total Assets		1,01,167.58	97,746.70
EQUITY AND LIABILITIES			
(a) Equity Share Capital	10	96,944.94	96,944.94
(b) Other Equity	11	576.45	(1,303.24)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	70.32	-
(ii) Others	13	456.67	394.18
(b) Other non-current liabilities	14	239.38	107.06
Current liabilities			
(a) Financial Liabilities			
(i) Others	15	2,486.72	1,517.41
(b) Other current liabilities	17	393.10	86.35
Total Equity and Liabilities		1,01,167.58	97,746.70

Significant Accounting Policies 1

The notes referred to above form an integral part of the standalone financial statements

For Rajiv Goel & Associates
Chartered Accountants



(CA Rajiv Goel)
Partner
M No. 089669
FRN 011106N
Place : Chandigarh
Date : 05-08-2019

For and on behalf of the Board of Directors

(Avneet Kaur)
Company Secretary

(Rakesh Dembla)
CFO

(J.N. Murthy)
Chairman

UDIN - 19089669AAACT8340

Annual Report 2018-2019

Chandigarh International Airport Limited Statement of Profit and Loss for the year ended March 31, 2019

(INR in lakhs)

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
Income			
i) Revenue from Operations	18	10,717.94	9,235.12
ii) Other Income	19	742.20	398.09
Total Income		11,460.14	9,633.21
Expenses			
i) Employee Benefits Expenses	20	488.71	521.73
ii) Operating Expenses	21	1,682.87	1,331.01
iii) Administrative & Other Expenses	22	431.28	312.19
iv) Security Expenses	23	2,774.13	2,048.90
v) Depreciation expenses	24	3,383.35	3,264.42
vi) Other Expenses	25	80.54	68.57
Total expenses		8,840.89	7,546.81
Profit before exceptional items and tax		2,619.25	2,086.40
Exceptional Items		-	-
Profit Before Tax		2,619.25	2,086.40
Tax expense	16		
- Current Tax		551.04	432.02
- Less: MAT Credit		(551.04)	(432.02)
- Deferred Tax		746.52	679.92
Total Tax Expenses		746.52	679.92
Profit for the period from continuing operations		1,872.73	1,406.48
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations after tax		-	-
I Profit for the year		1,872.73	1,406.48
II Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		-	-
Less: Income Tax on above		-	-
ii) Items that will be reclassified to profit or loss		-	-
		-	-
Total Comprehensive Income for the period		1,872.73	1,406.48
Earnings per equity share :			
(1) Basic		0.19	0.15
(2) Diluted		0.19	0.15

The notes referred to above form an integral part of the standalone financial statements

For Rajiv Goel & Associates
Chartered Accountants

(CA Rajiv Goel)
Partner

M No. 089669

FRN 011106N

Place : Chandigarh

Date : 05-08-2019



(Signature)
(Avneet Kaur)
Company Secretary

For and on behalf of Board of Directors

(Signature)
(Rakesh Dembla)
CFO

(Signature)
(I.N. Murthy)
Chairman

UDIN - 19089669AAAAC78340

Chandigarh International Airport Limited
Statement of Changes In Equity for the period ended March 31, 2019

A. Equity Share Capital

(INR in lakhs)	
Particulars	Amount
Balance as at April 1, 2018	96,944.94
Changes in share capital during the year	-
Balance as at March 31, 2019	96,944.94

(INR in lakhs)	
Particular	Amount
Balance as at April 1, 2017	96,944.94
Changes in share capital during the year	-
Balance as at March 31, 2018	96,944.94



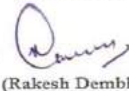
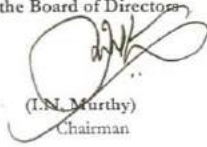
B. Other Equity

For the year ended March 31, 2019				(INR in lakhs)
Particulars	Reserve & Surplus			Total
	Retained earnings	Capital Reserve	General Reserve	
Balance at the beginning of the reporting period as on April 01, 2018	(1,303.24)			(1,303.24)
Profit for the year	1,872.73			1,872.73
Other Comprehensive Income				-
Total Comprehensive Income for the year	569.49	-	-	569.49
Add: Transfer to reserve during the period	6.96	-	-	6.96
Less: Appropriations				-
Dividends	-			-
General reserve	-			-
Balance at the end of the reporting period March 31, 2019	576.45	-	-	576.45

For the year ended March 31, 2018				(INR in lakhs)
Particulars	Reserve & Surplus			Total
	Retained earnings	Capital Reserve	General Reserve	
Balance at the beginning of the reporting period as on April 01, 2017	(2,709.72)	-	-	(2,709.72)
Profit for the year	1,406.48	-	-	1,406.48
Total Comprehensive Income for the year	(1,303.24)	-	-	(1,303.24)
Add: Transfer to reserve during the period	-	-	-	-
Less: Appropriations				-
Dividends	-			-
General reserve	-			-
Balance at the end of the reporting period March 31, 2018	(1,303.24)	-	-	(1,303.24)



Annual Report 2018-2019

Chandigarh International Airport Limited		
Cash Flow Statement For The Year Ended March 31, 2019		
(INR in lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss before tax	2,619.25	2,086.40
Adjustment for:-		
Depreciation	3,383.35	3,264.42
Interest Income	(652.18)	(327.28)
Fair Valuation Gain	(72.55)	(68.57)
Finance Cost	72.55	68.57
Finance lease adjustment	6.96	-
Operating Profit before Working Capital Changes	5,357.38	5,023.54
Adjustment for working capital changes:-		
Inventories	(0.12)	8.44
Trade Receivables	695.74	(949.66)
Other Current Financial Assets	(454.53)	(273.15)
Other Current Assets	(90.86)	39.30
Current Tax Asset	(456.90)	(278.03)
MAT Credit	(551.04)	(432.02)
Other Current Financial Liabilities	969.31	678.82
Other Current Liabilities	25.75	70.04
Other Adjustments :-		
Other Non-Current Financial Liability	132.81	(216.12)
Other Non-Current Liabilities	132.32	(29.68)
Cash generated from Operating Activities	5,759.85	3,641.47
Net Cash Generated from Operating Activities	5,759.85	3,641.47
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets	(898.76)	(887.61)
Capital Work In Progress	(823.95)	347.56
Interest Income	652.18	327.28
Net Cash From Investing Activities	(1,070.53)	(212.77)
Grants received during the year	281.00	-
Net Cash From Financing Activities	281.00	-
D. Net changes in Cash & Cash equivalents	4,970.33	3,428.71
E. Opening Cash & Cash Equivalents (Note No 13)	7,172.42	3,743.72
F. Closing Cash & Cash Equivalents (Note No 13)	12,142.75	7,172.42
Component of Cash and Cash Equivalent		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Flexi - Deposits	-	190.68
Balances with Banks	453.96	30.87
Fixed - Term Deposit	11,688.79	6,950.87
	12,142.75	7,172.42
The notes referred to above form an integral part of the standalone financial statements		
For Rajiv Goel & Associates Chartered Accountants	For and on behalf of the Board of Directors	
		
(CA Rajiv Goel) Partner	(Avneet Kaur) Company Secretary	(Rakesh Dembla) CFO
M No. 089669 FRN 011106N Place : Chandigarh Date : 05-08-2019		 (T.N. Murthy) Chairman

UDIN - 19089669AAA ACT 8340

CHANDIGARH INTERNATIONAL AIRPORT LIMITED**COMPANY OVERVIEW**

The Chandigarh International Airport Ltd. (CHIAL), has been incorporated on 28th January, 2010 as a joint venture company under Companies Act, 1956 by Airports Authority of India (AAI) in association with Punjab Government through Greater Mohali Area Development Authority (GMADA) and Haryana Government through Haryana Urban Development Authority (HUDA) to operate and maintain Chandigarh International Airport which has come up with a new state of art International Airport at Mohali, Punjab. As per the Joint Venture Agreement, the equity contribution is in the ratio of 51.00%, 24.50% and 24.50% respectively by AAI, GMADA and HUDA. AAI's contribution towards its share of equity is construction of the New Terminal Building and allied works. GMADA and HUDA have provided land for the said construction towards their equity contribution. CHIAL, has commenced commercial operations on 19th October, 2015.

SIGNIFICANT ACCOUNTING POLICIES**1. Basis of preparation of financial statements**

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Rules, 2015 on 16 February 2015 laying down the roadmap for implementation of Indian Accounting Standards (Ind AS) to Indian Companies other than banking companies, insurance companies and non-banking financial companies (NBFCs). As per the roadmap, Ind AS is applicable to Chandigarh International Airport Limited from the financial year commencing on or after April 1, 2017. However, CHIAL adopted Ind AS in financial year 2015-16 voluntarily.

The financial statements have been prepared on accrual basis of accounting under historical cost convention, except for following financial assets and financial liabilities which are measured at fair value:

- Non-current financial assets such as security deposits are measured at fair value at initial recognition.
- Non-current financial liabilities such as security deposits from customers and lease rentals are measured at fair value at initial recognition.

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates and assumptions, due to changes in facts and circumstances. Management reviews estimates on an ongoing basis using currently available information and any revision in the estimate is recognized in the period in which the same is determined.

The financial statements are rounded off in lakhs. The financial statements comply with all applicable IND AS.

2. Property, Plant and Equipment (PPE)

Property, Plant and Equipment up to March 31, 2015 were carried in the balance sheet in accordance with Indian GAAP. The company has elected to avail the exemption granted by IND AS 101, "First time adoption of IND AS" to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).



PPE are stated at their original cost of acquisition less accumulated depreciation. The cost includes cost of subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned. Advances paid towards acquisition of assets, outstanding at each balance sheet date are shown under capital advances. The cost of fixed assets not ready for its intended use on such date is disclosed as Capital work-in-progress.

Spares parts, stand-by equipments and servicing equipments procured along with the Plant & Machinery or subsequently which meets the recognition criteria, are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

Depreciation is provided on a Straight Line Method ("SLM") over the useful lives of the assets as per Companies Act 2013/management's estimates. Depreciation for assets purchased / sold during a period is proportionately charged. Pursuant to this policy, the rates of depreciation determined by the Management are as set out below:

Assets	Rates of Dep.
Land	0%
Aprons	19%
Roads, Bridges & Culverts (Carpeted)	19%
Roads, Bridges & Culverts (Non-Carpeted)	31.67%
Building Terminal/Other Buildings	3.17%
Buildings - Temporary	31.67%
Boundary Wall	3.17%
Computers & I.T. Hardware & Access	31.67%
Computers & I.T. - Servers	15.83%
Plant and Machinery/X-Ray Baggage System	6.33%
Tools & Equipments / Office Appliances	19%
Furniture and Fixtures Office / Other Than Office	9.50%
Vehicles - Cars & Jeeps/Motor Cycles	11.88%/9.50%
Electrical Installations	9.50%

The assets having a cost of Rs. 5000 or less are charged off to expenditure in the year of payment. Residual value of an asset is taken 5% of the original cost of the asset.

Depreciation method, useful lives and residual values are reviewed periodically, including at each financial year end.

3. Intangible Assets and Depreciation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise. Computer software licenses are capitalized on the basis of costs incurred to acquire and put to use the specific software. Operating software is capitalized and amortized along with the related fixed asset. Other software is amortized, on a straight line method, over a period of three years.



Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

4. 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. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

5. Financial assets

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

Financial assets of the Company comprise cash and cash equivalents, Bank Balances, Advances to employees/ contractors, security deposit, claims recoverable etc.



a. Classification

The Company classifies its financial assets in the following categories:

- i. at amortized cost,
- ii. at fair value through other comprehensive income (OCI), and
- iii. at fair value through profit or loss

The classification depends on the following:

- (a) The entity's business model for managing the financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

b. Initial recognition and measurement

All financial assets except trade receivables are recognised initially at fair value and 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 of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit or Loss and in other cases spread over life of the financial instrument using effective interest rate method.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

c. Subsequent measurement

After initial measurement, financial assets classified at amortised cost are subsequently measured at amortised cost using EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Financial assets at fair value through other comprehensive income are at each reporting date at fair value. Fair value changes are recognized in OCI. However, the company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On de-recognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to income statements.

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the income statement.

d. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:



- The rights to receive cash flows from the asset have expired, or
- The company 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 either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

e. Impairment of financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as impairment gain or loss in profit or loss.

6. Stores / Spares

Stores/spares other than recognized as property, plant & Equipments are treated as inventory, which are charged to the Statement of Profit and Loss as and when they are consumed.

The costs of purchase consist of the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase.

The balance of inventory at the end of year, if any, is valued on First in First out basis.

7. Revenue recognition

Effective from April 1, 2018, CHIAL has applied Ind-AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. It has adopted Ind AS 115 using the modified approach.

- Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.
- The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:
 1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the company performs; or
 2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
 3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.



For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

- The company uses Input/Output Method to measure an entity's progress towards complete satisfaction of a performance obligation satisfied over time.
- Revenue is measured based on the transaction price, which is updated at each reporting period. It is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Aeronautical Revenue includes revenue from all regulated charges levied at CHIAL i.e. Parking Charges, Passenger Service Fee (Facilitation), User Development Fee, Fuel Throughput Charges and Cargo (X-Bis Screening Charges) are being recognized at the rates prescribed by Airport Economic Regulatory Authority (AERA) & CUTE, Extension of Watch Hours and Baggage reconciliation system fee are recognized at the existing rates being charged by AAI. Parking charges are recognised, when such services are provided. Passenger Service Fee (Security) is recognized as per rate fixed by MoCA. User Development Fees and Passenger Service fees –Facilitation and Security component are recognised in respect of each embarking passenger at a specified rate.

Non-Aeronautical Revenue means all revenue streams other than Aeronautical Revenue. The same consists of (i) revenue from concessions (ii) rents and land leases; (iii) food and beverage concessions; (iv) utility charges; and (v) other non-aviation related charges are recognized based on the terms of contractual agreement.

Interest is recognised using the time proportion method based on rates implicit in the transaction. Award fees and tender fees are recognised on an accrual basis in accordance with the terms of the relevant arrangement.

8. Retirement and other Employee Benefits

The employees on the roll of the company are on deputation from Airports Authority of India (AAI). The statutory deductions towards retirement benefits in respect of these employees are remitted to AAI.

The cost of deployment of other staff on loan from AAI has been booked based on gross amount reimbursable to AAI in respect of those employees. The liability for retirement and other employee benefits are booked in AAI books for these employees.

9. Leases

Lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership and an operating lease is a lease other than a finance lease.

Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. Examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease are:

- (a) The lease transfers ownership of the asset to the lessee by the end of the lease term;
- (b) The lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;



- (c) The lease term is for the major part of the economic life of the asset even if title is not transferred;
- (d) At the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; and
- (e) The leased assets are of such a specialised nature that only the lessee can use them without major modifications

As a lessee

- Finance leases are capitalized at the lease's inception date at lower of fair value of the leased property or at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
- Operating lease payments are charged to the profit or loss on a straight-line basis over the lease term.

As a lessor

- Lease income from operating leases is recognized in income on a straight-line basis over the lease term of relevant lease.

10. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the



initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

11. Earnings per share

The basic and diluted earnings per share are computed by dividing the net profit/loss after tax, attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

12. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

13. Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- 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

The company classifies all other liabilities as non-current.



14. Provisions and contingent liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable 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. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

15. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

16. Investments

Long-term investments are carried at cost less provision for diminution, other than temporary diminution in the value of the investments.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is carried out separately in respect of each investment.

17. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note 17.1 Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the



period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

17.1 Critical accounting estimates

The following are the critical judgements that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statement. The following are the estimates used during the year.

Property, Plant and Equipment: Property, plant and equipment represent a significant proportion of asset base of the company. The charge in respect of periodic depreciation is derived after determining the estimate of an assets expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by Schedule II of Companies Act 2013.

Provisions: Provisions are determined based on management estimate required to settle the obligation at the balance sheet date.

Contingent liabilities: 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.

Contingent Assets: Contingent assets are disclosed on the basis of judgment of management/independent experts.

For Rajiv Goel & Associates

Chartered Accountants


(CA Rajiv Goel)

Partner


Membership No. 089669

FRN 011106N

Place: Chandigarh

Date: 05-08-2019

For and on behalf of the Board of Directors


(Avneet Kaur)
Company Secretary


(Rakesh Dembla)
CFO


(I.N. Murthy)
Chairman

Chandigarh International Airport Limited
Notes forming part of the financial statements

Particulars	Rate	2018				2019				(INR in lakhs) Net Block as at March 31, 2019
		Gross carrying value as at April 1,	Additions	Disposal/adj ustments	Gross carrying value as at March 31, 2019	Accumulated depreciation as at April 1, 2018	Additions	Disposal/ (adjustmen ts)	Accumulated depreciation as at March 31, 2019	
Land	0.00%	45,318.73	-	-	45,318.73	-	-	-	45,318.73	
Building Terminal/Other Buildings	3.17%	29,360.23	1,012.28	-	29,360.23	2,234.45	-	3,246.73	26,113.50	
Building Temporary	31.67%	144.66	19.43	-	144.66	56.83	-	76.26	68.40	
Roads, Bridges & Culverts -(Carpeted)	19.00%	6,102.10	359.19	-	6,461.29	2,796.83	-	3,980.73	2,480.57	
Roads, Bridges & Culverts - Non-Carpeted - CISF Security	31.67%	41.25	-	-	41.25	31.51	-	39.18	2.06	
Computers & I.T. Hardware & Access	31.67%	82.67	0.62	-	83.28	59.03	-	75.32	7.96	
Computers & I.T. - Servers	15.83%	185.79	352.78	-	185.79	71.52	-	100.76	85.03	
Plant & Machinery-Equipments	6.33%	5,504.08	63.61	-	5,793.25	796.13	-	1,154.04	4,639.20	
Tools & Equipments	19.00%	61.81	2.34	-	64.15	18.39	-	27.03	37.12	
Furniture & Fixtures	9.50%	772.16	47.76	-	819.92	168.99	-	245.80	574.12	
Electrical Installations	9.50%	6,934.80	135.97	-	7,070.77	1,593.97	-	2,200.22	4,870.54	
Motor Vehicles - Security	9.50%	0.83	-	-	0.83	0.11	-	0.19	0.64	
Cars & Jeeps - Security	11.88%	1.64	-	-	1.64	0.48	-	0.67	0.97	
Office Equipments	19.00%	5.45	0.11	-	5.56	1.09	-	2.14	3.42	
Total		94,516.18	898.77	63.61	95,351.34	7,829.33	-	11,149.08	84,202.26	

Particulars	Rate	2017				2018				(INR in lakhs) Net Block as at March 31, 2018
		Gross carrying value as at April 1,	Additions	Disposal/adj ustments	Gross carrying value as at March 31, 2018	Accumulated depreciation as at April 1, 2017	Additions	Disposal/ (adjustmen ts)	Accumulated depreciation as at March 31, 2018	
Land	0.00%	45,318.73	-	-	45,318.73	-	-	-	45,318.73	
Building Terminal/Other Buildings	3.17%	29,149.04	211.19	-	29,360.23	1,306.60	-	2,234.45	27,125.79	
Building Temporary	31.67%	120.00	24.66	-	144.66	18.79	-	56.83	87.83	
Roads, Bridges & Culverts -(Carpeted)	19.00%	6,058.75	43.35	-	6,102.10	1,645.23	-	2,796.83	3,305.27	
Roads, Bridges & Culverts - Non-Carpeted - CISF Security	31.67%	41.25	-	-	41.25	18.45	-	31.51	9.73	
Computers & I.T. Hardware & Access	31.67%	77.78	6.01	-	82.67	34.43	-	59.03	23.64	
Computers & I.T. - Servers	15.83%	183.02	1.64	-	185.79	42.04	-	71.52	114.27	
Plant & Machinery-Equipments	6.33%	5,002.84	509.40	-	5,504.08	452.04	-	796.13	4,707.95	
Tools & Equipments	19.00%	55.67	1.43	-	61.81	9.70	-	18.39	43.42	
Furniture & Fixtures	9.50%	734.04	37.79	-	772.16	98.29	-	168.99	603.17	
Electrical Installations	9.50%	6,883.12	50.88	-	6,934.80	939.12	-	1,593.97	5,340.83	
Motor Vehicles - Security	9.50%	0.83	-	-	0.83	0.03	-	0.11	0.72	
Cars & Jeeps - Security	11.88%	1.64	-	-	1.64	0.28	-	0.48	1.16	
Office Equipments	19.00%	1.98	1.21	-	5.45	0.04	-	1.09	4.36	
Total		93,628.69	887.55	0.06	94,516.18	4,565.03	-	11,149.08	86,686.85	

* Physical verification of the assets have been carried out by the independent auditor as on 31.03.2019 and no discrepancy have been reported.



Chandigarh International Airport Limited
Notes forming part of the financial statements

3 Capital Work- In- Progress

(INR in lakhs)

Particulars	Balance as at April 1, 2018	Additions/Adjustments during the year	Capitalized during the year	Balance as at March 31, 2019
Civil & Other Works*	88.01	1,487.63	663.69	911.95
Total	88.01	1,487.63	663.69	911.95

Capital Work- In- Progress

(INR in lakhs)

Particulars	Balance as at April 1, 2017	Additions/Adjustments during the year	Capitalized during the year	Balance as at March 31, 2018
Civil & Other Works**	433.93	384.74	730.66	88.01
Computer & Software	1.64	-	1.64	-
Total	435.57	384.74	732.30	88.01

***Civil & Other Works as on 31.03.2019 pertains to followings:**

1. SITC of HT cables, Split AC, water cooler, dewatering pump and other electrical items Rs. 24.27 lakhs.
2. Supply Installation Testing And Commissioning of 0 2 Nos of In Line Baggage Screening Systems Rs.675.18 lakhs.
3. Provision of Escalator near lift 7 at CHIAL Rs. 11.08 lakhs.
4. Construction of Apron For 5 Nos Code 4C Type of Aircraft Rs. 99.65 lakhs.
5. Supply Installation Testing And Commissioning of 2 Nos 4 Mtr Escalators Rs. 43.63 lakhs.
6. Door Frame Metal Detectors (DFMD) (USD 26,004.60 @ Rs.70.14) Rs. 18.24 lakhs.
7. Explosive Trace Detectors(ETDs) USD 57,414.00 @ Rs.69.51) Rs.39.91 lakhs

****Civil & Other Works as on 31.03.2018 pertains to followings:**

1. Expenditure for leveling of taxi track of Rs 52.09 lakhs.
2. Expenditure for additional signages of Rs. 17.50 lakhs.
3. Geotechnical investigation for construction of apron amounting to Rs. 2.16 lakhs
4. Expenditure incurred for construction of apron amounting to Rs. 2.49 lakhs.
5. Expenditure incurred for SITC 32 NO HD cameras for baggage tag dispensing amounting to Rs.11.58 lakhs.
6. Expenditure incurred for supply and fixing of HT/LT insulating mats in switch rooms amounting to Rs.2.19 lakhs.



Chandigarh International Airport Limited
Notes forming part of the financial statements

4 Inventory (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Stock & Spares	6.24	6.12
Total	6.24	6.12

Physical verification of the stores have been carried out by the independent auditor as on 31.03.2019 and no discrepancy have been reported.

5 Trade Receivables (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	676.63	1,372.37
Total	676.63	1,372.37

In the opinion of the company, trade receivable as stated in the accounts will be realized in the ordinary course of business.

6 Cash & Cash Equivalents (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Flexi - Deposits	-	190.68
Balances with Banks	453.96	30.87
Sub-Total (A)	453.96	221.54
Bank balances other than above		
Fixed Deposit and Embarked Balances (More than 3 months but less than 12 months)	11,688.79	6,950.87
Sub-Total (B)	11,688.79	6,950.87
Total	12,142.75	7,172.42

Lien on FD of Rs 68.17 lakhs has been created against the supply of Explosive Trace Detector amounting to Rs.66.17 lakhs and Door Frame Metal Detectors amounting to Rs.2 lakhs.

7 Other Current Financial Assets (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Accrued Income	594.24	466.11
Recoverable from Parties	199.00	198.49
Other Advances Govt.	302.44	-
Security Deposits Receivable	24.43	0.97
Total	1,120.11	665.57

8 Current Tax Assets (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax Deducted at Source AY 2016-17 (Net of Provision for Income Tax)	120.52	120.52
Tax Deducted at Source AY 2017-18 (Net of Provision for Income Tax)	317.50	317.50
Tax Deducted at Source AY 2018-19 (Net of Provision for Income Tax)	278.03	278.03
Tax Deducted at Source AY 2019-20 (Net of Provision for Income Tax)	456.90	-
Total	1,172.95	716.04

Income tax assessments upto AY 2016-17 have been completed and refund order for the same has been issued by concerned department.

9 Other Current Assets (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
GST Input	2.14	3.85
Prepaid Expenses	22.43	29.85
Advances to Suppliers	100.00	-
Total	124.57	33.70



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Notes forming part of the financial statements

10 **Equity Share Capital** (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Share Capital Authorized 1,20,00,00,000 equity shares of Rs. 10/- each	1,20,000.00	1,20,000.00
Issued, subscribed and fully paid 9,69,44,94,050 equity shares of Rs. 10/- each	96,944.94	96,944.94
Total	96,944.94	96,944.94

Reconciliation of share Capital: (In lakhs)

Particulars	As at March 31, 2019	
	No of Shares	Amount
Opening Equity Shares	9,694.49	96,944.94
Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
Closing balance	9,694.49	96,944.94

(INR in lakhs)

Particulars	As at March 31, 2018	
	No of Shares	Amount
Opening Equity Shares	9,694.49	96,944.94
Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
Closing balance	9,694.49	96,944.94

Details of shareholders holding more than 5% shares in the Company (INR in lakhs)

Name of the Shareholder	As at March 31, 2019	As at March 31, 2018
Airports Authority of India (AAI)	4,944.19	4,944.19
Greater Mohali Area Development Authority (GMADA)	2,375.15	2,375.15
Haryana Urban Development Authority (HUDA)	2,375.15	2,375.15

11 **Other Equity** (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings		
Opening Balance	(1,303.24)	(2,709.72)
Finance lease Adjustment	6.96	
Surplus / (Deficit) in Statement of Profit and Loss	1,872.73	1,406.48
Total	576.45	(1,303.24)

12 **Borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
Long term maturities of finance lease obligations	70.32	-
Total	70.32	-

13 **Other Non-Current Financial Liabilities** (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	456.67	394.18
Total	456.67	394.18

14 **Other Non-Current Liabilities** (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Fair Valuation Gain - Security Deposits	239.38	107.06
Total	239.38	107.06



Notes forming part of the financial statements

15 Other Current Financial Liabilities (INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	1,190.69	848.28
Airports Authority of India	109.47	10.53
Liability of Pay & Allowances	8.70	1.76
Expenses Payable	1,162.81	656.84
Current maturities of finance lease obligations	14.85	-
Others	0.19	-
Total	2,486.72	1,517.41

This includes Earnest money deposits amounting to Rs. 8.45 lakhs as at 31st March 2019 respectively which are payable on demand

16 Tax Expense (INR in lakhs)

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Current income tax		
Current year	551.04	432.02
Less: MAT Credit	(551.04)	(432.02)
Sub Total (A)	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(746.52)	679.92
Sub Total (B)	(746.52)	679.92
Total (A+B)	(746.52)	679.92

Reconciliation of effective tax rates (INR in lakhs)

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Profit before tax	2,619.25	2,086.40
Enacted tax Rate	29.12%	28.84%
Computed Expected Tax Expenses	762.73	601.72
Tax Effect of:		
MAT Credit	(551.04)	(432.02)
Others (Include Transition Reserve)	(13.38)	(17.90)
Effect of change in tax rate*	(198.31)	(151.79)
Current Tax Provision (A)	(0.00)	0.00
recognised		
Deferred tax for the temporary differences	(746.52)	673.38
Effect of change in tax rate*	-	6.54
Deferred Tax Provision (B)	(746.52)	679.92
Tax Expenses recognised in profit and loss (A+B)	(746.52)	679.92

* Includes MAT rate and enacted tax rate for current year

* Includes MAT rate and enacted tax rate and, Education cess of 1% higher used in deferred tax computation in previous year

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liability		
Property, plant and equipment	(1,391.53)	(1,196.57)
Sub Total	(1,391.53)	(1,196.57)
Deferred tax Assets		
Unabsorbed Depreciation & brought forward losses	1,190.04	1,713.04
Unamortized preoperative & preliminary Exp.	28.56	57.12
Sub Total	1,218.60	1,770.16
MAT Credit Entitlement		
MAT Credit	983.06	432.02
Sub Total	983.06	432.02
Net Deferred Tax Assets/(Liability)	810.13	1,005.61



Notes forming part of the financial statements

Movement in deferred tax balances during the year 2019

(INR in lakhs)

Particulars	Balance as at April 1, 2018	Recognised in profit & loss	Balance As at March 31, 2019
Property, plant and equipment	(1,196.57)	(194.96)	(1,391.53)
Unabsorbed Depreciation & brought forward losses as per Income Tax	1,713.04	(523.00)	1,190.04
Unamortized preoperative & preliminary expenses	57.12	(28.56)	28.56
Total	573.59	(746.52)	(172.93)

Movement in deferred tax balances during the year 2018

(INR in lakhs)

Particulars	Balance as at March 31, 2017	Recognised in profit & loss	Balance As at March 31, 2018
Property, plant and equipment	(897.96)	(298.61)	(1,196.57)
Unabsorbed Depreciation & brought forward losses as per Income Tax	2,060.56	(347.52)	1,713.04
Unamortized preoperative & preliminary expenses	90.91	(33.80)	57.12
Total	1,253.51	(679.92)	573.59

17 Other Current Liabilities

(INR in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Duties & Taxes	89.12	63.03
Deferred Fair Valuation Gain - Security Deposits	12.83	22.76
Deferred Revenue- Government Grant	281.00	-
Other liabilities	10.16	0.56
Total	393.11	86.35

Duties & Taxes includes statutory liabilities of Rs. 27.68 lakhs on account of TDS and Rs. 87.44 lakhs on account of GST.



Chandigarh International Airport Limited
Notes forming part of the financial statements

18 Revenue From Operations (INR in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Aeronautical Revenue		
Parking & Housing	4.24	4.95
Passenger Service Fee (Facilitation)	-	175.05
User Development Fees	5,949.40	4,541.16
Extension of Service hours	5.88	18.18
Ground Handling Services	86.72	83.54
Throughput Charges	88.52	81.46
Baggage Reconciliation System Charges	13.50	4.46
Common User Terminal Equipment Charges	177.81	182.13
Cargo Revenue	49.11	54.93
Total	6,375.17	5,145.86
Passenger Service Fee (Security)	1,323.35	1,355.64
II. Non-aeronautical Revenue		
Admission Fees/Commercial Passes	10.36	16.55
Car Parking	469.09	451.38
Rent & Services	1,161.24	1,171.50
Trading Concession	1,378.73	1,094.19
Total	3,019.42	2,733.62
Total	10,717.94	9,235.12

19 Other Income (INR in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Term Deposits	652.18	327.28
Fair Valuation Gain	72.55	68.57
Miscellaneous Income*	17.47	2.25
Total	742.20	398.09

*This includes withheld amount of Rs. 4.84 lakhs which were not claimed by parties, the same has been transferred to Misc Income.

20 Employee Benefit Expenses (INR in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Pay & Allowances	74.18	76.40
Contribution to Provident Fund and other funds	5.99	5.72
Other Staff Cost	0.50	0.79
Cost of Staff Deployment of AAI	408.04	438.81
Total	488.71	521.73

21 Operating Expenses (INR in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Repair & Maintenance		
- Civil	303.83	144.24
- Electrical	205.21	246.85
- Equipment & Furniture	80.43	61.27
- Electronics & IT Infrastructure	3.64	1.70
Housekeeping & Cleaning Works	388.36	221.97
Advertisement & Publicity	13.63	24.26
Consumption of Stores & Spares	88.33	79.01
Electricity & Water Charges	592.42	537.72
Lease Rental	-	6.96
Rent, Rates & Taxes	7.02	7.05
Total	1,682.87	1,331.01



Notes forming part of the financial statements

22 Administrative & Other Expenses (INR in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Postage, Telegram, Telex	1.00	0.64
Printing & Stationery	5.10	8.78
Telephone Charges	2.75	3.17
Travelling Expenses	16.35	7.56
Consultancy Charges	59.74	56.44
Insurance Expense	2.79	2.51
Payment to Auditors		
- Audit Fee - Statutory Audit	1.00	1.00
- Audit Fee - Other Audit	3.68	2.80
Training & Seminar Expenses	6.00	1.76
Facilitation Expenses	72.51	49.45
Hire Charges - Others	178.91	97.06
Board Meeting Expenses	2.54	0.71
Collection Charges on PSF/UDF	57.18	56.95
Other Fees	0.35	0.12
Miscellaneous Office Expenses	5.29	2.80
Subscription (Professional bodies)	15.30	20.44
Foreign Currency Fluctuation	0.78	-
Total	431.28	312.19

23 Security Expenses (INR in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Pay & Allowances and Other Staff Cost	2,586.09	1,959.70
Vehicle Running & Hire Charges	37.07	33.98
Other Miscellaneous Expenses	150.97	55.22
Total	2,774.13	2,048.90

24 Depreciation (INR in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation & Impairment	3,383.35	3,264.42
Total	3,383.35	3,264.42

25 Other Expenses (INR in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest due to fair valuation		
-Security Deposit	72.55	68.57
-Lease	8.00	-
Total	80.54	68.57



Chandigarh International Airport Limited Notes forming part of the financial statement

26 Disclosures in respect of Ind AS 107 - Financial Instruments

26.1 Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(INR in lakhs)

Particulars	March 31, 2019				
	Amortized cost	Fair Value		Total carrying value	Total fair value
		Through Other Comprehensive Income	Through Profit or Loss		
Financial Assets:					
Cash & Cash Equivalents	12,142.75	-	-	12,142.75	12,142.75
Trade Receivable	676.63	-	-	676.63	676.63
Other Financial Assets	1,120.11	-	-	1,120.11	1,120.11
Total Financial Assets	13,939.49	-	-	13,939.49	13,939.49
Financial Liabilities:					
Borrowings	85.17	-	-	85.17	85.17
Security Deposits	1,647.36	-	-	1,647.36	1,647.36
Other Financial Liabilities	1,281.18	-	-	1,281.18	1,281.18
Total Financial Liabilities	3,013.71	-	-	3,013.71	3,013.71

(INR in lakhs)

Particulars	March 31, 2018				
	Amortized cost	Fair Value		Total carrying value	Total fair value
		Through Other Comprehensive Income	Through Profit or Loss		
Financial Assets:					
Cash & Cash Equivalents	7,172.42	-	-	7,172.42	7,172.42
Trade Receivable	1,372.37	-	-	1,372.37	1,372.37
Other Financial Assets	665.57	-	-	665.57	665.57
Total Financial Assets	9,210.36	-	-	9,210.36	9,210.36
Financial Liabilities:					
Security Deposits	1,242.46	-	-	1,242.46	1,242.46
Other Financial Liabilities	669.13	-	-	669.13	669.13
Total Financial Liabilities	1,911.59	-	-	1,911.59	1,911.59

26.2 Fair Value Hierarchy

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table present fair value hierarchy of assets and liabilities measured at fair value :-

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
As at March 31, 2019						
Financial Liabilities:						
Security Deposits		1,647.36		1,647.36	Valued at MCLR rate of SBI as on 01/04/2019	8.35%
As at March 31, 2018						
Financial Liabilities:						
Security Deposits		1,242.46		1,242.46	Valued at MCLR rate of SBI as on 01/04/2018	8.00%
		1,242.46		1,242.46		

We have transfer the security from level 3 to level 2 of fair value hierarchy during the F.Y. 2018-19 and as such there is no financial impact on the balance sheet of the company.



Chandigarh International Airport Limited Notes forming part of the financial statement

26.3 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Market Risk

The company does not have any market risk.

b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Trade Receivables & Unbilled Revenue

The company has outstanding trade receivables amounting to Rs. 676.63 lakhs and Rs. 1,372.37 lakhs as of March 31, 2019 and March 31, 2018 and unbilled revenue amounting Rs. 390.18 lakhs and Rs. 369.73 lakhs for respectively. Trade receivables and unbilled revenue are typically secured and are derived from revenue earned from customers.

On account of adoption of Ind-AS 109, the company uses expected credit loss model to assess the impairment loss or gain.

Credit risk exposure

An analysis of age of trade receivables and unbilled receivables at each reporting date is summarized as follows:

Particulars	(INR in lakhs)			
	March 31, 2019		March 31, 2018	
	Gross Amount	Impairment	Gross Amount	Impairment
Not past due	81.91	-	347.77	-
Past due less than three months	317.45	-	456.96	-
Past due more than three months but not more than six months	110.02	-	245.64	-
Past due more than six months but not more than one year	85.02	-	132.12	-
More than one year	82.23	-	189.88	-
Total	676.63	-	1,372.37	-

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

The company does not hold any collateral or other enhancements to cover its credit risks associated with its financial assets.

Other financial assets

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We consider the credit quality of term deposits with such banks that are majority owned by the Government of India and subject to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. There are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

c) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations & contribution in the form of share capital.

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues and retention & deposits arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals. In the financial year 2018-19, the company has not taken any loans from any of the sources. Our non-current liabilities include security deposits only.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table includes both principal & interest cash flows.

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	
March 31, 2019						
Finance lease obligation	-	14.85	34.24	36.08	-	85.17
Security Deposits	884.79	276.49	107.90	66.22	311.97	1,647.36
Other Financial Liabilities	1,281.18	-	-	-	-	1,281.18
Total	2,165.97	291.34	142.14	102.30	311.97	3,013.71

Chandigarh International Airport Limited
Notes forming part of the financial statement

March 31, 2018						
Security Deposits	311.80	536.48	251.91	97.08	45.19	1,242.46
Other Financial Liabilities	669.13	-	-	-	-	669.13
Total	980.93	536.48	251.91	97.08	45.19	1,911.59

27 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"

The company has assessed its fixed assets on periodic intervals for impairment of such assets and during the year and has impaired its Passenger Boarding Bridge (PBB) on 17.03.2019 for Rs. 63.61 lakhs and balance life of the asset has been reduced to zero as such asset is unserviceable. That the company has considered recoverable amount of the asset as Rs 6.31 lakhs.

28 Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The Company is in the business of operations of the Airport at Chandigarh International Airport Limited at Mohali. Consequently, the Company does not have separate business segment.

(i) Information about major customers

If revenues from transactions with a single external customer amount to 10 per cent or more of an entity's revenues, the entity shall disclose that fact, the total amount of revenues from each such customer, and the identity of the segment or segments reporting the revenues. The same can be provided in the following format.

Particulars	(INR in lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
No of customers	2	2
Total Revenue from above customers	4,678.39	3,812.67
Total Revenue	10,717.94	9,235.12
% of Total Revenue	44%	41%

Name of the major customers - Jet Airways (India) Ltd. and Interglobe Aviation Ltd.

(ii) Geographical Information

Revenue from external customers by location of operations and information about its non current assets by location of assets are as follow :-

Particulars	(INR in lakhs)			
	Non Current Assets		Revenue from External Customers	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
India	85,114.21	86,774.86	10,717.94	9,235.12
Total	85,114.21	86,774.86	10,717.94	9,235.12

(iii) Revenue from Major products and services

Please refer note no. 18 for details of major product and services



Chandigarh International Airport Limited
Notes forming part of the financial statement

29 Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

29.1 Disclosures for Other than Govt. Related Entities

a. During the financial year, the Company had entered into related party transactions which were on arm's length basis and in the ordinary course of business. There were no material transactions with any related party as defined under section 188 of the Companies Act, 2013.

b. List of Related Party

Name of related party	Type of Relationship	FY: 2018-19	FY: 2017-18
Sh. Suneel Dutt	Chief Executive Officer	✓	✓
Sh. J.B. Saini	Chief Financial Officer	✓	✓
Sh. Rakesh Dembla	Chief Financial Officer	✓	✓
Smt. Avneet Kaur	Company Secretary	✓	✓
Airports Authority of India	Stakeholder	✓	✓
Greater Mohali Area Development Authority (GMADA)	Stakeholder	✓	✓
Haryana Urban Development Authority (HUDA)	Stakeholder	✓	✓

c. Compensation of key managerial personnel

Particulars	(INR in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term benefits	74.68	77.19
Post-employment benefits	5.99	5.72
Total	80.67	82.91

d. Transactions with Related Parties

Name of Party	FY 2018-19				
	Issue of shares	Procurement of Assets	Staff Deployment Cost	Remittance/Others	Closing Balance
Airports Authority of India	-	-	488.01	(389.07)	109.47

Name of Party	FY 2017-18				
	Issue of shares	Procurement of Assets	Staff Deployment Cost	Remittance/Others	Closing Balance
Airports Authority of India	-	696.25	495.77	(661.05)	10.53

e. Closing Balance

Name of Party	(INR in lakhs)	
	Balance as on March 31, 2019	Balance as on March 31, 2018
Airports Authority of India	109.47	10.53

30 Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

30.1 As lessee

a) Finance Lease

Particulars	(INR in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease rent paid during the year	21.54	6.96

(b) Description of lease arrangements :- Arrangement to supply X-Ray Baggage Machine to the company and payment will be made in a tenure of 6 years. The subject lease is a cancellable lease and it include terms such as transfer of ownership to lessee at the end of lease term & also covering major economic life of the machine. Accordingly, company has classified this lease as finance lease in FY 2018-19 as per the provisions of IND AS 17.



Notes forming part of the financial statement

(c) Net carrying value of leased business asset

(INR in lakhs)				
2018-19				
Particular	Gross Carrying value of Assets	Accumulated Depreciation	Net Carrying value of Assets	Depreciation for Year
X-Ray Baggage	105.68	8.32	97.36	6.69

(INR in lakhs)				
2017-18				
Particular	Gross Carrying value of Assets	Accumulated Depreciation	Net Carrying value of Assets	Depreciation for Year
X-Ray Baggage	105.68	1.63	104.05	1.63

Future minimum lease payments under Finance leases

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Minimum Lease payments	Present Value Minimum Lease payments	Minimum Lease payments	Present Value Minimum Lease payments
Not later than 1 year	21.75	18.61	21.54	19.92
Later than 1 year and not later than 5 years	84.35	60.19	88.81	67.76
Later than 5 years	-	-	17.28	11.04

Change in classification of lease

CHIAL has classified this lease as operating lease in FY 2017-18 based on their previous assessment. In FY 2018-19, it has classified this lease as finance lease as per the provisions of IND AS 17. Consequently, company has recognized the financial lease obligation for the current financial year i.e. 2018-19 and corresponding last financial year. During the year, company has recognized the finance cost of financial lease obligation and depreciation on the lease asset as an expense.

30.2 As lessor

a) Operating Lease

- Future minimum lease payments under non-cancellable operating leases

Particulars	(INR in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Not later than 1 year	768	503
Later than 1 year and not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil

31 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

a) Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and diluted EPS is as follows:

Particulars	(INR in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the owners of the company	1,873	1,406
Earnings used in calculation of basic earnings per share(A)	1,873	1,406
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	9,694	9,694
Basic EPS(A/B)	0.19	0.15

b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

Particulars	(INR in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the owners of the company	1,873	1,406
Earnings used in calculation of basic earnings per share(A)	1,873	1,406
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	9,694	9,694
Diluted EPS(A/B)	0.19	0.15



Notes forming part of the financial statement

32 Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

(i) Movement in provisions			(INR in lakhs)
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	
Opening balance	-	32,729	
Addition/Transfer during the year		-	
Utilization during the year		32,729	
Closing balance	-	-	

33 Value of Components, spare parts & stores: (INR in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Imported	-	-
(ii) Indigenous	6.24	6.12

34 Statutory Auditor Remuneration (INR in lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fees- Statutory Audit	1.00	1.00
Total	1.00	1.00

35 Contingent Liabilities:

A Power Purchase agreement dated 12.07.2016 was executed between CHIAL and Renew Solar Power Private Limited for installation of Solar Power Plant of 5 MWp which will be executed in two phases. In Phase I, plant with capacity of 3MWp will be installed and balance 2MWp will be installed on the requirement basis in future. M/s Renew Power will supply 100% of the generated power from 3MWp Solar Power Plant set up by agency to CHIAL. The tariff quoted by the party being a lowest bidder was Rs.4.64 per unit. CHIAL is restricted to utilize complete production of plant due to non availability of approval of NET METERING from PSPCL but M/s Renew Solar Power Private Limited has billed CHIAL to the extent of full capacity of plant which includes amount towards deemed power generation which is not being utilized by CHIAL. The amount claimed towards deemed power generation amounting to Rs. 2.36 crores whereas CHIAL has acknowledged and paid for in respect of energy actually being consumed and has not recognized the remaining amount invoiced by Renew Solar Power Private Limited. The party has proposed for setting up Dispute Resolution Committee which is agreed by Management and formed a DRC in order to resolve the issue raised by agency. The proceeding of DRC is under process. Final decision of DRC is yet to be received.

36 Contingent Assets

No contingent assets reported as on balance sheet date.

37 Capital Commitments

- (a) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account is Rs. 12037.48 lakhs as on March 31, 2019.
 (b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account is Rs. 11116 lakhs as on March 31, 2018.

38 Government Grant

During the relevant period company has received a sum of Rs. 281 lakhs as Government Grant under the "Trade Infrastructure for Export Scheme (TIES)" for "Setting up of Centre for Perishable Cargo(CPC) at Chandigarh International Airport" which is reflected as current liability as the amount to be utilized till 31.03.2020 and no amount has been utilized during the year.

39 Details of Expenditure in foreign currency:-

A. Capital work in progress

- Door Frame Metal Detectors (DFMD) (USD 26,004.60) Rs. 18.23 lakhs
- Supply Installation Testing and Commissioning of 02 Nos. of In Line Baggage Screening Systems (USD 956346.52) Rs. 675.18 lakhs
- Explosive Trace Detectors(ETDs) (USD 57414.00) Rs.39.91 lakhs.

40 CHIAL has raised invoices to Air India and its subsidiaries in respect of Land Rentals with the rates it is charging from other airlines from Oct 2015 to May 2018. However, Air India was not paying this amount and requested to charge similar rates charged by AAI at old Airport at Chandigarh. In F.Y. 2018-19, Board of Directors/competent authority has approved for chargeability of same rates being charged at old Airport at Chandigarh from Air India and its subsidiaries in respect of land rentals. Accordingly, CHIAL has issued the credit note in respect of the invoices raised in the previous period and raised new invoices as per rates approved by Board. As a result, CHIAL have recognized the credit note as reduction in revenue and also recognized the revenue from fresh invoices raised to Air India.



Chandigarh International Airport Limited
Notes forming part of the financial statement

41. Disclosure as per Indian Accounting Standard (Ind AS) 115 - "Revenue from Contracts with Customers"

1. Ind AS 115 has become effective from 1st April 2018 and accordingly the Company has adopted this Ind AS for the first time. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.
2. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. The Company elected to apply the standard to all contracts as at 1 April 2018. The cumulative effect of initially applying Ind AS 115 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.
3. The impact of applying Ind AS 115 on the Company's retained earnings as at 1 April 2018 and during the FY 2018-19 is Nil. The adoption of Ind AS 115 did not have a material impact on OCI or the Company's operating, investing and financing cash flows.

4. Revenue from Contracts with Customers:

a) Description of all the services

(i) Aeronautical Revenue

Aeronautical Revenue includes revenue from all regulated charges levied at CHIAL i.e. Parking Charges, Passenger Service Fee (Facilitation), User Development Fee, Fuel Throughput Charges and Cargo (X-Bis Screening Charges) are being recognized at the rates prescribed by Airport Economic Regulatory Authority (AERA) & CUTE, Extension of Watch Hours and Baggage reconciliation system fee are recognized at the existing rates being charged on similar lines as of AAI. Parking charges are recognized, when such services are provided. Passenger Service Fee (Security) is recognized as per rate fixed by MoCA. User Development Fees and Passenger Service fees-Facilitation and Security component are recognized in respect of each embarking passenger at a specified rate.

(ii) Non- Aeronautical Revenue

Non-Aeronautical Revenue means all revenue streams other than Aeronautical Revenue. The same consists of (i) revenue from concessions (ii) rents and land leases; (iii) food and beverage concessions; (iv) utility charges; and (v) other non-aviation related charges are recognized based on the terms of contractual agreement.

b) Disaggregation of revenue

1. Company has identified their revenue as Aeronautical revenue and Non- Aeronautical Revenue. We have disclosed the detailed disaggregation of the Company's revenue from contracts with customers in notes no. 18 " Revenue from operations".
2. All the companies revenue are from domestic market.
3. Company mainly have the revenue recognized over the period of time.

c) Trade Receivables and Contract Balances

The following table provides the information about receivables and contract liabilities from contracts with customers :-

Particulars	(INR in lakhs)	
	As on 31.03.2019	As on 31.03.2018
Trade Receivable (Net)- Opening	1,372.37	422.71
Additions	13,100.48	10,771.01
Deletion	13,796.22	9,821.36
Closing	676.63	1,372.37
Contract Assets- Opening		
- Unbilled Receivables	369.73	6.71
Additions	390.18	369.73
Deletion	369.73	6.71
Closing	390.18	369.73

d) Trade receivables are non-interest bearing and are generally are on following terms :-

- (i) 15 days credit period in case of Aeronautical Revenue
- (ii) 10 days credit period in case of Non- Aeronautical Revenue

e) During the year, management has not received any communication in respect of unsatisfied revenue contract.



Chandigarh International Airport Limited
Notes forming part of the financial statement

42 Recent accounting pronouncements

Accounting Standards and other amendments and interpretations have been issued but are not yet effective.

A. Ind AS 116 Leases

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

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

The Company will implement Ind AS 116 from 1 April 2019 by applying the modified retrospective approach, meaning that the comparative figures in the financial statements for the year ending 31st March 2019 will not be restated to show the impact of Ind AS 116.

The anticipated impact of the standard on the company is not yet known though is not expected to be material on the income statement or net assets though assets and liabilities will be grossed up for the net present value of the outstanding operating lease liabilities as at 1 April 2019.

43 Miscellaneous Expenses do not include items of expenses exceeding 1% of the total revenue of the company or Rupees Ten lakhs which ever is higher.

44 Figures in Financial Statements have been rounded off to the nearest lakhs (except number of shares) and previous years figures have been re-grouped, re-arranged wherever necessary to make them comparable with those of the current year's figures.

45 Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 05.07.2019.

For Rajiv Goel & Associates
Chartered Accountants



(CA Rajiv Goel)
Partner
M No. 089669
FRN 011106N
Place : Chandigarh
Date : 05-08-2019

For and on behalf of the Board of Directors

(Avneet Kaur)
Company Secretary

(Rakesh Dembla)
CFO

(I.N. Murthy)
Chairman



गोपनीय

संख्या/ No. GAP/CHIAL/A/C/6-54/2019-20/411

भारतीय लेखापरीक्षा और लेखा विभाग,
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-1, नई दिल्ली
INDIAN AUDIT & ACCOUNTS DEPARTMENT,
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-1, New Delhi

दिनांक / Dated 9/9/19

सेवा में,

अध्यक्ष,
चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड,
रूम न. 1. परियोजना कार्यालय भवन,
सिविल एयरपोर्ट, चंडीगढ़-160003

विषय : 31 मार्च 2019 को समाप्त वर्ष हेतु चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड के वार्षिक लेखों पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक महालेखा परीक्षक की टिप्पणियाँ

महोदय,

मैं इस पत्र के साथ 31 मार्च 2019 को समाप्त वर्ष के लिए चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड के वार्षिक लेखों पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक महालेखा परीक्षक की "शून्य टिप्पणियाँ" अद्योषित करती हूँ। इन शून्य टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए और कम्पनी की आमसभा में उसी समय व उसी प्रकार रखा जाए जिस प्रकार वैधानिक लेखा परीक्षकों की लेखा परीक्षा रिपोर्ट रखी जाती है।

संलग्न : शून्य टिप्पणियाँ

भवदीया,

प्राची पाण्डेय
9.9.19
(प्राची पाण्डेय)
प्रधान निदेशक

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CHANDIGARH INTERNATIONAL AIRPORT LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of **Chandigarh International Airport Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 22 August 2019 which supersedes their earlier Audit Report dated 05 August 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Chandigarh International Airport Limited** for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

Prachi Pandey
9.9/19

(Prachi Pandey)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
New Delhi.

Place: New Delhi
Dated: 9 September 2019

CHANDIGARH INTERNATIONAL AIRPORT LIMITED

Corrigendum to Financial statements for the year ended 31st March 2019

DATE: 30th November 2019

TO WHOMSOEVER IT MAY CONCERN

With reference to the financial statements of Chandigarh International Airport Limited (CHIAL) for the year ended 31st March 2019, it has come to the attention of the management that inadvertently certain typographical errors were made in footnote to Note no. 17 titled "Other Current Liabilities" wherein the breakup of duties and taxes were stated as under:

"Duties & Taxes includes statutory liabilities of Rs 27.68 lakhs on account of TDS and Rs. 87.44 lakhs on account of GST"

However, the correct breakup of Duties & Taxes was only Rs. 27.68 lakhs on account of TDS and Rs. 61.44 lakhs on account of GST. Therefore, the amended note should be read as under:

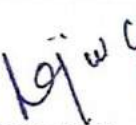
"Duties & Taxes includes statutory liabilities of Rs 27.68 lakhs on account of TDS and Rs. 61.44 lakhs on account of GST"

The inconvenience caused to the readers due to such error is regretted and it is reassured that the same was not intentional. Efforts shall be made by the management to publicize the same at all forums to ensure harmonious reading of the financial statements and fair presentation.

For and on behalf of the board of directors of Chandigarh International Airport Limited


(Rakesh Dembla)
CFO

We have verified the above facts.
For Rajiv Goel & Associates
Chartered Accountants (FRN 011106N)


CA Rajiv Goel
Partner
MS No. 089669

