Annual Report
2017-2018
CHANDIGARH
International Airport Ltd.

Annual Report 2017-2018

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CHANDIGARH INTERNATIONAL AIRPORT LIMITED - PROFILE

The Chandigarh International Airport Limited (CHIAL) is an epitome of modernization with its contemporary aesthetics together with the world-class passenger facilities. The Airport was inaugurated on 11 Sept, 2015 by the Hon'ble Prime Minister Narendra Modi, the Airport has been incessantly driven by its vision, which is to strengthen Chandigarh International Airport as the leading aviation hub and key engine for economic growth of the region. Airport is situated in Mohali, Punjab, the state-of-the-art Airport building is serving 2.5 million passengers from Chandigarh and adjoining states of Punjab, Haryana and Himachal Pradesh and not only this, the travellers come from all walks of life including business travellers, tourists, NRI's, students etc.

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). It is developed in 306 Acres land of Jhurheri Village, located near Mohali in Punjab. The new International Airport is operational from October 19, 2015.

The Airport has a world class integrated terminal building made of glass and steel structure having all modern facilities. New terminal is equipped with modern state-of-art facilities, green and well developed landscapes, decorated interiors with art, paintings & mural works. With the foremost objective to provide high quality aviation facility, which is both safe and secure, CHIAL strives to provide a comfortable and delightful sojourn to the passengers at the airport. CHIAL has left no stone unturned to enhance the beauty of the Airport premises. 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

- 24x7 operations from 31st March 2019.
- Upgradation of Runway and Increase in size of
- Runway to 10,400 feet and strength of 75 PCN resulting in operations of wide bodied aircrafts.
- Airport code would be upgraded to 4E from existing 4D.
- Upgrading from CAT – I ILS to CAT – III 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 BOARD OF DIRECTORS

PRESENT BOARD MEMBERS

REPRSENTATIVES 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,
ED (Engg.),
AAI & Nominee Director,
CHIAL

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

REPRSENTATIVES OF MoCA

Sh. Venkatramana R. Hegde
Nominee Director, CHIAL

REPRSENTATIVES OF PUNJAB GOVT.

Sh. Tejveer Singh, IAS
Nominee Director, CHIAL

Ms. Gurneet Tej, IAS
Nominee Director, CHIAL

REPRSENTATIVES OF HARYANA GOVT.

Sh. Devender Singh, IAS
Nominee Director, CHIAL

Dr. J. Ganesan, IAS
Nominee Director, CHIAL

CHIAL BOARD OF DIRECTORS

BOARD MEMBERS
AS ON
31ST MARCH, 2018

REPRSENTATIVES OF AIRPORTS AUTHORITY OF INDIA

Sh. Sudhir Raheja,
Member (Planning),
AAI & Chairman,
CHIAL

Sh. S. Suresh,
Member (Finance),
AAI & Nominee Director,
CHIAL

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

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

REPRSENTATIVES OF MoCA

Sh. Venkatramana R. Hegde
Nominee Director, CHIAL

REPRSENTATIVES OF PUNJAB GOVT.

Sh. Tejveer Singh, IAS
Nominee Director, CHIAL

Sh. Ravi Bhagat, IAS
Nominee Director, CHIAL

REPRSENTATIVES OF HARYANA GOVT

Sh. Devender Singh, IAS
Nominee Director, CHIAL

Dr. J. Ganesan, IAS
Nominee Director, CHIAL

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.

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, 2018

Sh. Suneel Dutt,
Chief Executive Officer

Sh. J.B. Saini,
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)160055
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. Subhash Bansal & Associates, Chandigarh

Internal Auditors:
M/s. Anil Puneet & Associates, Panchkula

Cost Auditors:
M/s. Narasimha Murthy & Co., Hyderabad

VISION MISSION AND GOALS

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.

Chandigarh Airport shall operate, maintain and preserve a high quality aviation facility which is safe and secure. Further, it will also deliver high quality aviation services by providing customer focused and efficient operations with respect to facilities, staff, finance & administration. The authority shall not only be passenger focused, but will also be community focused and will respond to community preferences for commercial air service, gateway image & landscaping noise and storm water management, etc.

Primary vision of the Company is to strengthen Chandigarh International Airport as the leading aviation hub and key engine for economic growth of the region. Further, the development is envisaged to be a safe, high quality and attractive airport with the leadership, operating skills and financial strength for successfully balancing community expectations to preserve and operate a community infrastructure asset and meet the rising quality and environmental standards.

CHIAL's vision mission and strategic objectives were born from within the organization and anticipation by the management team regarding the future aviation trends. These findings by the management committee would form the foundation of a long term strategy for the Company which would further lead to the modernization of the Chandigarh International Airport.

The purpose of the business plan for Chandigarh International Airport is to develop decision level information for the Company to chart the future course of the airport. To accomplish this, an examination of the operations, financial and marketing strategies of the airport were made and reported. In addition, the business plan studied operational and managerial issues to be determined, if there were better or more efficient methods that could be used.

The business plan is founded upon an understanding of current activities at the Airport and sets forth options to address a number of key areas–

Marketing For Aviation Users||Non-Aeronautical Business|| Potential Areas of Development at the Airport Property|| Possible Need for New Hanger Space, etc.||Desire to Increase Corporate Use of the Facility Capitalizing on the Number of Growth Opportunities in the Region.

HIGHLIGHTS OF THE ACHIEVEMENTS SINCE INCEPTION

INTERNATIONAL OPERATIONS

- Liaised with Punjab Police for providing manpower, equipment, SOPs etc. for timely start of international operations.
- Facilitated commencement of international flight operations of Indigo and Air India Express to Dubai and Sharjah respectively.

REAL TIME FEEDBACK SYSTEM

- In order to achieve excellent ASQ rating, contract was awarded to an independent agency for daily monitoring of various passengers facilities. They conducted regular house rounds to observe loopholes in the day to day operations and furnished reports of unserviceability to the respective departments and ensured its timely rectification. It acted as a real time audit of all the facilities and functions at the airport by neutral agency and facilitate CHIAL management to up keep facilities in excellent conditions. Thus, CHIAL achieved an overall satisfaction score of 4.69 for the year 2017-18.

CITY SIDE DEVELOPMENT

- The project has completed the Master planni stage and currently, the EOI (Expression of Intere document is being finalized.

FINANCIAL PARAMETERS

- The Company followed up Chairman, AERA an Members for approval of airport charges (includin UDF) for the control period 2016 -2021. Presente CHIAL's proposal for airport charges (includin UDF) to all the stakeholders and convinced the about the facilities versus airport charges i the stakeholder consultation meeting o 02.03.2017. These charges have been approve for the time period discussed above an implemented w.e.f.01.05.2017.
- Company Act and Compliances: At CHIAL, we ar complying with all the statutory compliances audits, tax responsibilities, company acts responsibilities etc. There is no non-compliance recorded during the period.
- Expected revenue breakeven was nearly 6-7 years initially, which was achieved in a record time of 3 years.

Operational Highlights

Over the years, Chandigarh has become a prominent destination for people traveling to cities in Punjab, Haryana and Himachal Pradesh. Currently there are approx. 38 operational flights at the Airport with some of the prominent flight operators being Air India, Jet Airways, Air Asia, Spice Jet, Vistara 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– 31 May 2018) and 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 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, Sharjah and Bangkok. 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 from exporters and passengers.

To,
The Members,

Your Directors are pleased to present their Eighth Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2018.

1. Financial Results of the Company

(Rs. In Lacs)

Particulars	**2017-18**	**2016-17**
Revenue from operations	9235.12	4201.20
Other Income	398.09	302.25
Total Income	9633.21	4504.25
Expenses	4282.39	3597.38
Profit/(Loss) before Depreciation	5350.82	906.87
Less: Depreciation	3264.42	3168.43
Profit/(Loss) after Depreciation but Before Tax	2086.40	(2261.56)
Less: Tax Expense	679.92	(1253.51)
Profit/ (Loss) after Tax	1406.48	(1008.05)
Balance brought forward	**(2709.72)**	**(1701.67)**
Balance carried forward	**(1303.24)**	**(2709.72)**

2. Review of Operations

(a) **Financial overview:**

The Company has earned total Income of Rs. 96.33 Crores for the current year as compared to Rs. 45.04 Crores during the previous financial year. The net profit for the year under review has been Rs. 14.06 Crores for the current year as compared to the previous financial year net loss of Rs. 10.08 Crores.

(b) **Aircraft Movements and Passenger Throughput**

The details of Aircraft movements and Passenger throughput (Domestic & International) for the financial year 2017-18 are presented below:

Aircraft Movements	18,755 Nos.
Passenger Throughput	21,37,855 Nos.

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 earned profit for the year 2017-18 despite loss in 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 all 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, 2018 was Rs. 969,44,94,050/ (Rupees Nine Hundred Sixty Nine Crores Forty Four Lakhs Ninety Four Thousand and Fifty Only). During the year under review, Company has 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 Buy Back its Securities.

7. Directors and Key Managerial Personnel (KMP)

Appointments
During the year, Mr. Devender Singh & Mr. Ravi Bhagat w.e.f. 28.06.2017, Mr. Tejveer Singh, Mr. Rakesh Kalra, Dr. J. Ganesan w.e.f. 26.09.2017 have been appointed as Nominee Directors of the Company.

Resignations
During the year, Mr. Mahavir Singh & Mr. Varun Roojam w.e.f. 28.06.2017, Mr. Viswajeet Khanna & Mr. Vikas Gupta w.e.f. 26.09.2017 have resigned as Nominee Directors of the Company and Mr. J. B. Saini have resigned as Chief Financial Officer of the Company w.e.f. 26.10.2017.

8. 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.

9. Particulars of Employees

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

10. Meetings

During the year, Four (4) Board Meetings were held and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

11. Subsidiaries, Joint Ventures and Associate Companies

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

12. 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)/420 dated 27.07.2017 had appointed M/s Subhash & Associates, Chartered Accountants, Chandigarh as Statutory Auditors of the Company for the financial year 2017-18. The Statutory Auditors of the Company is being paid an audit fee of Rs. 1,00,000/-.

13. 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.

14. C & AG'S Report

The comments of the Comptroller and Auditor General (C&AG) of India, through letter No. GAP/AAI/Annual A/Cs/CHIAL/6-49/2018-19/61 dated 20.09.2018 on the Audited Financial Statements of the Company for the financial year ended 31.03.2018 under the Companies Act, 2013 has been received. C&AG commented that on the basis of their audit, nothing significant has come to their knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report and offers NIL comment on the report.

15. Internal Audit & Controls

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 2017-18. Their scope of work includes review of internal controls for safeguarding the assets of the Company, review of operational efficiency and effectiveness including non financial controls, to ensure compliance with policies, plans, procedures, laws & regulations and reviewing accounting and assessing the internal control strengths in all areas. Internal Auditors findings are discussed quarterly with the Board of Directors and suitable corrective actions is taken as per the directions of the Board on an ongoing basis to improve efficiency in operations.

16. Risk Management Policy

The major revenue of the Company are regulated by AERA which are approved by AERA on basis of revenue expenditure, revenue income and return on capital invested. However, Land cost has not been considered for determination of Aeronautical Charges (Return on Investment) for the first control period i.e. 2016-2021. The Airport charges including User Development Fees (UDF) are revised in every control period on the basis of submission by the Company. Runway is also being managed by Air Force and watch hours are also decided by the Air Force. At present, the Company has not identified any major risk as on date.

17. Corporate Social Responsibility

The Board of Directors has adopted a CSR policy in line with the provisions of the Companies Act, 2013. Annual Report on Corporate Social Responsibility Activities of the Company is enclosed as **Annexure I** to this report.

18. 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 in **MGT 9** is attached as **ANNEXURE II.**

19. 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.

20. 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 2017-18 for conducting the audit of cost records of your company in respect to Aeronautical Services, heading covered under non-regulated services sector.

21. 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.

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

There have been no material changes and commitments affecting the financial position for the year 2017-18. The significant events occurred between the end of the financial year of the Company 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. 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.

27. 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.

28. Particulars of loans, guarantees or investments under section 186

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

29. Particulars of contracts or arrangements with related parties:

During the year, the related parties transactions has been shown under disclosures to Balance Sheet pursuant to sub-section (1) of Section 188 of the Companies Act, 2013.

30. 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, Internal Complaint Committee has been constituted and no complaints have been received during the year.

31. 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.

32. 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, 2018, 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, 2018 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.

33. Acknowledgements

Your Directors wish to place on record their gratitude and sincere appreciation 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 look forward to their continued co-operation in the years to come.

Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day to day management.

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

Place: Mohali
Date: 28.09.2018

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) Sh. Ravi Bhagat, Member (Nominee Director)

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

Rs. (1224.66) 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:

Company 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.

(Suneel Dutt)
Chief Executive Officer

(Anuj Aggarwal)
Chairman – CSR Committee

Annexure II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	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, AIRPORTS 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) FIIs	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	49,44,19,195	51	0	49,44,19,195	51	0	No Change
2	Greater Mohali Area Development Authority	23,75,15,105	24.5	0	23,75,15,105	24.5	0	No Change
3	Haryana Urban Development Authority	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	NO CHANGE			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

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

(v) 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	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

V) **INDEBTEDNESS**

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	NIL			
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

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	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,98,927	20,06,972	5,27,760	86,33,659
	(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	60,98,927	20,06,972	5,27,760	86,33,659

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

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	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.
(ii)	the steps taken by the company for utilizing alternate sources of energy	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. Phase – I i.e. 3 MWp Solar Power Plant commissioned on date 26.10.2016 and working. Perusing case to PSPCL for Net Metering.
(iii)	the capital investment on energy conservation equipment's	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 Yr and net per unit saving is Rs. 2.99 (7.23-4.64).

Power Consumption:

Electricity	2017-18	2016-17
a) Units purchased (in lakhs)	61.97	90.18
b) Total amount (Rs. in lakhs)	473.02	646.61
c) Rate per unit (in Rs.) PSPCL	7.63 (Avg.)	7.17
d) Units purchased (in lakhs) – Solar Power	20.25	3.14
e) Total amount (Rs. In Lakhs) – Solar Amount	93.97	14.56
f) Rate per unit (in Rs.) – Solar	4.64	4.64
g) Own generation through Diesel Generator (Units in lakhs)	1.08	1.35
h) Unit per litre of diesel oil (KWH/litre)	1.85	2.64
i) Cost per unit (in Rupees)	56.59	20.04

(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 HVSC 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)-	Later solar modules is being installed for power generator
	(a) the details of technology imported	1. HVAC chillers 2. Glass elevators 3. Glass walled Passenger Boarding Bridge 4. Inline Baggage Handling System.
	(b) the year of import	2014
	(c)whether the technology been fully absorbed	Yes
	(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 (Paid to Airports Council International)	Rs. 16,49,536.55

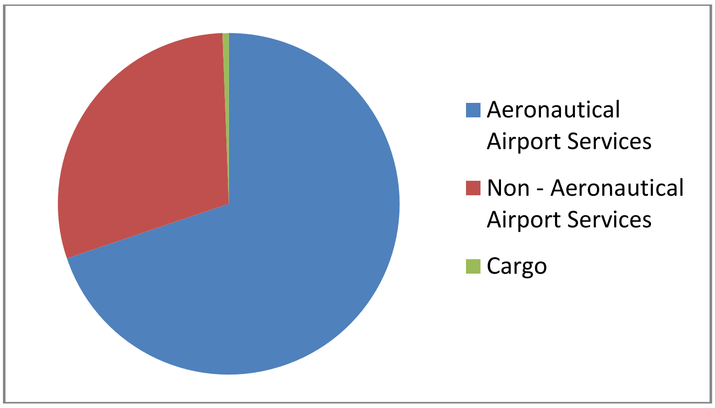
For Chandigarh International Airport Limited

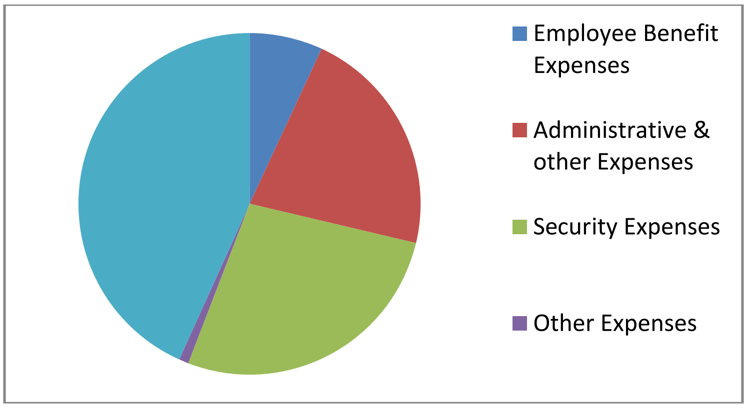
Chairman

FINANCIALHIGHLIGHTS

Financial Results of the Company (Rs. In Lacs)

Particulars	2017-18	2016-17
Revenue from operations	9235.12	4202.00
Other income	398.09	302.25
Total Income	9633.21	4504.25
Expenses	4282.39	3597.38
Profit/(Loss) before Deprecation	5350.82	906.87
Less: Deprecation	3264.42	3168.43
Profit/(Loss) after Deprecation but before Tax	2086.40	(2261.56)
Less: Provision for Tax	679.92	1253.51
Profit/(Loss) after Tax	1406.48	(1008.05)





Composition of Revenue

Composition of Expenditure

SUBHASH & ASSOCIATES
CHARTERED ACCOUNTANTS
KOTHI NO. 45, SECTOR 19-A, CHANDIGARH
TELEPHONE NO.0172-2775980, 4631945 (FAX)
Email: SCB8980@GMAIL.COM

Independent Auditor's Report
To the Members of Chandigarh International Airport Limited

Report on the Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **CHANDIGARH INTERNATIONAL AIRPORT LIMITED ('the Company')** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income),the statement of Cash Flow and Statement of changes in Equity for the year ended 31st March, 2018, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Comparative Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)prescribed under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone

Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances,. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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.

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:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

(c) The Balance Sheet, the Statement of Profit and Loss, 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, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 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:

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 AIATSL as per the 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.

iv. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

For **Subhash & Associates**
Chartered Accountants

(CA Subhash Bansal)
Proprietor
Membership No. 017035
FRN 000825N

Place: Chandigarh
Date: 28-08-2018

"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 2018, we report that:

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

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a certain 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 Company is a Service Company, primarily rendering Airport Services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the order is not applicable to the Company.

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, Sales tax, Service 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, 2018 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, sales tax, service 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.

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS

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 **Subhash & Associates**
Chartered Accountants

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

(CA Subhash Bansal)
Proprietor
Membership No. 017035
FRN 000825N

Place: Chandigarh
Date: 28-08-2018

"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, 2018:

1	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Yes, title deed of the land is freehold as per documents produced to us
2	Please report whether there are any cases of waiver/write off debts/loans/interest etc. If yes, the reasons therefore and the amounts involved.	NIL during the year
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	NIL during the year

FOR SUBHASH & ASSOCIATES
CHARTERED ACCOUNTANTS

(CA Subhash Bansal)
Proprietor
Membership No: 017035
FRN 000825N

Place: Chandigarh
Date: 28-08-2018

"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, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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.

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR SUBHASH & ASSOCIATES
CHARTERED ACCOUNTANTS

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS

(CA Subhash Bansal)
Proprietor
Membership No: 017035
FRN 000825N

Place: Chandigarh
Date: 28-08-2018

SUBHASH & ASSOCIATES
CHARTERED ACCOUNTANTS
KOTHI NO. 45, SECTOR 19-A, CHANDIGARH
TELEPHONE NO.0172-2775980, 4631945 (FAX)
Email: SCB8980@GMAIL.COM

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Chandigarh International Airport Limited** for the year ended 31.03.2018 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 SUBHASH & ASSOCIATES
CHARTERED ACCOUNTANTS

(CA Subhash Bansal)
Proprietor
Membership No: 017035
FRN 000825N

Place: Chandigarh
Date: 28-08-2018

Chandigarh International Airport Limited

Balance Sheet as at March 31, 2018

Amount in '000

Particulars	Note No	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	86,68,685	89,06,366
(b) Capital work-in-progress	3	8,801	43,557
(c) Deferred Tax Assets	16	57,359	1,25,351
(d) Other Non Current Assets	10	43,202	
Current Assets			
(a) Inventory	4	612	1,456
(b) Financial Assets			
(i) Trade Receivables	5	1,37,237	42,271
(ii) Cash & Cash Equivalents	6	7,17,242	3,74,372
(iii) Others	7	66,557	39,243
(c) Current Tax Assets	8	71,604	43,801
(d) Other Current Assets	9	3,370	7,300
Total Assets		**97,74,670**	**95,83,717**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	96,94,494	96,94,494
(b) Other Equity	12	(1,30,324)	(2,70,972)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Others	13	39,418	61,030
(b) Other non-current liabilities	14	10,706	13,674
Current liabilities			
(a) Financial Liabilities			
(i) Others	15	1,51,741	83,859
(b) Other current liabilities	17	8,636	1,632
Total Equity and Liabilities		**97,74,670**	**95,83,717**
Significant Accounting Policies	1		

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

For Subhash & Associates
Chartered Accountants

For and on behalf of the Board of Directors

(CA Subhash Bansal)	**(Avneet Kaur)**	**(Rakesh Dembla)**	**(S.Suresh)**	**(Anuj Aggarwal)**
Proprietor	Company Secretary	CFO	Director	Director

Membership No. 017035
FRN 000825N

Chandigarh International Airport Limited
Statement of Profit and Loss for the year ended March 31, 2018

Amount in '000

Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
i) Revenue From Operations	18	9,23,512	4,20,200
ii) Other Income	19	39,809	30,225
Total Income		**9,63,321**	**4,50,425**
Expenses			
i) Employee Benefits Expenses	20	52,173	43,263
ii) Operating Expenses	21	1,33,101	1,08,175
iii) Administrative & Other Expenses	22	31,219	20,260
iv) Security Expenses	23	2,04,890	1,83,285
v) Other Expense	24	6,857	4,756
vi) Depreciation expenses	25	3,26,442	3,16,843
Total expenses		**7,54,681**	**6,76,581**
Profit before exceptional items and tax		2,08,640	(2,26,156)
Exceptional Items		-	-
Profit Before Tax		**2,08,640**	**(2,26,156)**
Tax expense	16		
- Current Tax		43,202	-
- Less: MAT Credit		(43,202)	-
- Deferred Tax		67,992	(1,25,351)
Total Tax Expenses		**67,992**	**(1,25,351)**
Profit for the period from continuing operations		**1,40,648**	**(1,00,805)**
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations after tax		**-**	**-**
I Profit for the year		**1,40,648**	**(1,00,805)**
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		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		**1,40,648**	**(1,00,805)**
Earnings per equity share :			
(1) Basic		0.15	(0.12)
(2) Diluted		0.15	(0.10)
Significant Accounting Policies	1		

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

For Subhash & Associates
Chartered Accountants

For and on behalf of Board of Directors

CHARTERED ACCOUNTANTS

(CA Subhash Bansal) Proprietor, Membership No. 017035

(Avneet Kaur) Company Secretary

(Rakesh Dembla) CFO

(S.Suresh) Director

(Anuj Aggarwal) Director

Chandigarh International Airport Limited

Cash Flow Statement For The Year Ended March 31, 2018

Amount in '000

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss after tax	1,40,648	(1,00,805)
Adjustment for:-		
Depreciation	3,26,443	3,16,843
Interest Income	(32,728)	(23,382)
Fair Valuation Gain	(6,857)	(4,756)
Finance Cost	6,857	4,756
Tax Expense	67,992	(1,25,351)
Operating Profit before Working Capital Changes	**5,02,355**	**67,304**
Adjustment for:-		
Inventories	844	(1,456)
Trade Receivables	(94,966)	(19,094)
Loans & Advances and Other Current Financial Assets	(27,315)	(13,370)
Loans & Advances and Other Current Assets	3,930	11,151
Current Tax Assets	(27,803)	(31,828)
Other Non Current Asset	(43,202)	-
Other Non-Current Financial Liability	(21,612)	32,807
Other non-current liabilities	(2,969)	6,030
Other Current Financial Liabilities	67,882	38,455
Provisions and Other Liabilities	-	(12,884)
Other Current Liabilities	7,003	(2,351)
Net Cash From Operating Activities	**3,64,146**	**74,765**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets	(88,761)	(1,24,854)
Capital Work In Progress	34,756	(38,711)
Interest Income	32,728	23,382
Net Cash From Investing Activities	**(21,277)**	**(1,40,183)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Share Application Money	-	62,545
Net Cash From Financing Activities	**-**	**62,545**
D. Net changes in Cash & Cash equivalents	**3,42,870**	**(2,873)**
E. Opening Cash & Cash Equivalents (Note No 13)	3,74,372	3,77,246
F. Closing Cash & Cash Equivalents (Note No 13)	**7,17,242**	**3,74,372**

Significant Accounting Policies 1

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

For Subhash & Associates
Chartered Accountants

For and on behalf of Board of Directors

CHARTERED ACCOUNTANTS

(CA Subhash Bansal) Proprietor Membership No. 017035 FRN 000825N

(Avneet Kaur) Company Secretary

(Rakesh Dembla) CFO

(S.Suresh) Director

(Anuj Aggarwal) Director

Chandigarh International Airport Limited
Statement of Changes In Equity for the year ended March 31, 2018

Equity Share Capital

Balance as at April 1, 2017	Changes in share capital during the year	Balance as at March 31, 2018
96,94,494	-	96,94,494

Balance as at April 1, 2016	Changes in share capital during the year	Balance as at March 31, 2017
4,00,000	92,94,494	96,94,494

Other Equity

For the year ended March 31, 2018
Amount in '000

Particulars	Share application money pending allotment	Equity Component of Advance from Related Parties	Reserves and Surplus		Total
			Retained Earnings	Ind AS transitional Reserve	
Balance at the beginning of the reporting period	-	-	(2,39,931)	(31,042)	**(2,70,972)**
Changes in accounting policy prior period errors	-		-	-	**-**
Restated balance at the beginning of the reporting period	-		-	-	**-**
Total Comprehensive Income for the year	-		1,40,648	-	**1,40,648**
Share issued during the year	-	-	-	-	**-**
Transfer to retained earnings	-		-	-	**-**
Balance at the end of the reporting period	**-**	**-**	**(99,282)**	**(31,042)**	**(1,30,324)**

For the year ended March 31, 2017
Amount in '000

Particulars	Share application money pending allotment	Equity Component of Advance from Related Parties	Reserves and Surplus		Total
			Retained Earnings	Ind AS transitional Reserve	
Balance at the beginning of the reporting period	-		(1,39,125)	(31,042)	**(1,70,167)**
Changes in accounting policy prior period errors	-		-	-	**-**
Additions during the year	-	-	-	-	**-**
Total Comprehensive Income for the year	-		(1,00,805)	-	**(1,00,805)**
Any other change (to be specified)	-		-	-	**-**
Transfer to retained earnings	-		-	-	**-**
Balance at the end of the reporting period	**-**	**-**	**(2,39,931)**	**(31,042)**	**(2,70,972)**

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

CHANDIGARH INTERNATIONAL AIRPORT LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2018

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, the Airport Opening Date (hereinafter 'AOD').

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 ASs) to Indian Companies other than banking companies, insurance companies and non-banking financial companies (NBFCs). As per the roadmap, Ind ASs 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 measured at fair value at initial recognition.
- Non- current financial liabilities such as Security deposits from customers measured at fair value at initial recognition.

The preparation of the financial statements in conformity with Ind ASs 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 thousands. 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 ASs" 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

CHARTERED ACCOUNTANTS

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:

Class of Asset Rate of depreciation per annum

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.

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 techniqués 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, 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 plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs 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

CHARTERED

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 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

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

Aeronautical Revenue includes revenue from all regulated charges levied at CHIAL i.e., Parking and Housing, Passenger Service Fee (Facilitation component), User Development Fee, Extension of Watch Hours, Fuel Throughput, CUTE, Baggage reconciliation system fee and Cargo is recognized at the rates prescribed by Airport Economic Regulatory Authority (AERA) by order no 17/2016-17 dated March 17, 2017 for first control period (01.04.2016 to 31.03.2021), wherever applicable or 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 Ministry of Civil Aviation (MOCA). Passenger Service fees – Facilitation and Security component, User Development Fee 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.

Utility charges include power and water charges which are recovered from users of such utilities and are adjusted against the relevant expenses.

8. Retirement and other Employee Benefits

The employees on the roll of the company are on deputation from Airports Authority of India (AAI) as per order dated May 26, 2016 and further approval office order dated November 17, 2017. 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. 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.

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

SUBHASH & ASSOCIATES CHARTERED

16. 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 16.1 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.

16.1 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 the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

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 Subhash & Associates
Chartered Accountants

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

For and on behalf of the Board of Directors

(CA Subhash Bansal)	**(Avneet Kaur)**	**(Rakesh Dembla)**	**(S. Suresh)**	**(Anuj Aggarwal)**
Proprietor	Company Secretary	CFO	Director	Director
Membership No. 017035				
FRN 000825N				
Place: Chandigarh				
Date: 28-08-2018				

Amount in '000

Property, Plant and Equipment

Particulars	Gross carrying value as at April 1, 2017	Additions	Disposal/adjustments	Gross carrying value as at March 31, 2018	Accumulated depreciation as at April 1, 2017	Additions	Disposal/(adjustments)	Accumulated depreciation as at March	Net Block as at March 31, 2018
Land	4,531,873	-	-	4,531,873	-	-	-	-	4,531,873
Building Terminal/Other Buildings	2,914,904	21,119	-	2,936,023	130,660	92,785	-	223,445	2,712,579
Building Temporary	12,000	2,466	-	14,466	1,879	3,804	-	5,683	8,783
Roads, Bridges & Culverts -(Carpeted)	605,875	4,335	-	610,210	164,523	115,160	-	279,683	330,527
Roads, Bridges & Culverts - Non-Carpeted - CISF Security	4,125	-	-	4,125	1,845	1,306	-	3,151	973
Computers & I.T. Hardware & Access	7,778	601	112	8,267	3,443	2,471	10	5,903	2,364
Computers & I.T. - Servers	18,302	164	(112)	18,579	4,204	2,937	(10)	7,152	11,427
Plant & Machinery-Equipments	500,284	50,940	816	550,408	45,204	34,437	28	79,613	470,795
Tools & Equipments	5,567	143	(471)	6,181	970	856	(13)	1,839	4,342
Furniture & Fixtures	73,404	3,779	(33)	77,216	9,829	7,071		16,899	60,317
Electrical Installations	688,312	5,088	(80)	693,480	93,912	65,496	11	159,397	534,083
Motor Vehicles - Security	83	-	-	83	3	8	-	11	72
Cars & Jeeps - Security	164	-	-	164	28	20	-	48	116
Office Equipments	198	121	(226)	545	4	91	(14)	109	436
Total	9,362,869	88,755	6	9,451,618	456,503	326,442	12	782,933	8,668,685

Property, Plant and Equipment

Amount in '000

Particulars	Gross carrying value as at April 1, 2016	Additions	Disposal/adjustments	Gross carrying value as at March 31, 2017	Accumulated depreciation as at April 1, 2016	Additions	Disposal/adjustments	Accumulated depreciation as at March 31, 2017	Carrying Value as at March 31, 2017
Land	4,531,844	29	-	4,531,873	-	-	-	-	4,531,873
Building Terminal/Other Buildings	2,836,395	40,126	(38,384)	2,914,904	40,472	90,188	-	130,660	2,784,244
Building Temporary	1,894	10,106	-	12,000	253	1,626	-	1,879	10,121
Roads, Bridges & Culverts -(Carpeted)	597,222	8,653	-	605,875	49,958	114,565	-	164,523	441,352
Roads, Bridges & Culverts - Non-Carpeted - CISF Security	4,125	-	-	4,125	539	1,306	-	1,845	2,280
Computers & I.T. Hardware & Access	6,777	1,002	-	7,778	1,137	2,306	-	3,443	4,336
Computers & I.T. - Servers	18,302	-	-	18,302	1,306	2,898	-	4,204	14,098
Plant & Machinery-Equipments	487,820	12,464	-	500,284	13,862	31,342	-	45,204	455,080
Tools & Equipments	3,478	2,089	-	5,567	262	707	-	970	4,597
Furniture & Fixtures	749,974	11,742	-	761,716	31,862	71,878	-	103,740	657,976
Motor Vehicles - Security	15.19	68	-	83	1	3	-	3	79
Cars & Jeeps - Security	164.24	-	-	164	9	20	-	28	136
Office Equipments	6	192	-	198	0	5	-	5	193
Total	9,238,015	86,470	(38,384)	9,362,869	139,660	316,843	-	456,503	8,906,366

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

Notes to accounts for the year ended March 31, 2018

3 Capital Work- In- Progress

Amount in '000

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*	**43,393**	38,474	73,066	8,801
Computer & Software	**164**	-	164	-
Total	**43,557**	**38,474**	**73,230**	**8,801**

Amount in '000

Particulars	Balance as at April 1, 2016	Additions/Adjustments during the year	Capitalized during the year	Balance as at March 31, 2017
Civil & Other Works**	4,845.81	107,634	69,086	**43,393**
Computer & Software	-	164	-	**164**
Total	**4,846**	**107,798**	**69,086**	**43,557**

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

1. Expenditure for levelling of taxitrack of Rs 52,08,850/-
2. Expenditure for additional signages of Rs. 17,49,800/-
3. Geotechnical investigation for construction of apron amounting to Rs. 2,16,385/-
4. Expenditure incurred for construction of apron amounting to Rs. 2,48,444/-
5. Expenditure incurred for SITC 31 NO HD cameras for baggage tag dispensing amounting to Rs.11,58,280/-
6. Expenditure incurred for supply and fixing of HT/LT insulating mats in switch rooms amounting to Rs.2,19,000/-

**** Civil & Other Works as on 31.03.2017 pertains to followings:**

1. Study of route for Metro Tunnel amounting to Rs. 11,50,000/-
2. Construction of Façade System outside Terminal Building amounting to Rs. 319,91,265/-
3. Construction of Kitchen at CISF Barracks amounting to Rs. 23,34,073/-
4. Electrical Fittings in Administrative Block amounting to Rs. 7,58,195/-
5. Electrical Fittings in Pre Fab CISF Barracks amounting to Rs. 71,59,602/-

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

Notes to accounts for the year ended March 31, 2018

4 Inventory — Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Stock & Spares	612	1,456
Total	**612**	**1,456**

5 Trade Receivables — Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables	1,37,237	42,271
Total	**1,37,237**	**42,271**

6 Cash & Cash Equivalents — Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Flexi - Deposits	19,068	2,63,308
Balances with Banks	3,087	9,449
Sub-total (A)	**22,154**	**2,72,757**
Other Bank Balances		
Fixed - Term Deposit	6,95,087	1,01,615
(More than 3 months but less than 12 months)		
Sub-total (B)	**6,95,087**	**1,01,615**
Total	**7,17,242**	**3,74,372**

7 Other Current Financial Assets — Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Accrued Income	46,611	19,886
Recoverable from Parties	19,849	18,699
Security Deposits Receivable	97	657
Total	**66,557**	**39,243**

8 Current tax Assets — Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Deducted at Source A.Y.-16-17 (Net of Provision for Income Tax)	12,052	12,052
Tax Deducted at Source A.Y 2017-18 (Net of Provision for Income Tax)	31,750	31,750
Tax Deducted at Source A.Y 2018-19 (Net of Provision for Income Tax)	27,803	
Total	**71,604**	**43,801**

9 Other Current Assets — Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Service Tax Input	-	4,213
GST Input	385	
Prepaid Expenses	2,985	154
Leave Salary & Pay Advance	-	8
Advances to Suppliers	-	2,925
Advances to staff	-	-
Total	**3,370**	**7,300**

10 Other Non Current Assets — Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
MAT Credit	43,202	-
Total	**43,202**	**-**

SUBHASH & ASSOCIATES
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Notes to accounts for the year ended March 31, 2018

11 Equity Share Capital Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Authorized		
Equity shares of Rs. 10/- each	120,00,000	120,00,000
1200000000 equity shares		
Issued, subscribed and fully paid	96,94,494	96,94,494
Equity shares of Rs. 10/- each		
Share Capital	**96,94,494**	**96,94,494**

Reconciliation of share Capital:

Particulars	As at March 31, 2018	
	No of Shares	Amount
Opening Equity Shares	9,69,449	96,94,494
Add: -No. of Shares, Share Capital issued/ subscribed	-	-
Closing balance	**9,69,449**	**96,94,494**

Particulars	As at March 31, 2017	
	No of Shares	Amount
Opening Equity Shares	400,00,000	4,00,000
Add: -No. of Shares, Share Capital issued/ subscribed	9294,49,405	92,94,494
Closing balance	**9694,49,405**	**96,94,494**

Shares in the company held by shareholder holding more than 5 percent

Name of the Shareholder	As at March 31, 2018	As at March 31, 2017
Airports Authority of India (AAI)	4944,19,195	4944,19,195
Greater Mohali Area Development Authority (GMADA)	2375,15,105	2375,15,105
Haryana Urban Development Authority (HUDA)	2375,15,105	2375,15,105

12 Other Equity Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Retained Earnings		
Opening Balance	(2,70,972)	(1,70,167)
Surplus / (Deficit) in Statement of Profit and Loss	1,40,648	(1,00,805)
Ind AS Transition Reserve		-
Total	**(1,30,324)**	**(2,70,972)**

13 Other Non-Current Financial Liabilities Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposits	39,418	61,030
Total	**39,418**	**61,030**

14 Other Non-Current Liabilities Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Fair Valuation Gain - Security Deposits	10,706	13,674
Total	**10,706**	**13,674**

15 Other Current Financial Liabilities Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposits	84,828	34,245
Airports Authority of India	1,053	16,885
Liability of Pay & Allowances	176	-
Expenses Payable	65,684	32,729
Total	**1,51,741**	**83,859**

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

Notes to accounts for the year ended March 31, 2018

16 Tax Expense

Tax recognised in Statement of profit and loss

Amount in '000

Particulars		For the year Ended March 31, 2018	For the year Ended March 31, 2017
Current income tax			
Current year	43,202		-
Less: MAT Credit	(43,202)	-	-
Sub Total (A)			-
Deferred tax expense			-
Origination and reversal of temporary differences		67,992	(1,25,351)
Changes in tax rate			-
Change in accounting policy			-
Sub Total (B)		**67,992**	**(1,25,351)**
Total (A+B)		**67,992**	**(1,25,351)**

Reconciliation of effective tax rates

Amount in '000

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Profit before tax	2,08,640	(2,26,156)
Enacted tax Rate	28.84%	30.90%
Computed Expected Tax Expenses	60,172	(69,882)
Tax Effect of :		
MAT Credit	(43,202)	-
Others (Include Transition Reserve)	(1,790)	-
Effect of change in tax rate*	(15,179)	-
Current Tax Provision (A)	**0**	**(69,882)**
recognised	-	(55,469)
Deferred tax for the temparory differences	67,338	-
Effect of change in tax rate*	654	-
Deferred Tax Provision (B)	**67,992**	**(55,469)**
Tax Expenses recognised in profit and loss (A+B)	**67,992**	**(1,25,351)**

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

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liability		
Property, plant and equipment	(1,19,657)	(89,796)
Sub Total	**(1,19,657)**	**(89,796)**
Deferred tax Assets		
per Income Tax	1,71,304	2,06,056
Unamortized preoperative & preliminary Exp.	5,712	9,091
Sub Total	**1,77,016**	**2,15,147**
Net Deferred Tax Assets	**57,359**	**1,25,351**

Movement in deferred tax balances during the year 2018

Amount in '000

Particulars	Balance as at March 31, 2017	Recognised in profit & loss	Balance As at March 31, 2018
Property, plant and equipment	(89,796)	(29,861)	(1,19,657)
Unabsorbed Depreciation & brought forward losses as per Income Tax	2,06,056	(34,752)	1,71,304
Unamortized preoperative & preliminary expenses	9,091	(3,380)	5,712
Total	**1,25,351**	**(67,992)**	**57,359**

Movement in deferred tax balances during the year 2017

Amount in '000

Particulars	Balance as at April 1, 2016	Recognised in profit & loss	Balance As at March 31, 2017
Property, plant and equipment	(27,575.37)	(62,221)	(89,796)
Unabsorbed Depreciation & brought forward losses as per Income Tax	27,575.37	1,78,481	2,06,056
Unamortized preoperative & preliminary expenses	-	9,091	9,091
Total	-	**1,25,351**	**1,25,351**

17 Other Current Liabilities

Amount in '000

Particulars	As at March 31, 2018	As at March 31, 2017
Duties & Taxes	6,303	458

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS

Notes to accounts for the year ended March 31, 2018

18 Revenue From Operations

Amount in '000

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Aeronautical Revenue		
Parking & Housing	495	577
Passenger Service Fee (Facilitation)	17,505	71,803
User Development Fees	4,54,116	-
Extension of Watch Hours	1,818	3,342
Ground Handling Services	8,354	7,801
Throughput Charges	8,146	5,277
Baggage Reconciliation System Charges	446	-
Common User Terminal Equipment Charges	18,213	16,098
Cargo Revenue	5,493	5,235
Total	**5,14,586**	**1,10,133**
Passenger Service Fee (Security)	1,35,564	1,21,214
Non-aeronautical Revenue		
Admission Fees/Commercial Passes	1,655	2,629
Car Parking	45,138	26,663
Rent & Services	1,17,150	84,738
Trading Concession	1,09,419	74,823
Total	**2,73,362**	**1,88,853**
Total	**9,23,512**	**4,20,200**

19 Other Income

Amount in '000

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on Term Deposits	32,728	23,382
Fair Valuation Gain	6,857	4,756
Miscellaneous Income	225	2,087
Total	**39,809**	**30,225**

20 Employee Benefit Expenses

Amount in '000

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Pay & Allowances	7,640	7,498
Contribution to Provident Fund and other funds	572	743
Other Staff Cost	79	113
Cost of Staff Deployment of AAI	43,881	34,909
Total	**52,173**	**43,263**

21 Operating Expenses

Amount in '000

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Repair & Maintenance		
- Civil	14,424	9,468
- Electrical	24,685	11,226
- Equipment & Furniture	6,127	1,921
- Electronics & IT Infrastructure	170	172
Housekeeping & Cleaning Works	22,197	9,283
Advertisement & Publicity	2,426	6,836
Consumption of Stores & Spares	7,901	5,760
Electricity & Water Charges	53,772	63,508
Lease Rental	696	
Rent, Rates & Taxes	705	-
Total	**1,33,101**	**1,08,175**

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS

Notes to accounts for the year ended March 31, 2018

22 Administrative & Other Expenses

Amount in '000

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Postage, Telegram, Telex	64	39
Printing & Stationery	878	928
Telephone Charges	317	400
Travelling Expenses	756	1,189
Consultancy Charges	5,644	3,791
Insurance Expense	251	117
Payment to Auditors		
- Audit Fee - Statutory Audit	100	101
- Audit Fee - Other Audit	280	65
Training & Seminar Expenses	176	71
Facilitation Expenses	4,945	1,842
Hire Charges - Others	9,706	6,882
Board Meeting Expenses	71	47
Collection Charges on PSF/UDF	5,695	4,196
Other Fees	12	13
Miscellaneous Office Expenses	280	545
Subscription (Professional bodies)	2,044	35
Total	**31,219**	**20,260**

23 Security Expenses

Amount in '000

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Pay & Allowances and Other Staff Cost	1,95,970	1,75,043
Vehicle Running & Hire Charges	3,398	5,740
Other Miscellaneous Expenses	5,522	2,503
Total	**2,04,890**	**1,83,285**

24 Other Expense

Amount in '000

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest due to fair valuation	6,857	4,756
Total	**6,857**	**4,756**

25 Depreciation

Amount in '000

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation	3,26,442	3,16,843
Total	**3,26,442**	**3,16,843**

SUBHASH & ASSOCIATES
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Notes to Accounts for the year ended March 31, 2018

1 Disclosures in respect of Ind AS 107 - Financial Instruments

1.1 Financial Instruments by Categories

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

(Amount as of March 31, 2018)
Amount in '000

Particulars	Amortized cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial Assets:					
Cash & Cash Equivalents (Ref Note No. 6)	7,17,242	-	-	7,17,242	7,17,242
Trade Receivable (Ref Note No. 5)	1,37,237	-	-	1,37,237	1,37,237
Other Financial Assets (Ref Note No. 7)	66,557	-	-	66,557	66,557
Financial Liabilities:					
Security Deposits	1,24,246			1,24,246	1,24,246
Other Financial Liabilities (Ref Note No. 15)	66,913	-	-	66,913	66,913

(Amount as of March 31, 2017)
Amount in '000

Particulars	Amortized cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial Assets:					
Cash & Cash Equivalents (Ref Note No. 6)	3,74,372	-	-	3,74,372	3,74,372
Trade Receivable (Ref Note No. 5)	42,271	-	-	42,271	42,271
Other Financial Assets (Ref Note No. 7)	39,243	-	-	39,243	39,243
Financial Liabilities:					
Security Deposits	95,275	-	-	95,275	95,275
Other Financial Liabilities (Ref Note No. 15)	16,885	-	-	16,885	16,885

1.2 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).

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS

CHIAL

Notes to Accounts for the year ended March 31, 2018

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

(Amount as of March 31, 2018)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial liabilities at fair values:						
Security Deposits			1,24,246	1,24,246	Valued at MCLR rate of SBI as on 01/04/2017	**8%**
			1,24,246	**1,24,246**		

(Amount as of March 31, 2017)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial liabilities at fair values:						
Security Deposits			95,275	95,275	Valued at MCLR rate of SBI as on 01/04/2016	**9.20%**
Total	-	-	**95,275**	**95,275**		

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

1.3 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 1372.37 Lakhs and 422.71 Lakhs as of March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to 369.79 Lakhs and 6.71 Lakhs as of March 31, 2018 and March 31, 2017, 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:

Amount in '000

Particulars	31-Mar-18		31-Mar-17	
	Gross Amount	Impairment	Gross Amount	Impairment
Not past due	34,777	-	10,567	-
Past due less than three months	45,696	-	15,572	-
Past due more than three months but not more than six months	24,564	-	4,639	-
Past due more than six months but not more than one year	13,212	-	10,238	-
More than one year	18,988	-	1,255	-
Total	**1,37,237**	**-**	**42,271**	**-**

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.

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

Notes to Accounts for the year ended March 31, 2018

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 2017-18,CHIAL 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 have been drawn up based on the undisclosed cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

(Amount as of March 31, 2018)
Amount in '000

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Security Deposits	31,180	53,648	25,191	9,708	4,519	**1,24,246**
Other Financial Liabilities	66,913	-	-	-	-	**66,913**
Total	**98,093**	**53,648**	**25,191**	**9,708**	**4,519**	**1,91,159**

(Amount as of March 31, 2017)
Amount in '000

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Security Deposits	25,922	8,323	54,653	6,004	373	**95,275**
Other Financial Liabilities	16,885					**16,885**
Total	**42,807**	**8,323**	**54,653**	**6,004**	**373**	**1,12,160**

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

During the year, the company assessed the impairment loss of assets and is of the opinion that assets have been recently capitalized pursuant to operation start date. As the project has a long life and no indication exists for the impairment of the assets, therefore, it is considered that during the year, there is no impairment loss of assets.

3 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(Mohali). Consequently, the Company does not have separate business segment.

Information about major customers (Refer Para 34 of Ind AS 108)

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	March 31, March 31, 2018	March March 31, 2017
No of customers	2	2
Total Revenue from above customers	3,81,267	1,36,612
Total Revenue	9,23,512	4,20,200
% of total Revenue	41%	33%

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS

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

4.1 Disclosures for Other than Govt. Related Entities

a. List of key management personnel

Name	Designation
Sh. Suneel Dutt	Chief Executive Officer
Sh. J.B. Saini	Chief Financial Officer till 27.10.2017
Sh. Rakesh Dembla	Chief Financial Officer from 24.05.2018
Smt. Avneet Kaur	Company Secretary

b. Compensation of key management personnel

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term benefits	7,719	7,611
Post-employment benefits	572	743
Total	8,291	8,353

c. Transactions with Related Parties

FY 2017-18					
Name of Party	Issue of shares	Procurement of Assets	Staff Deployment Cost	Others	Closing Balance
AAI	-	696	49,577	(66,105)	1,053
	-	-			
	-	-			

FY 2016-17					
Name of Party	Issue of shares	Procurement of Assets	Staff Deployment Cost	Others	Closing Balance
AAI	4,740,191,950	10,966	34,909	6,039	16,885
GMADA	2,277,151,050	-	-	-	
HUDA	2,277,151,050	-	-	-	

d. Closing Balance

Name of Party	Balance as on March 31, 2018	Balance as on March 31, 2017
AAI	1,053	16,885
	-	-

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

5.1 As lesse

a) Operating Lease

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Lease Rent recognize during the period in profit and loss	696	-

Description: Arrangement to supply X-Ray Baggage Machine to the company and payment will be made in a tenure of 6 years. Lease is a cancellable lease.

5.2 As lessor

a) Operating Lease

- **Future minimum lease payments under non-cancellable operating leases**

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Not later than 1 year	50,323	46,159
Later than 1 year and not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil

6 **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	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	1,40,648	(1,00,805)
Earnings used in calculation of basic earnings per share(A)	**1,40,648**	**(1,00,805)**
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	9,69,449	8,23,765
Basic EPS(A/B)	**0.15**	**(0.12)**

b) Diluted EPS

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	1,40,648	(1,00,805)
Earnings used in calculation of basic earnings per share(A)	**1,40,648**	**(1,00,805)**
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	9,69,449	9,65,405
Diluted EPS(A/B)	**0.15**	**(0.10)**

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

Movement in provisions

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	32,729	45,613
Addition/Transfer during the year	-	32,729

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS

CHIAL

Notes to Accounts for the year ended March 31, 2018

8

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Value of Components, spare parts & stores:		
(i) Imported	-	-
(ii) Indigenous	612	1456
	-	-

9 **Contingent Liabilities:**

A Power Purchase agreement dated 12.07.2016 was executed between CHIAL and ReNew Solar Power Private Limited for supply of 100% of the generated power from ReNew's 3MWp Solar Plant at CHIAL.The tariff quoted for the same is Rs.4.64 KwH. Renew Solar Power Private Limited has billed CHIAL for the complete amount of power generated whereas CHIAL has acknowledged and paid for only the amount of energy actually consumed and has not recognised the liability for remaining amount invoiced by Renew Solar Power Private Limited. The party has proposed for setting up Dispute Resolution Committee which is under consideration of higher management.

10 **Contingent Assets:** No contingent assets reported as on balance sheet date.

11 **Capital Commitments**

(a) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account is 11,116 Lakhs on March 31, 2018.

(b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account is 3,626.08 Lakhs on March 31, 2017.

12 CHIAL was raising invoices on Air India with the rates it is charging from other airlines. However, Air India was not paying this amount and there was no formal agreement between Air India and CHIAL. As of March 31 2018, no settlement had been arrived and financial impact is ascertained to be 2.95 crores approximately. Therefore, this non-adjusting event will be accounted for in FY 2018-19.

13 **Non-cash Transactions: As required by Ind AS 7**

For the financial year 2017-18, Chandigarh International Airport hasn't incurred any Non Cash Transaction.

14 **Approval of financial statements**

The unaudited financial statements were approved by the Board of Directors and authorised for issue on 27/06/2018.

For Subhash & Associates
Chartered Accountants

SUBHASH & ASSOCIATES CHARTERED ACCOUNTANTS CHANDIGARH

For and on behalf of the Board of Directors

(CA Subhash Bansal)	**(Avneet Kaur)**	**(Rakesh Dembla)**	**(S.Suresh)**	**(Anuj Aggarwal)**
Proprietor	**Company Secretary**	**CFO**	**Director**	**Director**

Membership No. 017035
FRN 000825N
Place : Chandigarh
Date : 28-08-2018

संख्या / No. GAP/AAI/Annual A/c/CHIAL/6-49/2018-19/615

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

गोपनीय

दिनांक / Dated 20/9/18

सेवा में,

निदेशक,
चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड,
रूम न. 1, प्रोजेक्ट ऑफिस बिल्डिंग,
चंडीगढ़ एयरपोर्ट, चंडीगढ़-160003

विषय : 31 मार्च 2018 को समाप्त वर्ष हेतु चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड के वार्षिक लेखों पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियत्रंक महालेखा परीक्षक की टिप्पणियाँ

महोदय,

मैं इस पत्र के साथ 31 मार्च 2018 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 नियत्रंक महालेखा परीक्षक की "**शून्य टिप्पणियाँ**" अग्रेषित करती हूँ । इन शून्य टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाषित 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।

भवदीया,

संलग्न : शून्य टिप्पणियाँ

न. मुंशी

(नन्दना मुंशी)
महानिदेशक

तृतीय तल, ए–स्कन्ध, इन्द्रप्रस्थ भवन, इन्द्रप्रस्थ एस्टेट, नई दिल्ली–110002
3rd Floor, A-Wing, Indraprastha Bhawan, I. P. Estate, New Delhi-110002
दूरभाष / Tele.: 011-23378473, फैक्स / Fax : 011-23378432; 011-23370871
E-mail : mabnewdelhi1@cag.gov.in

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 2018

The preparation of financial statements of **Chandigarh International Airport Limited** for the year ended 31 March 2018 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 Audit Report dated 28 August 2018.

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 2018 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

N. Munshi

(Nandana Munshi)
Director General
O/o Principal Director of Commercial Audit
& Ex-officio Member Audit Board-I,
New Delhi.

Place: New Delhi
Dated: 20 September 2018