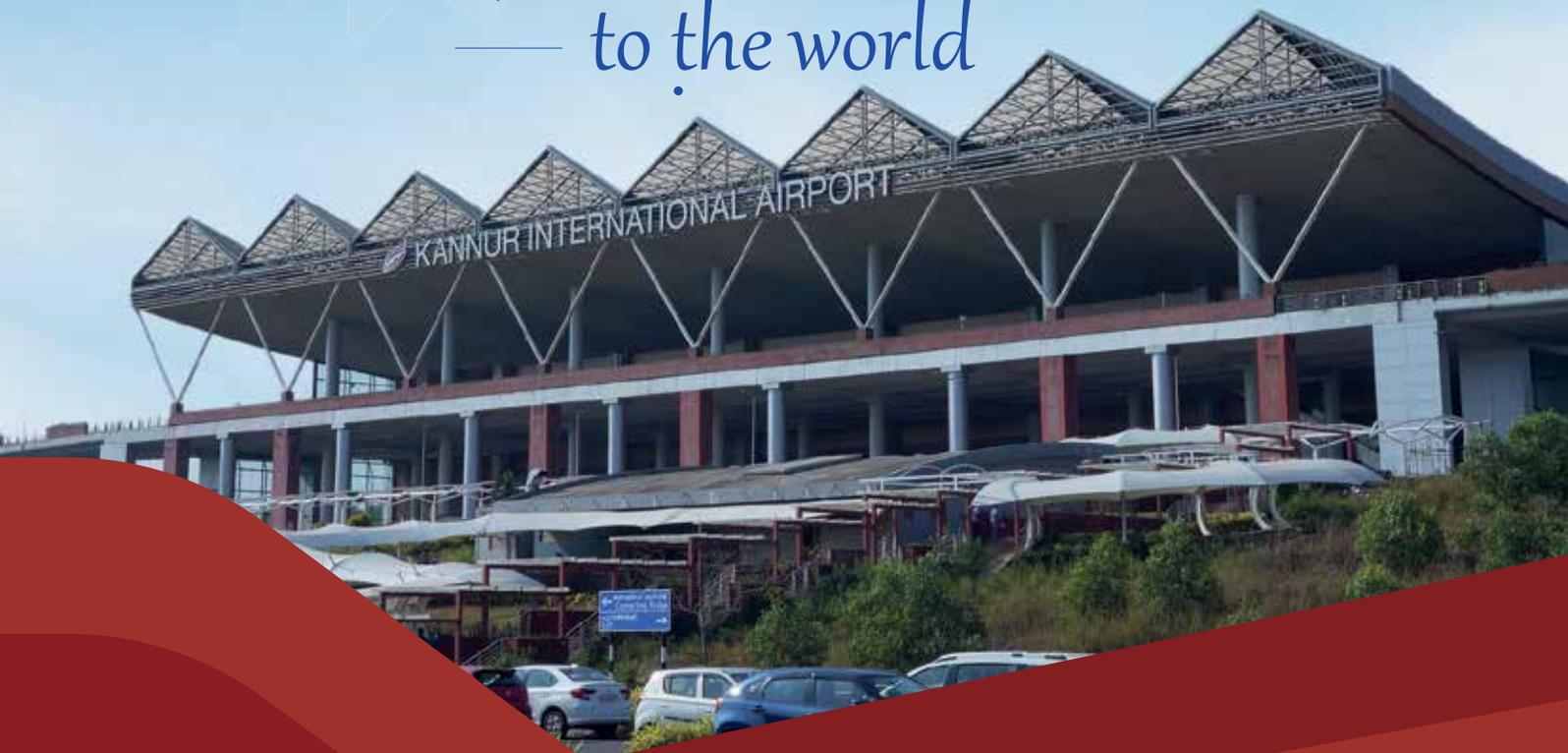


16TH ANNUAL REPORT 2024-25

Connecting
Malabar
to the world





KANNUR
INTERNATIONAL AIRPORT
WINS ACI WORLD'S

**BEST AIRPORT
AWARD 2024**

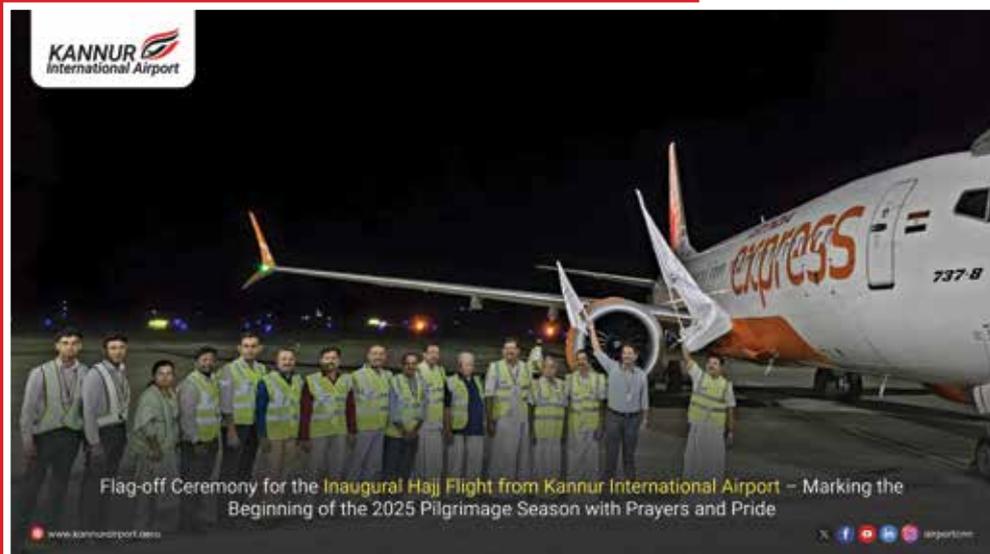
in <2MPPA category

Kannur International Airport (KIAL) has been honored with the prestigious ACI World's "Best Airport Award" in the Under 2 Million Passengers Per Annum (MPPA) category as part of the Airport Service Quality (ASQ) Survey 2024. This global recognition highlights Kannur Airport's unwavering commitment to delivering an outstanding passenger experience. The ASQ Survey, conducted by Airports Council International (ACI), is the world's leading airport passenger satisfaction benchmarking program, measuring traveler feedback on key service parameters such as arrival at the airport, check-in, security screening, immigration, shopping and dining, gate areas, and overall airport atmosphere. The survey evaluates these aspects across 32 parameters, collecting live feedback from passengers through the ACI portal, which serves as the basis for the award. Kannur Airport excelled in all these areas, demonstrating world-class service standards and operational efficiency.

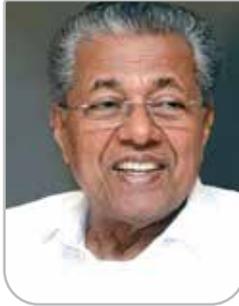
Shri Dinesh Kumar, Managing Director of Kannur International Airport, expressed gratitude for the recognition, stating that the award is a testament to their relentless efforts in enhancing passenger experience through seamless operations, customer-centric services, and a

commitment to excellence. He dedicated the achievement to passengers, stakeholders, and the entire Kannur Airport team. Mr. Justin Erbacci, Director General of ACI-World, also congratulated Kannur Airport, emphasizing that in an era where passenger expectations are evolving rapidly, excellence in customer service is the key to ensuring airports remain memorable destinations in themselves. He commended Kannur International Airport for its success in the renowned ASQ Awards and for redefining the airport experience.

Since its inception, Kannur International Airport has positioned itself as a key gateway to North Kerala and beyond, offering state-of-the-art infrastructure, efficient passenger handling, and a vibrant travel experience. Winning the ACI-ASQ Award reinforces KIAL's mission to set new benchmarks in customer satisfaction and operational excellence. Kannur Airport extends heartfelt thanks to its passengers, airline partners, government authorities, and airport personnel for their continued support in making this achievement possible. Looking ahead, KIAL remains committed to further elevating its services and infrastructure to ensure an even more seamless and delightful travel experience.



Board of Directors



Shri. Pinarayi Vijayan
Chairman
Hon'ble Chief Minister of Kerala



Shri. Dinesh Kumar C
Managing Director



Shri. A K Saseendran
Director
Hon'ble Minister for
Forest & Wildlife



**Shri. Ramachandran
Kadannappalli**
Nominee Director
Minister for
Registration, Museums,
Archaeology, and
Archive



Shri. A. Jayathilak IAS
Nominee Director
Chief Secretary,
Government of Kerala



**Padmashri.
M A Yusuffali**
Director



Dr. Shamsheer V P
Director



**Shri. Abdul Qadir
Theruvath**
Director



Dr. M P Hassan Kunhi
Director



Shri. Anupam Verma
Nominee Director
AAI



Shri. L. Kuppulingam
Nominee Director
AAI



Smt. Srividya
Nominee Director
BPCL



**Smt. Aruna
Sundararajan, IAS
(Retd.)**
Independent Director



**Shri. Ashok Kumar
Gopalapillai, IAS
(Retd.)**
Independent Director

KANNUR INTERNATIONAL AIRPORT LIMITED

CIN : U63033KL2009PLC025103

Board of Directors

Chairman

Sri. Pinarayi Vijayan

Managing Director

Sri. Chundayil Dineshkumar

Directors

Sri. Saseendran Arippa Kungatty

Sri. Ramachandran Kadannappalli

Dr. A. Jayathilak IAS

Padmashri. M.A. Yusuffali

Sri. Vayalil Parambath Shamsheer

Sri. Abdul Qadir Mohamed Theruvath

Sri. Hassan Kunhi Purayil Methale

Smt. Srividya Venkataraman

Sri. Anupam Verma

Sri. L Kuppulingam

Sri. Asok Kumar Gopalapillai IAS (Retd.)

Smt. Aruna Sundararajan IAS (Retd.)

Chief Operating Officer

Sri. Aswani Kumar VK

Chief Financial Officer

CA Jayakrishnan S.

Company Secretary

CS Aby Eapen

Statutory Auditors

Krishnamoorthy & Krishnamoorthy,

Chartered Accountants, Ernakulam

Secretarial Auditors

CS Abhilash Nedyalil Abraham,

Practising Company Secretary, Ernakulam

Legal Advisors

1. Menon & Pai, Advocates, Ernakulam

2. Adv. Rajesh Kurup, Ernakulam

Registrar and Share Transfer Agents

Cameo Corporate Services Ltd.

No. 1, Club House Road, Chennai-600 002

Tel : 044-28460390 Fax: 044-28460129

E-mail: investor@cameoindia.com



Registered Office

Kannur International Airport Ltd,

Kannur International Airport (PO),
Mattannur, Kannur, Kerala, India, 670708.

Website : www.kannurairport.aero

E-mail ID : info@kannurairport.aero

Phone : 0490-2481000

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NOTICE OF THE 16TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 16th Annual General Meeting of the shareholders of **Kannur International Airport Limited** will be held on **Friday, 19 September 2025 at 5.00 p.m.** through **Video Conferencing (VC) / Other Audio Visual Means (OAVM)** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2025, together with the Report of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2025, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Sri. Abdul Qadir Theruvath (DIN: 07633785), Director who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Shamsheer V.P.(DIN: 02371712), Director who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Sri. Asok Kumar Gopalapillai, IAS (Retd.) (DIN: 02214967) as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] (hereinafter referred to as the “Applicable Laws”) and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Sri. Asok Kumar Gopalapillai, IAS (Retd.) (DIN: 02214967) who meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and who was appointed as an Additional Director w.e.f 07 July 2025 qualifying as an Independent Director at the Board Meeting held on 23 June 2025 pursuant to provisions of Section 161(1) of the Act and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Act from a member signifying his candidature as the Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years from the date of passing of this resolution and whose office shall not henceforth, be liable for retirement by rotation.”

“RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby jointly and/or severally authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution.”

5. Appointment of Smt. Aruna Sundararajan, IAS (Retd.) (DIN: 03523267) as an Independent Director of the Company.

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

“RESOLVED THAT in accordance with the provisions of Sections 149, 150, and 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] (collectively referred to as the “Applicable Laws”), and upon the recommendation of the Nomination and Remuneration Committee and approval by the Board of Directors, Smt. Aruna Sundararajan, IAS (Retd.) (DIN: 03523267), who meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and who was appointed as an Additional Director w.e.f 07 July 2025 qualifying as an Independent Director at the Board Meeting held on 23 June 2025 pursuant to provisions of Section 161(1) of the Act and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Act from a member signifying her candidature as the Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years from the date of passing of this resolution and whose office shall not henceforth, be liable for retirement by rotation.”

“RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorised, jointly and/or severally, to undertake all acts, deeds, and steps necessary, proper or expedient to implement and give effect to this resolution.”

6. Remuneration of Cost Auditor for the Financial Year 2025–26.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of **M/s Sankara Kumar Associates**, Cost Accountants, Trivandrum, appointed by the Board of Directors to conduct audit of cost records for the Financial Year 2025–26, be and is hereby ratified at **Rs. 75,000/- plus applicable taxes and out-of-pocket expenses.**”

“RESOLVED FURTHER THAT M/s Sankara Kumar Associates, Cost Accountants be and is hereby authorized to prepare and file the cost audit report in the prescribed form with the Registrar of Companies for the Financial Year 2025–26, on a remuneration of **Rs. 18,000/- inclusive of all taxes.**”

**By order of the Board
For Kannur International Airport Limited**

**Sd/-
Aby Eapen
Company Secretary
M. No. : A23807**

Date: 23 June 2025
Place: Kannur

Notes:

- 1. THE STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE IS ANNEXED.**
2. Ministry of Corporate Affairs has vide its General Circular No. 09/2024 dated 19 September 2024, granted an extension to conduct the AGM through Video Conferencing (VC) or other audio visual means (OAVM) till 30 September 2025. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself /herself and such proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, the physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.
4. The notice of the AGM is being sent physically to the registered address of the shareholders and through electronic mode to those members whose email addresses are registered with the Company. Members may please note that the Notice will also be available on the Company's website (**www.kannurairport.aero**).
5. The register of members and share transfer books of the Company will remain closed from 13 September 2025 to 19 September 2025. Both days inclusive.
6. The Board of Directors has appointed Sri. Abhilash Nedayalil Abraham, (FCS No. 10876 CP No. 14524), as the Scrutiniser to scrutinise the e-Voting process in a fair and transparent manner
7. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e 12 September 2025, may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer/RTA (irrespective of NSDL/CDSL account holders) . However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e 12 September 2025, may follow steps mentioned in the Notice of the AGM under “Access to NSDL/CDSL e-voting system”.
8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 (five) working

days prior to meeting, mentioning their name, demat account number/folio number, email id, mobile number at Company email id- cs@kannurairport.aero. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 5 (five) working days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company email id- cs@kannurairport.aero. These queries will be replied to by the Company suitably by email.

9. Since the AGM is being held through VC/OAVM, the Route map is not annexed to this Notice.
10. E-voting instructions are also forming part of this notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No.4 Appointment of Sri. Asok Kumar Gopalapillai (DIN: 02214967) as an Independent Director.

The Board of Directors of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, had appointed Sri. Asok Kumar Gopalapillai, IAS (Retd.) as an Additional Director in the category of Independent Director, with effect from 7 July 2025.

In terms of the provisions of Section 161 of the Companies Act, 2013, Sri. Asok Kumar Gopalapillai shall hold office up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Sri. Asok Kumar Gopalapillai for the office of Director. The Company has received from Sri. Asok Kumar Gopalapillai, (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of Sub-Section (2) of Section 164 of the Companies Act, 2013.

The Company has also received a declaration from Sri. Asok Kumar Gopalapillai confirming that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. In the opinion of the Board, Sri. Asok Kumar Gopalapillai fulfils the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and is independent of the management.

Sri. Asok Kumar Gopalapillai, a 1991 batch IAS officer of the Telangana cadre, retired as Special Secretary and Director General of the National Mission for Clean Ganga (NMCG) on 29 February 2024. Under his leadership, the Namami Gange programme earned global recognition, being listed among the top ten “Eco-Restoration World Flagships” by a UNEP–FAO-led consortium at COP15 in Montreal. He launched transformative initiatives under the ‘Arth Ganga’ framework, focused on six pillars including natural farming, treated water reuse, livelihood generation, and tourism promotion. Mr. Kumar also introduced several institutional mechanisms such as the 4M model for District Ganga Committees, the River Cities Alliance, ‘Ghat par Yoga’, and the PRAYAG platform for real-time river monitoring, while significantly boosting sewage treatment capacity along the Ganga.

As Additional Secretary and Mission Director of the National Water Mission, he launched the flagship ‘Catch the Rain’ campaign in 2020, which was endorsed by the Hon’ble Prime Minister and rolled out nationwide under the Jal Shakti Abhiyan. The campaign reached over 2.5 lakh Gram Panchayats, becoming one of the largest rainwater harvesting movements globally. He introduced highly popular public engagement initiatives such as “Water Talks,” “Water Tech Talks,” and “Catch the Rain: Dialogues with DMs,” and instituted the first-ever National Water Mission Awards. Earlier, as ED (Projects) at NMCG, he managed implementation of projects worth Rs. 20,000 crore

and organised large-scale outreach events like the ‘Great Ganga Run’ and the ‘Ganga Amantran’ rafting expedition. His earlier work in sanitation through the “Shubrata” programme in Nizamabad predated national missions and was lauded for its rapid, community-driven implementation.

Mr. G. Asok Kumar has also made notable contributions to the aviation sector. As part of his civil aviation portfolio, he played a key role in establishing the Aircraft Accident Investigation Bureau (AAIB), a critical institution for aviation safety in India. He was also involved in supporting the revival of struggling airlines, demonstrating his capacity to address complex regulatory and operational challenges in the aviation domain. In addition, his career spans achievements in urban infrastructure, education, and tribal development — including restoring water supply in Hyderabad after 24 years, leading massive afforestation and lake rejuvenation drives, starting English-medium residential schools across Telangana, and launching impactful community-led campaigns like ‘BeBold’ against HIV stigma. Recognised with the Jal Mitra Award and the inaugural TEX Award, Mr. Kumar is widely celebrated for his inclusive, environmentally conscious, and institution-building approach to public service.

The Board considers that the appointment of Sri. Asok Kumar Gopalapillai will bring considerable expertise and value to the Company and recommends the Ordinary Resolution set out at Item No. 4 for approval of the members. Upon his appointment, Sri. Asok Kumar Gopalapillai shall not be liable to retire by rotation.

All documents referred to in accompanying Notice and Statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection at the Registered Office of the Company during the office hours on all working days upto the date of AGM.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Sri. Asok Kumar Gopalapillai, is concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

Item No.5 Appointment of Smt. Aruna Sundararajan (DIN: 03523267) as an Independent Director.

The Board of Directors of the Company had appointed Smt. Aruna Sundararajan (DIN: 03523267) as an Additional Director in the category of Independent Director of the Company with effect from 7 July 2025.

In accordance with the provisions of Section 161 of the Companies Act, 2013, Smt. Aruna Sundararajan shall hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing the candidature of Smt. Aruna Sundararajan for appointment as an Independent Director of the Company. The Company has received from Smt. Aruna Sundararajan, (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under the provisions of Sub-Section (2) of Section 164 of the Companies Act, 2013.

Smt. Aruna Sundararajan has submitted a declaration confirming that she meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. In the opinion of the Board, she fulfils the conditions specified in the Companies Act, 2013, and the Rules made thereunder for appointment as an Independent Director and is independent of the management.

Ms. Aruna Sundararajan, a 1982 batch IAS officer from the Kerala cadre, has had a distinguished career spanning over three decades across both Central and State Governments. She served as India's Telecom Secretary and Chairperson of the Telecom Commission, bringing her deep expertise in economic administration, investment promotion, and the IT/Telecom sectors. As Kerala's first IT Secretary in 1998, she played a pioneering role in shaping the state's digital ecosystem. Her flagship Akshaya project, initially launched in Malappuram, became the largest e-literacy initiative of its kind and laid the foundation for one of the world's biggest rural wireless networks. She also led the creation of major institutions and projects like IIITMK, InfoPark Kochi, and Smart City Kochi.

At the national and global levels, Ms. Sundararajan held several key positions, including CEO of the Common Services Centre (CSC) project and Country Head of the UN's Global E-Schools Initiative. Her work has earned her numerous accolades, including recognition by India Today and Forbes as one of India's top women professionals, and the USIBC Transformative Leadership Award in 2017 for her contribution to the Digital India mission and U.S.-India cooperation. Her legacy continues through her impactful leadership in digital transformation, governance, and public policy.

In the opinion of the Board, her knowledge, expertise, and long-standing public service experience in governance, technology, policy implementation, and digital initiatives will be of immense benefit to the Company.

The Board considers that the appointment of Smt. Aruna Sundararajan will bring considerable expertise and value to the Company and recommends the Ordinary Resolution set out at Item No. 5 for approval of the members. Upon his appointment, Smt. Aruna Sundararajan shall not be liable to retire by rotation.

All documents referred to in accompanying Notice and Statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection at the Registered Office of the Company during the office hours on all working days upto the date of AGM.

None of the Directors, Key Managerial Personnel or their relatives, except Smt. Aruna Sundararajan, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6 Remuneration of Cost Auditor for the Financial Year 2025-26.

The Board of Directors of the Company had appointed M/s. Sankara Kumar & Associates, Cost Accountants, Trivandrum, as the Cost Auditor of the Company for the Financial Years 2020-21 to 2024-25, for conducting cost audit in respect of applicable products and services, at a remuneration of ₹75,000/- plus applicable taxes and out-of-pocket expenses per annum.

At its meeting held on 23rd June 2025, the Board of Directors considered and approved the continuation of M/s. Sankara Kumar & Associates as the Cost Auditor for the Financial Year 2025–26, on the same terms and conditions, i.e., remuneration of ₹ 75,000/- plus applicable taxes and out-of-pocket expenses for conducting the cost audit. Further, the Board also approved a remuneration of ₹18,000/- (inclusive of all taxes) for preparing and filing the Cost Audit Report in the prescribed e-forms with the Registrar of Companies (ROC), in accordance with the applicable statutory requirements.

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Board of Directors is required to be ratified by the shareholders of the Company.

Accordingly, the Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the members.

All documents referred to in accompanying Notice and Statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection at the Registered Office of the Company during the office hours on all working days upto the date of AGM.

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

By order of the Board
For Kannur International Airport Limited
Sd/-
Aby Eapen
Company Secretary
M. No. : A23807

Date : 23 June 2025
Place: Kannur

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AS PER THE REQUIREMENT OF SECRETARIAL STANDARDS -2

| | | | | |
|-------------------------------------|--|---|---|---|
| Name | Sri. Abdul Qadir Theruvath (DIN: 07633785) | Dr. Shamsheer V.P. (DIN: 02371712) | Sri. Ashok Kumar Gopalapillai, IAS (Retd.) (DIN: 02214967) | Smt. Aruna Sundararajan, IAS (Retd.) (DIN: 03523267) |
| Age | 81 Years | 48 Years | 61 Years | 66 Years |
| Qualification | Post Graduate | MBBS, MD in Radiology | Indian Administrative Service | Indian Administrative Service. |
| Experience | Abdul Qadir Mohamed Theruvath, founder of Express Publishing & Investment Ltd. (est. 1978), has been serving as a Director of Kannur International Airport Ltd. since 2016, bringing over four decades of entrepreneurial and governance experience. | Dr. Shamsheer Vayalil, a radiologist turned entrepreneur, has extensive experience as a director, primarily in the healthcare sector. | G. Asok Kumar, a 1991 batch IAS officer, brings extensive experience across water resources, sanitation, civil aviation, urban infrastructure, education, and tribal development, having led nationally acclaimed initiatives like Namami Gange and 'Catch the Rain', established key institutions such as the Aircraft Accident Investigation Bureau, and earned global recognition for his inclusive and sustainability-focused public service. | Aruna Sundararajan, a 1982 batch IAS officer, brings over three decades of high-impact leadership across governance, telecom, IT, digital transformation, and public policy, having served as India's Telecom Secretary and Kerala's first IT Secretary, where she pioneered initiatives like the Akshaya project, InfoPark Kochi, and the CSC scheme, while also earning global recognition for her contributions to Digital India and technology-driven public service. |
| Terms and Conditions of appointment | Retiring Director, being eligible offer himself for re-appointment. | Retiring Director, being eligible offer himself for re-appointment. | As per item No. 4 | As per item No. 5 |
| Remuneration last drawn | Nil | Nil | Nil | Nil |

| | | | | |
|---|------------|--|------------|---|
| Date of first appointment on Board | 08.09.2016 | 29.12.2015 | 23.06.2025 | 23.06.2025 |
| Shareholding in Company | 2,500,000 | 2,500,000 | Nil | Nil |
| Relationship with other Directors, Manager and other Key Managerial Personnel | Nil | Related to Sri M. A. Yusuffali (Director, KIAL) | Nil | Nil |
| Number of Meetings of Board attended | 2 | 1 | NA | NA |
| Other Directorships | Nil | <ol style="list-style-type: none"> 1) VPS Health Care Private Limited 2) Ganya Realtors and Developers Private Limited 3) Liraz Builders and Property Developers Private Limited 4) Gavriella Builders and Developers Private Limited 5) VPS Healthcare Ventures Private Limited 6) Lakeshore Hospital and Research Centre Limited 7) Peekay Speciality Hospitals Private Limited | Nil | <ol style="list-style-type: none"> 1) L&T Technology Services Limited. 2) Info Edge (India) Limited. 3) Delhivery Limited 4) Cochin International Airport Limited 5) Digivridhi Technologies Private Limited |

| | | | | |
|---|-----|--|-----|--|
| Memberships / Chairmanships of Committees of other Boards | Nil | <p style="text-align: center;"><u>Director</u></p> <ol style="list-style-type: none"> 1) VPS Health Care Private Limited 2) Ganya Realtors and Developers Private Limited 3) Liraz Builders and Property Developers Private Limited 4) Gavriella Builders and Developers Private Limited 5) VPS Healthcare Ventures Private Limited 6) Lakeshore Hospital and Research Centre Limited 7) Peekay Speciality Hospitals Private Limited | Nil | <p style="text-align: center;"><u>Director</u></p> <ol style="list-style-type: none"> 1) L&T Technology Services Limited. 2) Info Edge (India) Limited. 3) Delhivery Limited 4) Cochin International Airport Limited 5) Digivridhhi Technologies Private Limited |
|---|-----|--|-----|--|

VOTING THROUGH ELECTRONIC MEANS

1. Pursuant to the General Circular No. 09/2024 dated 19 September 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 (“SEBI Circular”) and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, AGM shall be conducted through VC / OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.kannurairport.aero. AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on 16 September 2025 at 9:00 A.M. and ends on 18 September 2025 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 12 September 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 12 September 2025.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

| | |
|---|--|
| | <p>3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> |

| | |
|--|--|
| | 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to abislab2015@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders toll manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Ms. Pallavi Mhatre) at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@kannurairport.aero.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@kannurairport.aero If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker may send their request from their registered email address mentioning their name, demat account number/folio number, PAN, mobile number at cs@kannurairport.aero from 10 September 2025 (9.00 a.m. IST) to 14 September 2025 (5.00 p.m. IST). Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

നോട്ടീസ്

താഴെ പറയുന്ന ഇടപാടുകൾക്കായി കണ്ണൂർ അന്താരാഷ്ട്ര വിമാനത്താവളത്തിന്റെ ഓഹരി ഉടമകളുടെ 16 -ാമത് വാർഷിക പൊതുയോഗം 2025 ആണ്ട് സെപ്റ്റംബർ മാസം 19 -ാം തീയതി വൈകിട്ട് 5.00-ന് ദൃശ്യ മാധ്യമത്തിലൂടെ (vc) അഥവാ മറ്റു ശ്രദ്ധ്യ ദൃശ്യ മാധ്യമത്തിലൂടെ (OAVM) നടത്തുവാൻ ഇതിനാൽ തീരുമാനിച്ചതായി അറിയിക്കുന്നു.

സാധാരണ ഇടപാടുകൾ

1. 2025 മാർച്ച് 31-ന് അവസാനിക്കുന്ന സാമ്പത്തിക വർഷത്തിനായുള്ള കമ്പനിയുടെ ഓഡിറ്റുചെയ്ത സ്റ്റാൻഡ് എലോൺ ബാലൻസ് ഷീറ്റ്, ഡയറക്ടർമാരുടെ റിപ്പോർട്ടും ഓഡിറ്റർമാരുടെ റിപ്പോർട്ടും ഉൾപ്പെടെ സ്വീകരിക്കുകയും, പരിഗണിക്കുകയും, അംഗീകരിക്കുകയും ചെയ്യുക. കൂടാതെ, അതേ കാലയളവിനുള്ള ഓഡിറ്റുചെയ്ത കൺസോളിഡേറ്റഡ് ബാലൻസ് ഷീറ്റ് ഓഡിറ്റർമാരുടെ റിപ്പോർട്ടും ഉൾപ്പെടെ അംഗീകരിക്കുക.
2. റൊട്ടേഷൻ പ്രകാരം വിരമിക്കുന്ന ഡയറക്ടർ ശ്രീ. അബ്ദുൾ ഖാദിർ തൈരുവത്ത് (DIN: 07633785) പുനർനിയമനം ചെയ്യുന്നതിന് യോഗ്യനായതിന്റെ അടിസ്ഥാനത്തിൽ, അദ്ദേഹത്തെ വീണ്ടും ഡയറക്ടറായി നിയമിക്കുക.
3. റൊട്ടേഷൻ പ്രകാരം വിരമിക്കുന്ന ഡയറക്ടർ ഡോ. ഷംഷീർ വി.പി. (DIN: 02371712) പുനർനിയമനം ചെയ്യുന്നതിന് യോഗ്യനായതിന്റെ അടിസ്ഥാനത്തിൽ, അദ്ദേഹത്തെ വീണ്ടും ഡയറക്ടറായി നിയമിക്കുക.

പ്രത്യേക ഇടപാടുകൾ

1. ശ്രീ. അശോക് കുമാർ, ഐ.എ.എസ് (റിട്ട.)നെ (DIN: 02214967) കമ്പനിയുടെ ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായി നിയമിക്കുന്നതിനുള്ള പ്രമേയം.

"പരിശോധിച്ച ശേഷം, യോഗ്യമായതായി തോന്നുന്ന പക്ഷം, ആവശ്യമായ ഭേദഗതികളോടെയോ അതു കൂടാതെയോ, താഴെക്കാട്ടുത്തിരിക്കുന്ന പ്രമേയം സാധാരണ പ്രമേയമായി അംഗീകരിക്കുക:"

"കമ്പനി നിയമം, 2013-ലെ വകുപ്പുകൾ 149, 150, 152, ഷെഡ്യൂൾ IV, മറ്റ് അനുബന്ധ വ്യവസ്ഥകൾ, കൂടാതെ കമ്പനി (അപ്പോയിൻമെന്റ് ആൻഡ് ക്വാളിഫിക്കേഷൻ ഓഫ് ഡയറക്ടർസ്) റൂൾസ്, 2014 എന്നിവ (ഇതിനോടനുബന്ധമായി നിലവിലുള്ള നിയമ ഭേദഗതികളും പുനഃപ്രാബല്യവും ഉൾപ്പെടെ) പ്രകാരവും, നോമിനേഷൻ ആൻഡ് റിമൂണറേഷൻ സമിതിയുടെ ശുപാർശയും ഡയറക്ടർ ബോർഡിന്റെ അംഗീകാരവും മാനിച്ചുകൊണ്ടും, കമ്പനി നിയമം, 2013-ലെ വകുപ്പ് 149(6) പ്രകാരമുള്ള ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായുള്ള മാനദണ്ഡങ്ങൾ പാലിക്കുന്ന, 2025 ജൂലൈ 07-ന് അഡിഷണൽ ഡയറക്ടറായി നിയമിക്കപ്പെട്ടതും, 2025 ജൂൺ

23-ന് ചേർന്ന ഡയറക്ടർ ബോർഡ് യോഗത്തിൽ ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായുള്ള യോഗ്യതയുള്ളതായി അംഗീകരിക്കപ്പെട്ടതുമായ ശ്രീ. അശോക് കുമാർ, ഐ.എ.എസ് (റിട്ട.) - നെ (DIN: 02214967), കമ്പനിയിൽ അടുത്ത വാർഷിക പൊതുയോഗം വരെ വകുപ്പ് 161(1) പ്രകാരം ഓഫീസിൽ തുടരുകയും വകുപ്പ് 160 പ്രകാരം ഒരു അംഗം സമർപ്പിച്ച നോട്ടീസിന്റെ അടിസ്ഥാനത്തിൽ ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായി നിയമിക്കപ്പെടുന്നതും, ഈ പ്രമേയം പാസാക്കുന്ന തീയതിയിൽനിന്ന് 5 (അഞ്ച്) തുടർച്ചയായ വർഷത്തേക്ക് അദ്ദേഹത്തെ കമ്പനിയിലേക്ക് ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായി നിയമിക്കപ്പെടുന്നതും കൂടാതെ അദ്ദേഹത്തെ വിരമിക്കപ്പെടൽ വഴിയുള്ള പുനർനിയമനത്തിന് വിധേയയാക്കേണ്ടതില്ലെന്നും, ഇതുവഴി തീരുമാനിക്കുന്നു."

"കൂടാതെ, ഈ പ്രമേയം പ്രാബല്യത്തിൽ കൊണ്ടുവരുന്നതിനായി ആവശ്യമായ എല്ലാ നടപടികളും, രേഖാപൂർവമായ കാര്യങ്ങളും, കൃത്യങ്ങളും, ഒറ്റയ്ക്കായോ ചേർന്നായോ ചെയ്യുന്നതിനുള്ള അധികാരം കമ്പനി ഡയറക്ടർമാർക്കും / അല്ലെങ്കിൽ കമ്പനി സെക്രട്ടറിക്കും ഇതുവഴി നൽകുന്നു."

2. ശ്രീമതി. അരുൺ സുന്ദരരാജൻ, ഐ.എ.എസ് (റിട്ട.)-നെ (DIN: 03523267) കമ്പനിയുടെ ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായി നിയമിക്കുന്നതിനുള്ള പ്രമേയം.

"പരിശോധിച്ച ശേഷം, യോഗ്യമായതായി തോന്നുന്ന പക്ഷം, ആവശ്യമായ ഭേദഗതികളോടെയോ അതു കൂടാതെയോ, താഴെക്കൊടുത്തിരിക്കുന്ന പ്രമേയം സാധാരണ പ്രമേയമായി അംഗീകരിക്കുക:"

" കമ്പനി നിയമം, 2013-ലെ വകുപ്പുകൾ 149, 150, 152, ഷെഡ്യൂൾ IV, മറ്റ് അനുബന്ധ വ്യവസ്ഥകൾ, കൂടാതെ കമ്പനി (അപ്പോയിൻമെന്റ് ആൻഡ് ക്വാളിഫിക്കേഷൻ ഓഫ് ഡയറക്ടേർസ്) റൂൾസ്, 2014 എന്നിവ (ഇതിനോടനുബന്ധമായി നിലവിലുള്ള നിയമ ഭേദഗതികളും പുനഃപ്രാബല്യവും ഉൾപ്പെടെ) പ്രകാരവും, നോമിനേഷൻ ആൻഡ് റിമൂണറേഷൻ സമിതിയുടെ ശുപാർശയും ഡയറക്ടർ ബോർഡിന്റെ അംഗീകാരവും മാനിച്ചുകൊണ്ടും, കമ്പനി നിയമം, 2013-ലെ വകുപ്പ് 149(6) പ്രകാരമുള്ള ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായുള്ള മാനദണ്ഡങ്ങൾ പാലിക്കുന്ന, 2025 ജൂലൈ 07-ന് അഡിഷണൽ ഡയറക്ടറായി നിയമിക്കപ്പെട്ടതും, 2025 ജൂൺ 23-ന് ചേർന്ന ഡയറക്ടർ ബോർഡ് യോഗത്തിൽ ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായുള്ള യോഗ്യതയുള്ളതായി അംഗീകരിക്കപ്പെട്ടതുമായ ശ്രീമതി. അരുൺ സുന്ദരരാജൻ, ഐ.എ.എസ് (റിട്ട.)-നെ (DIN: 03523267), കമ്പനിയിൽ അടുത്ത വാർഷിക പൊതുയോഗം വരെ വകുപ്പ് 161(1) പ്രകാരം ഓഫീസിൽ തുടരുകയും വകുപ്പ് 160 പ്രകാരം ഒരു അംഗം സമർപ്പിച്ച നോട്ടീസിന്റെ അടിസ്ഥാനത്തിൽ ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായി നിയമിക്കപ്പെടുന്നതും, ഈ പ്രമേയം പാസാക്കുന്ന തീയതിയിൽനിന്ന് 5 (അഞ്ച്) തുടർച്ചയായ

വർഷത്തേക്ക് അവരെ കമ്പനിയിലേക്ക് ഇൻഡിപെൻഡന്റ് ഡയറക്ടറായി നിയമിക്കപ്പെടുന്നതും കൂടാതെ അവരെ വിരമിക്കപ്പെടാൻ വഴിയുള്ള പുനർനിയമനത്തിന് വിധേയയാക്കേണ്ടതില്ലെന്നും, ഇതുവഴി തീരുമാനിക്കുന്നു."

"കൂടാതെ, ഈ പ്രമേയം പ്രാബല്യത്തിൽ കൊണ്ടുവരുന്നതിനായി ആവശ്യമായ എല്ലാ നടപടികളും, രേഖാപൂർവ്വമായ കാര്യങ്ങളും, കൃത്യങ്ങളും, ഒറ്റയ്ക്കായോ ചേർന്നായോ ചെയ്യുന്നതിനുള്ള അധികാരം കമ്പനി ഡയറക്ടർമാർക്കും / അല്ലെങ്കിൽ കമ്പനി സെക്രട്ടറിക്ക് ഇതുവഴി നൽകുന്നു."

3. 2025-26 സാമ്പത്തിക വർഷത്തേക്കുള്ള കോസ്റ്റ് ഓഡിറ്റർക്കുള്ള പ്രതിഫലനിർണ്ണയം.

"പരിശോധിച്ച ശേഷം, യോഗ്യമായതായി തോന്നുന്ന പക്ഷം, ആവശ്യമായ ഭേദഗതികളോടെയോ അതു കൂടാതെയോ, താഴെക്കാട്ടുതീർക്കുന്ന പ്രമേയം സാധാരണ പ്രമേയമായി അംഗീകരിക്കുക:"

"കമ്പനി നിയമം, 2013-ന്റെ വകുപ്പ് 148-ഉം, 2014-ലെ കമ്പനി (ഓഡിറ്റ് ആൻഡ് ഓഡിറ്റർമാർ) റൂൾസിനും, 2014-ലെ കോസ്റ്റ് റെക്കോർഡ്സ് ആൻഡ് ഓഡിറ്റ് റൂൾസിനുമുപരിയായി ബാധകമായ മറ്റ് എല്ലാ വ്യവസ്ഥകൾക്കും വിധേയമായി, സാമ്പത്തിക വർഷം 2025-26-ലേക്കുള്ള കമ്പനി കോസ്റ്റ് രേഖകളുടെ ഓഡിറ്റിനായി തിരുവനന്തപുരം ആസ്ഥാനമായ M/s ശങ്കരകുമാർ & അസോസിയേറ്റ്സ്, കോസ്റ്റ് അക്കൗണ്ടന്റ് എന്ന സ്ഥാപനത്തെ നിയമിക്കുകയും, അവർക്ക് പ്രതിഫലമായി 75,000 രൂപയും അതിനോടൊപ്പം ബാധകമായ നികുതികളും മറ്റ് അധിക ചിലവുകളും നൽകുകയും ചെയ്യുന്നതിന് കമ്പനി ബോർഡ് യോഗം അംഗീകരിച്ചതായി, ഇതുവഴി സാധൂകരിക്കുന്നു."

കൂടാതെ, M/s ശങ്കര കുമാർ അസോസിയേറ്റ്സ്, കോസ്റ്റ് അക്കൗണ്ടന്റിനെ സാമ്പത്തിക വർഷം 2025-26-നുള്ള കോസ്റ്റ് ഓഡിറ്റ് റിപ്പോർട്ട് നിർദ്ദിഷ്ട ഫോമിൽ കമ്പനി രജിസ്ട്രാറിന് തയ്യാറാക്കാനും സമർപ്പിക്കാനും, ഇതിനു പ്രതിഫലമായി എല്ലാ നികുതികളും ഉൾപ്പെടെ 18,000/- രൂപ കൊടുക്കുവാനും ഇതിനാൽ അനുമതി നൽകുന്നു"

ബോർഡിന്റെ ഉത്തരവുപ്രകാരം

കണ്ണൂർ ഇന്റർനാഷണൽ എയർപോർട്ട് ലിമിറ്റഡിനു വേണ്ടി

ഒപ്പ്

എബി ഈപ്പൻ

കമ്പനി സെക്രട്ടറി

അംഗ നമ്പർ: A23807

തീയതി : 23 ജൂൺ 2025

സ്ഥലം : കണ്ണൂർ

അംഗങ്ങളുടെ ശ്രദ്ധയ്ക്ക്

1. കേന്ദ്ര കോർപ്പറേറ്റ് കാര്യ മന്ത്രാലയം 2024 സെപ്റ്റംബർ 19-ന് പുറപ്പെടുവിച്ച ജനറൽ സർക്കുലർ നമ്പർ 09/2024 (പ്രകാരം, വിഡിയോ കോൺഫറൻസ് (VC) അല്ലെങ്കിൽ മറ്റ് ഓഡിയോ-വിഷ്വൽ മാർഗങ്ങളുടെ (OAVM) സഹായത്തോടെ ഓഹരി ഉടമകളുടെ വാർഷിക പൊതുയോഗം (AGM) നടത്തപ്പെടുന്നതാണ്.
2. യോഗത്തിൽ പങ്കെടുക്കാനും വോട്ട് ചെയ്യാനും അവകാശമുള്ള ഒരംഗത്തിന് പ്രതിപുരുഷനെ (പ്രോക്സി) നിയമിക്കാനും തന്നെ പകരം ഇയാളെ വോട്ടെടുപ്പിൽ പങ്കെടുപ്പിക്കാനും അവകാശമുണ്ടായിരിക്കുന്നതാണ്. എന്നാൽ ഈ പൊതുയോഗം ദൃശ്യ മാധ്യമം വഴി നടത്തുന്നതിനാൽ അംഗങ്ങൾക്ക് നേരിട്ട് പങ്കെടുക്കേണ്ട സാഹചര്യമില്ല. ആയതിനാൽ പ്രതിപുരുഷനെ നിയമിക്കേണ്ട ആവശ്യം അംഗങ്ങൾക്ക് വരുന്നില്ല. അതുകൊണ്ട് തന്നെ പ്രോക്സി ഫോമും അറ്റെൻഡൻസ് സ്ലിപ്പും നോട്ടീസിനൊപ്പം ഉൾപ്പെടുത്തിയിട്ടില്ല.
3. എ. ജി. എം. നോട്ടീസ്, ഇമെയിൽ വിലാസം രജിസ്റ്റർ ചെയ്തിരിക്കുന്ന ഓഹരി ഉടമകൾക്ക് ഇലക്ട്രോണിക് രീതിയിലും, മറ്റ് ഓഹരി ഉടമകൾ അവരുടെ രജിസ്റ്റർ ചെയ്ത വിലാസത്തിലേക്കും അയച്ചുകൊടുക്കുന്നു. ഈ നോട്ടീസ് കമ്പനിയുടെയും വെബ്സൈറ്റായ ****www.kannurairport.aero****-യിലും ലഭ്യമാകുന്നതാണ്.
4. കമ്പനിയുടെ അംഗത്വ രജിസ്റ്ററും ഓഹരി കൈമാറ്റ പുസ്തകവും 13 സെപ്റ്റംബർ 2025 മുതൽ 19 സെപ്റ്റംബർ 2025 വരെ (ഇരുദിവസവും ഉൾപ്പെടെ) മരവിപ്പിക്കുന്നതാണ് (Book closure) .
5. നോട്ടീസ് അയച്ചതിനു ശേഷം കട്ട് ഓഫ് തീയതിയായ 12 സെപ്റ്റംബർ 2025- ന് മുമ്പായി കമ്പനിയുടെ ഓഹരികൾ Physical Form- ൽ കൈവശം വയ്ക്കുന്നവരോ ഡീമാറ്റ് രൂപത്തിൽ ഓഹരികൾ വാങ്ങി കമ്പനിയുടെ അംഗത്വം സ്വീകരിക്കുന്ന വ്യക്തികൾ അല്ലാത്ത മറ്റു ഓഹരി ഉടമകളോ (സ്ഥാപനങ്ങൾ തുടങ്ങിയവ) ലോഗിൻ ഐഡിയും പാസ് വേഡും ലഭിക്കുന്നതിനായി evoting@nsdl.com എന്ന ഇമെയിലിൽ അപേക്ഷിക്കുകയോ കമ്പനിയെയോ കമ്പനിയുടെ RTA-യെയോ ബന്ധപ്പെടുകയോ ചെയ്യേണ്ടതാണ്. ഓഹരി ഉടമകൾ NSDL- ന്റെ റിമോട്ട് ഇ-വോട്ടിംഗ് സിസ്റ്റത്തിൽ മുൻപ് രജിസ്റ്റർ ചെയ്തിട്ടുണ്ടെങ്കിൽ നിലവിലുള്ള USER ID- യും പാസ് വേഡും ഉപയോഗിച്ച് വോട്ട് രേഖപ്പെടുത്താവുന്നത് ആണ്. പാസ് വേഡ് ഓർമ്മയില്ലാത്ത പക്ഷം www.evoting.nsdl.com വെബ്സൈറ്റിൽ ലഭ്യമായ "Forget User Details/Password" or physical User Reset Password" എന്ന അവസരം ഉപയോഗിച്ച് Password Reset ചെയ്യാവുന്നതാണ്. . നോട്ടീസ് അയച്ചതിന് ശേഷം cut off തീയതിയായ 12

സെപ്റ്റംബർ 2025- ന് മുൻപായി ഡീമാറ്റ് രൂപത്തിൽ ഓഹരികൾ വാങ്ങി കമ്പനിയുടെ അംഗത്വം സ്വീകരിക്കുന്ന വ്യക്തികൾ പൊതുയോഗ നോട്ടീസിൽ "Access to NSDL/CDSL e-voting system" എന്ന വിഭാഗത്തിൽ പറയുന്ന നിർദ്ദേശങ്ങൾ പാലിക്കേണ്ടതാണ്."

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the **16th Annual Report** and Audited Financial Statements of your Company for the financial year ended **31 March 2025**.

1. COMPANY SPECIFIC INFORMATION

1.1. FINANCIAL HIGHLIGHTS

The Company has commenced its commercial operations on 9 December 2018:

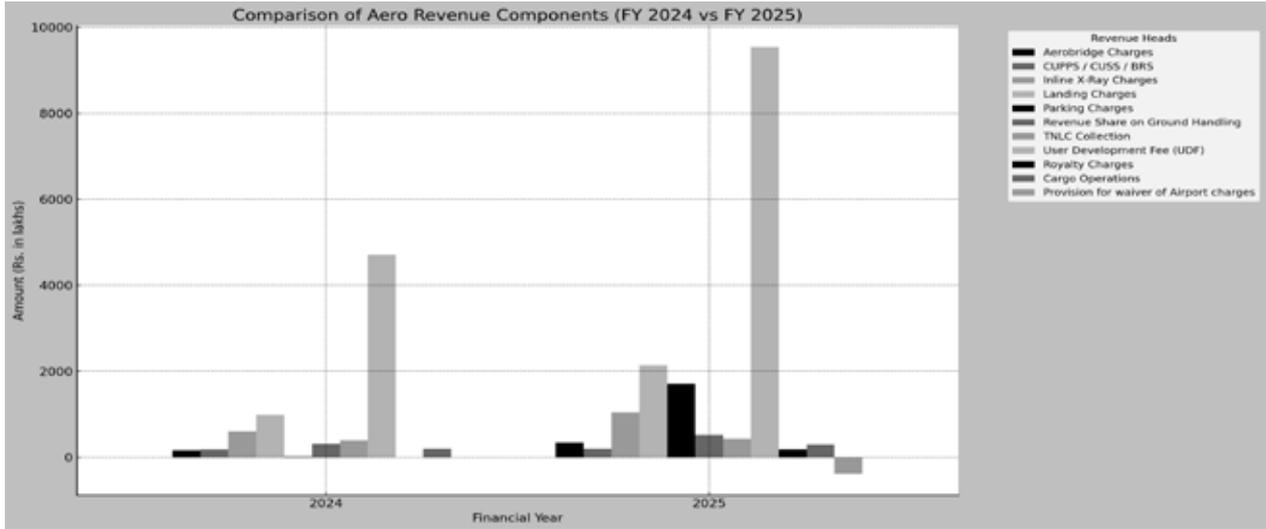
| Particulars | For the year ended 31 March 2025 (Rs. in lakhs) | For the year ended 31 March 2024 (Rs. in lakhs) |
|---|---|---|
| Revenue from operations | 19,093.33 | 9,923.62 |
| Other income | 428.81 | 238.66 |
| I. Total Income | 19,522.14 | 10,162.28 |
| II. Total Expenses | 29,690.72 | 27,526.59 |
| III. Share of Profit of Joint Venture Company | 79.11 | 0.15 |
| IV. Loss before exceptional items & tax (I – (II + III)) | (10,089.47) | (17,364.16) |
| V. Exceptional items | - | - |
| VI. Loss after exceptional items & before tax (IV – V) | (10,089.47) | (17,364.16) |
| VII. Tax Expense/(Benefit) | | |
| 1) Current Tax | 0.00 | 0.00 |
| 2) Deferred Tax | (730.81) | (508.29) |
| 3) Share of JV Tax Impact | 20.30 | (4.27) |
| VIII. Total Tax Expense/(Benefit) | (710.51) | (512.56) |
| Other Comprehensive Income/Loss | (12.12) | (16.77) |
| IX. Loss for the year (VI - VII) | (9,391.08) | (16,863.37) |
| Total Accumulated Loss | (83,885.79) | |

(a) Revenue from Operations for 2024-25.

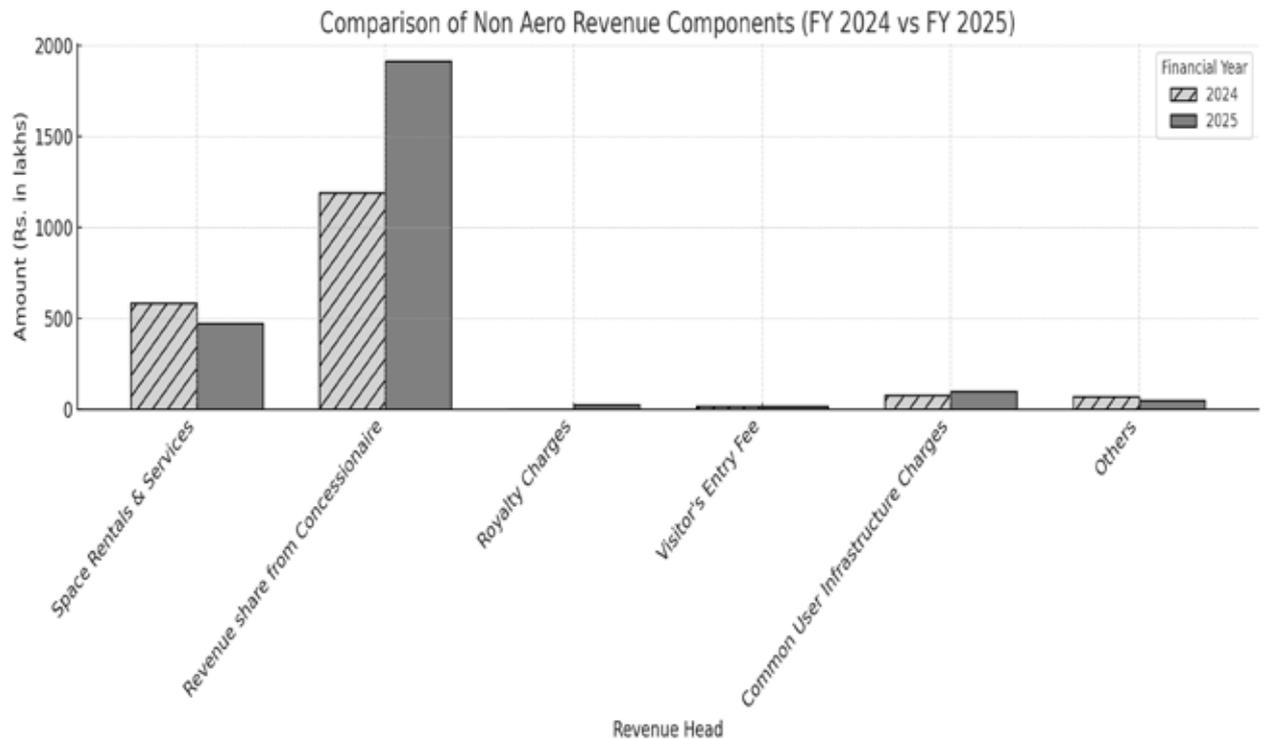
The operational revenue consists of Aero Revenue and Non-Aero Revenue.

- **The Aero Revenue is Rs. 16,015.36 lakhs.**

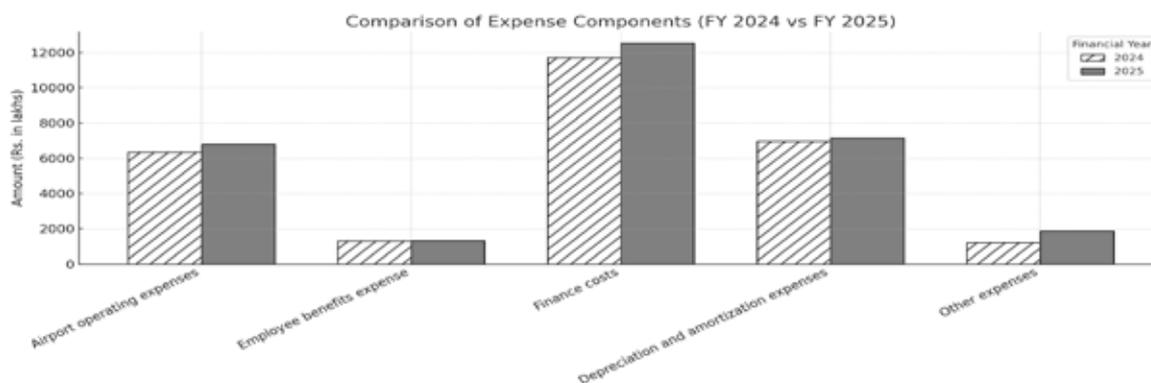
Aero Revenue (Rs. in lakhs)



- **The Non-Aero Revenue is Rs. 2,577.28 lakhs.**



- **Expenditure for 2024–25 is Rs. 29,690.72 Lakhs.**



(b) Change in nature of business

There was no change in the nature of the Company’s business during the year under review.

(c) Material changes and commitments, if any, affecting the financial position of the Company, having occurred since the end of the Year and till the date of the Report –

There were no material changes and commitments affecting the financial position of the Company during the Financial Year 2024-25.

2. MANAGEMENT

2.1. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Directors

According to Article 63 of the company’s Articles of Association, the Board of Directors can have a maximum of 20 members. Article 85 designates the Hon’ble Chief Minister of Kerala as the Chairman of the company. Article 89(i) states that the Managing Director is appointed by the Government of Kerala. Additionally, Article 63(iii) allows the Government of Kerala to nominate one-third of the total number of Directors. Currently, the Government has nominated 4 Directors, including the Chairman (the Hon’ble Chief Minister of Kerala) and the Managing Director.

As per the provisions of the Shareholders agreement entered between Kannur Airport & BPCL, BPCL can nominate 2 Directors when they hold 20% in the paid-up equity capital of the Company. At present BPCL is holding 16.20% in the paid-up capital and has nominated one Director in the Board of Directors of Kannur Airport.

As per the provisions of the Shareholders agreement entered between Kannur Airport & Airport Authority of India, AAI can nominate 2 Directors in the Board of Directors of Kannur Airport. They had nominated two directors in the Board of Directors of Kannur Airport.

(b) Key Managerial Personnel

- (i) Managing Director : Sri. C. Dinesh Kumar
- (ii) Chief Financial Officer : Sri. S. Jayakrishnan
- (iii) Company Secretary : Sri. Aby Eapen.

(c) Change in Directors as on the Date of the Report.

The Board of Directors hereby reports that, in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, the following changes have occurred in the composition of the Board from the date of the last Directors' Report up to the date of this Report:

| Sl. No. | Name of Director | Nature of Change (Appointment/ Cessation) | Details of Appointment or Reason for Cessation | Effective Date |
|---------|--|---|---|------------------|
| 1 | Smt. Sarada Muraleedran, IAS (Retd.) | Appointment | Appointed as Nominee Director, nominated by the Government of Kerala. | 07 November 2024 |
| 2 | Sri. Anupam Verma | Appointment | Appointed as Nominee Director, representing the Airports Authority of India (AAI). | 25 February 2025 |
| 3 | Smt. Aruna Sundararajan, IAS (Retd.) | Appointment | Appointed as an Independent Director, in place of Smt. K. Parvathy Ammal, upon completion of her tenure. | 07 July 2025 |
| 4 | Sri. Asok Kumar Gopalapillai, IAS (Retd.) | Appointment | Appointed as an Independent Director, in place of Sri. M. Madhavan Nambiar, upon completion of his tenure. | 07 July 2025 |
| 5 | Sri. L. Kuppulingam | Appointment | Appointed as Nominee Director, representing the Airports Authority of India (AAI). | 23 June 2025 |
| 6 | Sri. A Jayathilak IAS | Appointment | Appointed as Nominee Director, nominated by the Government of Kerala. | 23 June 2025 |
| 7 | Sri. M. Madhavan Nambiar | Cessation | Ceased to be an Independent Director upon completion of his tenure, in accordance with the applicable statutory provisions. | 06 July 2025 |

| | | | | |
|----|---|-----------|--|-----------------|
| 8 | Smt. K. Parvathy Ammal | Cessation | Ceased to be an Independent Director upon completion of her tenure, in accordance with the applicable statutory provisions. | 06 July 2025 |
| 9 | Sri. Sanjeev Jindal | Cessation | Ceased as Nominee Director upon withdrawal of nomination by the Airports Authority of India (AAI), consequent to his retirement from the organization. | 15 July 2024 |
| 10 | Sri. N.V. Subbarayudu | Cessation | Ceased as Nominee Director upon withdrawal of nomination by the Airports Authority of India (AAI), consequent to his retirement from the organization. | 31 January 2025 |
| 11 | Smt. Sarada Muraleedran, IAS (Retd.) | Cessation | Ceased as Nominee Director upon withdrawal of nomination by the Government of Kerala, consequent to her retirement from Govt. Service. | 27 May 2025 |

There were no changes in the Key Managerial Personnel (KMP) of the Company during the financial year 2024–25 and up to the date of this report.

2.2. INDEPENDENT DIRECTORS

During the financial year 2024–25, Sri. M. Madhavan Nambiar (DIN: 01122411) and Smt. K. Parvathy Ammal (DIN: 07254970) served as Independent Directors of the Company in accordance with the provisions of Section 149(4) and Schedule IV of the Companies Act, 2013.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to two term of five consecutive years and shall not be liable to retire by rotation. The tenure of Sri. M. Madhavan Nambiar and Smt. K. Parvathy Ammal is set to expire on 6 July 2025, upon completion of their prescribed term under the Act.

In view of the above and to ensure continuous compliance with the requirements under Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors, at its meeting held on 23 June 2025, appointed the following individuals as Additional Directors (Non-Executive & Independent) under Section 161(1) of the Companies Act, 2013 w.e.f. 7 July 2025:

1. Smt. Aruna Sundararajan, IAS (Retd.) (DIN: 03523267)
2. Sri. Asok Kumar Gopalapillai, IAS (Retd.) (DIN: 02214967)

These appointments are subject to the approval of the members at the ensuing Annual General Meeting, for their appointment as Independent Directors of the Company for a term of five (5) consecutive years in accordance with the provisions of Sections 149, 150, and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013.

2.3. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors of the Company have furnished declaration(s) to the Board that they meet the criteria of 'independence' as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Board of Directors confirms that the Independent Directors also met the criteria of expertise, experience and integrity in terms of Rule 8 of the Companies (Accounts) Rules, 2014.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Independent Directors of the Company had held one Meeting in the financial year 2024-25 i.e., on 20 February 2025. All the Independent Directors attended the Meeting.

2.4. BOARD MEETINGS

Three meetings of the Board of Directors were held during the financial year 2024-25, i.e., on 17 July 2024, 7 November 2024, & 25 February 2025.

2.5. COMMITTEES

(a) Audit Committee

The Audit Committee of Board of Directors of the Company as on 31 March 2025 comprised of the following members:

| Sl. No. | Name of the Member | Designation |
|---------|---|-------------|
| 1 | Smt. Parvathy Ammal K, Independent Director | Chairperson |
| 2 | Sri. M. Madhavan Nambiar, Independent Director | Member |
| 3 | Smt. V. Srividya, ED (Corporate Treasury) ,BPCL | Member |

Audit Committee of the Board met on 11 July 2024, 6 December 2024 and 20 February 2025 during financial year 2024-25.

(b) Nomination & Remuneration Committee

As per Section 178 (1) of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board & its Power) Rules, 2014, the Board had constituted Nomination & Remuneration Committee. The Committee comprised of the following members as on 31 March 2025:

| Sl. No. | Name of the Member | Designation |
|---------|---|-------------|
| 1 | Sri. A.K. Saseendran, Hon'ble Minister of Forest & Wildlife | Chairman |
| 2 | Sri. M. Madhavan Nambiar, Independent Director - Member | Member |
| 3 | Smt. Parvathy Ammal, Independent Director - Member | Member |

No Meeting of Nomination And Remuneration Committee Was Held During Financial Year 2024-25.

(c) Corporate Social Responsibility Committee (CSR Committee)

The Board of Directors had decided not to take up new CSR activities till the Company starts making profit.

The CSR Committee of Board of Directors of the Company as on 31 March 2025 comprised of the following members:

| Sl. No. | Name of the Member | Designation |
|---------|--|-------------|
| 1 | Sri. A K Saseendran, Director | Chairman |
| 2 | Sri. M. Madhavan Nambiar, IAS(Retd), Independent Director | Member |
| 3 | Smt. V. Srividya, ED (Corporate Treasury) ,BPCL | Member |
| 4 | Sri. Dinesh Kumar C., Managing Director, Kannur International Airport. | Member |

(d) Share Allotment And Transfer Committee

This Committee is the approving authority relating to allotment and transfer of shares and allied matters. The Share Allotment and Transfer Committee as on 31 March 2025 consisted of the following members:

| Sl. No. | Name of the Member | Designation |
|---------|--|-------------|
| 1 | Sri. A.K. Saseendran, Hon'ble Minister of Forest & Wildlife | Chairperson |
| 2 | Sri. C. Dinesh Kumar, Managing Director, Kannur International Airport. | Member |
| 3 | Smt. K. Parvathy Ammal, Independent Director | Member |

The meeting of Share Allotment and Transfer Committee was held on 29 January 2025 during the financial year 2024-25.

(e) Technical Committee

This committee was formed to consider and take decisions pertaining to technical matters of the project and take appropriate decisions for early completion of the project. Technical committees were entrusted with the authority for approval of all tenders and proposals including commercial tenders up to Rs. 25 crores. The Committee members as on 31 March 2025 were as follows:

| Sl. No. | Name of the Member | Designation |
|---------|--|-------------|
| 1 | Sri. A.K. Saseendran, Hon'ble Minister of Forest & Wildlife. | Chairman |
| 2 | Sri. Madhavan Nambiar Independent Director | Member |
| 3 | Sri. C. Dinesh Kumar, Managing Director, Kannur International Airport. | Member |

Technical Committee meetings were held on 4 September 2024, 30 October 2024 and 08 January 2025 during the financial year 2024-25.

(f) HR & Selection Committee.

This committee was formed to consider and take decisions pertaining to all HR related matters of the Company. The Committee members as on 31 March 2025 were as follows:

| Sl. No. | Name of the Member | Designation |
|---------|--|-------------|
| 1 | Sri. M. Madhavan Nambiar, IAS (Retd), Independent Director | Chairman |
| 2 | Sri. C. Dinesh Kumar, Managing Director, Kannur International Airport. | Member |
| 4 | Smt. V. Srividya, CGM, Finance (Retail), BPCL | Member |

Only one meeting of HR & Selection Committee was held during the reporting period under review on 7 June 2024 during the financial year 2024-25.

2.6. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION.

The policy relating to appointment of Directors other than Government nominees and nominee directors based on shareholder's agreement, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters in compliance with section 178 (3) of the Companies Act, 2013. The Board has constituted Nomination and Remuneration Committee for this purpose.

Pursuant to Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with Article 65 of the Articles of Association of the Company, the Board has fixed a sitting fee of Rs. 10,000 per meeting per Independent Director for attending the Board Meeting and Rs. 5000 per meeting per Committee Member (Independent Director) for attending Committee meetings of the Company.

The annual salary package for Mr. Dinesh Kumar C, Managing Director of Kannur International Airport Limited, is Rs. 50.16 lakh. This package includes actual housing rent, vehicle, and WiFi facilities, in addition to reimbursement of his actual monthly mobile phone charges.

2.7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of annual accounts for the financial year ended 31 March 2025, the applicable Accounting Standards and the instructions provided under Schedule III of the Companies Act, 2013 have been followed along with proper explanation relating to material departures. .
- ii. Accounting policies selected have been applied consistently and reasonably and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at the end of 31 March 2025, and of the loss of the company for the year ended on that period.
- iii. Proper and sufficient care has been taken 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 frauds and other irregularities.

- iv. The annual accounts of the Company have been prepared on a 'going concern' basis.
- v. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

2.8. INTERNAL CONTROLS ON FINANCIAL REPORTING.

The Company has in place adequate financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested by the management and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The Company has adopted accounting policies which are in line with the Accounting Standards and the Companies Act and with the Generally Accepted Accounting Principles in India. Changes in policies, if required, are made in consultation with the Auditors and are approved by the Audit Committee.

The Board is of the view that appropriate procedures and controls are operating effectively and monitoring systems are in place.

2.9. FRAUDS REPORTED BY THE AUDITOR.

No frauds have been reported by the Auditors under Section 143 (12) of the Companies Act, 2013. There are no frauds to be reported to Central Government.

3. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

3.1. REPORT ON PERFORMANCE AND FINANCIAL POSITION OF THE ASSOCIATE COMPANIES

BPCL –KIAL Fuel Farm Pvt Ltd is the Associate Company of Kannur Airport. A statement containing the salient features of the financial statement of Associate Company in Form AOC-1, is attached as **Annexure I**.

4. SHARE CAPITAL

The Authorised Share Capital of your Company as on 31st March, 2025 was Rs. 35,000,000,000 (Rupees Three Thousand Five Hundred Crores) comprising of 35,00,00,000 Equity Shares of Rs. 100/- each. The Paid up Share Capital of your Company as on 31 March, 2025 was Rs. 13,38,38,90,000 (Rupees Thousand three hundred and Thirty Eight Crores Thirty Eight lakhs Ninety Thousand) comprising of 13,38,38,900 Equity Shares of Rs. 100/- each. No change in the share capital of the Company during the FY 2024- 25.

5. RESERVE

As on 31 March 2025, the balance in retained earnings is Rs. (83,651.79) Lakhs in other equity of the Company. No amount was transferred to Capital Reserve during the financial year 2024-25. Outstanding balance as on 31.03.2025 is Rs (83,527.97)Lakhs. No amount were transferred to Securities Premium during the financial year 2024-25. Outstanding balance on Securities Premium as on 31 March 2025 is Rs 141.71 Lakhs.

6. DIVIDEND

In view of the loss incurred during the financial year 2024-25, the Board has not recommended any dividend for the year.

7. DEPOSITS

The Company has not accepted any deposit from members or the general public as on 31 March 2025. There are no small depositors in the Company.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees and investments made by the Company under Section 186 of the Companies Act, 2013 during the finance year 2024-25.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties as referred to in sub-section (1) of Section 188 of Companies Act, 2013 and Ind AS 24 are set out in the Notes forming part of the accounts. These transactions are not likely to have a conflict with the interest of the Company. All the related party transactions are negotiated on arm's length basis and are intended to protect the interest of the Company. Disclosure of particulars of contracts/arrangements entered into by the Company with related parties are given in Form AOC – 2 as attached as **Annexure-II** to this report.

10. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There were no employees of the Company who have drawn remuneration in excess of the limits set out under Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

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

A. Conservation of Energy:

Your company is making all kinds of arrangements to pursue the Energy Conservation efficiency.

B. Technology Absorption

Your Company endeavors to adopt emerging technology domains related to Company's various projects.

C. Foreign Exchange Earnings and Outgo.

During, the year under review, following are the details of Foreign Exchange Earnings and Outgo:

Foreign Exchange Earning : Nil

Foreign Exchange Outgo : Rs. 52,81,220

12. RISK MANAGEMENT

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

13. 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

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

14. AUDITORS AND AUDITOR'S REPORT

Statutory Auditors

M/s Krishnamoorthy & Krishnamoorthy , Chartered Accountants (FR No. 001488S) have been appointed as the Statutory Auditors of the Company to conduct statutory audit from FY 2022-23 to 2026-27 as per the provisions of Section 139 (8) (i) of the Companies Act, 2013. There are no qualification, reservation or adverse remark or disclaimer made by statutory auditor relating to the maintenance of accounts and other matters connected therewith in the audit report for the Financial Year 2024-25.

Internal Auditors

The Board of Directors had appointed M/s Varma & Varma, Chartered Accountants, Kannur as the Internal Auditors of the Company, as per the provisions of Section 138 of Companies Act, 2013 and Rule 13 of Companies (Accounts) Rules 2014, for the Financial Year 2024-25.

Secretarial Auditor

The Board of Directors had appointed Mr. Abhilash Nediyaalil Abraham, Practising Company Secretary as Secretarial Auditor of the Company, as per the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules 2014, for the Financial Year 2024-25. The Secretarial Audit Report in Form MR-3 for the Financial Year ended 2024-25 is attached with this report as Annexure. There are no qualifications, reservations or adverse remarks given by Secretarial Auditors of the Company except the following observation:

1. It is observed that the Company has conducted 3 Board meetings during the calendar year 2024 which is one short of the minimum of 4 Board Meetings as per Section 173 (1) of the Companies Act, 2013.
2. 476 days delay in filing form MR-1 Return of appointment of Mr. Chundayil Dineshkumar, Managing Director

The Reply of the Management are as follows:

1. The observation is noted. Going forward, the Company will ensure adherence to the prescribed minimum number of meetings as per Section 173.
2. The Government of Kerala issued final order regarding the revised terms of appointment and remuneration of the Managing Director on 4 July 2024. These orders were presented at the Board Meeting held on 17 July 2024 and Annual General Body Meeting held on 23 September 2024, after which the relevant return MR-1 was filed with the Registrar of Companies (ROC).

Cost Auditor

As per the provisions of Section 148 (1) of Companies Act, 2013, Rule (3) & (4) of Companies (Cost Records & Audit) Rules 2014, Company needs to appoint a Cost Auditor as the annual turnover of the Company crossed Rs. 100 cr during the FY 2019 -20. Company maintains cost records. M/s Sankara Kumar Associates, Cost Accountants, Thiruvananthapuram, was appointed as Cost Auditor for the FY 2024-25.

15. COMPLIANCE WITH SECRETARIAL STANDARDS OF ICSI

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

16. ANNUAL RETURN

The website of the Company is www.kannurairport.aero. The annual return of the company will be available at: <https://kannurairport.aero/corporate/investor-info>.

17. CONSOLIDATED FINANCIAL STATEMENTS

According to the provisions of Section 129 of the Companies Act, 2013 and Indian Accounting Standards (Ind AS 110) the consolidated audited financial statements are provided in the Annual Report.

18. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013.

The Company has in place a policy for prevention of Sexual Harassment at the workplace in line with the requirements of the Sexual Harassment of women at the workplace (prevention, prohibition & redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed during the year.

- (a) Number of complaints received during the year : NIL
- (b) Number of complaints disposed off during the year : NIL
- (c) Number of cases pending for a period exceeding ninety days. : NIL

19. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The company has established a vigil mechanism/ Whistle blower policy to deal with instances of fraud and mismanagement, if any. The policy has a systematic mechanism for directors and employees to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or policy. Further, no person has been denied access to the Audit Committee. The Whistle Blower Policy is available under the following web link: <https://kannurairport.aero/corporate/policies/whistle-blower-policy>.

20. STATEMENT OF COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961.

We hereby confirm that the Company is in compliance with all the applicable provisions of the Maternity Benefit Act, 1961, as amended from time to time.

21. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No application made by the Company or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016, as at the end of the financial year.

22. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

Not applicable.

ACKNOWLEDGMENT

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

For and on behalf of the Board
Sd/-
Pinarayi Vijayan
Chairman
DIN: 01907262

Place: Kannur
Date: 23 June 2025

Annexure I

FORM NO. AOC.1

Statement Containing Salient Features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules,2014)

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| Sl.No. | Particulars | Details |
|--------|---|---------|
| 1 | Name of the subsidiary | NA |
| 2 | Date on which subsidiary was acquired | NA |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company’s reporting period | NA |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | NA |
| 5 | Share capital | NA |
| 6 | Reserves & surplus | NA |
| 7 | Total assets | NA |
| 8 | Total Liabilities | NA |
| 9 | Investments | NA |
| 10 | Turnover | NA |
| 11 | Profit before taxation | NA |
| 12 | Provision for taxation | NA |
| 13 | Profit after taxation | NA |
| 14 | Proposed Dividend | NA |
| 15 | % of shareholding | NA |

1. Names of subsidiaries which are yet to commence operations--Nil
2. Names of subsidiaries which have been liquidated or sold during the year--Nil

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associates/Joint Ventures | BPCL-KIAL Fuel Farm Pvt Ltd |
|--|--|
| 1. Latest audited Balance Sheet Date | 31.03.2025 |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | |
| (a) Number | 23,40,000 |
| (b) Amount of Investment in Associates/ Joint Venture | 2,34,00,000 |
| (c) Extend of Holding % | 26% |
| 3. Description of how there is significant influence | Because of shareholding |
| 4. Reason why the associate/joint venture is not consolidated | Consolidated and Consolidated statements also submitted. |
| 5. Net worth attributable to Shareholding as per latest audited Balance Sheet | Rs.63,22,800.64 |
| 6. Profit / Loss for the year | |
| i. Considered in Consolidation | Rs. 58,80,420 |
| ii. Not Considered in Consolidation | |

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board

Sd/-

Pinarayi Vijayan

Chairman

DIN : 01907262

Place : Kannur

Date : 23 June 2025

Annexure II

Form AOC -2

Pursuant to clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rule 2014

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

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

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

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

| Sl. No. | Particulars | (1)Particulars of Transaction |
|---------|---|--|
| 1 | Name (s) of the related party | BPCL-KIAL Fuel Farm Pvt Ltd |
| 2 | Nature of relationship | Joint Venture Company with BPCL. Kannur Airport holds 26% equity in the JV Company (BPCL holds 74% equity) |
| 3 | Nature of contracts/arrangements/transaction | Lease Agreement with BPCL KIAL Fuel Farm Ltd, JV Company |
| 4 | Duration of the contracts or arrangements or transaction including the value, if any | 30 years |
| 5 | Salient terms of contracts or arrangements or transaction including the value, if any | 28,000sq.m of land was leased out to the JV Company to build and operate Fuel Farm for Kannur Airport |
| 6 | Date of approval by Board | 10 September 2014 |
| 7 | Amount paid as advance, if any | Nil |

For and on behalf of the Directors

Sd/-

Pinarayi Vijayan

Chairman

DIN : 01907262

Place : Kannur

Date : 23 June 2025

CS ABHILASH NEDIYLIL ABRAHAM

B.B.A, L.L.B, F.C.S, DARB(ICSI),
PRACTISING COMPANY SECRETARY

Bldg. No. 46/2504-B, Haritha Road, Vennala, Kochi-682028
Ph: 0484-3586389, Mob: 9446865161, Email : abislab2015@gmail.com

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025.

[Pursuant to Section 204(1) of the Companies Act,2013 and Rule 9 of the
Companies(Appointment and Remuneration of Managerial Personnel) Rules,2014]

To,

The Members,

Kannur International Airport Limited

CIN: U63033KL2009PLC025103

Kannur International Airport (PO)

Mattannur, Kannur, Kerala-670708

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kannur International Airport Limited** (hereinafter called the Company), CIN: U63033KL2009PLC025103, Kannur International Airport (PO) Mattannur, Kannur, Kerala - 670708. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act,1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act,1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011 (**Not applicable to the Company during audit period**);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not applicable to the Company during audit period**);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (**Not applicable to the Company during audit period**).
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. (**Not applicable to the Company during audit period**)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable to the Company during audit period**);
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during audit period**); and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (**Not applicable to the Company during audit period**);
- (vi). The following other laws as may be applicable specifically to the Company;
- (i) The Aircraft Act 1934
 - (j) The Aircraft Rules, 1937
 - (k) The Airports Authority of India Act 1994
 - (l) Civil Aviation Requirements (CAR) issued by the Directorate General of Civil Aviation (DGCA)
 - (m) The Airports Economic Regulatory Authority of India Act 2008

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as specified below;

1. It is observed that the Company has conducted 3 Board meetings during the calendar year 2024 which is one short of the minimum of 4 Board Meetings as per Section 173 (1) of the Companies Act, 2013.
2. 476 days delay in filing form MR-1 Return of appointment of Mr. Chundayil Dineshkumar, Managing Director.

I further report that:

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

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law, and Rules, Regulations, and Guidelines.

I further report that during the audit period the Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

UDIN : F010876G000374448

M.No. F10876 C.P. No.: 14524

Unique Code No. I2015KE2046800

PR No. 6484/2025

Date: 19/05/2025

Place: Kochi

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

CS ABHILASH NEDIYLIL ABRAHAM

B.B.A, L.L.B, F.C.S, DARB(ICSI),
PRACTISING COMPANY SECRETARY

Bldg. No. 46/2504-B, Haritha Road, Vennala, Kochi-682028
Ph: 0484-3586389, Mob: 9446865161, Email : abislab2015@gmail.com

Annexure A

To
The Members,
Kannur International Airport Limited
CIN: U63033KL2009PLC025103
Kannur International Airport (PO)
Mattannur, Kannur, Kerala - 670708

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

UDIN : F010876G000374448
M.No. F10876 C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 6484/2025
Date: 19/05/2025
Place: Kochi

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KANNUR INTERNATIONAL AIRPORT LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION:

We have audited the accompanying standalone Financial Statements of **KANNUR INTERNATIONAL AIRPORT LIMITED** (“the Company”), which comprise the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025 and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS OF OPINION:

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

EMPHASIS OF MATTERS:

We draw attention to the following matters explained in the Notes forming part of the standalone financial statements:

1. Note No. 3.7 being the note forming part of standalone financial statements, as stated there in, the Right of Use (ROU) has not been recognised for 353.98 acres of land given on lease by Government of Kerala to the Company, pending entering into lease agreement with the Government fixing the period and other terms and conditions of lease.
2. Note No.6.1 being the notes forming part of standalone financial statements, explaining the creation of provision towards the deposit placed with Ministry of Home Affairs (MoH) amounting to Rs.725.67 lakhs, towards deployment of CISF Staff in the Airport of earlier

years for reason of not recovering the same till date. Further the amount for which provision created, Rs.725.67 lakhs, is after deduction of Passenger Service Fee (PSF) payable amounting to Rs.256.36 lakhs, as explained in Note No.36, instead of keeping the same in earmarked PSF(Escrow) account/transfer to National Aviation Security Fee Trust (NASFT).

- Note No. 15.2 of the standalone financial statements which describes the infusion of ₹11,300 lakhs by the Government of Kerala as subordinate debt as of March 31, 2025, in line with the term loan sanction conditions of REC. The final terms and conditions of this subordinate debt are yet to be finalized; accordingly, the amount has been classified as borrowing. Interest of ₹830.26 lakhs has been accrued at a rate of 8.03% based on the reasons stated therein.
- The process of obtaining external confirmations, independent confirmations, etc. needs to be improved to ensure the reliability of financial information, in accordance with SA 505.

Our opinion is not modified in respect of this matter

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON:

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

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

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

If, based on the work we have performed, we conclude that there is no material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS:

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India.

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

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS:

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters:

We draw attention to Note 40 of the standalone financial statements for the year ended March 31, 2025 regarding our appointment as statutory auditors of the Company by the members in the Annual General Meeting.

Further, we draw attention to the said note and the audit report dated April 21, 2022 by the previous auditors, regarding their appointment for a term of five (5) years from the conclusion of the 9th annual general meeting until the conclusion of the 14th annual general meeting (i.e. in respect of the financial year ended March 31, 2019 until the financial year ending March 31, 2023) and their resignation effective from financial year 2021-22 as detailed in the above referred note forming part of financial statements and the appointment of our firm as auditors in place of resigned auditors in the General Body Meeting held on 5th November, 2022. Further in the 13th Adjourned Annual General Meeting held on 20th July, 2023, our firm has been appointed as Statutory Auditors of the Company for a term of five (5) years, until the conclusion of the 18th Annual General Meeting.

We understand that the Company has filed a writ petition challenging the view of the Ministry of Corporate Affairs that the Company is a Government Company as defined under the Companies Act, 2013, and its direction that the Company's auditors need to be appointed by the Comptroller and Auditor General of India under section 139(5) of the Act.

We are informed that the aforesaid direction is currently under an interim stay vide order dated December 3, 2019 of the Hon'ble High Court of Kerala and that the matter is sub-judice. Our appointment as auditors of the Company is also subject to the eventual outcome of this matter.

This was also reported by us under Other Matters in the Auditors' Report on the financial statements for the year ended March 31, 2024 issued on July 17, 2024 and for the year ended March 31, 2023 issued on 25.08.2023, and for the year ended March 31, 2022 issued on 30.12.2022 and by the previous auditors in their Auditor's Report on the financial statements for the year ended March 31, 2019 issued on December 3, 2020, in their Auditor's Report on the financial statements for the year ended March 31, 2020 issued on November 12, 2021, and in their Auditor's Report on the financial statements for the year ended March 31, 2021 issued on April 21, 2022.

The Board of Directors of the Company continue to reaffirm the appointment of auditors of the Company based on legal advice obtained. Further the shareholders of the Company, in the previous annual general meetings have also noted the Other Matters on appointment of statutory auditors reported in the audit report for the relevant years as part of approval of the Annual Accounts of the Company together with Directors' Report and Auditors' Report thereon and did not have any reservations / comments regarding the appointment of the statutory auditors.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by The Companies (Auditor's Report) Order, 2020 ("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, enclosed herewith, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

- e. On the basis of the written representations received from the directors by the Company and taken on record in the meeting of the Board of Directors, none of the Directors is disqualified as on 31st March, 2025 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g. With respect to the reporting requirements in the Auditor's Report under section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to the Managing Director during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No.33
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note No.41.12
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the software used by the company for maintaining its books of account for the Financial Year ended 31st March 2025 has a feature of recording audit trail (edit log) facility for all the relevant transactions and the same is operational from April 2023 onwards. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with or disabled, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

Sd/-

CA K T Mohanan

Partner (M.No.201484)

Place: Cochin - 16

Date: 23.06.2025

UDIN: 25201484BMHYRX6415

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of Companies Property, Plant and Equipment's and Intangible assets:

- (a) i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- ii) The company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, the Company has formulated a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years, as approved by the Board of Directors and the process of physical verification is being conducted according to the said programme. In respect of the assets physically verified during the year, according to the information and explanations given to us, the Management is in the process of ascertaining discrepancies, if any.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / Government orders provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.

In respect of immovable properties of land measuring 353.98 acres, occupied by the Company, the terms of lease are yet to be finalized with the Government of Kerala and the leasehold land has not been recognized in these standalone financial statements (also refer to paragraph 1 in the Emphasis of Matter section of the Independent Auditor's Report on the standalone financial statements)

- (d) According to the information and explanations given to us and on the basis of our examination of books of accounts and other relevant documents of the company, the Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.
- (e) As informed to us, no proceedings that have initiated or are pending against the company for holding any Benami Property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of its inventories:

As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. Since the company has not availed any working capital facility exceeding Rs.500 lakhs, the requirement of reporting under clause (2) (b) is not applicable and hence not commented upon.

(iii) In respect of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013:

According to the explanations and information given to us and based on the records examined by us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraphs (iii) (a) to (f) of CARO 2020 are not applicable.

(iv) In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with:

In our opinion and according to the information and explanations given to us, the Company has not made any investments, loans requiring the compliance of the provisions of Section 185 and 186 of the Companies Act, 2013 during the year of report. The company has not provided any guarantees and securities to the parties covered under Section 185 of the Act. Accordingly, paragraph (iv) of CARO 2020 is not applicable.

(v) In respect of deposits accepted or accepted amounts which are deemed to be deposit, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, and the nature of contravention if any:

According to the explanations and information given to us and based on the records examined by us, the Company has not accepted any deposits or amounts which are deemed to be deposit, from the public during the year as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) In respect of maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 and whether or not such accounts and records have been so made and maintained.

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of Aeronautical Services of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that,

prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

In respect of statutory dues, according to the explanations and information given to us and based on the records examined by us:

- a) According to the information and explanations furnished to us and according to the examination of the records, the company is regular in depositing undisputed statutory dues including income-tax, wealth tax, service tax, duty of customs, value added tax, cess, goods and service tax and any other statutory dues with the appropriate authorities during the year. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of exercise, value added tax, goods and service tax outstanding on account of any dispute, except for the following cases:

| Name of the Statute | Nature of Dues | Amount (Rupees) | Period to which it relates | Forum where dispute is pending |
|-----------------------------|----------------|-----------------|----------------------------|--|
| Income Tax Act, 1961 | Penalty | ₹ 1.50 Lakhs | 2016-18 (AY 2017-18) | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Penalty | ₹ 53.67 lakhs | 2017-18 (AY 2017-18) | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Penalty | ₹ 539.41 lakhs | 2016-17 (AY 2017-18) | Commissioner of Income Tax (Appeals) |
| IGST Act, 2017 | Penalty | ₹ 2733.7 | 2017-18 (AY-2018-19) | Directorate General of Gst Intelligence |
| IGST Act, 2017 | Penalty | ₹ 19.87 | 2020-21 (AY-2022-23) | Office of Deputy Assistant commissioner of Audit |
| Keezhallur Grama Panchayath | Building Tax | ₹ 26.46 lakhs | 2017-18 (AY-2018-19) | Panchayat |

Note: The appeal filed for the Assessment Year 2019-20 against disallowance of claim u/s 35AD and for the Assessment Year 2014-15 for addition of interest to taxable income has not been considered, since there is no outstanding tax liability.

(viii) Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year:

According to the information and explanations given to us and based on the records of the

company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) In respect of company defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender:

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us:

- a) The Company has not defaulted on repayment of loans or other borrowings or in the payment of interest thereon to Lenders. However, the term loans given by consortium of banks had been preclosed with fresh loan sanctioned by REC Ltd. with longer repayment tenure and better interest rate.
- b) The company is not declared a wilful defaulter by any bank, financial institution, or other lender.
- c) Based on information and records, the funds raised on a short-term basis have not been utilized for long term purposes.
- d) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- e) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

(x) In respect of moneys raised by way of initial public offer or further public offer (including debt instruments) were applied for the purposes for which those are raised and the preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. If not, providing the details:

- a) According to the information and explanations given to us, and based on the records of the company examined by us, we report that the Company has not raised any amount by way of issue of shares during the year.
- b) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

(xi) In respect of reporting on Fraud:

- a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year, nor have we been informed of any such cases by the Management.

- b) No report under subsection 12 of Section 143 of Companies Act has been filed by the Auditors in form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- c) According to explanations and information given to us, we have considered the effectiveness of whistle blower mechanism in the company, there are no whistle- blower complaints received by the company during the year.

(xii) In respect of reporting on Nidhi Company:

- a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the CARO 2020 Order is not applicable to the Company and hence not commented upon.
- b) As Company is not a Nidhi Company, there is no default in payment of interest on deposits or repayment thereof.

(xiii) Reporting on Related Party Transactions:

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Reporting on Internal Audit:

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has an effective Internal Audit system commensurate with the size of the Company and the nature of its business. The internal audit report up to 31st March 2025 is obtained.

(xv) Reporting on Non-Cash transactions with Directors:

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them, and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) In respect of company's required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained:

- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934

- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India

(xvii) **In respect of reporting of cash losses:**

According to the information and explanations given to us and on the basis of the audit procedures performed, the Company has incurred cash losses of ₹ 30,18.99 lakhs during the current financial year. The Company has incurred cash losses of ₹ 1,04,13.81 lakhs in the immediately preceding financial year..

(xviii) **Reporting on Auditors Resignation:**

There has been no resignation of statutory auditors of the Company during the year.

(xix) **Reporting on Financial Position:**

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans including the proposal to swap the existing term loans with better interest rate, extended repayment period and repayment holiday and based on our examination of the evidence supporting the assumptions and also referring to note no.31, being the note forming part of financial statements regarding the new refinancing proposal and increase in traffic, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) **Reporting on CSR Compliance**

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, the CSR compliance is not applicable to the Company during the year and hence not commented upon.

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

Sd/-

Place: Cochin - 16

Date: 23.06.2025

UDIN: 25201484BMHYRX6415

CA K T Mohanan

Partner (M.No.201484)

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **KANNUR INTERNATIONAL AIRPORT LIMITED** ("the Company"), as of 31st March 2025, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 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 respective company's policies the safeguarding of its assets the prevention and detection of frauds and errors the accuracy and completeness of the accounting records and the timely preparation of reliable financial information as required under the Companies Act 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2025 based on the internal financial 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 ICAI.

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

Sd/-

CA K T Mohanan

Partner (M.No.201484)

Place: Cochin - 16

Date: 23.06.2025

UDIN: 25201484BMHYRX6415

Kannur International Airport Limited
CIN: U63033KL2009PLC025103
Standalone Balance Sheet as at March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|----------|-------------------------|-------------------------|
| ASSETS | | | |
| I Non-current assets | | | |
| (a) Property, plant and equipment | 3.1 | 1,68,132.27 | 1,69,427.15 |
| (b) Capital work-in-progress | 3.2 | - | 4,861.56 |
| (c) Intangible assets | 4 | 233.68 | 26.09 |
| (d) Intangible assets under development | 3.4 | 354.77 | 637.25 |
| (e) Financial assets: | | | |
| (i) Investment in joint venture | 5 | 234.00 | 234.00 |
| (ii) Other financial assets | 6 | 5,983.84 | 2,493.60 |
| (f) Deferred tax assets (Net) | 26 | 8,983.89 | 8,248.82 |
| (g) Other non-current assets | 7 | - | - |
| (h) Non current tax assets (Net) | 8 | 1,459.96 | 1,345.29 |
| Total non-current assets | | 1,85,382.41 | 1,87,273.76 |
| II Current assets | | | |
| (a) Inventories | 9 | 69.38 | 60.39 |
| (b) Financial assets: | | | |
| (i) Trade receivables | 10 | 1,131.71 | 1,572.33 |
| (ii) Cash and cash equivalents | 11 | 1,668.83 | 243.03 |
| (iii) Bank balances other than (ii) above | 12 | 1,059.00 | 44.06 |
| (iv) Other financial assets | 6 | 13.75 | 507.15 |
| (c) Other current assets | 7 | 955.78 | 930.21 |
| Total current assets | | 4,898.45 | 3,357.17 |
| TOTAL ASSETS (I + II) | | 1,90,280.86 | 1,90,630.93 |
| EQUITY AND LIABILITIES | | | |
| I Equity | | | |
| (a) Equity share capital | 13 | 1,33,838.90 | 1,33,838.90 |
| (b) Other equity | 14 | (83,591.20) | (74,141.31) |
| Total equity | | 50,247.70 | 59,697.59 |
| II LIABILITIES | | | |
| 1 Non-current liabilities | | | |
| (a) Financial liabilities: | | | |
| (i) Borrowings | 15 | 1,21,281.03 | 1,12,490.23 |
| (ii) Other financial liabilities | 16 | 2,440.93 | 1,431.91 |
| (b) Provisions | 17 | 314.76 | 259.43 |
| (c) Other Non current liabilities | 18 | 2,137.00 | 2,121.01 |
| Total non-current liabilities | | 1,26,173.72 | 1,16,302.58 |

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|--|----------|----------------------|----------------------|
| 2 Current liabilities | | | |
| (a) Financial liabilities: | | | |
| (i) Short term borrowings | 15 | 332.19 | 4,071.05 |
| (ii) Trade payables | 19 | | |
| (A) Dues of micro and small enterprises | | 40.01 | 95.99 |
| (B) Dues of other than micro and small enterprises | | 10,494.62 | 8,009.41 |
| (iii) Other financial liabilities | 16 | 2,206.63 | 1,818.66 |
| (b) Other current liabilities | 18 | 744.27 | 605.24 |
| (c) Provisions | 17 | 41.72 | 30.41 |
| Total current liabilities | | 13,859.44 | 14,630.76 |
| TOTAL LIABILITIES (1 + 2) | | 1,40,033.16 | 1,30,933.34 |
| TOTAL EQUITY AND LIABILITIES (I + II) | | 1,90,280.86 | 1,90,630.93 |
| Material accounting notes and key accounting estimate and judgements | 1 & 2 | | |

See accompanying notes to the standalone financial statements.

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm's Registration Number: 001488S

Sd/-
Dinesh Kumar C
Managing Director
DIN: 09717438

Sd/-
K Parvathyammal
Director
DIN: 07254970

Sd/-
CA K.T.Mohanan
Partner, M.No: 201484
UDIN: 25201484BMHYRX6415

Sd/-
S Jayakrishnan
Chief Financial Officer
PAN: AGPPS4585B

Sd/-
Aby Eapen
Company Secretary
PAN: APOPA3473J

June 23, 2025
Cochin

June 23, 2025
Thiruvananthapuram

Kannur International Airport Limited
CIN: U63033KL2009PLC025103
Standalone Statement of Profit and Loss for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

| Particulars | Note No. | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|----------|-----------------------------------|-----------------------------------|
| I Income | | | |
| Revenue from operations | 20 | 19,093.33 | 9,923.62 |
| Other income | 21 | 428.81 | 238.66 |
| Total Income | | 19,522.14 | 10,162.28 |
| II Expenses | | | |
| Airport operating expenses | 22 | 6,792.01 | 6,350.00 |
| Employee benefits expense | 23 | 1,323.99 | 1,295.83 |
| Finance costs | 24 | 12,542.54 | 11,711.93 |
| Depreciation and amortization expenses | 3.10 | 7,149.59 | 6,950.50 |
| Other expenses | 25 | 1,882.59 | 1,218.33 |
| Total expenses | | 29,690.72 | 27,526.59 |
| III Loss before exceptional items and tax (I - II) | | (10,168.58) | (17,364.31) |
| IV Exceptional Items | | - | - |
| V Loss after exceptional items and before tax (III+IV) | | (10,168.58) | (17,364.31) |
| VI Tax expense/(Benefit) | | | |
| (1) Current tax | | | - |
| (2) Deferred tax | 26 | (730.81) | (508.29) |
| Total tax expense/(Benefit) | | (730.81) | (508.29) |
| VII Loss for the year (V- VI) | | (9,437.77) | (16,856.02) |
| VIII Other Comprehensive income (loss) | | | |
| (i) Items that will not be reclassified subsequently to profit or loss: | | (16.38) | (22.67) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 4.26 | 5.90 |
| Total other comprehensive loss for the year | | (12.12) | (16.77) |
| IX Total comprehensive loss for the year (VII + VIII) | | (9,449.89) | (16,872.79) |
| Earnings per equity share of face value of ₹ 100/- | | | |
| Basic and diluted EPS (₹) | 27 | (7.05) | (12.59) |

See accompanying notes to the standalone financial statements.

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
 Chartered Accountants
 Firm's Registration Number: 001488S

Sd/-
 Dinesh Kumar C
 Managing Director
 DIN: 09717438

Sd/-
 K Parvathyammal
 Director
 DIN: 07254970

Sd/-
 CA K.T.Mohanan
 Partner, M.No: 201484
 UDIN: 25201484BMHYRX6415

Sd/-
 S Jayakrishnan
 Chief Financial Officer
 PAN: AGPPS4585B

Sd/-
 Aby Eapen
 Company Secretary
 PAN: APOPA3473J

June 23, 2025
 Cochin

June 23, 2025
 Thiruvananthapuram

Kannur International Airport Limited

CIN: U63033KL2009PLC025103

Standalone Statement of cash flows for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| A. Cash flow from Operating Activities | | |
| Loss before tax | (10,168.58) | (17,364.31) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 7,034.99 | 6,933.75 |
| Amortisation of intangible assets | 114.60 | 16.75 |
| Unwinding of discount on security deposits | 110.67 | 99.27 |
| Finance Cost | 11,771.99 | 10,739.31 |
| Interest Income | (239.61) | (58.62) |
| Income from Deferred Government Grants | (43.68) | |
| Loss on sale of Property, Plant and Equipment | 0.19 | 3.21 |
| Fair value adjustments | (113.70) | (99.15) |
| Allowance for credit impaired trade receivables | 109.77 | 195.11 |
| Reversal of provision for impairment on debtors | - | (47.72) |
| Operating profit / (loss) before working capital changes | 8,576.64 | 417.60 |
| Working capital adjustments for: | | |
| (Increase) / Decrease in Trade receivables | 229.87 | 161.60 |
| Increase / (Decrease) in Trade payables | 2,429.23 | 2,510.72 |
| (Increase) / Decrease in other financial assets | (2,996.84) | 529.02 |
| Increase / (Decrease) in other financial liabilities | 1,099.46 | (1,727.40) |
| (Increase) / Decrease in other current assets | (25.57) | (15.04) |
| (Increase) / Decrease in Bank balances other than cash and cash equivalents | (1,014.94) | 236.66 |
| (Increase) / Decrease in inventories | (8.99) | 3.12 |
| Increase / (Decrease) in other current liabilities | 66.87 | (9.33) |
| Increase / (Decrease) in provisions | 50.26 | 46.93 |
| Cash generated from operations | 8,405.99 | 2,153.88 |
| Income tax paid (net) | (114.67) | (240.88) |
| Net cash flow (used in) / generated from operating activities (A) | 8,291.32 | 1,913.00 |
| B. Cash flow from investing activities | | |
| Payments for property, plant and equipment | (264.02) | (1,669.17) |
| Payments for Intangible assets | (221.21) | (25.21) |
| Interest received | 239.61 | 58.62 |
| Government Grants towards purchase of equipment | 134.86 | 1,000.00 |
| Net cash flow used in investing activities (B) | (110.76) | (635.76) |

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| C. Cash flow from financing activities | | |
| Loan received from REC Limited | 1,10,313.22 | |
| Loan received from Government of Kerala | 3,313.85 | 7,986.15 |
| Repayment of borrowings from Bank | (1,08,575.13) | (1,081.97) |
| Interest paid | (11,806.70) | (10,731.47) |
| Net cash flow generated from financing activities (C) | (6,754.76) | (3,827.29) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | 1,425.80 | (2,550.05) |
| Cash and cash equivalents at the beginning of the year | 243.03 | 2,793.08 |
| Cash and cash equivalents at the end of the year | 1,668.83 | 243.03 |

See accompanying notes to the standalone financial statements.

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm's Registration Number: 001488S

Sd/-
Dinesh Kumar C
Managing Director
DIN: 09717438

Sd/-
K Parvathyammal
Director
DIN: 07254970

Sd/-
CA K.T.Mohanam
Partner, M.No: 201484
UDIN: 25201484BMHYRX6415

Sd/-
S Jayakrishnan
Chief Financial Officer
PAN: AGPPS4585B

Sd/-
Aby Eapen
Company Secretary
PAN: APOPA3473J

June 23, 2025
Cochin

June 23, 2025
Thiruvananthapuram

Kannur International Airport Limited
Standalone statement of changes in equity for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

A Equity Share Capital

| Particulars | No. of Shares | Amount |
|--|---------------|-------------|
| Balance at March 31, 2023 | 13,38,38,900 | 1,33,838.90 |
| Changes in equity share capital during the year: | | |
| Issue of equity shares | | |
| Balance at March 31, 2024 | 13,38,38,900 | 1,33,838.90 |
| Changes in equity share capital during the year: | | |
| Issue of equity shares | | |
| Balance at March 31, 2025 | 13,38,38,900 | 1,33,838.90 |

B Other Equity

| Particulars | Securities Premium | Capital Reserve | Retained Earnings | Other Comprehensive Loss | Total Other Equity |
|--|--------------------|-----------------|-------------------|--------------------------|--------------------|
| Balance at March 31, 2023 | 141.71 | 30.70 | (57,421.23) | (19.70) | (57,268.52) |
| Loss for the year ended March 31, 2024 | | | (16,856.02) | | (16,856.02) |
| Other comprehensive Loss for the year, net of income tax | | | | (16.77) | (16.77) |
| Balance at March 31, 2024 | 141.71 | 30.70 | (74,277.25) | (36.47) | (74,141.31) |
| Loss for the year ended March 31, 2025 | | | (9,437.77) | | (9,437.77) |
| Other comprehensive Loss for the year, net of income tax | | | | (12.12) | (12.12) |
| Balance at March 31, 2025 | 141.71 | 30.70 | (83,715.02) | (48.59) | (83,591.20) |

Remeasurements of Defined Benefit Plans - Gain/Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Loss as per IND AS 19 and shall not be reclassified to the standalone statement of Profit and Loss in the subsequent years.

See accompanying notes to the standalone financial statements.

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm's Registration Number: 0014885

Sd/-
Dinesh Kumar C
Managing Director
DIN: 09717438

Sd/-
K Parvathyammal
Director
DIN: 07254970

Sd/-
CA K.T.Mohanan
Partner, M.No: 201484
UDIN: 25201484BMHYRX6415

Sd/-
S Jayakrishnan
Chief Financial Officer
PAN: AGPPS4585B

Sd/-
Aby Eapen
Company Secretary
PAN: APOPA3473J

June 23, 2025
Cochin

June 23, 2025
Thiruvananthapuram

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

1 GENERAL INFORMATION

Kannur International Airport Limited (“KIAL” or “the Company”) was incorporated on December 3, 2009 in India as a Private Limited Company and later converted into a Public Limited Company effective from August 2010. The Company is having its registered office in Kannur International Airport P. O, Mattannur, Kannur - 670708, Kerala, India. The Company has been incorporated for designing, financing, construction, operation and maintenance of an international airport at Kannur, Kerala. The company is promoted by Kerala State Government holding 39.23% of the equity shares of the Company as at March 31, 2025.

The standalone financial statements were reviewed by Audit Committee, and approved by the Board of Directors at their meeting held on June 23, 2025.

2 MATERIAL ACCOUNTING POLICIES

2.1 Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.2 Basis of preparation and presentation

The standalone financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS. 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.

Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Going Concern

The standalone financial statements have been prepared considering going concern concept. (Note No: 31)

2.4 Change and use of Estimate and judgment

In the preparation of the standalone financial statements, the Company makes judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of the standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments and retirement benefit obligations as discussed below.

The few critical estimations and judgments made in applying accounting policies are:

Fair value of financial assets and liabilities:

Some of the assets and liabilities of the Company are measured at fair value for financial reporting purposes. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of discount rate, future growth rate, etc. based on Management’s best estimate about future developments.

Useful Lives of Property, Plant and Equipment:

Depreciation on the property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the Management (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper viz, 05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector.

Pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013, the Authority has issued order No. 35/2017-18 on January 12, 2018 which is further amended on April 9, 2018, in the matter of Determination of Useful life of Airport Assets, which is effective from April 1, 2018 ("AERA Order").

Accordingly, the Management has adopted useful life in respect of airport assets as prescribed in the aforesaid order.

Valuation of Deferred Tax Liabilities/Assets:

The Company reviews the carrying amount of deferred tax liabilities/assets at the end of each reporting period.

Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (except retirement benefits and leave encashments) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognised in the standalone financial statements but are disclosed separately.

2.5 Property, Plant and Equipment (PPE)

Freehold land is carried at historical cost. Land development cost incurred in freehold and lease hold land is added to the cost of the land. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date net of accumulated impairment loss, if any. Property, plant and equipment under installation or under construction as at balance sheet date are shown as capital work-in-progress, intangible assets under development as at balance sheet date are shown as intangible assets under development and the related advances are shown as loans and advances.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to standalone statement of profit and loss during the reporting period in which they are incurred.

The Company has identified the assets based on the documents and certificates provided by the consultant and the cost of each component / part of the asset is arrived separately in the same manner. The asset classification of the component / part that has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset is grouped and classified separately.

Spare parts that can only be used in connection with a particular item of property, plant and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

All spare parts, stand-by and servicing equipment qualify as property, plant and equipment (PPE) if they meet the definition of PPE i.e. if the Company intends to use these during more than a period of 12 months.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognised.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Incidental expenditure during construction period (net of related income arising during that period) directly related to the project, incurred prior to commencement of commercial operations is carried forward and allocated to the extent identifiable with any particular fixed asset else it has been allocated to various fixed assets in proportion to their cost on commencement of commercial operations. Incidental expenditure not related to construction, and corporate expenses are recognised as expense when incurred.

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

Depreciation on property, plant and equipment

Depreciation on the property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the Management (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The components identified by the Company are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The useful life adopted by the Company as per the AERA guidelines are as under;

| Description of the Asset | Estimated Useful life |
|---|-----------------------|
| Terminal Building | 30 years |
| Building In Operational Area | 30 years |
| Utility Building | 30 years |
| Roads, Roads in operational area, Boundary wall and Security fencing | 10 years |
| Baggage Handling System/ Escalators/ Elevators/ HVAC Equipment | 15 years |
| X-Ray Machine, RT set, DFMD, HHMD Security Equipment | 15 years |
| Office Equipment | 5 years |
| Furniture & Fixtures - Other than trolleys | 7 years |
| Furniture & Fixtures - Trolleys | 3 years |
| Computers - End User Devices | 3 years |
| Electrical Installation and Equipment including Runway lighting system | 10 years |
| Flight Information System, AOCC Equipment | 6 years |
| Light Motor Vehicles | 8 years |
| Crash Fire Tenders, Other Fire Equipment including pumps and sprinklers | 15 years |
| Intangible assets - Computer Software | 3 years |
| Runway, Taxiway, Apron | 30 years |

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

Impairment of Property, Plant and Equipment and intangible assets

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

2.6 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.7 Intangible Assets

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

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

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

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

Intangible assets are amortised in the Standalone Statement of Profit and Loss using the straight line method over their estimated useful lives, from the date that they are available for use. Accordingly, at present, these are being amortised on straight line basis for 3 years.

2.8 Provisions, Contingent Liabilities and Contingent Assets

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

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

2.9 Foreign Currency Transactions

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

2.10 Cash Flows and Cash and Cash Equivalents (for the purpose of standalone statement of cash flows)

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

2.11 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.

Income from services

Revenue from airport operations i.e., Aeronautical and Non-Aeronautical operations are recognised on accrual basis, net of Goods and Service Tax (GST), and applicable discounts when services are rendered. Aeronautical operations include user development fees (UDF), ground handling, Baggage, X-ray Charges, Landing and Parking of aircraft, fuel farm and Common User Terminal Equipment (CUTE) counter charges. The main streams of non-aeronautical revenue includes retail, advertisement, food and beverages, car parking and land and space- rentals.

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.

Land and Space- rentals pertains to granting right to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability, when calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension and similar options) but does not consider the expected credit losses. Interest income is included in other income in the standalone statement of profit and loss.

Dividends

Dividend income if any, is recognised when the Company's right to receive dividend is established, which is generally when the shareholders approve the dividend.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in standalone statement of profit and loss in the period in which they are incurred.

2.13 Employee Benefits

a Short Term Employee Benefits

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

Post-employment obligations

Defined contribution plans:

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

b Defined Benefit plan

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in Standalone Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

2.14 Taxes on Income

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

a Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum Alternate Tax) or normal provision of Income Tax Act, 1961. Tax on Income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of relevant tax laws and based on the expected outcome of assessments/ appeals.

b Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets are realised or deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised or reduced to the extent that it is probable/no longer probable, respectively, that the related tax benefit will be realised.

2.15 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, Government grants whose primary condition is that the Company should construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the balance sheet and transferred to standalone statement of profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in standalone statement of profit and loss in the period in which they become receivable.

2.16 Events after reporting date

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

2.17 Earnings per share

i Basic earnings per share

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

ii Diluted earnings per share

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

2.18 Operating Segments

The Company operates in the Indian domestic market by providing airport services to passengers and various airline operators which in the context of Ind AS 108 "Operating Segments", is considered as the only segment.

Operating segments are reported in the manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Company is reported at an overall level, and hence there are no separate reportable segments as per Ind AS 108.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

2.19 Fair value measurement

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

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

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

2.20 Financial Instruments

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

a Financial Assets

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

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

Initial recognition and measurement

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

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

b Financial Liabilities

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

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

Derecognition

A financial asset is primarily derecognised when:

- 1 the right to receive cash flows from the asset has expired, or
- 2 the 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 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.

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

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

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

2.21 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.22 Leases

Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Company as a Lessee:

Right-of-use assets and Lease liabilities

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. At the commencement of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

The Government of Kerala has not finalised on the underlying terms and conditions for the lease of land to the Company and in the absence of a details as to extent of land and the lease rentals the Company has not recognised any right of use asset or lease liabilities though the Company. (Note No: 3.7)

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025
All amounts are in ₹ Lakh unless otherwise stated

3.4 Intangible assets under development

| Particulars | At March 31, 2024 | Additions during the year | Capitalised during the year | At March 31, 2025 |
|---------------|-------------------|---------------------------|-----------------------------|-------------------|
| AODB Software | 289.97 | 32.22 | 322.19 | - |
| ERP System | 64.44 | 225.53 | | 289.97 |
| | 347.28 | 7.49 | | 354.77 |
| | 69.33 | 277.95 | | 347.28 |

3.5 Intangible Asset under development ageing Schedule for the year ended March 31, 2025 and March 31, 2024

| Particulars | Less than 1 year | 1-2 year | 2-3 year | more than 3 years | Total |
|-------------------------------|------------------|----------|----------|-------------------|--------|
| Projects in Progress | 7.49 | 277.95 | 69.33 | - | 354.77 |
| Project Temporarily Suspended | 503.48 | 133.77 | - | - | 637.25 |
| | | | | | |

3.6 The Company has considered the possible impact of the impairment of assets up to the date of approval of these standalone financial statements in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of property plant and equipment.

3.7 The Company is currently occupying a land admeasuring to 353.98 Acres lying contiguously to the free hold land inside the peripheral wall constructed by the Company. This land was procured by KINFRA on behalf of the Government of Kerala with an initial plan to be leased to the Company wide Kerala Government order (MS) No. 50/2015 dated September 3, 2015. The Government of Kerala is yet to confirm on the lease agreement in the subsequent Cabinet Meetings. The value of the lease hold land is not accounted for in the books of account of the company. The free hold land in absolute ownership of the company as at March 31, 2025 is 1192.54 Acres (Previous year 1192.54 Acres). A portion of the land admeasuring to 3.45 Acres is occupied by the company is to be transferred by the land acquisition agency appointed by the Kerala State Government to the local self government institutions for development of roads in the land provided for rehabilitation.

The terms of the lease agreement for 353.98 Acres of land is yet to be finalised by the Government of Kerala and hence as per the CO No.23/2019/Trans dated March 7, 2019 it has been decided by the Government to lease the land for a period of 60 years. The land development carried out in the land to be leased and in the possession of the Company is stated as lease hold land. The expenditure is amortised over a period of 60 years from the date of commencement of commercial operations.

3.8 The Company has also made a representation to the Government of Kerala on August 7, 2019 requesting the extension of the lease term from 60 years to 99 years.

Land held pending transfer of ownership to Government
As per the GOMs 29/2014/Trans dated March 21, 2014, sanction was accorded to purchase 11.44 Acres of land directly by the Company for subsequent transfer to Government. Accordingly, the Company had purchased 10.52 Acres of land for ₹ 987.18 Lakh out of 11.44 Acres (remaining land pending for purchase was for want of documents from Land Acquisition Officer). Administrative sanction was accorded for the reimbursement of an amount ₹ 987.18 Lakh (vide GO (R) No.146/2016/Tran dated March 22, 2016) to meet the expenditure incurred in connection with purchase of 10.52 Acres of land which was realised on April 13, 2016.

3.9 Borrowing cost capitalised ₹ Nil (Previous year ₹ 186.52 Lakhs).

3.10 Depreciation and amortization expense

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| Depreciation of property, plant and equipment (Note No: 3.1) | 7,034.98 | 6,933.75 |
| Amortization of intangible assets (Note No: 4) | 114.60 | 16.75 |
| Total | 7,149.58 | 6,950.50 |

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

4 Intangible assets

| Particulars | Computer Software |
|------------------------|-------------------|
| Cost | |
| At March 31, 2023 | 56.13 |
| Additions | 25.21 |
| Disposals | |
| At March 31, 2024 | 81.34 |
| Additions | 322.19 |
| Disposals | |
| At March 31, 2025 | 403.53 |
| Amortization | |
| At March 31, 2023 | 38.50 |
| Charge for the year | 16.75 |
| At March 31, 2024 | 55.25 |
| Charge for the year | 114.60 |
| At March 31, 2025 | 169.85 |
| Carrying amount | |
| At March 31, 2023 | 17.63 |
| At March 31, 2024 | 26.09 |
| At March 31, 2025 | 233.68 |

5 Investment in Joint Venture

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Unquoted investments in Equity Shares (fully paid) | | |
| BPCL-KIAL Fuel Farm Private Limited | 234.00 | 234.00 |
| Total | 234.00 | 234.00 |

5.1 23,40,000 Equity Shares of BPCL-KIAL FUEL FARM PRIVATE LIMITED at par (Previous year 23,40,000 Equity shares of ₹ 10 each) fully paid up unquoted non traded stated at cost being 26% of the total equity.

BPCL-KIAL FUEL FARM PRIVATE LIMITED (BKFFPL) was incorporated in May 2015 with an equity participation of 74% by Bharat Petroleum Corporation Limited (BPCL) and 26% by Kannur International Airport Limited. BKFFPL was formed to design, construct, commission and operate the Fuel Farm at Kannur International Airport for the supply of Aviation Turbine Fuel (ATF) on an exclusive basis. BKFFPL started operations from December 9, 2018 along with the commissioning of the airport.

It is being managed under joint control mechanism, hence in the consolidated financial statements of the Parent, the financials of BKFFPL has been consolidated as Joint Venture as per the requirements of Ind AS accounting standards.

In the absence of audited financial results of the jointly controlled entity, the unaudited financial statements, certified by the CFO of the Jointly controlled entity is relied upon.

6 Other financial assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Non Current | | |
| Security Deposits (Note No: 6.1) | 952.04 | 848.88 |
| Less: Provision for Security Deposit made for CISF Induction | 725.67 | |
| | 226.37 | 848.88 |
| Bank Deposits with more than 12 month maturity (Note No: 6.2) | 3,973.20 | 110.47 |
| Accrued lease rentals (as per Ind AS 116) | 1,784.27 | 1,534.25 |
| Total | 5,983.84 | 2,493.60 |
| Current | | |
| Receivable from Kerala State Government Departments (Note No: 6.3) | 1,016.65 | 1,016.65 |
| Less: Provision for Receivable from Government of Kerala | 1,016.65 | 530.07 |
| | - | 486.58 |
| Accrued lease rentals (as per Ind AS 116) | 13.75 | 20.57 |
| Total | 13.75 | 507.15 |

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

6.1 Security deposit include ₹ 725.67 Lakh being the deposit placed with Ministry of Home Affairs (MoH), based on demand letter dated May 7, 2018, towards deployment of CISF staff in the Airport. Subsequently, the Company requested vide letter dated October 29, 2019 for a refund of such deposit from MoH. The MoH has responded vide letter dated December 2, 2019, that upon clearance from Ministry of Civil Aviation (MoCA) for refunding the deposit the same shall be processed. As per the discussions held with the MoCA on June 4, 2021, the Company was informed that the matter was taken up with the MoH and they stated that the fund was deposited in the consolidated fund of India and the fund is non-refundable.

The Company was advised to make a case to MoCA, which MoCA will take up appropriately. The Company had taken up the case with MoCA again and no reply was received till date. As a matter of abundant caution, the Management has decided to make hundred percentage provision for the outstanding balance of ₹ 725.67 Lakh.

6.2 Bank Deposit includes ₹ 18.00 Lakh (Previous year ₹ 19.94 Lakh) held as security deposit for Bank Guarantee issued to Customs authorities for cargo related operations, ₹ 0.20 Lakh (Previous year ₹ 0.20 Lakh) held as security deposit for Bank Guarantee issued to Department of Telecom, ₹ 3,955.00 Lakh held as deposit for Debt Service Reserve Account as per the sanction letter of REC Limited.

6.3 Based on the Kerala Government Order No.13/2017/TRANS dated February 2, 2017 and also based on the tripartite agreement between the Company, Superintending Engineer, Minor Irrigation, Kozhikode Circle and Uralungal Labour Contract Cooperative Society Limited (ULCCSL) payments aggregating to ₹ 1066.89 Lakh (Previous year ₹ 1066.89 Lakh) had been made to various Government departments towards the electrification, monsoon mitigation, storm water drain, construction / extension of water pipeline, blasting compensation, land acquisition etc. for the roads and areas surrounding the airport which were to be paid back to the Company on conclusion of the various infrastructure jobs by the respective departments.

Against the above, the Company has received ₹ 626.99 Lakh as reimbursement of amount paid to ULCCSL on June 4, 2021. Subsequently an amount of ₹ 439.90 Lakh has been sanctioned by the government as reimbursement to the Company, which is pending to be received. Relying upon the government sanction, the Management is of the opinion that hundred percentage provision is required as this is long outstanding.

Further the amount receivable includes the amount receivable from KINFRA amounting to ₹ 46.67 Lakh and the Management is of the opinion that provision is required as this is long outstanding.

During the year, though follow up towards recovery of dues from various government departments for the outstanding amount of ₹ 530.07 Lakh (Previous year ₹ 530.07 Lakh) is being continued, as a matter of abundant caution, the Management had decided to make hundred percentage provision for these amounts in FY 2023-24.

7 Other Current Assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------|-------------------------|-------------------------|
| Non Current | - | - |
| Total | - | - |
| Current | | |
| Prepaid Expenses | 248.68 | 256.14 |
| Balance with Indirect Tax Authorities | 248.05 | 197.48 |
| Unbilled Revenue (Note No: 20.2) | 443.74 | 464.76 |
| Other Advances | 5.84 | 5.76 |
| Advance to suppliers | 9.47 | 6.07 |
| Total | 955.78 | 930.21 |

8 Non current tax assets (net)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Tax other than Income Tax - Remittance against disputed liability (Note No: 8.1) | 273.38 | |
| Income Tax Remittance / Withheld tax paid against disputed liability (Note No: 8.2) | 911.66 | 594.58 |
| Income Tax (Net of Provision) | 274.92 | 750.71 |
| Total | 1,459.96 | 1,345.29 |

8.1 The Company paid an amount of ₹ 273.38 Lakh at the time of filing appeal before Commissioner (Appeals) Central Tax & Central Excise, Kochi against the order (ORDER-IN-ORIGINAL No: 17/2024-25-GST dated 24-12-2024) passed by Joint Commissioner, Central Tax & Central Excise, Kozhikode u/s 74(9) of SGST/CGST Act, 2017 for the year 2017-18 to 2021-22 on various matters.

8.2 This includes the amount paid by the Company of ₹ 118.91 Lakh as predeposit for filing of appeal and TDS withheld by IT department against the disputed IT demands.

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

9 Inventories

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------|-------------------------|-------------------------|
| Lower of cost or net realisable value | | |
| Fuel | 15.16 | 25.36 |
| Stores and spares | 54.22 | 35.03 |
| Total | 69.38 | 60.39 |

10 Trade Receivables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Trade Receivables - Considered Good - Secured | 273.63 | 307.80 |
| Trade Receivables - Considered Good - Unsecured | 1,243.00 | 1,264.53 |
| Trade Receivables - Credit Impaired | 1,073.65 | 963.88 |
| | 2,590.28 | 2,536.21 |
| Less: Provision for Waiver of Airport Charges (Note No: 20.3) | 384.92 | |
| Less: Allowance for Expected Credit Loss | 1,073.65 | 963.88 |
| | 1,131.71 | 1,572.33 |
| From related party | 21.51 | 1.60 |
| From others | 1,495.12 | 1,570.73 |
| | 1,516.63 | 1,572.33 |
| Less: Provision for Waiver of Airport Charges (Note No: 20.3) | 384.92 | |
| Total | 1,131.71 | 1,572.33 |

10.1 Ageing Analysis of Trade Receivables

| Particulars | Outstanding for following periods from due date of payment | | | | | As at March 31, 2025 |
|--|--|----------------------|---------------|---------------|-------------------|-------------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed-Trade receivables - considered good | 1,465.37 | 51.26 | | | - | 1516.63 |
| Undisputed-Trade Receivable which have significant increase in credit risk | | | | | | |
| Undisputed-Trade receivables-Credit Impaired | | 66.27 | 198.51 | 735.12 | 73.74 | 1073.65 |
| Total | 1,465.37 | 117.54 | 198.51 | 735.12 | 73.74 | 2,590.28 |

| Particulars | Outstanding for following periods from due date of payment | | | | | As at March 31, 2024 |
|--|--|----------------------|---------------|---------------|-------------------|-------------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed-Trade receivables - considered good | 1,413.41 | 87.40 | 70.92 | 0.60 | | 1572.33 |
| Undisputed-Trade Receivable which have significant increase in credit risk | | | | | | |
| Undisputed-Trade receivables-Credit Impaired | | 76.16 | 765.73 | 120.75 | 1.24 | 963.88 |
| Total | 1,413.41 | 163.56 | 836.65 | 121.35 | 1.24 | 2,536.21 |

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

10.2 Movement in the expected credit loss allowance

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year | 963.88 | 816.49 |
| Less: Provision reversed during the year | 169.82 | 47.72 |
| Add: Provision made during the year | 279.59 | 195.11 |
| Balance at the end of the year | 1,073.65 | 963.88 |

10.3 Of the total provision, ₹ 627.60 Lakh is on account of receivables from Go Airlines (India) Limited due to its cessation of operations and filing for bankruptcy protection on May 2, 2023. The company has provided provision for the entire amount receivable from the said Airline.

11 Cash and Cash equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-------------------------------|-------------------------|-------------------------|
| Balances with Banks | | |
| i) In Current Account | 24.96 | 36.73 |
| ii) In Fixed Deposit Accounts | 1,643.87 | 206.30 |
| Total | 1,668.83 | 243.03 |

12 Bank balances other than (Cash and cash equivalents) above

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Balances with Banks | | |
| In earmarked deposit accounts | | - |
| In deposit accounts having original maturity of more than 3 months but less than 12 months | 1,059.00 | 44.06 |
| Total | 1,059.00 | 44.06 |

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

13 Equity Share Capital

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|----------------------|-------------|----------------------|-------------|
| | No of Shares | Amount | No of Shares | Amount |
| Authorized share capital (Equity shares of ₹.100/- each) | 35,00,00,000 | 3,50,000.00 | 35,00,00,000 | 3,50,000.00 |
| Issued, subscribed and fully paid up shares (Equity shares of ₹.100/- each) | 13,38,38,900 | 1,33,838.90 | 13,38,38,900 | 1,33,838.90 |

Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

13.1 Reconciliation of shares at the beginning and at the end of the year:

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|--|----------------------|-------------|----------------------|-------------|
| | No of Shares | Amount | No of Shares | Amount |
| Authorised Share Capital | | | | |
| Balance as at the beginning of the year | 35,00,00,000 | - | 350000000 | |
| Changes in Authorised Equity Share capital during the year | | | - | |
| Balance as at the end of the year | 35,00,00,000 | - | 350000000 | |
| Issued, Subscribed and Paid-up Share Capital | | | | |
| Balance as at the beginning of the year | 13,38,38,900 | 1,33,838.90 | 133838900 | 1,33,838.90 |
| Changes in Equity Share capital during the year | | | | - |
| Balance as at the end of the year | 13,38,38,900 | 1,33,838.90 | 133838900 | 1,33,838.90 |

13.2 Particulars of shares holders holding more than 5% of Equity Shares in the parent: March 31, 2025

| Promoters and Shareholders holding more than 5% shares in the company | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total shares |
|---|--|------------------------|--------------------------------------|-------------------|
| Government of Kerala (Only promoter) | 5,25,00,000 | - | 5,25,00,000 | 39.23% |
| Bharat Petroleum Corporation Limited | 2,16,80,000 | - | 2,16,80,000 | 16.20% |
| Airports Authority of India | 1,00,00,000 | - | 1,00,00,000 | 7.47% |
| M A Yusufali | 1,15,00,000 | - | 1,15,00,000 | 8.59% |

Particulars of shares holders holding more than 5% of Equity Shares in the parent: March 31, 2024

| Promoters and Shareholders holding more than 5% shares in the company | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total shares |
|---|--|------------------------|--------------------------------------|-------------------|
| Government of Kerala (Only promoter) | 5,25,00,000 | - | 5,25,00,000 | 39.23% |
| Bharat Petroleum Corporation Limited | 2,16,80,000 | - | 2,16,80,000 | 16.20% |
| Airports Authority of India | 1,00,00,000 | - | 1,00,00,000 | 7.47% |
| M A Yusufali | 1,15,00,000 | - | 1,15,00,000 | 8.59% |

13.3 Shares issued for consideration other than cash

The Company has issued 3,15,93,038 numbers of equity shares to Government of Kerala towards the cost of land transferred to the Company for the construction of the Airport.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

14 Other Equity

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Retained Earnings | | |
| Balance at beginning of year | (74,277.25) | (57,421.23) |
| Less: Loss for the year | (9,437.77) | (16,856.02) |
| Balance at end of year | (83,715.02) | (74,277.25) |
| Other comprehensive income / (loss) | | |
| Balance at beginning of year | (36.47) | (19.70) |
| Remeasurements of defined benefit obligation net of income tax | (12.12) | (16.77) |
| Balance at end of year | (48.59) | (36.47) |
| Capital Reserve | | |
| Balance at beginning of year | 30.70 | 30.70 |
| Addition during the year | | |
| Balance at end of year | 30.70 | 30.70 |
| Securities Premium (Note No: 14.1) | | |
| Balance at beginning of year | 141.71 | 141.71 |
| Addition during the year | | |
| Balance at end of year | 141.71 | 141.71 |
| Opening balance of other equity | (74,141.32) | (57,268.52) |
| Closing balance of other equity | (83,591.20) | (74,141.31) |

14.1 Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by Section 52 of the Act.

15 Borrowings

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Non- Current Borrowings | | |
| Secured- at amortised cost | | |
| Term loans: | | |
| Canara Bank | | 71,194.26 |
| The Federal Bank Limited | | 9,187.47 |
| The South Indian Bank Limited | | 11,250.76 |
| REC Limited (Note No: 15.1) | 1,10,313.22 | |
| Funded interest term loan (FITL): | | |
| Canara Bank | | 13,152.66 |
| The Federal Bank Limited | | 1,704.85 |
| The South Indian Bank Limited | | 2,085.13 |
| Subordinate Debt | | |
| Government of Kerala (Note No: 15.2) | 11,300.00 | 7,986.15 |
| sub-total | 1,21,613.22 | 1,16,561.28 |
| Less: Current Borrowings | | |
| Current maturity of long-term borrowings | 332.19 | 4,071.05 |
| Total | 1,21,281.03 | 1,12,490.23 |

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

15.1 The company had approached REC Limited for refinancing the loan given by the consortium of banks for better repayment terms and interest cost. REC Limited had sanctioned the loan for an amount of ₹ 1,17,117.00 Lakh at a floor rate of interest of 9.00% per annum for the first year and at 9.50% thereafter. Company availed the loan for ₹ 1,10,731.00 Lakh on September 26, 2024 and closed the existing loan availed from Canara Bank, the lead bank, South Indian Bank and Federal Bank, the consortium banks. The interest rate is linked to 10-year AAA Corporate Bond Yield and the effective interest rate is 9.03% at the time of disbursement. The term loan is repayable in 20 years as against the 11-year repayment period of existing term loan. The loan is sanctioned with a moratorium period of 1 year from the date of disbursement on principal repayment.

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

1. The Rupee Term Loan Facility together with interest, default interest, liquidated damages, costs, charges, expenses and other monies whatsoever payable by the Borrower shall be secured to the satisfaction of REC by:

a. English/Equitable/Simple Mortgage by way of first charge on all immovable properties i.e. Land including land intended to be monetized by the company together with buildings and other civil works attached thereto of the project, subject to due diligence as to clear title as prescribed by REC in this behalf. In case of the lease hold land/ properties, the Borrower shall mortgage the leasehold rights by execution of registered Indenture of Mortgage thereby assigning to REC all the rights/interest available to the Borrower under the lease agreement. In the event of monetization of any real estate by KIAL, such security shall be released forthwith by REC subject to the condition that proceeds from real estate monetization shall flow into TRA account maintained for the project.

b. Hypothecation by way of first charge on all existing and future movables assets of the project including equipment, machineries & other current assets, book debts/ receivables & all other movables to the satisfaction of REC.

c. First charge over all bank accounts including TRA/escrow account of the Project to be maintained wherein all cash inflows pertaining to the Project shall be deposited.

d. First charge/ assignment over all the rights, title, interest, benefits, claims and demand whatsoever of the Borrower in the Project agreements.

e. Pledge of 51% of the shares held by Government of Kerala in the company in the form and manner acceptable to REC.

If at any time during the subsistence of loan, Corporation (REC) is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loan then outstanding, the Borrower shall provide and furnish to REC additional security as may be acceptable to REC to cover such deficiency.

Project assets including contracts and project documents mortgaged/ hypothecated/ charged/ assigned in favour of REC shall not be mortgaged/ hypothecated/ charged/ assigned in favour of any other institution during the pendency of REC loan without prior written permission from REC.

2. In addition, Unconditional and irrevocable Letter of Comfort of the Government of Kerala guaranteeing the repayment of principal and interest, additional interest, if any, and costs, charges, expenses, losses, applicable taxes, statutory duties and other monies to be obtained prior to first disbursement under any of the Facilities sanctioned. The letter of Comfort shall be valid till the repayment of all the Facilities by the Borrower.

The entire loan shall be repaid by the Borrower in 80 structured quarterly Installments and the 1st 'Loan Repayment Due Date' shall be the first day of the next calendar month following to the quarter in which the moratorium period expires and all subsequent 'Loan Repayment Due Date' shall be first day of each following quarter till the entire loan amount along with interest & all other dues are repaid to REC in full. Moratorium period shall be 2 months from the date of first disbursement.

In the event of any installment of interest/ principal and /or any other dues not being paid to REC by the Borrower on or before the due dates & as per the terms as indicated herein, the Borrower shall pay to REC a penal interest at the rate as per the prevailing Loan Policy of REC on the date of default, over and above and in addition of the applicable interest rate on the amount so overdue, for the period of default on quarterly/ monthly compounding basis.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

15.2 The term loan sanction conditions require Government of Kerala (GoK) to infuse ₹11,300 Lakhs, into the project in the form of subordinate debt/equity, pledge of 51% shares of Government of Kerala similar to the previous term loan conditions and provide an unconditional and irrevocable letter of comfort from GoK towards debt servicing obligations. Referring to the above sanction requirement, the GoK had infused ₹11,300 Lakhs as on March 31, 2025. The nature of this infusion as per the GO is Subordinate Debt where as the terms and conditions are yet to be finalised. Pending finalisation of the terms and conditions, the amount received from the GOK is shown as borrowing and interest is accrued @ 8.03% which is 1% less than the rate offered by REC Limited for term loan since it is stipulated in the sanction letter that the rate of interest for the loan from GOK has to be less than the rate offered by REC Limited on term loan.

16 Other Financial Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Non Current | | |
| Security deposits at amortized cost | 1,250.85 | 1,072.10 |
| Interest accrued but not due (Note No: 15.2) | 1,190.08 | 359.81 |
| Total | 2,440.93 | 1,431.91 |
| Current | | |
| Payable on purchase of property, plant and equipment | 1,601.76 | 1,269.52 |
| Security Deposits | 360.24 | 259.41 |
| Retention Payable | 201.13 | 211.34 |
| Other Payables | 43.50 | 43.68 |
| Interest accrued and due | | 34.71 |
| Total | 2,206.63 | 1,818.66 |

17 Provisions

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| Non Current | | |
| Employee Benefits - Gratuity | 203.39 | 188.07 |
| - Leave encashment | 111.37 | 71.36 |
| Total | 314.76 | 259.43 |
| Current | | |
| Employee Benefits - Gratuity | 16.31 | 17.96 |
| - Leave encashment | 25.41 | 12.45 |
| Total | 41.72 | 30.41 |

18 Other Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Non Current | | |
| Deferred Income: | | |
| Grant from Ministry of Commerce and Industry, GOI (Note No: 18.1) | 2,137.00 | 2,121.01 |
| Total | 2,137.00 | 2,121.01 |
| Current | | |
| Statutory Liabilities | 362.26 | 306.73 |
| Grant from Ministry of Commerce and Industry, GOI (Note No: 18.1) | 75.19 | |
| Deferred revenue on fair valuation of liabilities | 262.97 | 291.47 |
| Revenue received in advance | 41.72 | |
| Advance from customers | 2.13 | 7.04 |
| Total | 744.27 | 605.24 |

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025

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18.1 Receipt of grant for the construction of cargo complex under the Trade Infrastructure for Exports Scheme (TIES) ₹ 2,000 Lakh (Previous year ₹ 1,000 Lakh) and from NABARD for construction of centre for perishable cargo ₹ 255.87 Lakh (Previous year ₹ 121.01 Lakh). The amount of grant received has already been utilised for the purpose for which it is received. This has been recognised as income in the Standalone Statement of Profit and Loss on a straight line basis over the useful life of the related asset. There are no unfulfilled conditions or other contingencies attaching to this grant.

19 Trade Payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Dues to Micro Enterprises and Small Enterprises* | 40.01 | 95.99 |
| Dues to other than Micro Enterprises and Small Enterprises | 10,494.62 | 8,009.41 |
| Total | 10,534.63 | 8,105.40 |

19.1 Trade Payable ageing

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| <u>Less than 1 year</u> | | |
| Total outstanding dues of micro enterprises and small enterprises | 27.24 | 59.63 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,518.42 | 3,987.46 |
| Disputed dues of micro enterprises and small enterprises | | |
| Disputed dues of creditors other than micro enterprises and small enterprises | 1,799.75 | |
| <u>1-2 years</u> | | |
| Total outstanding dues of micro enterprises and small enterprises | 12.77 | 14.21 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 768.35 | 1,572.92 |
| Disputed dues of micro enterprises and small enterprises | | |
| Disputed dues of creditors other than micro enterprises and small enterprises | 1,756.49 | |
| <u>2-3 years</u> | | |
| Total outstanding dues of micro enterprises and small enterprises | | 4.54 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 147.38 | 1,328.46 |
| Disputed dues of micro enterprises and small enterprises | | |
| Disputed dues of creditors other than micro enterprises and small enterprises | 1,426.34 | 3.76 |
| <u>More than 3 years</u> | | |
| Total outstanding dues of micro enterprises and small enterprises | | 17.61 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 358.35 | 1,071.80 |
| Disputed dues of micro enterprises and small enterprises | | |
| Disputed dues of creditors other than micro enterprises and small enterprises | 1,719.54 | 45.01 |
| Total | 10,534.63 | 8,105.40 |

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

19.2 *Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|---------------------------------|---------------------------------|
| the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | 40.01 | 95.99 |
| the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | | |
| the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006; | | |
| The amount of interest accrued and remaining unpaid at the end of accounting year; and | | |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23; | | |

Disclosure of payable to vendors as required under "Micro Small and Medium Enterprises Development Act 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act as per the intimation received from them on requests made by the Company.

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

20 Revenue from Operations

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Aero Revenue (Note No: 20.2) | | |
| Aerobridge Charges | 340.61 | 163.65 |
| CUPPS / CUSS / BRS | 201.05 | 187.58 |
| Inline X-Ray Charges | 1,043.61 | 596.20 |
| Landing Charges | 2,136.00 | 978.24 |
| Parking Charges | 1,710.40 | 14.61 |
| Revenue Share on Ground Handling | 521.44 | 311.37 |
| TNLC Collection | 428.33 | 396.24 |
| User Development Fee (UDF) | 9,536.34 | 4,705.82 |
| Royalty Charges | 184.24 | |
| Cargo Operations | 298.26 | 198.29 |
| Less: Provision for waiver of Airport charges (Note No: 20.3) | (384.92) | |
| sub-total (a) | 16,015.36 | 7,552.00 |
| Non Aero Revenue (Note No: 20.2) | | |
| Space Rentals & Services | 472.59 | 585.37 |
| Revenue share from Concessionaire | 1,915.57 | 1,191.02 |
| Royalty Charges | 23.15 | |
| Visitor's Entry Fee | 16.93 | 16.69 |
| Common User Infrastructure Charges (CAM Charges) | 98.49 | 77.42 |
| Others | 50.55 | 70.99 |
| sub-total (b) | 2,577.28 | 1,941.49 |
| Other Operating Income | | |
| License Fee for Unpaved Land (c) | 500.69 | 430.13 |
| Total (a)+(b)+(c) | 19,093.33 | 9,923.62 |

20.1 The Company earned entire income from operations in India.

20.2 Aero Revenue includes an amount of ₹ 428.33 Lakh (Previous Year ₹ 422.10 Lakh) pertains to Terminal Navigational Landing Charges and an amount of ₹ 78.74 Lakh pertains to Revenue Share on Ground Handling. Non Aero revenue includes an amount of ₹ 16.43 Lakh pertains to Royalty charges. These income was billed after the close of the financial year.

20.3 KIAL has executed an agreement with Air India Express Limited on December 04, 2023 offering waiver on various airport charges such as landing charges, parking charges, inline X ray charges and aerobridge charges. Billing and disbursement of airport charges waiver shall be carried out on fortnightly basis, after calculation of actual ATMs, reconciliation of payments based on the threshold ATMs, communication between the parties and subsequent disbursement mechanism. Provision has been created for the airport charges waiver based on the estimates of KIAL which are subject to reconciliation by Air India Express Limited.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

21 Other Income

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Interest on Fixed Deposits | 239.61 | 58.62 |
| Interest on Income Tax Refund | 14.52 | 20.73 |
| Reversal of provision for impairment on debtors | | 47.72 |
| Miscellaneous Income | 17.30 | 12.44 |
| Income from Deferred Government Grants (Note No: 18.1) | 43.68 | |
| Deferred income on fair valuation on financial liabilities | 113.70 | 99.15 |
| Total | 428.81 | 238.66 |

22 Airport Operating Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Power and Fuel | 1,181.25 | 1,198.42 |
| Insurance on Assets | 76.39 | 119.08 |
| Repairs and Maintenance | 342.24 | 267.81 |
| House Keeping | 1,143.34 | 1,174.86 |
| Operations & Maintenance Expenses | 1,201.86 | 1,040.33 |
| Customs Cost Recovery Charges | 1,364.09 | 1,299.08 |
| Aviation Meteorological Support Services | 159.75 | 145.38 |
| Communication, Navigation and Surveillance and Air Traffic Management Services | 1,001.42 | 824.06 |
| Other operational expenses | 54.05 | 32.84 |
| Security Service | 91.72 | 87.36 |
| Trolley Retrieval Services | 65.84 | 63.78 |
| Water Charges | 65.94 | 58.60 |
| Cargo handling charges and other operational expenses | 44.12 | 38.40 |
| Total | 6,792.01 | 6,350.00 |

23 Employee Benefits Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Salaries & Allowances | 1,047.76 | 1,054.23 |
| Contribution to provident and other funds | 34.61 | 35.48 |
| Gratuity | 43.62 | 42.32 |
| Staff Welfare Expenses | 198.00 | 163.80 |
| Total | 1,323.99 | 1,295.83 |

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

24 Finance Cost

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Interest on Term Loans | 10,941.73 | 10,739.31 |
| Interest on Subordinate Debt (Note No: 15.2) | 830.26 | 359.81 |
| Unwinding of discount on security deposits | 110.67 | 99.27 |
| Interest on delayed payment of Customs costs, Income tax and GST | 659.88 | 513.54 |
| Total | 12,542.54 | 11,711.93 |

25 Other Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Administrative Expenses | 16.36 | 15.36 |
| Advertisement Expenses | 19.24 | 22.44 |
| Payment to Auditors | | |
| -For Audit | 8.75 | 8.75 |
| -For Reimbursement of Expenses | 0.58 | 1.38 |
| -For Other services | 0.38 | |
| Employee Training expenses | 24.36 | 16.20 |
| Insurance-operations | 63.87 | 56.54 |
| Loss on Foreign currency transactions and translations | 1.94 | 1.02 |
| Rates and Taxes | 103.82 | 79.79 |
| Allowance for credit impaired trade receivables (Note No: 10.2) | 109.77 | 195.11 |
| Postage and Courier charges | 3.44 | 12.11 |
| Printing and Stationery | 14.38 | 22.59 |
| Legal and Professional charges | 166.50 | 173.82 |
| Recruitment Expenses | 4.56 | 3.17 |
| Rent | 0.10 | 0.60 |
| Repairs and Maintenance - Others | 4.70 | 4.05 |
| Sitting Fees | 1.25 | 1.40 |
| Travelling Expenses | 104.74 | 28.18 |
| Website Maintenance Charges | 4.45 | 3.71 |
| Loss on disposal of property, plant and equipment | 0.19 | 3.21 |
| Miscellaneous Expenses | 16.98 | 38.83 |
| Provision for Security Deposit made for CISF Induction (Note No: 6.1) | 725.67 | |
| Provision for Receivable from Government of Kerala (Note No: 6.3) | 486.56 | 530.07 |
| Total | 1,882.59 | 1,218.33 |

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

26 Deferred Tax

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Deferred tax (liabilities) / assets | | |
| Tax effect of items constituting deferred tax liabilities: | | |
| On difference between book balance and tax balance of Property, Plant and Equipment and Intangibles | 25,222.21 | 26,278.99 |
| Total (a) | 25,222.21 | 26,278.99 |
| Tax effect of items constituting deferred tax assets: | | |
| Provision for gratuity | - | 53.57 |
| Provision for earned leave | - | 21.79 |
| Allowance for credit impaired Trade Receivables | - | 250.61 |
| Brought forward business losses | - | - |
| Deduction under section 35AD of the Income Tax Act | 34,189.03 | 34,189.02 |
| MAT Credit | | |
| Minimum Alternate Tax Credit Entitlement | | |
| Recognised in other comprehensive Loss | | |
| Tax expense during the year recognized in the Other Comprehensive Loss | 17.08 | 12.82 |
| Total (b) | 34,206.11 | 34,527.81 |
| Net deferred tax (liability) / asset (a) - (b) | 8,983.89 | 8,248.82 |
| Deferred tax expense / (Income) | (735.08) | (514.19) |
| Recognized in statement of profit and loss | (730.82) | (508.29) |
| Recognized in other comprehensive loss | (4.26) | (5.90) |

26.1 The Company has recognised a deferred tax asset of ₹ 34,189.02 Lakh (Previous year ₹ 34,189.02 Lakh) on unused tax losses arising from its claim under section 35 AD of Income Tax Act, 1961 considering the unlimited carry forward period for set off against future taxable income.

Subsequent to the year end on March 31, 2020, on filing of the revised return of income claiming the aforesaid deduction under Section 35AD of the Income tax Act, 1961 in respect of Assessment Year 2019-20, the Company received Intimation under Section 143(1) of the Income Tax Act, 1961 dated January 16, 2021, rejecting its claim of deduction u/s 35AD of the Income Tax Act, in the revised return. The Management has filed appeal before the Commissioner of Income Tax (Appeals) in respect of the above disallowance which is pending adjudication. The Management has received legal opinion that the case for its appeal is tenable and therefore is confident of a favourable outcome.

26.2 Unused tax losses i.e. brought forward unabsorbed income tax business losses on which no deferred tax asset has been created as at March 31, 2025 is ₹ 42,819.83 Lakh (Previous year ₹ 34,367.98 Lakh).

27 Earnings Per Share

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Loss attributable to equity shareholders of the Company | (9,437.77) | (16,856.02) |
| Weighted average number of equity shares | 13,38,38,900 | 13,38,38,900 |
| Basic and diluted earnings per share (of face value ₹100) ₹ | (7.05) | (12.59) |
| Effect of dilution : | | |
| Weighted average number of equity shares adjusted for the effect of dilution* | 13,38,38,900 | 13,38,38,900 |
| Diluted Earnings per share (of face value ₹ 100) INR | (7.05) | (12.59) |

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

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

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

28 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) Activities. A CSR Committee has been formed by the Company as per the Act. The funds were primarily allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Gross amount required to be spend during the year | | |
| Amount spent during the year: | - | - |
| (i) Construction/ acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | - | - |
| (iii) Unpaid amount out of (i) and (ii) above | - | - |

29 Related Party Disclosure

In accordance with the requirement of Ind AS 24 on "Related Party Disclosures" the names of the related parties where control exists/able to exercise significant influence along with the aggregate transactions/ year end balance with them as identified and certified by the management are given below:

Names of related parties and nature of relationship are as under:

(a) Joint Venture Company

BPCL - KIAL Fuel Farm Private Limited

(b) Names of other related parties and nature of relationship

Key Management Personnel

Mr. Dinesh Kumar C

Managing Director

Mr. S Jayakrishnan

Chief Financial Officer

Mr. Aby Eapen

Company Secretary

Parties with substantial interest and its affiliates

Bharat Petroleum Corporation Limited

Rajiv Gandhi Academy for Aviation Technology

Government of Kerala

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Transactions with related parties

| Related Party Nature of Transaction | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Transactions during the year | | |
| Mr. Dinesh Kumar C Salary | 68.92 | 48.78 |
| Mr. S Jayakrishnan Salary | 40.53 | 38.58 |
| Mr. Aby Eapen Salary | 12.70 | 9.55 |
| BPCL - KIAL Fuel Farm Private Limited License fess on unpaved land | 177.29 | 162.65 |
| Rent -communication charges | 1.60 | 1.59 |
| Utility charges | 13.11 | 12.82 |
| Bharat Petroleum Corporation Limited License fess on unpaved land | 37.70 | |
| Rajiv Gandhi Academy for Aviation Technology Rent, Utility Charges etc | 1.72 | |
| Government of Kerala (GoK) Subordinate Debt | 3,313.85 | 7,986.15 |
| Interest on subordinate Debt | 830.26 | 359.81 |

Outstanding Balances

| | | |
|---|-----------|----------|
| Bharat Petroleum Corporation Limited Security Deposit | 3.12 | |
| Rajiv Gandhi Academy for Aviation Technology Outstanding Trade Receivables | 1.72 | |
| BPCL - KIAL Fuel Farm Private Limited Outstanding Trade Receivables | 19.79 | 1.60 |
| Security Deposit | 112.50 | 112.50 |
| Government of Kerala (GoK) Amount receivable from Government of Kerala | 1,016.65 | 1,016.65 |
| Subordinate Debt | 11,300.00 | 7,986.15 |
| Interest payable on subordinate Debt | 1,190.07 | 359.81 |

- (c) The Company has transactions (not included in the list above) with other Government of Kerala-controlled entities / departments and these transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government of Kerala-controlled entities.

Kannur International Airport Limited

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30 Capital Management

The Company's objective when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the share holders' value. The Company sets the amounts of capital required on the basis of annual business and long-term operating plans.

For the purpose of the parent's Capital Management, capital includes issued equity capital, and all other equity reserves are attributable to the equity holders of the parent.

The Company manages its capital structure by balanced mix of debt and equity. The Company's capital structure is influenced by the changes in the airport economic regulatory framework, Government policies, available options of financing and the impact of the same on the liquidity position of the Company.

The Company's debt to equity ratio is analysed as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|----------------------|-------------------------|-------------------------|
| Debt | 1,21,613.22 | 1,16,561.28 |
| Equity | 50,247.70 | 59,697.59 |
| Debt to Equity ratio | 2.42 | 1.95 |

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The debt of the company is refinanced by REC Limited as per the sanction order dated April 11, 2023 (Note No: 15.1).

Financial risk management

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

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purpose nor does it opt for options. The most significant financial risk to which the Company is exposed are described below: -

The Company has assessed market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk to its financial instruments.

Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans and borrowings, investments and foreign currency receivables, payables and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The effect of change in the interest rate will affect profit or loss of the Company also the interest cost had a direct bearing on the borrowing cost capitalised. The impact of increase or decrease of 100 basis points on the loan will affect the loss of the Company by ₹ 1190.87 Lakh (₹ 1091.31 Lakh) and value of Property Plant and Equipment by ₹ Nil (Previous year ₹ 18.66 Lakh).

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All amounts are in ₹ Lakh unless otherwise stated

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the purchase of assets from abroad. The Company's only exposure at the end of the year is an outstanding balance amounting to US\$ 88,080 (₹ 75.38 Lakh) (Previous year US\$ 88,080 [₹ 73.44 Lakh]). The impact of increase or decrease of 100 basis points on the outstanding balance will change the fair value of assets (Property, Plant and Equipment) by ₹ Nil (Nil).

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk for receivables, cash and cash equivalents and short term loans.

Cash and cash equivalents and short-term Loans (Other current financial

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has been transacting for years. Therefore, the Company does not expect any material credit risk with respect to cash and cash equivalents and other current financial assets.

Liquidity risk

Maturity Analysis of Assets and Liabilities:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Maturity less than 1 year | | |
| Financial Assets | | |
| Cash and Cash equivalents (including other Bank balances) | 2,727.83 | 287.09 |
| Trade Receivables | 1,131.71 | 1,572.33 |
| Other Financial assets | - | 486.58 |
| Financial Liabilities | | |
| Trade Payables | 10,534.63 | 8,105.40 |
| Other Financial liabilities | 2,457.92 | 2,069.95 |
| Borrowings | 332.19 | 4,071.05 |
| Maturity 1 year to 3 years | | |
| Financial Assets | | |
| Security Deposits | 4,199.57 | 959.35 |
| Financial Liabilities | | |
| Security Deposits | 753.32 | 753.32 |
| Borrowings | 15,403.53 | 15,404.53 |
| Maturity more than 3 years | | |
| Financial Assets | | |
| Financial Liabilities | | |
| Security Deposits | 1,436.31 | 427.29 |
| Borrowings | 1,05,877.50 | 97,085.70 |

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

31 Going concern concept

The companies revenue is inadequate to meet the fixed and finance costs of the company and losses were incurred during the year.

The Government of Kerala has provided a Letter of Comfort dated June 8, 2015 to Canara Bank in connection with the term loan sanctioned to take appropriate action in the case of any shortfall in the project term loan repayment obligations.

Further, the Government of Kerala has given an undertaking to the Company vide GO (MS) No 01/2014 /Tran. dated January 4, 2014 to mitigate the cash short fall in the first five years of operation (from 2016-17 to 2020-21) by a budgetary support of ₹ 13,268 Lakh. However, there were no circumstances of cash shortfall requiring such support from the Government during that period. The Company is confident that as the Airport commencement date is December 2018, it will be able to secure such support in the unlikely event of cash shortfall in future also.

The Company has adopted various actions in relation to saving cost, optimize revenue Management opportunities and enhance revenues is expected to result in improved operating performance.

The Company has made detailed assessment of its liquidity position for the subsequent years and has deferred its obligations pertaining to contractor payments, the ongoing capital expansion and any other financial obligations. Further, due care has been exercised to determine the recoverability of the carrying values of its assets and based on current estimates, the Company expects to recover majority of the carrying amount of all of its assets.

The traffic handled by the Company was also impacted due to COVID-19 pandemic, the recent bankruptcy of the airline companies and non operation of the foreign airlines due to non awardment of the Point of Call status to the airport, leading to substantial fall in the number of passengers and air traffic movements. This position is expected to return to normalcy over the next 2-3 years.

Airport Economic Regulatory Authority approved the enhanced aeronautical tariff proposed by Kannur Airport with effect from 1 April 2024 for the second control period ending on 31 March 2028. The Company had also entered into a MoU with Air India Express on 4 December 2023 to operate more flights from Kannur Airport in domestic and international routes. Government of Kerala (GOK) being the promoter of the Kannur International Airport is committed to infuse funds to honour the debt servicing obligations as per then terms of the sanction letter.

Further, as per the requirement of REC's refinancing proposal, GOK had issued the letter of comfort dated 24 April 2024 to the effect that GOK will infuse funds in case of shortfall in debt servicing obligations. During the year REC over took the previous loan.

In view of the above steps taken and with the increase in traffic, Management is of the opinion that revenue and margins will improve substantially in coming years and there will not be any impact on the going concern aspect of the Company in the near future with an extended repayment schedule for a longer tenure of 20 years which erase the cash flow stress.

For this assessment, Management believes that it has taken into account the possible impact of known events mentioned above. The unprecedented nature of the industry makes the future business environment uncertain, however, the Company will continue to carry out the impact assessment on its assets and closely monitor any material changes to future economic conditions. There have been no other significant events subsequent to the Balance Sheet date that would impact the carrying values of the Company's assets and liabilities.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

32 Capital and other commitments

The Company has the following capital commitments:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------|-------------------------|-------------------------|
| Software Development Costs | | 39.71 |
| Construction Contracts | | 752.17 |
| Solar Project | 1809.19 | |
| Total | 1,809.19 | 791.88 |

33 Contingent liabilities

Disputed Tax liability

| Particulars | Amount | Year |
|--|----------|-------------------------|
| Assessing of interest received on temporary parking of borrowed funds on short term deposits reduced from CWIP in the accounts based on IND AS 23. Pending before Commissioner of Income Tax (Appeals) | 53.67 | 2017-18 (AY 2018-19) |
| Penalty for non-filing of Tax Audit report. Pending before Commissioner of Income Tax (Appeals). | 1.50 | 2016-17 (AY 2017-18) |
| Penalty for difference in return filed and audited financials. The Company is in the process of filing appeal before ITAT with condonation of delay. | 539.41 | 2016-17 (AY 2017-18) |
| Disallowance of claim of deduction u/s.35AD (Note No: 27.1). Pending before Commissioner of Income Tax (Appeals). | | 2018-19 (AY 2019-20) |
| Dispute on availment of GST ITC credit. Pending before Commissioner Appeals. | 2,733.75 | 2017 to 2021 |
| Dispute on GST related to taxation of exempted goods (Cargo) and availment of ITC. The Company is in the process of filing appeal before the Commissioner Appeal. | 19.87 | 2020-21, 2021-22 |
| Dispute on levy of Building Tax at higher rates and area. Pending before High Court of Kerala. | 26.46 | 2018 onwards |

34 The Company has the following investment in joint venture

| Name of the Company | BPCL-KIAL Fuel Farm Private Limited | |
|---|-------------------------------------|-------------------------|
| Principal place of business | India | |
| Particulars | As at March 31, 2025 | As at March 31, 2024 |
| Unquoted investments in Equity instruments (fully paid) in ₹ Lakh | 234.00 | 234.00 |
| No of shares of face value ₹10 | 23,40,000 | 23,40,000 |
| % of holding | 26% | 26% |

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

35 Employee Benefits
35.1 Defined contribution plans

The Company makes provident fund contributions which are defined contribution plan, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 34.61 Lakh (Previous year ₹ 35.48 Lakh) for provident fund contribution in the standalone Statement of profit and loss. The contributions payable to this plan by the Company are at rates specified in the rules of the said scheme.

35.2 Defined benefit plans

The Company offers Gratuity Benefit scheme to its employees.

The cost of providing Gratuity Benefit is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The gratuity benefit scheme is unfunded.

The valuation results for the defined benefit gratuity plan as at March 31, 2025 are produced in the tables below:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|-------------------------|
| 1. Assumption | | |
| Discount Rate | 6.88% | 7.23% |
| Salary Escalation | 5.00% | 5.00% |
| Attrition Rate | 6.00% | 6.00% |
| Mortality rate | Indian Assured Lives Mortality (2012-14) (Ultimate) | |
| 2. Table showing changes in the present value of Obligation | | |
| Present value of Obligation as at the beginning of the year | 206.02 | 181.89 |
| Interest Cost | 13.22 | 12.19 |
| Current Service Cost | 30.40 | 30.13 |
| Benefits paid | (46.32) | (40.86) |
| Actuarial (gain) / Loss on obligation | 16.38 | 22.67 |
| Present value of Obligation as at the end of the year | 219.70 | 206.02 |
| 3. Table showing changes in Fair Value of Plan Assets* | | |
| 4. Table showing fair value of Plan assets* | | |
| * As the Gratuity plan is unfunded, there are no disclosures related to fair value of plan assets | | |
| 5. Actuarial (Gain) / Loss recognized | | |
| Opening cumulative other comprehensive Income | 49.30 | 26.63 |
| Actuarial (gain) / loss on obligations | 16.38 | 22.67 |
| Actuarial (gain) / Loss on Plan assets | - | - |
| Total Actuarial (gain) / loss for the year | 65.68 | 49.30 |
| 6. The amounts to be recognized in the Balance Sheet and Statement of Profit and loss | | |
| Present value of Obligation at the end of the year | 219.70 | 206.02 |
| Fair Value of Plan assets at the end of the year | - | - |
| Funded Status | - | - |
| (Net Asset) / Liability recognised in the Balance Sheet | 219.70 | 206.02 |
| 7. Expenses recognized in the Statement of Profit and Loss | | |
| Current Service Cost | 30.40 | 30.13 |
| Interest Cost | 13.22 | 12.19 |
| Expected Return on Plan assets | - | - |
| Net Actuarial (gain) / Loss recognised in the year | 16.38 | 22.67 |
| Weighted average duration of the D B O | 12.83 | 12.69 |

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Sensitivity Analysis for the year ended March 31, 2025

| % increase in DBO | | Liability | Decrease/ Increase in DBO |
|----------------------------------|--------|-----------|------------------------------|
| Discount Rate +100 basis points | -9.08% | 199.74 | (19.95) |
| Discount Rate -100 basis points | 10.80% | 243.43 | 23.73 |
| Salary Growth +100 basis points | 10.50% | 242.76 | 23.06 |
| Salary Growth -100 basis points | -8.95% | 200.03 | (19.67) |
| Attrition Rate +100 basis points | 1.21% | 222.34 | 2.64 |
| Attrition Rate -100 basis points | -1.37% | 216.69 | (3.00) |
| Mortality Rate 10% up | 0.03% | 219.76 | 0.07 |
| Effect of no ceiling | 4.89% | 230.44 | 10.74 |

Sensitivity Analysis for the year ended March 31, 2024

| % increase in DBO | | Liability | Decrease/ Increase in DBO |
|----------------------------------|--------|-----------|------------------------------|
| Discount Rate +100 basis points | -9.00% | 187.47 | (18.55) |
| Discount Rate -100 basis points | 10.72% | 228.11 | 22.09 |
| Salary Growth +100 basis points | 10.40% | 227.44 | 21.42 |
| Salary Growth -100 basis points | -8.81% | 187.86 | (18.16) |
| Attrition Rate +100 basis points | 1.62% | 209.36 | 3.33 |
| Attrition Rate -100 basis points | -1.84% | 202.24 | (3.79) |
| Mortality Rate 10% up | 0.04% | 206.11 | 0.09 |
| Effect of no ceiling | 3.95% | 214.17 | 8.15 |

Maturity Analysis of the Benefit payments

| Year | As at March 31, 2025 | |
|-----------------------------------|------------------------------|-------------------------------|
| | Discounted/ Present value | Undiscounted/ Actual value |
| Year (I) | 16.31 | 16.81 |
| Year (II) | 10.37 | 11.65 |
| Year (III) | 32.49 | 37.19 |
| Year (IV) | 7.95 | 10.20 |
| Year (V) | 7.15 | 9.80 |
| Next 5 year pay-outs (6-10 years) | 42.54 | 70.00 |
| Pay-outs Above Ten Years | 102.89 | 372.65 |

Maturity Analysis of the Benefit payments

| Year | As at March 31, 2024 | |
|-----------------------------------|------------------------------|-------------------------------|
| | Discounted/ Present value | Undiscounted/ Actual value |
| Year (I) | 17.95 | 18.47 |
| Year (II) | 11.96 | 13.39 |
| Year (III) | 9.38 | 11.37 |
| Year (IV) | 29.00 | 35.85 |
| Year (V) | 9.88 | 13.51 |
| Next 5 year pay-outs (6-10 years) | 38.64 | 66.23 |
| Pay-outs Above Ten Years | 89.19 | 365.53 |

35.3 Compensated Absences

The Company offers Compensated Absences Benefit scheme to its employees.

The cost of providing Compensated Absences benefit is determined using the Projected Benefits Plan relating to Leave Encashment Scheme, with actuarial valuations being carried out at the end of each annual reporting period.

The Compensated Absences scheme is unfunded.

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

The valuation results for the compensated absences plan as at March 31, 2025 are produced in the tables below:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|---|-------------------------|
| 1. Assumption | | |
| Discount Rate | 6.88% | 7.23% |
| Salary Escalation | 5.00% | 5.00% |
| Attrition Rate | 6.00% | 6.00% |
| Mortality rate | Indian Assured Lives Mortality (2012-14) (Ultimate) | |
| 2. Table showing changes in the present value of Obligation | | |
| Present value of Obligation as at the beginning of the year | 83.81 | 38.35 |
| Employer expense | 67.41 | 51.18 |
| Current Service Cost | | |
| Prior service cost | | |
| Benefits paid | (14.44) | (5.72) |
| Actuarial (gain) / Loss on obligation | | |
| Present value of Obligation as at the end of the year | 136.78 | 83.81 |
| 3. Table showing changes in Fair Value of Plan Assets* | | |
| 4. Table showing fair value of Plan assets* | | |
| * As the compensated absence plan is unfunded, there are no disclosures related to fair value of plan assets | | |
| 5. Actuarial (Gain) / Loss recognized | | |
| Opening cumulative other comprehensive Income | - | - |
| Actuarial (gain) / loss on obligations | - | - |
| Actuarial (gain) / Loss on Plan assets | - | - |
| Total Actuarial (gain) / loss for the year | - | - |
| 6. The amounts to be recognized in the Balance Sheet and Statement of Profit and loss | | |
| Present value of Obligation at the end of the year | 136.78 | 83.81 |
| Fair Value of Plan assets at the end of the year | - | - |
| Funded Status | - | - |
| (Net Asset) / Liability recognised in the Balance Sheet | 136.78 | 83.81 |
| 7. Expenses recognised in the Statement of Profit and Loss | | |
| Current Service Cost | - | - |
| Employer expense | 67.41 | 51.18 |
| Expected Return on Plan assets | - | - |
| Net Actuarial (gain) / Loss recognised in the year | - | - |

Sensitivity Analysis for the year ended March 31, 2025

| % increase in DBO | Liability | Decrease/ Increase in DBO |
|----------------------------------|-----------|------------------------------|
| Discount Rate +100 basis points | 124.07 | -12.71 |
| Discount Rate -100 basis points | 152.13 | 15.34 |
| Salary Growth +100 basis points | 151.59 | 14.81 |
| Salary Growth -100 basis points | 124.34 | -12.43 |
| Attrition Rate +100 basis points | 138.95 | 2.17 |
| Attrition Rate -100 basis points | 134.27 | -2.50 |
| Mortality Rate 10% up | 136.84 | 0.06 |

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Sensitivity Analysis for the year ended March 31, 2024

| % increase in DBO | | Liability | Decrease/ Increase in DBO |
|----------------------------------|--------|-----------|------------------------------|
| Discount Rate +100 basis points | -9.45% | 75.88 | (7.92) |
| Discount Rate -100 basis points | 11.42% | 93.38 | 9.57 |
| Salary Growth +100 basis points | 11.04% | 93.06 | 9.25 |
| Salary Growth -100 basis points | -9.26% | 76.05 | (7.76) |
| Attrition Rate +100 basis points | 2.06% | 85.54 | 1.73 |
| Attrition Rate -100 basis points | -2.38% | 81.81 | (1.99) |
| Mortality Rate 10% up | 0.06% | 83.86 | 0.05 |

Maturity Analysis of the Benefit payments

| Year | As at March 31, 2025 | |
|-----------------------------------|------------------------------|-------------------------------|
| | Discounted/ Present value | Undiscounted/ Actual value |
| Year (I) | 18.04 | 20.04 |
| Year (II) | 7.16 | 8.21 |
| Year (III) | 14.48 | 18.38 |
| Year (IV) | 5.66 | 7.41 |
| Year (V) | 5.11 | 7.16 |
| Next 5 year pay-outs (6-10 years) | 27.11 | 47.99 |
| Pay-outs Above Ten Years | 59.22 | 252.04 |

Maturity Analysis of the Benefit payments

| Year | As at March 31, 2024 | |
|-----------------------------------|------------------------------|-------------------------------|
| | Discounted/ Present value | Undiscounted/ Actual value |
| Year (I) | 6.42 | 6.99 |
| Year (II) | 7.32 | 8.64 |
| Year (III) | 4.26 | 5.28 |
| Year (IV) | 8.84 | 12.19 |
| Year (V) | 3.95 | 5.69 |
| Next 5 year pay-outs (6-10 years) | 16.37 | 29.96 |
| Pay-outs Above Ten Years | 36.62 | 170.51 |

36 Passenger Service Fee (PSF)

As per the Standard Operating Procedures stated vide letter number AX/ /13024/047/ 2003-SS/ AD dated January 19, 2009 issued by the MoCA the accounts for Passenger Service Fee is maintained separately by the company in fiduciary capacity, on behalf of the Government of India. The total PSF collection till that date was ₹ 361.44 Lakh and out of which, after meeting security related expenses, the balance amount to be transferred to the Ministry is of ₹ 256.58 Lakh. The Company requested to MoH vide letter dated October 29, 2019 for a refund of security deposit of ₹ 982.25 Lakh paid for the deployment of CISF in Kannur Airport.

The MoH has responded vide letter dated December 2, 2019, that upon clearance from Ministry of Civil Aviation (MoCA) for refunding the deposit the same shall be processed. As per the discussions held with the MoCA on June 4, 2021, the Company was informed that the matter was taken up with the MoH and they stated that the fund was deposited in the consolidated fund of India and the fund is non-refundable. Hence the balance of Rs 256.58 Lakh has been adjusted against the security deposit recoverable from the Ministry of Home Affairs (MoH) of ₹ 982.25 Lakh.

As a matter of abundant caution, the Management has decided to make hundred percentage provision for the outstanding balance of ₹ 725.67 Lakh as detailed in Note No: 6.1.

With effect from July 01, 2019, levy of PSF (SC) was replaced with Aviation Security Fee (ASF) vide AIC NO. 15/2019 dated June 19, 2019 issued by the Director General of Civil Aviation basing on an order issued by MoCA vide order no. AV 13024/659/2015-AS dated June 13, 2019.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

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In connection to this, MOCA has formed a Trust for operating and maintenance of ASF Fund namely National Aviation Security Fee Trust (NASFT). Further, NASFT has issued detailed Standard Operating Procedures (SOP) dated November 21, 2019 for operation and maintenance of the ASF. As per the SOPs, billing of ASF would be under the name of NASFT and accordingly all the risk and rewards would remain with the NASFT. In respect of expenses, cost of deployment of Central Industrial Security Force (CISF) would be paid directly by the NASFT. However, the other security related expenses for CISF are to be first incurred by the Airport Operator which would be reimbursed through a tax invoice raised on the NASFT. Accordingly, PSF (SC) Fund ceased to operate with effect from July 01, 2019.

NASFT had disallowed some expenditures incurred exclusively for CISF, ASG unit at Kannur Airport during the period July 2019 to March 2025 spent for the transportation, quarantine etc. In spite of various follow-up with the NASFT team, ASF Cell, Airports Authority of India, Delhi and after taking all necessary efforts, NASFT is in its decision of disallowing such expenditure. As a matter of abundant caution, the Management had decided to make hundred percentage provision for these amounts.

37 Fair Values

The carrying amount of all financial assets and liabilities appearing in the standalone financial statements is reasonable approximation of fair values.

Breakup of Financial assets and Liabilities

| Particulars | As at March 31, 2025 | |
|---|----------------------|-------------|
| | Carrying Value | Fair Value |
| Financial assets | | |
| At Amortized cost | | |
| Deposits | 4,925.24 | 4,925.24 |
| <i>Previous year</i> | 959.35 | 959.35 |
| Trade Receivables | 1,131.71 | 1,131.71 |
| <i>Previous year</i> | 1,572.33 | 1,572.33 |
| Cash and Cash equivalents including other bank balances | 2,727.83 | 2,727.83 |
| <i>Previous year</i> | 287.09 | 287.09 |
| Contractual receivables | | |
| <i>Previous year</i> | | |
| Other financial assets | 1,016.65 | 1,016.65 |
| <i>Previous year</i> | 1,016.65 | 1,016.65 |
| Financial Liabilities | | |
| At Amortized cost | | |
| Borrowings | 1,22,031.00 | 1,21,613.22 |
| <i>Previous year</i> | 1,16,673.35 | 1,16,561.28 |
| Security Deposits | 1,898.70 | 1,611.09 |
| <i>Previous year</i> | 1,644.58 | 1,331.51 |
| Trade Payables | 10,534.63 | 10,534.63 |
| <i>Previous year</i> | 8,105.40 | 8,105.40 |
| Other Financial Liabilities | 2,748.86 | 2,748.86 |
| <i>Previous year</i> | 1,605.99 | 1,605.99 |

The management assessed the cash and cash equivalent, trade receivable, trade payable and other current liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

Assumption used in estimating the fair values: The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair valuation of the security deposits are computed using the current applicable discounting rate (10%).

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Assets and liabilities by fair value hierarchy

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------|-------------------------|-------------------------|
| Level 1 | | |
| Financial Assets | | |
| Financial Liabilities | | |
| Level 2 | | |
| Financial Assets | | |
| Cash and Cash equivalents | 2,727.83 | 287.09 |
| Financial Liabilities | | |
| Borrowings | 1,21,613.22 | 1,16,561.28 |
| Level 3 | | |
| Financial Assets | | |
| Security Deposits | 4,925.24 | 959.35 |
| Trade Receivables | 1,131.71 | 1,572.33 |
| Other financial assets | 1,016.65 | 1,016.65 |
| Financial Liabilities | | |
| Security Deposits | 1,611.09 | 1,331.51 |
| Trade Payables | 10,534.63 | 8,105.40 |
| Other Financial Liabilities | 2,748.86 | 1,605.99 |

Level 1 : Fair Value measurement using Quoted prices in Active Markets

Level 2 : Fair Value measurement using significant observable inputs

Level 3 : Fair Value measurement using significant unobservable inputs

38 Income Tax

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| a) Current Income Tax Charge | | |
| b) Deferred Tax | | |
| Relating to origination and reversal of temporary differences | 730.81 | 508.29 |
| Income Tax Expense/(Benefit) as per Standalone statement of profit and loss | (730.81) | (508.29) |
| Deferred Taxes | | |
| Deferred tax liability | | |
| On difference between book balance and tax balance of Property, Plant and Equipment and Intangibles | 25,222.21 | 26,278.99 |
| Deferred tax liability | 25,222.21 | 26,278.99 |
| Deferred Tax Assets | | |
| Arising on account of temporary differences due to disallowances | - | 325.97 |
| Brought forward business losses | - | - |
| Deduction under section 35AD of the Income Tax Act | 34,189.03 | 34,189.02 |
| Deferred tax asset | 34,189.03 | 34,514.99 |
| Deferred tax asset (Net) | 8,966.82 | 8,236.00 |
| Add: Minimum Alternate Tax Credit Entitlement | - | - |
| Tax expense during the year recognized in the OCI | 17.08 | 12.82 |
| Deferred Tax asset (unutilised tax credit) | 8,983.89 | 8,248.82 |

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

39 Dispute relating to the appointment of statutory auditors

The Company was originally incorporated as a Government Company and later it became a deemed Government Company under the provisions of Section 619B of the erstwhile Companies Act, 1956 (the "Old Act"). Accordingly, from the inception of the Company, auditors appointed by the Comptroller & Auditor General of India ("C&AG") carried out the statutory audit of the Company. This position continued up to the financial year ended March 31, 2018. On enactment of Companies Act, 2013 (the "Act") replacing the Old Act, and Sections 139(5) and 139(7) of the 2013 Act, deal with appointment of statutory auditors by the C&AG were notified on April 1, 2014.

The Company in its letter dated August 14, 2017 to the Principal Accountant General (C&AG office) stated that it is not a Government Company as defined under the 2013 Act, nor is it a Company owned or controlled, directly or indirectly, by the Central Government, or State Government or partly by the Central Government, or the State Government or partly by the Central Government and partly by the State Government; and that as Section 139(5) of the Act was not applicable, and that the Company was entitled to appoint its statutory auditors by its General Meeting.

The Company additionally obtained a legal opinion on February 2, 2018, to that effect which confirmed that the provisions of Section 139(5) of the Act do not apply to the Company. On the strength of the aforesaid legal opinion, the Board of Directors on June 28, 2018, authorised the Managing Director to seek an expression of interest from audit firms for appointment as statutory auditors of the Company.

Consequently, in pursuance of a resolution at the Annual General Meeting of the shareholders held on January 19, 2019, the Company appointed the previous statutory auditors (i.e., Deloitte Haskins & Sells LLP) on March 28, 2019 for a period of five years, i.e., from financial years 2018-19 to 2022-23. Subsequently consequent to the resignation of the said firm, the Company in the Annual General Meeting held on July 20, 2023, appointed Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Ernakulam as the Statutory Auditors of the Company for five years starting from the financial year 2021-22.

The Office of C & AG vide their letter dated October 21 2019 (the "Letter") informed that the Company cannot exempt itself from the provisions of Section 139(5) of the Act which are applicable to a 'deemed Government Company' by virtue of the Circular referred to above. Further, vide letter dated November 25, 2019, the MCA informed that the Company is required to comply with Sections 139(5) and 139(7) of the Act. MCA further directed the Company to take appropriate steps to get the audit of the Company carried out in terms of Sections 139(5) and 139(7) of the Act (i.e., by an auditor appointed by the C&AG).

The Company filed a writ petition on December 2, 2019 with the Hon'ble High Court of Kerala at Ernakulam for:

- Quashing the said letter
- Declaration that the provisions of Section 139 (5) and (7) of the Act are not applicable to the Company; and
- Direction to MCA to refrain from insisting upon appointment of statutory auditor by C&AG in terms of Sections 139(5) and 139(7) of the Act.

The Hon'ble High Court of Kerala by interim Order dated December 3, 2019 has granted interim stay on the operation of the aforesaid Letter pending disposal of the writ petition.

Accordingly the Board of Directors have approved the standalone financial statements of the Company for the year ended March 31, 2019, at its meeting held on December 3, 2020, and submitted the same to its previous auditors, Deloitte Haskins & Sells LLP and from 2021-22 to Krishnamoorthy & Krishnamoorthy, Chartered Accountants, for their audit report thereon, in accordance with the requirements of Section 134(1) of the Act.

Based on legal opinion received, the Company's Board of Directors is of the view that the appointment of statutory auditors is in accordance with the provisions of the Companies Act, 2013.

- 40** The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Company towards Provident Fund and Gratuity has received Presidential assent in September 2020. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Kannur International Airport Limited

Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

41 Disclosure requirements in accordance with amendment to schedule III vide notification dated 24th March 2021 have been incorporated, as the same is made applicable from 1st April 2021 incorporating the same for the previous year, as noted below:

41.1 Wilful Defaulter:

The company is not declared as wilful defaulter by any bank or financial institution during the year.

41.2 Transactions with Struck off Companies:

The management confirms that the company had no transaction with any struck off companies during the year.

41.3 Undisclosed Income:

There are no transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

41.4 **Charge Details:** Details of Registration or satisfaction of charge not registered with ROC beyond the time period are disclosed along with reasons thereof: NIL

41.5 **Details of Crypto Currency or Virtual Currency:** The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

41.6 **Loans & advances to Directors/KMP/Related Parties: Nil**

41.7 Details in respect of Utilization of Borrowed funds and share premium in respect of:

a. Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities: NIL

b. Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity: NIL

41.8 Borrowing from Banks and Financial Institutions:

a) During the year, the Company has not borrowed fund from Banks/FI (being current assets as collateral security)

b) No funds have been advanced, loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Company to or in any other person or entity including foreign entity (intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (ultimate beneficiary). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether directly or indirectly lend or invest in other person or entities identified by or on behalf of the Company (ultimate beneficiary) or provide any guarantee, security or the like on behalf of the ultimate beneficiary.

41.9 **Scheme of arrangement:** Not Applicable

41.10 **Compliance with number of layers of companies -** Not Applicable

41.11 Additional information related to CSR Disclosure: Since the company is not covered under Section 135 of the Companies Act, no disclosure is required.

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

41.13 Previous Year figures have been regrouped and reclassified, wherever necessary, to correspond with current year's classification/disclosure and the amount in bracket represents the comparable figures of previous year.

41.14 Details of benami property in which proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rule made thereunder has been provided hereunder:

| | |
|---|------|
| - Details and year of acquisition of such property | :Nil |
| - Amount of property | :Nil |
| - Details of Beneficiary | :Nil |
| - If the property is disclosed in books, Reference in the balance sheet | :Nil |
| - If the property is not in the books, then the facts shall be disclosed with reasons | :Nil |
| - Where there are proceedings against the company under this law as an abettor of the transaction or as the transferor, then the details shall be provided: | :Nil |
| -Nature of proceedings and company's stand thereon | :Nil |

Kannur International Airport Limited
Notes to the standalone financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

42 Ratio analysis and its elements

| Ratio and basis | Numerator | Denominator | As at March 31, 2025 | As at March 31, 2024 | Variance (%) | Remarks |
|--|-----------------------------------|--------------------------|-------------------------|-------------------------|--------------|---------|
| Current ratio | Current assets | Current liabilities | 0.35 | 0.23 | 0.35 | 1 |
| Debt- equity ratio | Total debt | Equity | 2.42 | 1.95 | 0.19 | 2 |
| Return on equity | Profit after tax | Shareholders' Equity | (0.04) | (0.06) | -0.44 | 3 |
| Trade receivable turnover ratio | Revenue from operations | Average trade receivable | 14.12 | 5.75 | 0.59 | 4 |
| Trade payables turnover ratio | Revenue from operations | Average trade payables | 0.51 | 0.36 | 0.29 | 5 |
| Net capital turnover ratio | Revenue from operations | Working capital | (1.07) | (0.44) | 0.59 | 6 |
| Net profit/(loss) ratio | Net profit/(loss) after tax | Revenue from operations | (0.49) | (1.70) | -2.44 | 7 |
| Return on capital employed | Earnings before interest and tax# | Capital employed@ | 0.01 | -0.03 | 3.29 | 8 |

* Earnings for Debt Service = Earnings before finance costs, depreciation and amortisation, exceptional items and tax (EBIDTA)/ (Finance cost for the year + Principal repayment of long-term debt liabilities within one year)

** Cost of Good sold = Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in trade, work-in-progress and property under development + Manufacturing and operating expenses + Costs towards development of property

Earnings before Interest and Tax = Profit after exceptional item and before tax + Finance costs (recognised)

@ Capital Employed = Average of equity and total borrowings

- 1 Increase in cash/bank balance and decrease in shortterm borrowings.
- 2 Decrease in equity due to loss and increase in debt due to refinancing.
- 3 Decrease in loss due to increase in turnover and decrease in equity due to loss.
- 4 Increase in turnover.
- 5 Increase in turnover and increase in trade payable.
- 6 Increase in turnover, increase in cash/bank balance and decrease in shortterm borrowings.
- 7 Decrease in loss and increase in turnover.
- 8 Increase in turnover and cost control measures taken by the company

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
 Chartered Accountants
 Firm's Registration Number: 001488S

Sd/-
 Dinesh Kumar C
 Managing Director
 DIN: 09717438

Sd/-
 K Parvathyammal
 Director
 DIN: 07254970

Sd/-
 CA K.T.Mohanan
 Partner, M.No: 201484
 UDIN: 25201484BMHYRX6415

Sd/-
 S Jayakrishnan
 Chief Financial Officer
 PAN: AGPPS4585B

Sd/-
 Aby Eapen
 Company Secretary
 PAN: AFOPA3473J

June 23, 2025
 Cochin

June 23, 2025
 Thiruvananthapuram

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KANNUR INTERNATIONAL AIRPORT LIMITED REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated financial statements of KANNUR INTERNATIONAL AIRPORT LIMITED (“the Parent/ the Company”), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Parent and its jointly controlled entity as at March 31, 2025, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION:

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Parent in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us, referring to our comments in paragraph 1(a) of the section ‘Report on Other Legal and Regulatory Requirements’ is sufficient and appropriate to provide a basis for our unqualified opinion on the consolidated financial statements.

EMPHASIS OF MATTERS

We draw attention to the following matters explained in Notes forming part of the Consolidated financial statements:

- i) Note No. 3.7 being the note forming part of consolidated financial statements, as stated therein, the Right of Use (ROU) has not been recognised for 353.98 acres of land given on lease by Government of Kerala to the Company, pending entering into lease agreement with the Government fixing the period and other terms and conditions of lease.

- ii) Note No.6.1 being the notes forming part of consolidated financial statements, explaining the creation of provision towards the deposit placed with Ministry of Home Affairs (MoH) amounting to Rs.725.67 lakhs, towards deployment of CISF Staff in the Airport of earlier years for reason of not recovering the same till date. Further the amount for which provision created, Rs.725.67 lakhs, is after deduction of Passenger Service Fee (PSF) payable amounting to Rs.256.36 lakhs, as explained in Note No.36, instead of keeping the same in earmarked PSF(Escrow) account/transfer to National Aviation Security Fee Trust (NASFT).
- iii) Note No. 15.2 being the note forming part of the consolidated financial statements, which describes the infusion of ₹11,300 lakhs by the Government of Kerala as subordinate debt as of March 31, 2025, in line with the term loan sanction conditions. The final terms and conditions of this subordinate debt are yet to be finalized; accordingly, the amount has been classified as borrowing. Interest of ₹830.26 lakhs has been accrued at a rate of 8.03% based on the reasons stated therein.
- iv) The process of obtaining external confirmations, independent confirmations, etc. needs to be improved to ensure the reliability of financial information, in accordance with SA 505.
- v) Note No. 5.1 being the note forming part of the consolidated financial statements, explaining that for the purpose of consolidation, in the absence of audited financial results of the jointly controlled entity, the unaudited financial statements, certified by the CFO of the Jointly controlled entity is relied upon.

Our opinion is not modified in respect of these matters.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON:

The Parent's Board of Directors are responsible for the other information. The other information comprises the information included in the board of directors' report, but does not include the consolidated financial statements, Consolidated financial statements and our auditor's report thereon.

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS:

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Parent in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Parent and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Parent and its jointly controlled entity 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 Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforeside.

In preparing the Consolidated financial statements, the respective Board of Directors of the Parent and its jointly controlled entity are responsible for assessing the ability of the Parent and its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent and its jointly controlled entity are also responsible for overseeing the financial reporting process of the Parent and its jointly controlled entity.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS:

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent and its jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Parent and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

OTHER MATTERS:

- a) We draw attention to Note 40 of the consolidated financial statements for the year ended March 31, 2025 regarding our appointment as statutory auditors of the Company by the members in the Annual General Meeting.

Further, we draw attention to the said note and the audit report dated April 21, 2022 by the previous auditors, regarding their appointment for a term of five (5) years from the conclusion of the 9th annual general meeting until the conclusion of the 14th annual general meeting (i.e. in respect of the financial year ended March 31, 2019 until the financial year ending March 31, 2023) and their resignation effective from financial year 2021-22 as detailed in the above referred note forming part of financial statements and the appointment of our firm as auditors in place of resigned auditors in the General Body Meeting held on 5th November, 2022. Further in the 13th Adjourned Annual General Meeting held on 20th July, 2023, our firm has been appointed as Statutory Auditors of the Company for a term of five (5) years, until the conclusion of the 18th Annual General Meeting.

We understand that the Company has filed a writ petition challenging the view of the Ministry of Corporate Affairs that the Company is a Government Company as defined under the Companies Act, 2013, and its direction that the Company's auditors need to be appointed by the Comptroller and Auditor General of India under section 139(5) of the Act.

We are informed that the aforesaid direction is currently under an interim stay vide order dated December 3, 2019 of the Hon'ble High Court of Kerala and that the matter is sub-judice. Our appointment as auditors of the Company is also subject to the eventual outcome of this matter.

This was also reported by us under Other Matters in the Auditors' Report on the financial statements for the year ended March 31, 2024 issued on July 17, 2024 and for the year ended March 31, 2023 issued on 25.08.2023, and for the year ended March 31, 2022 issued on 30.12.2022 and by the previous auditors in their Auditor's Report on the financial statements for the year ended March 31, 2019 issued on December 3, 2020, in their Auditor's Report on the financial statements for the year ended March 31, 2020 issued on November 12, 2021, and in their Auditor's Report on the financial statements for the year ended March 31, 2021 issued on April 21, 2022.

The Board of Directors of the Company continue to reaffirm the appointment of auditors of the Company based on legal advice obtained. Further the shareholders of the Company, in the previous annual general meetings have also noted the Other Matters on appointment of statutory auditors reported in the audit report for the relevant years as part of approval of the Annual Accounts of the Company together with Directors' Report and Auditors' Report thereon and did not have any reservations / comments regarding the appointment of the statutory auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

- a) The consolidated financial statements also include the Parent's share of net loss of Rs.58.81 lakhs for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of one jointly controlled entity, whose financial statement have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity is based solely on such unaudited financial statements / financial information.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by Section 143(3) of the Act, based on our audit we report, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Gain, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from all the Directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors of the Holding Company are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act. However, in the absence of audit report from the auditors of jointly controlled entity incorporated in India, we are not in a position to comment upon the disqualification of directors of the Jointly controlled entity.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company. However, in the absence of audit report from the auditors of jointly controlled entity incorporated in India, we are not in a position to comment upon the adequacy of the internal financial controls over financial reporting of the Jointly controlled entity and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g. With respect to the reporting requirements in the Auditor's Report under section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to the Managing Director during the year is in accordance with the provisions of section 197 of the Act. However, in the absence of audit report from the auditors of jointly controlled entity, we are not in a position to comment upon the this in the case of jointly controlled entity.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements of the Parent and its joint controlled entity – Refer Note No.33
 - ii. The Parent and its joint controlled entity Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note No.41.12
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the of the Parent and its joint controlled entity.
 - iv. (a) The Managements of the holding company, whose financial statements have been audited under the Act by us, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The respective Managements of the Company, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

However, in the absence of audited report of the auditors of jointly controlled entity, we are unable to comment on the above points in the case of jointly controlled entity, whose financial statements forms part of consolidated financial statements.

- v. The Group has not declared or paid dividend during the year.
- vi. Based on our examination which included test checks, the software used by the company for maintaining its books of account for the Financial Year ended 31st March 2025 has a feature of recording audit trail (edit log) facility for all the relevant transactions and the same is operational from April 2023 onwards. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with or disabled, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

We are unable to comment on the audit trail functionality of the joint venture entity, as they are management certified.

- 2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by to which reporting under CARO is applicable, as provided to us by the Management of the Company, we report that there are no qualifications or adverse remarks in the CARO reports of the Holding company included in the consolidated financial statements.

We are unable to comment on the qualifications or adverse remarks in CARO report of the joint venture entity, as they are unaudited.

For Krishnamoorthy and Krishnamoorthy

Chartered Accountants (FRN: 001488S)

Place: Cochin - 16

Date: 23.06.2025

UDIN: 25201484BMHYRY3177

Sd/-

CA K T Mohanan

Partner (M.No.201484)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(h) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year March 31, 2025, we have audited the internal financial controls over financial reporting of Kannur International Airport Limited (hereinafter referred to as (“the Parent”/ “the Company”) and its jointly controlled company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the parent and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note”) issued by the Institute of Chartered Accountants of India (the “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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, and jointly controlled company, which are companies incorporated in India based on our audit conducted in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the jointly controlled company, which are companies incorporated in India, in terms of their reports referred to in the Other Matter Paragraph below, is sufficient and appropriate to provide a basis for our adverse audit opinion on the internal financial controls system over financial reporting of the Parent, and its jointly controlled company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, though there is scope for further improvement, the Company has maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2025, 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 (the 'Guidance Note').

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting with reference to consolidated financial statements, does not cover the adequacy and operating effectiveness of the internal financial control over financial reporting, in so far as it relates to one jointly controlled entity, which is a company incorporated in India, as they are unaudited.

Our opinion is not modified in respect of the above matter

For Krishnamoorthy and Krishnamoorthy

Chartered Accountants (FRN: 001488S)

Sd/-

Place: Cochin - 16

Date: 23.06.2025

UDIN: 25201484BMHYRY3177

CA K T Mohanan

Partner (M.No.201484)

Kannur International Airport Limited
CIN: U63033KL2009PLC025103
Consolidated Balance Sheet as at March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|----------|-------------------------|-------------------------|
| ASSETS | | | |
| I Non-current assets | | | |
| (a) Property, plant and equipment | 3.1 | 1,68,132.27 | 1,69,427.15 |
| (b) Capital work-in-progress | 3.2 | - | 4,861.56 |
| (c) Intangible assets | 4 | 233.68 | 26.09 |
| (d) Intangible assets under development | 3.4 | 354.77 | 637.25 |
| (e) Financial assets: | | | |
| (i) Investment in joint venture | 5 | 63.23 | 4.42 |
| (ii) Other financial assets | 6 | 5,983.84 | 2,493.60 |
| (f) Deferred tax assets (Net) | 26 | 8,983.89 | 8,248.82 |
| (g) Other non-current assets | 7 | - | - |
| (h) Non current tax assets (Net) | 8 | 1,459.96 | 1,345.29 |
| Total non-current assets | | 1,85,211.64 | 1,87,044.18 |
| II Current assets | | | |
| (a) Inventories | 9 | 69.38 | 60.39 |
| (b) Financial assets: | | | |
| (i) Trade receivables | 10 | 1,131.71 | 1,572.33 |
| (ii) Cash and cash equivalents | 11 | 1,668.83 | 243.03 |
| (iii) Bank balances other than (ii) above | 12 | 1,059.00 | 44.06 |
| (iv) Other financial assets | 6 | 13.75 | 507.15 |
| (c) Other current assets | 7 | 955.78 | 930.21 |
| Total current assets | | 4,898.45 | 3,357.17 |
| TOTAL ASSETS (I + II) | | 1,90,110.09 | 1,90,401.35 |
| EQUITY AND LIABILITIES | | | |
| I Equity | | | |
| (a) Equity share capital | 13 | 1,33,838.90 | 1,33,838.90 |
| (b) Other equity | 14 | (83,761.97) | (74,370.89) |
| Total equity | | 50,076.93 | 59,468.01 |
| II LIABILITIES | | | |
| 1 Non-current liabilities | | | |
| (a) Financial liabilities: | | | |
| (i) Borrowings | 15 | 1,21,281.03 | 1,12,490.23 |
| (ii) Other financial liabilities | 16 | 2,440.93 | 1,431.91 |
| (b) Provisions | 17 | 314.76 | 259.43 |
| (c) Other Non current liabilities | 18 | 2,137.00 | 2,121.01 |
| Total non-current liabilities | | 1,26,173.72 | 1,16,302.58 |

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|--|----------|----------------------|----------------------|
| 2 Current liabilities | | | |
| (a) Financial liabilities: | | | |
| (i) Short term borrowings | 15 | 332.19 | 4,071.05 |
| (ii) Trade payables | 19 | | |
| (A) Dues of micro and small enterprises | | 40.01 | 95.99 |
| (B) Dues of other than micro and small enterprises | | 10,494.62 | 8,009.41 |
| (iii) Other financial liabilities | 16 | 2,206.63 | 1,818.66 |
| (b) Other current liabilities | 18 | 744.27 | 605.24 |
| (c) Provisions | 17 | 41.72 | 30.41 |
| Total current liabilities | | 13,859.44 | 14,630.76 |
| TOTAL LIABILITIES (1 + 2) | | 1,40,033.16 | 1,30,933.34 |
| TOTAL EQUITY AND LIABILITIES (I + II) | | 1,90,110.09 | 1,90,401.35 |
| Material accounting notes and key accounting estimate and judgements | 1 & 2 | | |

See accompanying notes to the Consolidated financial statements.

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm's Registration Number: 001488S

Sd/-
Dinesh Kumar C
Managing Director
DIN: 09717438

Sd/-
K Parvathyammal
Director
DIN: 07254970

Sd/-
CA K.T.Mohanan
Partner, M.No: 201484
UDIN: 25201484BMHYRY3177

Sd/-
S Jayakrishnan
Chief Financial Officer
PAN: AGPPS4585B

Sd/-
Aby Eapen
Company Secretary
PAN: APOPA3473J

June 23, 2025
Cochin

June 23, 2025
Thiruvananthapuram

Kannur International Airport Limited
CIN: U63033KL2009PLC025103
Consolidated Statement of Profit and Loss for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

| Particulars | Note No. | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|----------|-----------------------------------|-----------------------------------|
| I Income | | | |
| Revenue from operations | 20 | 19,093.33 | 9,923.62 |
| Other income | 21 | 428.81 | 238.66 |
| Total Income | | 19,522.14 | 10,162.28 |
| II Expenses | | | |
| Airport operating expenses | 22 | 6,792.01 | 6,350.00 |
| Employee benefits expense | 23 | 1,323.99 | 1,295.83 |
| Finance costs | 24 | 12,542.54 | 11,711.93 |
| Depreciation and amortization expenses | 3.10 | 7,149.59 | 6,950.50 |
| Other expenses | 25 | 1,882.59 | 1,218.33 |
| Total expenses | | 29,690.72 | 27,526.59 |
| III Share of Profit (Loss) of Joint Venture | | 79.11 | 0.15 |
| IV Loss before exceptional items and tax (I - II+III) | | (10,089.47) | (17,364.16) |
| V Exceptional Items | | - | - |
| VI Loss after exceptional items and before tax (IV+V) | | (10,089.47) | (17,364.16) |
| VII Tax expense/(Benefit) | | | |
| (1) Current tax | | | - |
| (2) Deferred tax | 26 | (730.81) | (508.29) |
| (3) Share of Joint Venture | | 20.30 | (4.27) |
| Total tax expense/(Benefit) | | (710.51) | (512.56) |
| VIII Loss for the year (VI+VII) | | (9,378.96) | (16,851.60) |
| IX Other Comprehensive income (loss) | | | |
| (i) Items that will not be reclassified subsequently to profit or loss: | | (16.38) | (22.67) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 4.26 | 5.90 |
| Total other comprehensive loss for the year | | (12.12) | (16.77) |
| X Total comprehensive loss for the year (VIII+IX) | | (9,391.08) | (16,868.37) |
| Earnings per equity share of face value of ₹ 100/- | | | |
| Basic and diluted EPS (₹) | 27 | (7.01) | (12.59) |

See accompanying notes to the Consolidated financial statements.

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm's Registration Number: 001488S

Sd/-
Dinesh Kumar C
Managing Director
DIN: 09717438

Sd/-
K Parvathyammal
Director
DIN: 07254970

Sd/-
CA K.T.Mohanan
Partner, M.No: 201484
UDIN: 25201484BMHYRY3177

Sd/-
S Jayakrishnan
Chief Financial Officer
PAN: AGPPS4585B

Sd/-
Aby Eapen
Company Secretary
PAN: APOPA3473J

June 23, 2025
Cochin

June 23, 2025
Thiruvananthapuram

Kannur International Airport Limited

CIN: U63033KL2009PLC025103

Consolidated Statement of cash flows for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| A. Cash flow from Operating Activities | | |
| Loss before tax | (10,089.47) | (17,364.16) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 7,034.99 | 6,933.75 |
| Amortisation of intangible assets | 114.60 | 16.75 |
| Unwinding of discount on security deposits | 110.67 | 99.27 |
| Share of Joint Venture | (79.11) | (0.15) |
| Finance Cost | 11,771.99 | 10,739.31 |
| Interest Income | (239.61) | (58.62) |
| Income from Deferred Government Grants | (43.68) | |
| Loss on sale of Property, Plant and Equipment | 0.19 | 3.21 |
| Fair value adjustments | (113.70) | (99.15) |
| Allowance for credit impaired trade receivables | 109.77 | 195.11 |
| Reversal of provision for impairment on debtors | - | (47.72) |
| Operating profit / (loss) before working capital changes | 8,576.64 | 417.60 |
| Working capital adjustments for: | | |
| (Increase) / Decrease in Trade receivables | 229.87 | 161.60 |
| Increase / (Decrease) in Trade payables | 2,429.23 | 2,510.72 |
| (Increase) / Decrease in other financial assets | (2,996.84) | 529.02 |
| Increase / (Decrease) in other financial liabilities | 1,099.46 | (1,727.40) |
| (Increase) / Decrease in other current assets | (25.57) | (15.04) |
| (Increase) / Decrease in Bank balances other than cash and cash equivalents | (1,014.94) | 236.66 |
| (Increase) / Decrease in inventories | (8.99) | 3.12 |
| Increase / (Decrease) in other current liabilities | 66.87 | (9.33) |
| Increase / (Decrease) in provisions | 50.26 | 46.93 |
| Cash generated from operations | 8,405.99 | 2,153.88 |
| Income tax paid (net) | (114.67) | (240.88) |
| Net cash flow (used in) / generated from operating activities (A) | 8,291.32 | 1,913.00 |
| B. Cash flow from investing activities | | |
| Payments for property, plant and equipment | (264.02) | (1,669.17) |
| Payments for Intangible assets | (221.21) | (25.21) |
| Interest received | 239.61 | 58.62 |
| Government Grants towards purchase of equipment | 134.86 | 1,000.00 |
| Net cash flow used in investing activities (B) | (110.76) | (635.76) |

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| C. Cash flow from financing activities | | |
| Loan received from REC Limited | 1,10,313.22 | |
| Loan received from Government of Kerala | 3,313.85 | 7,986.15 |
| Repayment of borrowings from Bank | (1,08,575.13) | (1,081.97) |
| Interest paid | (11,806.70) | (10,731.47) |
| Net cash flow generated from financing activities (C) | (6,754.76) | (3,827.29) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | 1,425.80 | (2,550.05) |
| Cash and cash equivalents at the beginning of the year | 243.03 | 2,793.08 |
| Cash and cash equivalents at the end of the year | 1,668.83 | 243.03 |

See accompanying notes to the Consolidated financial statements.

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm's Registration Number: 001488S

Sd/-
Dinesh Kumar C
Managing Director
DIN: 09717438

Sd/-
K Parvathyammal
Director
DIN: 07254970

Sd/-
CA K.T.Mohanan
Partner, M.No: 201484
UDIN: 25201484BMHYRY3177

Sd/-
S Jayakrishnan
Chief Financial Officer
PAN: AGPPS4585B

Sd/-
Aby Eapen
Company Secretary
PAN: APOPA3473J

June 23, 2025
Cochin

June 23, 2025
Thiruvananthapuram

Kannur International Airport Limited
Consolidated statement of changes in equity for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

A Equity Share Capital

| Particulars | No. of Shares | Amount |
|--|---------------------|--------------------|
| Balance at March 31, 2023 | 13,38,38,900 | 1,33,838.90 |
| Changes in equity share capital during the year: | | |
| Issue of equity shares | | |
| Balance at March 31, 2024 | 13,38,38,900 | 1,33,838.90 |
| Changes in equity share capital during the year: | | |
| Issue of equity shares | | |
| Balance at March 31, 2025 | 13,38,38,900 | 1,33,838.90 |

B Other Equity

| Particulars | Securities Premium | Capital Reserve | Retained Earnings | Other Comprehensive Loss | Total Other Equity |
|--|--------------------|-----------------|--------------------|--------------------------|--------------------|
| Balance at March 31, 2023 | 141.71 | 30.70 | (57,655.23) | (19.70) | (57,502.52) |
| Loss for the year ended March 31, 2024 | | | (16,851.60) | | (16,851.60) |
| Other comprehensive Loss for the year, net of income tax | | | | (16.77) | (16.77) |
| Balance at March 31, 2024 | 141.71 | 30.70 | (74,506.83) | (36.47) | (74,370.89) |
| Loss for the year ended March 31, 2025 | | | (9,378.96) | | (9,378.96) |
| Other comprehensive Loss for the year, net of income tax | | | | (12.12) | (12.12) |
| Balance at March 31, 2025 | 141.71 | 30.70 | (83,885.79) | (48.59) | (83,761.97) |

Remeasurements of Defined Benefit Plans - Gain/Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Loss as per IND AS 19 and shall not be reclassified to the Consolidated statement of Profit and Loss in the subsequent years.

See accompanying notes to the Consolidated financial statements.

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
Chartered Accountants
Firm's Registration Number: 001488S

Sd/-
Dinesh Kumar C
Managing Director
DIN: 09717438

Sd/-
K Parvathyammal
Director
DIN: 07254970

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Partner, M.No: 201484
UDIN: 25201484BMHYRY3177

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Chief Financial Officer
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Sd/-
Aby Eapen
Company Secretary
PAN: APOPA3473J

June 23, 2025
Cochin

June 23, 2025
Thiruvananthapuram

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

1 GENERAL INFORMATION

Kannur International Airport Limited (“KIAL” or “the Company”) was incorporated on December 3, 2009 in India as a Private Limited Company and later converted into a Public Limited Company effective from August 2010. The Company is having its registered office in Kannur International Airport P. O, Mattannur, Kannur - 670708, Kerala, India. The Company has been incorporated for designing, financing, construction, operation and maintenance of an international airport at Kannur, Kerala. The company is promoted by Kerala State Government holding 39.23% of the equity shares of the Company as at March 31, 2025.

The Consolidated financial statements were reviewed by Audit Committee, and approved by the Board of Directors at their meeting held on June 23, 2025.

2 MATERIAL ACCOUNTING POLICIES

2.1 Statement of Compliance

These Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘the Act’). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.2 Basis of preparation and presentation

The Consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS. 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.

Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Going Concern

The Consolidated financial statements have been prepared considering going concern concept. (Note No: 31)

2.4 Change and use of Estimate and judgment

In the preparation of the Consolidated financial statements, the Company makes judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of the Consolidated financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments and retirement benefit obligations as discussed below.

The few critical estimations and judgments made in applying accounting policies are:

Fair value of financial assets and liabilities:

Some of the assets and liabilities of the Company are measured at fair value for financial reporting purposes. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of discount rate, future growth rate, etc. based on Management’s best estimate about future developments.

Useful Lives of Property, Plant and Equipment:

Depreciation on the property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the Management (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper viz, 05/2014-15 in the matter of Normative Approach to Building Blocks in Economic Regulation of Major Airports wherein it, inter alia, mentioned that the Authority proposes to lay down, to the extent required, the depreciation rates for airport assets, taking into account the provisions of the useful life of assets given in Schedule II of the Companies Act, 2013, for such assets that have not been clearly mentioned in the Schedule II of the Companies Act, 2013 or may have a useful life justifiably different than that indicated in the Companies Act, 2013 in the specific context to the airport sector.

Pursuant to the provisions of Part B of Schedule II of the Companies Act, 2013, the Authority has issued order No. 35/2017-18 on January 12, 2018 which is further amended on April 9, 2018, in the matter of Determination of Useful life of Airport Assets, which is effective from April 1, 2018 ("AERA Order").

Accordingly, the Management has adopted useful life in respect of airport assets as prescribed in the aforesaid order.

Valuation of Deferred Tax Liabilities/Assets:

The Company reviews the carrying amount of deferred tax liabilities/assets at the end of each reporting period.

Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (except retirement benefits and leave encashments) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognised in the Consolidated financial statements but are disclosed separately.

2.5 Property, Plant and Equipment (PPE)

Freehold land is carried at historical cost. Land development cost incurred in freehold and lease hold land is added to the cost of the land. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date net of accumulated impairment loss, if any. Property, plant and equipment under installation or under construction as at balance sheet date are shown as capital work-in-progress, intangible assets under development as at balance sheet date are shown as intangible assets under development and the related advances are shown as loans and advances.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to Consolidated statement of profit and loss during the reporting period in which they are incurred.

The Company has identified the assets based on the documents and certificates provided by the consultant and the cost of each component / part of the asset is arrived separately in the same manner. The asset classification of the component / part that has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset is grouped and classified separately.

Spare parts that can only be used in connection with a particular item of property, plant and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

All spare parts, stand-by and servicing equipment qualify as property, plant and equipment (PPE) if they meet the definition of PPE i.e. if the Company intends to use these during more than a period of 12 months.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated statement of profit and loss when the asset is derecognised.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Incidental expenditure during construction period (net of related income arising during that period) directly related to the project, incurred prior to commencement of commercial operations is carried forward and allocated to the extent identifiable with any particular fixed asset else it has been allocated to various fixed assets in proportion to their cost on commencement of commercial operations. Incidental expenditure not related to construction, and corporate expenses are recognised as expense when incurred.

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

Depreciation on property, plant and equipment

Depreciation on the property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the Management (except in case of airport assets which are prescribed by AERA as mentioned below), which coincides with the lives prescribed under Schedule II of the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The components identified by the Company are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The useful life adopted by the Company as per the AERA guidelines are as under;

| Description of the Asset | Estimated Useful life |
|---|-----------------------|
| Terminal Building | 30 years |
| Building In Operational Area | 30 years |
| Utility Building | 30 years |
| Roads, Roads in operational area, Boundary wall and Security fencing | 10 years |
| Baggage Handling System/ Escalators/ Elevators/ HVAC Equipment | 15 years |
| X-Ray Machine, RT set, DFMD, HHMD Security Equipment | 15 years |
| Office Equipment | 5 years |
| Furniture & Fixtures - Other than trolleys | 7 years |
| Furniture & Fixtures - Trolleys | 3 years |
| Computers - End User Devices | 3 years |
| Electrical Installation and Equipment including Runway lighting system | 10 years |
| Flight Information System, AOCC Equipment | 6 years |
| Light Motor Vehicles | 8 years |
| Crash Fire Tenders, Other Fire Equipment including pumps and sprinklers | 15 years |
| Intangible assets - Computer Software | 3 years |
| Runway, Taxiway, Apron | 30 years |

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

Impairment of Property, Plant and Equipment and intangible assets

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

2.6 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.7 Intangible Assets

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

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

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

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

Intangible assets are amortised in the Consolidated Statement of Profit and Loss using the straight line method over their estimated useful lives, from the date that they are available for use. Accordingly, at present, these are being amortised on straight line basis for 3 years.

2.8 Provisions, Contingent Liabilities and Contingent Assets

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

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

2.9 Foreign Currency Transactions

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

2.10 Cash Flows and Cash and Cash Equivalents (for the purpose of Consolidated statement of cash flows)

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

2.11 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.

Income from services

Revenue from airport operations i.e., Aeronautical and Non-Aeronautical operations are recognised on accrual basis, net of Goods and Service Tax (GST), and applicable discounts when services are rendered. Aeronautical operations include user development fees (UDF), ground handling, Baggage, X-ray Charges, Landing and Parking of aircraft, fuel farm and Common User Terminal Equipment (CUTE) counter charges. The main streams of non-aeronautical revenue includes retail, advertisement, food and beverages, car parking and land and space- rentals.

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.

Land and Space- rentals pertains to granting right to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability, when calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Consolidated statement of profit and loss.

Dividends

Dividend income if any, is recognised when the Company's right to receive dividend is established, which is generally when the shareholders approve the dividend.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Consolidated statement of profit and loss in the period in which they are incurred.

2.13 Employee Benefits

a Short Term Employee Benefits

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

Post-employment obligations

Defined contribution plans:

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

b Defined Benefit plan

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in Consolidated Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

2.14 Taxes on Income

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

a Current Tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum Alternate Tax) or normal provision of Income Tax Act, 1961. Tax on Income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of relevant tax laws and based on the expected outcome of assessments/ appeals.

b Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets are realised or deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised or reduced to the extent that it is probable/no longer probable, respectively, that the related tax benefit will be realised.

2.15 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, Government grants whose primary condition is that the Company should construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the balance sheet and transferred to Consolidated statement of profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in Consolidated statement of profit and loss in the period in which they become receivable.

2.16 Events after reporting date

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

2.17 Earnings per share

i Basic earnings per share

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

ii Diluted earnings per share

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

2.18 Operating Segments

The Company operates in the Indian domestic market by providing airport services to passengers and various airline operators which in the context of Ind AS 108 "Operating Segments", is considered as the only segment.

Operating segments are reported in the manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Company is reported at an overall level, and hence there are no separate reportable segments as per Ind AS 108.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

2.19 Fair value measurement

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

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

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

2.20 Financial Instruments

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

a Financial Assets

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

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

Initial recognition and measurement

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

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

b Financial Liabilities

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

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

Derecognition

A financial asset is primarily derecognised when:

- 1 the right to receive cash flows from the asset has expired, or
- 2 the 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 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.

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

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

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company evaluates individual balances to determine impairment loss allowance on its trade receivables. The evaluation is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

2.21 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.22 Leases

Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Company as a Lessee:

Right-of-use assets and Lease liabilities

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. At the commencement of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

The Government of Kerala has not finalised on the underlying terms and conditions for the lease of land to the Company and in the absence of a details as to extent of land and the lease rentals the Company has not recognised any right of use asset or lease liabilities through the Company. (Note No: 3.7)

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

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Notes to the Consolidated financial statements for the year ended March 31, 2025
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3 Property, Plant and Equipment

3.1

| Description of Assets | Tangible assets | | | | | | | | | | | Total |
|---------------------------------|-----------------|-----------------------------|-----------|--|---------------------------|-------------------|----------------------|----------|-------------------------|------------------|----------------------|-------------|
| | Free Hold Land | Lease Hold Land Development | Pavements | Buildings, Roads, Bridges, drains & Culverts | Fire Department Equipment | Plant & Equipment | Furniture & fittings | Vehicles | Computers & Accessories | Office Equipment | Electrical Equipment | |
| Cost | | | | | | | | | | | | |
| At March 31, 2023 | 64,920.91 | 5,151.85 | 28,618.95 | 70,347.87 | 3,228.99 | 2,332.41 | 1,042.12 | 43.69 | 90.64 | 69.05 | 30,176.79 | 2,06,023.27 |
| Additions | - | - | - | - | - | 42.08 | 6.44 | - | 1.00 | 1.02 | 5.70 | 56.24 |
| Disposals | - | - | - | - | - | 0.14 | 2.28 | - | 10.09 | 2.57 | 3.57 | 18.65 |
| At March 31, 2024 | 64,920.91 | 5,151.85 | 28,618.95 | 70,347.87 | 3,228.99 | 2,374.35 | 1,046.28 | 43.69 | 81.55 | 67.50 | 30,178.92 | 2,06,060.86 |
| Additions | 403.17 | - | - | 4,542.37 | 139.31 | 71.88 | 1.76 | - | 0.17 | 35.36 | 546.27 | 5,740.29 |
| Disposals | - | - | - | - | - | 0.04 | - | - | 3.73 | - | - | 3.77 |
| At March 31, 2025 | 65,324.08 | 5,151.85 | 28,618.95 | 74,890.24 | 3,368.30 | 2,446.19 | 1,048.04 | 43.69 | 77.99 | 102.86 | 30,725.19 | 2,11,797.38 |
| Accumulated Depreciation | | | | | | | | | | | | |
| At March 31, 2022 | - | 284.17 | 2,999.37 | 9,213.09 | 673.18 | 596.02 | 501.43 | 15.63 | 67.88 | 45.46 | 8,407.31 | 22,803.54 |
| Additions | - | 85.86 | 906.27 | 2,809.02 | 205.22 | 182.34 | 130.50 | 3.36 | 6.59 | 9.48 | 2,573.21 | 6,911.85 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - | - |
| At March 31, 2023 | - | 370.03 | 3,905.64 | 12,022.11 | 878.40 | 778.36 | 631.93 | 18.99 | 74.47 | 54.94 | 10,980.52 | 29,715.39 |
| Additions | - | 86.10 | 908.75 | 2,817.58 | 205.44 | 185.58 | 130.42 | 3.35 | 6.34 | 4.23 | 2,585.96 | 6,933.75 |
| Disposals | - | - | - | - | - | 0.14 | 2.05 | - | 9.60 | 2.44 | 1.20 | 15.43 |
| At March 31, 2024 | - | 456.13 | 4,814.39 | 14,839.69 | 1,083.84 | 963.80 | 760.30 | 22.34 | 71.21 | 56.73 | 13,565.28 | 36,633.71 |
| Additions | - | 85.86 | 906.27 | 2,906.02 | 209.74 | 185.67 | 128.28 | 3.35 | 5.61 | 3.44 | 2,600.74 | 7,034.98 |
| Disposals | - | - | - | - | - | 0.04 | - | - | 3.54 | - | - | 3.58 |
| At March 31, 2025 | - | 541.99 | 5,720.66 | 17,745.71 | 1,293.58 | 1,149.43 | 888.58 | 25.69 | 73.28 | 60.17 | 16,166.02 | 43,665.11 |
| Carrying amount | | | | | | | | | | | | |
| At March 31, 2023 | 64,920.91 | 4,781.82 | 24,713.31 | 58,325.76 | 2,350.59 | 1,554.05 | 410.19 | 24.70 | 16.17 | 14.11 | 19,196.27 | 1,76,307.88 |
| At March 31, 2024 | 64,920.91 | 4,695.72 | 23,804.56 | 55,508.18 | 2,145.15 | 1,410.55 | 285.98 | 21.35 | 10.34 | 10.77 | 16,613.64 | 1,69,427.15 |
| At March 31, 2025 | 65,324.08 | 4,609.86 | 22,898.29 | 57,144.53 | 2,074.72 | 1,296.76 | 159.46 | 18.00 | 4.71 | 42.69 | 14,559.17 | 1,68,132.27 |

3.2 Capital work in progress

| Particulars | At March 31, 2024 | Additions during the year | Capitalised during the year | At March 31, 2025 |
|------------------------------|-------------------|---------------------------|-----------------------------|-------------------|
| | | | | |
| Elevators under installation | 3,859.50 | 1,002.06 | 4,861.56 | - |
| | 21.50 | - | 21.50 | - |

3.3 Capital work in progress ageing Schedule for the year ended March 31, 2025 and March 31, 2024

| Particulars | Less than 1 year | 1-2 year | 2-3 year | more than 3 years | Total |
|-------------------------------|------------------|----------|----------|-------------------|-------|
| | | | | | |
| Project Temporarily Suspended | - | - | - | - | - |

Kannur International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025
All amounts are in ₹ Lakh unless otherwise stated

3.4 Intangible assets under development

| Particulars | At March 31, 2024 | Additions during the year | Capitalised during the year | At March 31, 2025 |
|---------------|-------------------|---------------------------|-----------------------------|-------------------|
| AODB Software | 289.97 | 32.22 | 322.19 | - |
| | 64.44 | 225.53 | | 289.97 |
| ERP System | 347.28 | 7.49 | | 354.77 |
| | 69.33 | 277.95 | | 347.28 |

3.5 Intangible Asset under development ageing Schedule for the year ended March 31, 2025 and March 31, 2024

| Particulars | Less than 1 year | 1-2 year | 2-3 year | more than 3 years | Total |
|-------------------------------|------------------|----------|----------|-------------------|--------|
| Projects in Progress | 7.49 | 277.95 | 69.33 | - | 354.77 |
| Project Temporarily Suspended | 503.48 | 133.77 | - | - | 637.25 |
| | | | | | |

3.6 The Company has considered the possible impact of the impairment of assets up to the date of approval of these Consolidated financial statements in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of property plant and equipment.

3.7 The Company is currently occupying a land admeasuring to 353.98 Acres lying contiguously to the free hold land inside the peripheral wall constructed by the Company. This land was procured by KINFRA on behalf of the Government of Kerala with an initial plan to be leased to the Company vide Kerala Government order (MS) No. 50/2015 dated September 3, 2015. The Government of Kerala is yet to confirm on the lease agreement in the subsequent Cabinet Meetings. The value of the lease hold land is not accounted for in the books of account of the company. The free hold land in absolute ownership of the company as at March 31, 2025 is 1192.54 Acres (Previous year 1192.54 Acres). A portion of the land admeasuring to 3.45 Acres is occupied by the company is to be transferred by the land acquisition agency appointed by the Kerala State Government to the local self government institutions for development of roads in the land provided for rehabilitation.

3.6 The terms of the lease agreement for 353.98 Acres of land is yet to be finalised by the Government of Kerala and hence as per the GO No.23/2019/Trans dated March 7, 2019 it has been decided by the Government to lease the land for a period of 60 years. The land development carried out in the land to be leased and in the possession of the Company is stated as lease hold land. The expenditure is amortised over a period of 60 years from the date of commencement of commercial operations.

3.7 The Company has also made a representation to the Government of Kerala on August 7, 2019 requesting the extension of the lease term from 60 years to 99 years.

3.8 Land held pending transfer of ownership to Government

As per the GO Ms 29/2014/Trans dated March 21, 2014, sanction was accorded to purchase 11.44 Acres of land directly by the Company for subsequent transfer to Government. Accordingly, the Company had purchased 10.52 Acres of land for ₹ 987.18 Lakh out of 11.44 Acres (remaining land pending for purchase was for want of documents from Land Acquisition Officer). Administrative sanction was accorded for the reimbursement of an amount ₹ 987.18 Lakh (vide GO (Rt) No.146/2016/Tran dated March 22, 2016) to meet the expenditure incurred in connection with purchase of 10.52 Acres of land which was realised on April 13, 2016.

3.9 Borrowing cost capitalised ₹ Nil (Previous year ₹ 186.52 Lakhs).

3.10 Depreciation and amortization expense

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| Depreciation of property, plant and equipment (Note No: 3.1) | 7,034.98 | 6,933.75 |
| Amortization of intangible assets (Note No: 4) | 114.60 | 16.75 |
| Total | 7,149.58 | 6,950.50 |

Kannur International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

4 Intangible assets

| Particulars | Computer Software |
|------------------------|-------------------|
| Cost | |
| At March 31, 2023 | 56.13 |
| Additions | 25.21 |
| Disposals | |
| At March 31, 2024 | 81.34 |
| Additions | 322.19 |
| Disposals | |
| At March 31, 2025 | 403.53 |
| Amortization | |
| At March 31, 2023 | 38.50 |
| Charge for the year | 16.75 |
| At March 31, 2024 | 55.25 |
| Charge for the year | 114.60 |
| At March 31, 2025 | 169.85 |
| Carrying amount | |
| At March 31, 2023 | 17.63 |
| At March 31, 2024 | 26.09 |
| At March 31, 2025 | 233.68 |

5 Investment in Joint Venture

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Unquoted investments in Equity Shares (fully paid) | | |
| BPCL-KIAL Fuel Farm Private Limited | 234.00 | 234.00 |
| Reconciliation to carrying amounts | | |
| Opening carrying amount | 4.42 | |
| Investment in Joint venture during the year | | |
| Profit (Loss) for the year inclusive of Deferred Tax Asset ₹ 8.09 Lakh & Current Tax ₹ 28.39 Lakh | 58.81 | 4.42 |
| Other comprehensive income | | |
| Total | 63.23 | 4.42 |

5.1 23,40,000 Equity Shares of BPCL-KIAL FUEL FARM PRIVATE LIMITED at par (Previous year 23,40,000 Equity shares of ₹ 10 each) fully paid up unquoted non traded stated at cost being 26% of the total equity.

BPCL-KIAL FUEL FARM PRIVATE LIMITED (BKFFPL) was incorporated in May 2015 with an equity participation of 74% by Bharat Petroleum Corporation Limited (BPCL) and 26% by Kannur International Airport Limited. BKFFPL was formed to design, construct, commission and operate the Fuel Farm at Kannur International Airport for the supply of Aviation Turbine Fuel (ATF) on an exclusive basis. BKFFPL started operations from December 9, 2018 along with the commissioning of the airport.

It is being managed under joint control mechanism, hence in the consolidated financial statements of the Parent, the financials of BKFFPL has been consolidated as Joint Venture as per the requirements of Ind AS accounting standards.

In the absence of audited financial results of the jointly controlled entity, the unaudited financial statements, certified by the CFO of the Jointly controlled entity is relied upon.

6 Other financial assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Non Current | | |
| Security Deposits (Note No: 6.1) | 952.04 | 848.88 |
| Less: Provision for Security Deposit made for CISF Induction | 725.67 | |
| | 226.37 | 848.88 |
| Bank Deposits with more than 12 month maturity (Note No: 6.2) | 3,973.20 | 110.47 |
| Accrued lease rentals (as per Ind AS 116) | 1,784.27 | 1,534.25 |
| Total | 5,983.84 | 2,493.60 |
| Current | | |
| Receivable from Kerala State Government Departments (Note No: 6.3) | 1,016.65 | 1,016.65 |
| Less: Provision for Receivable from Government of Kerala | 1,016.65 | 530.07 |
| | - | 486.58 |
| Accrued lease rentals (as per Ind AS 116) | 13.75 | 20.57 |
| Total | 13.75 | 507.15 |

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

6.1 Security deposit include ₹ 725.67 Lakh being the deposit placed with Ministry of Home Affairs (MoH), based on demand letter dated May 7, 2018, towards deployment of CISF staff in the Airport. Subsequently, the Company requested vide letter dated October 29, 2019 for a refund of such deposit from MoH. The MoH has responded vide letter dated December 2, 2019, that upon clearance from Ministry of Civil Aviation (MoCA) for refunding the deposit the same shall be processed. As per the discussions held with the MoCA on June 4, 2021, the Company was informed that the matter was taken up with the MoH and they stated that the fund was deposited in the consolidated fund of India and the fund is non-refundable.

The Company was advised to make a case to MoCA, which MoCA will take up appropriately. The Company had taken up the case with MoCA again and no reply was received till date. As a matter of abundant caution, the Management has decided to make hundred percentage provision for the outstanding balance of ₹ 725.67 Lakh.

6.2 Bank Deposit includes ₹ 18.00 Lakh (Previous year ₹ 19.94 Lakh) held as security deposit for Bank Guarantee issued to Customs authorities for cargo related operations, ₹ 0.20 Lakh (Previous year ₹ 0.20 Lakh) held as security deposit for Bank Guarantee issued to Department of Telecom, ₹ 3,955.00 Lakh held as deposit for Debt Service Reserve Account as per the sanction letter of REC Limited.

6.3 Based on the Kerala Government Order No.13/2017/TRANS dated February 2, 2017 and also based on the tripartite agreement between the Company, Superintending Engineer, Minor Irrigation, Kozhikode Circle and Uralungal Labour Contract Cooperative Society Limited (ULCCSL) payments aggregating to ₹ 1066.89 Lakh (Previous year ₹ 1066.89 Lakh) had been made to various Government departments towards the electrification, monsoon mitigation, storm water drain, construction / extension of water pipeline, blasting compensation, land acquisition etc. for the roads and areas surrounding the airport which were to be paid back to the Company on conclusion of the various infrastructure jobs by the respective departments.

Against the above, the Company has received ₹ 626.99 Lakh as reimbursement of amount paid to ULCCSL on June 4, 2021. Subsequently an amount of ₹ 439.90 Lakh has been sanctioned by the government as reimbursement to the Company, which is pending to be received. Relying upon the government sanction, the Management is of the opinion that hundred percentage provision is required as this is long outstanding.

Further the amount receivable includes the amount receivable from KINFRA amounting to ₹ 46.67 Lakh and the Management is of the opinion that provision is required as this is long outstanding.

During the year, though follow up towards recovery of dues from various government departments for the outstanding amount of ₹ 530.07 Lakh (Previous year ₹ 530.07 Lakh) is being continued, as a matter of abundant caution, the Management had decided to make hundred percentage provision for these amounts in FY 2023-24.

7 Other Current Assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------|-------------------------|-------------------------|
| Non Current | | |
| | - | - |
| Total | - | - |
| Current | | |
| Prepaid Expenses | 248.68 | 256.14 |
| Balance with Indirect Tax Authorities | 248.05 | 197.48 |
| Unbilled Revenue (Note No: 20.2) | 443.74 | 464.76 |
| Other Advances | 5.84 | 5.76 |
| Advance to suppliers | 9.47 | 6.07 |
| Total | 955.78 | 930.21 |

8 Non current tax assets (net)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Tax other than Income Tax - Remittance against disputed liability (Note No: 8.1) | 273.38 | |
| Income Tax Remittance / Withheld tax paid against disputed liability (Note No: 8.2) | 911.66 | 594.58 |
| Income Tax (Net of Provision) | 274.92 | 750.71 |
| Total | 1,459.96 | 1,345.29 |

8.1 The Company paid an amount of ₹ 273.38 Lakh at the time of filing appeal before Commissioner (Appeals) Central Tax & Central Excise, Kochi against the order (ORDER-IN-ORIGINAL No: 17/2024-25-GST dated 24-12-2024) passed by Joint Commissioner, Central Tax & Central Excise, Kozhikode u/s 74(9) of SGST/CGST Act, 2017 for the year 2017-18 to 2021-22 on various matters.

8.2 This includes the amount paid by the Company of ₹ 118.91 Lakh as predeposit for filing of appeal and TDS withheld by IT department against the disputed IT demands.

Kannur International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

9 Inventories

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------|-------------------------|-------------------------|
| Lower of cost or net realisable value | | |
| Fuel | 15.16 | 25.36 |
| Stores and spares | 54.22 | 35.03 |
| Total | 69.38 | 60.39 |

10 Trade Receivables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Trade Receivables - Considered Good - Secured | 273.63 | 307.80 |
| Trade Receivables - Considered Good - Unsecured | 1,243.00 | 1,264.53 |
| Trade Receivables - Credit Impaired | 1,073.65 | 963.88 |
| | 2,590.28 | 2,536.21 |
| Less: Provision for Waiver of Airport Charges (Note No: 20.3) | 384.92 | |
| Less: Allowance for Expected Credit Loss | 1,073.65 | 963.88 |
| | 1,131.71 | 1,572.33 |
| From related party | 21.51 | 1.60 |
| From others | 1,495.12 | 1,570.73 |
| | 1,516.63 | 1,572.33 |
| Less: Provision for Waiver of Airport Charges (Note No: 20.3) | 384.92 | |
| Total | 1,131.71 | 1,572.33 |

10.1 Ageing Analysis of Trade Receivables

| Particulars | Outstanding for following periods from due date of payment | | | | | As at March 31, 2025 |
|--|--|----------------------|---------------|---------------|-------------------|-------------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed-Trade receivables - considered good | 1,465.37 | 51.26 | | | - | 1516.63 |
| Undisputed-Trade Receivable which have significant increase in credit risk | | | | | | |
| Undisputed-Trade receivables-Credit Impaired | | 66.27 | 198.51 | 735.12 | 73.74 | 1073.65 |
| Total | 1,465.37 | 117.54 | 198.51 | 735.12 | 73.74 | 2,590.28 |

| Particulars | Outstanding for following periods from due date of payment | | | | | As at March 31, 2024 |
|--|--|----------------------|---------------|---------------|-------------------|-------------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed-Trade receivables - considered good | 1,413.41 | 87.40 | 70.92 | 0.60 | | 1572.33 |
| Undisputed-Trade Receivable which have significant increase in credit risk | | | | | | |
| Undisputed-Trade receivables-Credit Impaired | | 76.16 | 765.73 | 120.75 | 1.24 | 963.88 |
| Total | 1,413.41 | 163.56 | 836.65 | 121.35 | 1.24 | 2,536.21 |

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

10.2 Movement in the expected credit loss allowance

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year | 963.88 | 816.49 |
| Less: Provision reversed during the year | 169.82 | 47.72 |
| Add: Provision made during the year | 279.59 | 195.11 |
| Balance at the end of the year | 1,073.65 | 963.88 |

10.3 Of the total provision, ₹ 627.60 Lakh is on account of receivables from Go Airlines (India) Limited due to its cessation of operations and filing for bankruptcy protection on May 2, 2023. The company has provided provision for the entire amount receivable from the said Airline.

11 Cash and Cash equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-------------------------------|-------------------------|-------------------------|
| Balances with Banks | | |
| i) In Current Account | 24.96 | 36.73 |
| ii) In Fixed Deposit Accounts | 1,643.87 | 206.30 |
| Total | 1,668.83 | 243.03 |

12 Bank balances other than (Cash and cash equivalents) above

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Balances with Banks | | |
| In deposit accounts having original maturity of more than 3 months but less than 12 months | 1,059.00 | 44.06 |
| Total | 1,059.00 | 44.06 |

Kannur International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

13 Equity Share Capital

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|----------------------|-------------|----------------------|-------------|
| | No of Shares | Amount | No of Shares | Amount |
| Authorized share capital (Equity shares of ₹.100/- each) | 35,00,00,000 | 3,50,000.00 | 35,00,00,000 | 3,50,000.00 |
| Issued, subscribed and fully paid up shares (Equity shares of ₹.100/- each) | 13,38,38,900 | 1,33,838.90 | 13,38,38,900 | 1,33,838.90 |

Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

13.1 Reconciliation of shares at the beginning and at the end of the year:

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|--|----------------------|-------------|----------------------|-------------|
| | No of Shares | Amount | No of Shares | Amount |
| Authorised Share Capital | | | | |
| Balance as at the beginning of the year | 35,00,00,000 | - | 350000000 | |
| Changes in Authorised Equity Share capital during the year | | | | - |
| Balance as at the end of the year | 35,00,00,000 | - | 350000000 | |
| Issued, Subscribed and Paid-up Share Capital | | | | |
| Balance as at the beginning of the year | 13,38,38,900 | 1,33,838.90 | 133838900 | 1,33,838.90 |
| Changes in Equity Share capital during the year | | | | - |
| Balance as at the end of the year | 13,38,38,900 | 1,33,838.90 | 133838900 | 1,33,838.90 |

13.2 Particulars of shares holders holding more than 5% of Equity Shares in the parent: March 31, 2025

| Promoters and Shareholders holding more than 5% shares in the company | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total shares |
|---|--|------------------------|--------------------------------------|-------------------|
| Government of Kerala (Only promoter) | 5,25,00,000 | - | 5,25,00,000 | 39.23% |
| Bharat Petroleum Corporation Limited | 2,16,80,000 | - | 2,16,80,000 | 16.20% |
| Airports Authority of India | 1,00,00,000 | - | 1,00,00,000 | 7.47% |
| M A Yusufali | 1,15,00,000 | - | 1,15,00,000 | 8.59% |

Particulars of shares holders holding more than 5% of Equity Shares in the parent: March 31, 2024

| Promoters and Shareholders holding more than 5% shares in the company | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total shares |
|---|--|------------------------|--------------------------------------|-------------------|
| Government of Kerala (Only promoter) | 5,25,00,000 | - | 5,25,00,000 | 39.23% |
| Bharat Petroleum Corporation Limited | 2,16,80,000 | - | 2,16,80,000 | 16.20% |
| Airports Authority of India | 1,00,00,000 | - | 1,00,00,000 | 7.47% |
| M A Yusufali | 1,15,00,000 | - | 1,15,00,000 | 8.59% |

13.3 Shares issued for consideration other than cash

The Company has issued 3,15,93,038 numbers of equity shares to Government of Kerala towards the cost of land transferred to the Company for the construction of the Airport.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

14 Other Equity

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Retained Earnings | | |
| Balance at beginning of year | (74,272.83) | (57,421.23) |
| Less: Loss for the year | (9,378.96) | (16,851.60) |
| Balance at end of year | (83,651.79) | (74,272.83) |
| Other comprehensive income / (loss) | | |
| Balance at beginning of year | (36.47) | (19.70) |
| Remeasurements of defined benefit obligation net of income tax | (12.12) | (16.77) |
| Balance at end of year | (48.59) | (36.47) |
| Capital Reserve | | |
| Balance at beginning of year | 30.70 | 30.70 |
| Addition during the year | | |
| Balance at end of year | 30.70 | 30.70 |
| Securities Premium (Note No: 14.1) | | |
| Balance at beginning of year | 141.71 | 141.71 |
| Addition during the year | | |
| Balance at end of year | 141.71 | 141.71 |
| Opening balance of other equity | (74,136.90) | (57,268.52) |
| Closing balance of other equity | (83,527.97) | (74,136.89) |

14.1 Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by Section 52 of the Act.

15 Borrowings

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Non- Current Borrowings | | |
| Secured- at amortised cost | | |
| <u>Term loans:</u> | | |
| Canara Bank | | 71,194.26 |
| The Federal Bank Limited | | 9,187.47 |
| The South Indian Bank Limited | | 11,250.76 |
| REC Limited (Note No: 15.1) | 1,10,313.22 | |
| <u>Funded interest term loan (FITL):</u> | | |
| Canara Bank | | 13,152.66 |
| The Federal Bank Limited | | 1,704.85 |
| The South Indian Bank Limited | | 2,085.13 |
| <u>Subordinate Debt</u> | | |
| Government of Kerala (Note No: 15.2) | 11,300.00 | 7,986.15 |
| sub-total | 1,21,613.22 | 1,16,561.28 |
| Less: Current Borrowings | | |
| Current maturity of long-term borrowings | 332.19 | 4,071.05 |
| Total | 1,21,281.03 | 1,12,490.23 |

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

15.1 The company had approached REC Limited for refinancing the loan given by the consortium of banks for better repayment terms and interest cost. REC Limited had sanctioned the loan for an amount of ₹ 1,17,117.00 Lakh at a floor rate of interest of 9.00% per annum for the first year and at 9.50% thereafter. Company availed the loan for ₹ 1,10,731.00 Lakh on September 26, 2024 and closed the existing loan availed from Canara Bank, the lead bank, South Indian Bank and Federal Bank, the consortium banks. The interest rate is linked to 10-year AAA Corporate Bond Yield and the effective interest rate is 9.03% at the time of disbursement. The term loan is repayable in 20 years as against the 11-year repayment period of existing term loan. The loan is sanctioned with a moratorium period of 1 year from the date of disbursement on principal repayment.

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

1. The Rupee Term Loan Facility together with interest, default interest, liquidated damages, costs, charges, expenses and other monies whatsoever payable by the Borrower shall be secured to the satisfaction of REC by:

a. English/Equitable/Simple Mortgage by way of first charge on all immovable properties i.e. Land including land intended to be monetized by the company together with buildings and other civil works attached thereto of the project, subject to due diligence as to clear title as prescribed by REC in this behalf. In case of the lease hold land/ properties, the Borrower shall mortgage the leasehold rights by execution of registered Indenture of Mortgage thereby assigning to REC all the rights/interest available to the Borrower under the lease agreement. In the event of monetization of any real estate by KIAL, such security shall be released forthwith by REC subject to the condition that proceeds from real estate monetization shall flow into TRA account maintained for the project.

b. Hypothecation by way of first charge on all existing and future movables assets of the project including equipment, machineries & other current assets, book debts/ receivables & all other movables to the satisfaction of REC.

c. First charge over all bank accounts including TRA/escrow account of the Project to be maintained wherein all cash inflows pertaining to the Project shall be deposited.

d. First charge/ assignment over all the rights, title, interest, benefits, claims and demand whatsoever of the Borrower in the Project agreements.

e. Pledge of 51% of the shares held by Government of Kerala in the company in the form and manner acceptable to REC.

If at any time during the subsistence of loan, Corporation (REC) is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loan then outstanding, the Borrower shall provide and furnish to REC additional security as may be acceptable to REC to cover such deficiency.

Project assets including contracts and project documents mortgaged/ hypothecated/ charged/ assigned in favour of REC shall not be mortgaged/ hypothecated/ charged/ assigned in favour of any other institution during the pendency of REC loan without prior written permission from REC.

2. In addition, Unconditional and irrevocable Letter of Comfort of the Government of Kerala guaranteeing the repayment of principal and interest, additional interest, if any, and costs, charges, expenses, losses, applicable taxes, statutory duties and other monies to be obtained prior to first disbursement under any of the Facilities sanctioned. The letter of Comfort shall be valid till the repayment of all the Facilities by the Borrower.

The entire loan shall be repaid by the Borrower in 80 structured quarterly Installments and the 1st 'Loan Repayment Due Date' shall be the first day of the next calendar month following to the quarter in which the moratorium period expires and all subsequent 'Loan Repayment Due Date' shall be first day of each following quarter till the entire loan amount along with interest & all other dues are repaid to REC in full. Moratorium period shall be 2 months from the date of first disbursement.

In the event of any installment of interest/ principal and /or any other dues not being paid to REC by the Borrower on or before the due dates & as per the terms as indicated herein, the Borrower shall pay to REC a penal interest at the rate as per the prevailing Loan Policy of REC on the date of default, over and above and in addition of the applicable interest rate on the amount so overdue, for the period of default on quarterly/ monthly compounding basis.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

15.2 The term loan sanction conditions require Government of Kerala (GoK) to infuse ₹11,300 Lakhs, into the project in the form of subordinate debt/equity, pledge of 51% shares of Government of Kerala similar to the previous term loan conditions and provide an unconditional and irrevocable letter of comfort from GoK towards debt servicing obligations. Referring to the above sanction requirement, the GoK had infused ₹11,300 Lakhs as on March 31, 2025. The nature of this infusion as per the GO is Subordinate Debt where as the terms and conditions are yet to be finalised. Pending finalisation of the terms and conditions, the amount received from the GOK is shown as borrowing and interest is accrued @ 8.03% which is 1% less than the rate offered by REC Limited for term loan since it is stipulated in the sanction letter that the rate of interest for the loan from GOK has to be less than the rate offered by REC Limited on term loan.

16 Other Financial Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Non Current | | |
| Security deposits at amortized cost | 1,250.85 | 1,072.10 |
| Interest accrued but not due (Note No: 15.2) | 1,190.08 | 359.81 |
| Total | 2,440.93 | 1,431.91 |
| Current | | |
| Payable on purchase of property, plant and equipment | 1,601.76 | 1,269.52 |
| Security Deposits | 360.24 | 259.41 |
| Retention Payable | 201.13 | 211.34 |
| Other Payables | 43.50 | 43.68 |
| Interest accrued and due | | 34.71 |
| Total | 2,206.63 | 1,818.66 |

17 Provisions

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| Non Current | | |
| Employee Benefits - Gratuity | 203.39 | 188.07 |
| - Leave encashment | 111.37 | 71.36 |
| Total | 314.76 | 259.43 |
| Current | | |
| Employee Benefits - Gratuity | 16.31 | 17.96 |
| - Leave encashment | 25.41 | 12.45 |
| Total | 41.72 | 30.41 |

18 Other Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Non Current | | |
| Deferred Income: | | |
| Grant from Ministry of Commerce and Industry, GOI (Note No: 18.1) | 2,137.00 | 2,121.01 |
| Total | 2,137.00 | 2,121.01 |
| Current | | |
| Statutory Liabilities | 362.26 | 306.73 |
| Grant from Ministry of Commerce and Industry, GOI (Note No: 18.1) | 75.19 | |
| Deferred revenue on fair valuation of liabilities | 262.97 | 291.47 |
| Revenue received in advance | 41.72 | |
| Advance from customers | 2.13 | 7.04 |
| Total | 744.27 | 605.24 |

Kannur International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

18.1 Receipt of grant for the construction of cargo complex under the Trade Infrastructure for Exports Scheme (TIES) ₹ 2,000 Lakh (Previous year ₹ 1,000 Lakh) and from NABARD for construction of centre for perishable cargo ₹ 255.87 Lakh (Previous year ₹ 121.01 Lakh). The amount of grant received has already been utilised for the purpose for which it is received. This has been recognised as income in the Consolidated Statement of Profit and Loss on a straight line basis over the useful life of the related asset. There are no unfulfilled conditions or other contingencies attaching to this grant.

b) Further, a liability had been created in the accounts for the amount payable towards the cost of deployment of

19 Trade Payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Dues to Micro Enterprises and Small Enterprises* | 40.01 | 95.99 |
| Dues to other than Micro Enterprises and Small Enterprises | 10,494.62 | 8,009.41 |
| Total | 10,534.63 | 8,105.40 |

19.1 Trade Payable ageing

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| <u>Less than 1 year</u> | | |
| Total outstanding dues of micro enterprises and small enterprises | 27.24 | 59.63 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,518.42 | 3,987.46 |
| Disputed dues of micro enterprises and small enterprises | | |
| Disputed dues of creditors other than micro enterprises and small enterprises | 1,799.75 | |
| <u>1-2 years</u> | | |
| Total outstanding dues of micro enterprises and small enterprises | 12.77 | 14.21 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 768.35 | 1,572.92 |
| Disputed dues of micro enterprises and small enterprises | | |
| Disputed dues of creditors other than micro enterprises and small enterprises | 1,756.49 | |
| <u>2-3 years</u> | | |
| Total outstanding dues of micro enterprises and small enterprises | | 4.54 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 147.38 | 1,328.46 |
| Disputed dues of micro enterprises and small enterprises | | |
| Disputed dues of creditors other than micro enterprises and small enterprises | 1,426.34 | 3.76 |
| <u>More than 3 years</u> | | |
| Total outstanding dues of micro enterprises and small enterprises | | 17.61 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 358.35 | 1,071.80 |
| Disputed dues of micro enterprises and small enterprises | | |
| Disputed dues of creditors other than micro enterprises and small enterprises | 1,719.54 | 45.01 |
| Total | 10,534.63 | 8,105.40 |

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

19.2 *Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|---------------------------------|---------------------------------|
| the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | 40.01 | 95.99 |
| the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | | |
| the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006; | | |
| The amount of interest accrued and remaining unpaid at the end of accounting year; and | | |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23; | | |

Disclosure of payable to vendors as required under "Micro Small and Medium Enterprises Development Act 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act as per the intimation received from them on requests made by the Company.

Kannur International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025

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20 Revenue from Operations

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Aero Revenue (Note No: 20.2) | | |
| Aerobridge Charges | 340.61 | 163.65 |
| CUPPS / CUSS / BRS | 201.05 | 187.58 |
| Inline X-Ray Charges | 1,043.61 | 596.20 |
| Landing Charges | 2,136.00 | 978.24 |
| Parking Charges | 1,710.40 | 14.61 |
| Revenue Share on Ground Handling | 521.44 | 311.37 |
| TNLC Collection | 428.33 | 396.24 |
| User Development Fee (UDF) | 9,536.34 | 4,705.82 |
| Royalty Charges | 184.24 | |
| Cargo Operations | 298.26 | 198.29 |
| Less: Provision for waiver of Airport charges (Note No: 20.3) | (384.92) | |
| sub-total (a) | 16,015.36 | 7,552.00 |
| Non Aero Revenue (Note No: 20.2) | | |
| Space Rentals & Services | 472.59 | 585.37 |
| Revenue share from Concessionaire | 1,915.57 | 1,191.02 |
| Royalty Charges | 23.15 | |
| Visitor's Entry Fee | 16.93 | 16.69 |
| Common User Infrastructure Charges (CAM Charges) | 98.49 | 77.42 |
| Others | 50.55 | 70.99 |
| sub-total (b) | 2,577.28 | 1,941.49 |
| Other Operating Income | | |
| License Fee for Unpaved Land (c) | 500.69 | 430.13 |
| Total (a)+(b)+(c) | 19,093.33 | 9,923.62 |

20.1 The Company earned entire income from operations in India.

20.2 Aero Revenue includes an amount of ₹ 428.33 Lakh (Previous Year ₹ 422.10 Lakh) pertains to Terminal Navigational Landing Charges and an amount of ₹ 78.74 Lakh pertains to Revenue Share on Ground Handling. Non Aero revenue includes an amount of ₹ 16.43 Lakh pertains to Royalty charges. These income was billed after the close of the financial year.

20.3 KIAL has executed an agreement with Air India Express Limited on December 04, 2023 offering waiver on various airport charges such as landing charges, parking charges, inline X ray charges and aerobridge charges. Billing and disbursement of airport charges waiver shall be carried out on fortnightly basis, after calculation of actual ATMs, reconciliation of payments based on the threshold ATMs, communication between the parties and subsequent disbursement mechanism. Provision has been created for the airport charges waiver based on the estimates of KIAL which are subject to reconciliation by Air India Express Limited.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

21 Other Income

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Interest on Fixed Deposits | 239.61 | 58.62 |
| Interest on Income Tax Refund | 14.52 | 20.73 |
| Reversal of provision for impairment on debtors | | 47.72 |
| Miscellaneous Income | 17.30 | 12.44 |
| Income from Deferred Government Grants (Note No: 18.1) | 43.68 | |
| Deferred income on fair valuation on financial liabilities | 113.70 | 99.15 |
| Total | 428.81 | 238.66 |

22 Airport Operating Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Power and Fuel | 1,181.25 | 1,198.42 |
| Insurance on Assets | 76.39 | 119.08 |
| Repairs and Maintenance | 342.24 | 267.81 |
| House Keeping | 1,143.34 | 1,174.86 |
| Operations & Maintenance Expenses | 1,201.86 | 1,040.33 |
| Customs Cost Recovery Charges | 1,364.09 | 1,299.08 |
| Aviation Meteorological Support Services | 159.75 | 145.38 |
| Communication, Navigation and Surveillance and Air Traffic Management Services | 1,001.42 | 824.06 |
| Other operational expenses | 54.05 | 32.84 |
| Security Service | 91.72 | 87.36 |
| Trolley Retrieval Services | 65.84 | 63.78 |
| Water Charges | 65.94 | 58.60 |
| Cargo handling charges and other operational expenses | 44.12 | 38.40 |
| Total | 6,792.01 | 6,350.00 |

23 Employee Benefits Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Salaries & Allowances | 1,047.76 | 1,054.23 |
| Contribution to provident and other funds | 34.61 | 35.48 |
| Gratuity | 43.62 | 42.32 |
| Staff Welfare Expenses | 198.00 | 163.80 |
| Total | 1,323.99 | 1,295.83 |

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

24 Finance Cost

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Interest on Term Loans | 10,941.73 | 10,739.31 |
| Interest on Subordinate Debt (Note No: 15.2) | 830.26 | 359.81 |
| Unwinding of discount on security deposits | 110.67 | 99.27 |
| Interest on delayed payment of Customs costs, Income tax and GST | 659.88 | 513.54 |
| Total | 12,542.54 | 11,711.93 |

25 Other Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Administrative Expenses | 16.36 | 15.36 |
| Advertisement Expenses | 19.24 | 22.44 |
| Payment to Auditors | | |
| -For Audit | 8.75 | 8.75 |
| -For Reimbursement of Expenses | 0.58 | 1.38 |
| -For Other services | 0.38 | |
| Employee Training expenses | 24.36 | 16.20 |
| Insurance-operations | 63.87 | 56.54 |
| Loss on Foreign currency transactions and translations | 1.94 | 1.02 |
| Rates and Taxes | 103.82 | 79.79 |
| Allowance for credit impaired trade receivables (Note No: 10.2) | 109.77 | 195.11 |
| Postage and Courier charges | 3.44 | 12.11 |
| Printing and Stationery | 14.38 | 22.59 |
| Legal and Professional charges | 166.50 | 173.82 |
| Recruitment Expenses | 4.56 | 3.17 |
| Rent | 0.10 | 0.60 |
| Repairs and Maintenance - Others | 4.70 | 4.05 |
| Sitting Fees | 1.25 | 1.40 |
| Travelling Expenses | 104.74 | 28.18 |
| Website Maintenance Charges | 4.45 | 3.71 |
| Loss on disposal of property, plant and equipment | 0.19 | 3.21 |
| Miscellaneous Expenses | 16.98 | 38.83 |
| Provision for Security Deposit made for CISF Induction (Note No: 6.1) | 725.67 | |
| Provision for Receivable from Government of Kerala (Note No: 6.3) | 486.56 | 530.07 |
| Total | 1,882.59 | 1,218.33 |

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

26 Deferred Tax

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Deferred tax (liabilities) / assets | | |
| Tax effect of items constituting deferred tax liabilities: | | |
| On difference between book balance and tax balance of Property, Plant and Equipment and Intangibles | 25,222.21 | 26,278.99 |
| Total (a) | 25,222.21 | 26,278.99 |
| Tax effect of items constituting deferred tax assets: | | |
| Provision for gratuity | - | 53.57 |
| Provision for earned leave | - | 21.79 |
| Allowance for credit impaired Trade Receivables | - | 250.61 |
| Brought forward business losses | | - |
| Deduction under section 35AD of the Income Tax Act | 34,189.03 | 34,189.02 |
| MAT Credit | | |
| Minimum Alternate Tax Credit Entitlement | | |
| Recognised in other comprehensive Loss | | |
| Tax expense during the year recognized in the Other Comprehensive Loss | 17.08 | 12.82 |
| Total (b) | 34,206.11 | 34,527.81 |
| Net deferred tax (liability) / asset (a) - (b) | 8,983.89 | 8,248.82 |
| Deferred tax expense / (Income) | (735.08) | (514.19) |
| Recognized in statement of profit and loss | (730.82) | (508.29) |
| Recognized in other comprehensive loss | (4.26) | (5.90) |

26.1 The Company has recognised a deferred tax asset of ₹ 34,189.02 Lakh (Previous year ₹ 34,189.02 Lakh) on unused tax losses arising from its claim under section 35 AD of Income Tax Act, 1961 considering the unlimited carry forward period for set off against future taxable income.

Subsequent to the year end on March 31, 2020, on filing of the revised return of income claiming the aforesaid deduction under Section 35AD of the Income tax Act, 1961 in respect of Assessment Year 2019-20, the Company received Intimation under Section 143(1) of the Income Tax Act, 1961 dated January 16, 2021, rejecting its claim of deduction u/s 35AD of the Income Tax Act, in the revised return. The Management has filed appeal before the Commissioner of Income Tax (Appeals) in respect of the above disallowance which is pending adjudication. The Management has received legal opinion that the case for its appeal is tenable and therefore is confident of a favourable outcome.

26.2 Unused tax losses i.e. brought forward unabsorbed income tax business losses on which no deferred tax asset has been created as at March 31, 2025 is ₹ 42,819.83 Lakh (Previous year ₹ 34,367.98 Lakh).

Kannur International Airport Limited

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All amounts are in ₹ Lakh unless otherwise stated

27 Earnings Per Share

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Loss attributable to equity shareholders of the Company | (9,378.96) | (16,851.60) |
| Weighted average number of equity shares | 13,38,38,900 | 13,38,38,900 |
| Basic and diluted earnings per share (of face value ₹100) ₹ | (7.01) | (12.59) |
| Effect of dilution : | | |
| Weighted average number of equity shares adjusted for the effect of dilution* | 13,38,38,900 | 13,38,38,900 |
| Diluted Earnings per share (of face value ₹ 100) INR | (7.01) | (12.59) |

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

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

28 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) Activities. A CSR Committee has been formed by the Company as per the Act. The funds were primarily allocated to the activities which are specified in Schedule VII of the Companies Act, 2013.

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Gross amount required to be spend during the year | | |
| Amount spent during the year: | - | - |
| (i) Construction/ acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | - | - |
| (iii) Unpaid amount out of (i) and (ii) above | - | - |

29 Related Party Disclosure

In accordance with the requirement of Ind AS 24 on "Related Party Disclosures" the names of the related parties where control exists/able to exercise significant influence along with the aggregate transactions/ year end balance with them as identified and certified by the management are given below:

Names of related parties and nature of relationship are as under:

(a) Joint Venture Company

BPCL - KIAL Fuel Farm Private Limited

(b) Names of other related parties and nature of relationship

Key Management Personnel

Mr. Dinesh Kumar C

Managing Director

Mr. S Jayakrishnan

Chief Financial Officer

Mr. Aby Eapen

Company Secretary

Parties with substantial interest and its affiliates

Bharat Petroleum Corporation Limited

Rajiv Gandhi Academy for Aviation Technology

Government of Kerala

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Transactions with related parties

| Related Party Nature of Transaction | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Transactions during the year | | |
| Mr. Dinesh Kumar C Salary | 68.92 | 48.78 |
| Mr. S Jayakrishnan Salary | 40.53 | 38.58 |
| Mr. Aby Eapen Salary | 12.70 | 9.55 |
| BPCL - KIAL Fuel Farm Private Limited License fess on unpaved land | 177.29 | 162.65 |
| Rent -communication charges | 1.60 | 1.59 |
| Utility charges | 13.11 | 12.82 |
| Bharat Petroleum Corporation Limited License fess on unpaved land | 37.70 | |
| Rajiv Gandhi Academy for Aviation Technology Rent, Utility Charges etc | 1.72 | |
| Government of Kerala (GoK) Subordinate Debt | 3,313.85 | 7,986.15 |
| Interest on subordinate Debt | 830.26 | 359.81 |
| Outstanding Balances | | |
| Bharat Petroleum Corporation Limited Security Deposit | 3.12 | |
| Rajiv Gandhi Academy for Aviation Technology Outstanding Trade Receivables | 1.72 | |
| BPCL - KIAL Fuel Farm Private Limited Outstanding Trade Receivables | 19.79 | 1.60 |
| Security Deposit | 112.50 | 112.50 |
| Government of Kerala (GoK) Amount receivable from Government of Kerala | 1,016.65 | 1,016.65 |
| Subordinate Debt | 11,300.00 | 7,986.15 |
| Interest payable on subordinate Debt | 1,190.07 | 359.81 |

- (c) The Company has transactions (not included in the list above) with other Government of Kerala-controlled entities / departments and these transactions are conducted in the ordinary course of business on terms comparable to those with other entities that are not Government of Kerala-controlled entities.

30 Capital Management

The Company's objective when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the share holders' value. The Company sets the amounts of capital required on the basis of annual business and long-term operating plans.

For the purpose of the parent's Capital Management, capital includes issued equity capital, and all other equity reserves are attributable to the equity holders of the parent.

The Company manages its capital structure by balanced mix of debt and equity. The Company's capital structure is influenced by the changes in the airport economic regulatory framework, Government policies, available options of financing and the impact of the same on the liquidity position of the Company.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

The Company's debt to equity ratio is analysed as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|----------------------|-------------------------|-------------------------|
| Debt | 1,21,613.22 | 1,16,561.28 |
| Equity | 50,076.93 | 59,468.01 |
| Debt to Equity ratio | 2.43 | 1.96 |

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The debt of the company is refinanced by REC Limited as per the sanction order dated April 11, 2023 (Note No: 15.1).

Financial risk management

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

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purpose nor does it opt for options. The most significant financial risk to which the Company is exposed are described below: -

The Company has assessed market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk to its financial instruments.

Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans and borrowings, investments and foreign currency receivables, payables and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The effect of change in the interest rate will affect profit or loss of the Company also the interest cost had a direct bearing on the borrowing cost capitalised. The impact of increase or decrease of 100 basis points on the loan will affect the loss of the Company by ₹ 1190.87 Lakh (₹ 1091.31 Lakh) and value of Property Plant and Equipment by ₹ Nil (Previous year ₹ 18.66 Lakh).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the purchase of assets from abroad. The Company's only exposure at the end of the year is an outstanding balance amounting to US\$ 88,080 (₹ 75.38 Lakh) (Previous year US\$ 88,080 [₹ 73.44 Lakh]). The impact of increase or decrease of 100 basis points on the outstanding balance will change the fair value of assets (Property, Plant and Equipment) by ₹ Nil (Nil).

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk for receivables, cash and cash equivalents and short term loans.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Cash and cash equivalents and short-term Loans (Other current financial

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has been transacting for years. Therefore, the Company does not expect any material credit risk with respect to cash and cash equivalents and other current financial assets.

Liquidity risk

Maturity Analysis of Assets and Liabilities:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Maturity less than 1 year | | |
| Financial Assets | | |
| Cash and Cash equivalents (including other Bank balances) | 2,727.83 | 287.09 |
| Trade Receivables | 1,131.71 | 1,572.33 |
| Other Financial assets | - | 486.58 |
| Financial Liabilities | | |
| Trade Payables | 10,534.63 | 8,105.40 |
| Other Financial liabilities | 2,457.92 | 2,069.95 |
| Borrowings | 332.19 | 4,071.05 |
| Maturity 1 year to 3 years | | |
| Financial Assets | | |
| Security Deposits | 4,199.57 | 959.35 |
| Financial Liabilities | | |
| Security Deposits | 753.32 | 753.32 |
| Borrowings | 15,403.53 | 15,404.53 |
| Maturity more than 3 years | | |
| Financial Assets | | |
| Financial Liabilities | | |
| Security Deposits | 1,436.31 | 427.29 |
| Borrowings | 1,05,877.50 | 97,085.70 |

31 Going concern concept

The companies revenue is inadequate to meet the fixed and finance costs of the company and losses were incurred during the year.

The Government of Kerala has provided a Letter of Comfort dated June 8, 2015 to Canara Bank in connection with the term loan sanctioned to take appropriate action in the case of any shortfall in the project term loan repayment obligations.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Further, the Government of Kerala has given an undertaking to the Company vide GO (MS) No 01/2014 /Tran. dated January 4, 2014 to mitigate the cash short fall in the first five years of operation (from 2016-17 to 2020-21) by a budgetary support of ₹ 13,268 Lakh. However, there were no circumstances of cash shortfall requiring such support from the Government during that period. The Company is confident that as the Airport commencement date is December 2018, it will be able to secure such support in the unlikely event of cash shortfall in future also.

The Company has adopted various actions in relation to saving cost, optimize revenue Management opportunities and enhance revenues is expected to result in improved operating performance.

The Company has made detailed assessment of its liquidity position for the subsequent years and has deferred its obligations pertaining to contractor payments, the ongoing capital expansion and any other financial obligations. Further, due care has been exercised to determine the recoverability of the carrying values of its assets and based on current estimates, the Company expects to recover majority of the carrying amount of all of its assets.

The traffic handled by the Company was also impacted due to COVID-19 pandemic, the recent bankruptcy of the airline companies and non operation of the foreign airlines due to non awardment of the Point of Call status to the airport, leading to substantial fall in the number of passengers and air traffic movements. This position is expected to return to normalcy over the next 2-3 years.

Airport Economic Regulatory Authority approved the enhanced aeronautical tariff proposed by Kannur Airport with effect from 1 April 2024 for the second control period ending on 31 March 2028. The Company had also entered into a MoU with Air India Express on 4 December 2023 to operate more flights from Kannur Airport in domestic and international routes. Government of Kerala (GOK) being the promoter of the Kannur International Airport is committed to infuse funds to honour the debt servicing obligations as per then terms of the sanction letter.

Further, as per the requirement of REC's refinancing proposal, GOK had issued the letter of comfort dated 24 April 2024 to the effect that GOK will infuse funds in case of shortfall in debt servicing obligations. During the year REC over took the previous loan.

In view of the above steps taken and with the increase in traffic, Management is of the opinion that revenue and margins will improve substantially in coming years and there will not be any impact on the going concern aspect of the Company in the near future with an extended repayment schedule for a longer tenure of 20 years which erase the cash flow stress.

For this assessment, Management believes that it has taken into account the possible impact of known events mentioned above. The unprecedented nature of the industry makes the future business environment uncertain, however, the Company will continue to carry out the impact assessment on its assets and closely monitor any material changes to future economic conditions. There have been no other significant events subsequent to the Balance Sheet date that would impact the carrying values of the Company's assets and liabilities.

32 Capital and other commitments

The Company has the following capital commitments:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------|-------------------------|-------------------------|
| Software Development Costs | | 39.71 |
| Construction Contracts | | 752.17 |
| Solar Project | 1809.19 | |
| Total | 1,809.19 | 791.88 |

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

33 Contingent liabilities

Disputed Tax liability

| Particulars | Amount | Year |
|--|----------|-------------------------|
| Assessing of interest received on temporary parking of borrowed funds on short term deposits reduced from CWIP in the accounts based on IND AS 23. Pending before Commissioner of Income Tax (Appeals) | 53.67 | 2017-18 (AY 2018-19) |
| Penalty for non-filing of Tax Audit report. Pending before Commissioner of Income Tax (Appeals). | 1.50 | 2016-17 (AY 2017-18) |
| Penalty for difference in return filed and audited financials. The Company is in the process of filing appeal before ITAT with condonation of delay. | 539.41 | 2016-17 (AY 2017-18) |
| Disallowance of claim of deduction u/s.35AD (Note No: 27.1). Pending before Commissioner of Income Tax (Appeals). | | 2018-19 (AY 2019-20) |
| Dispute on availment of GST ITC credit. Pending before Commissioner Appeals. | 2,733.75 | 2017 to 2021 |
| Dispute on GST related to taxation of exempted goods (Cargo) and availment of ITC. The Company is in the proces of filing appeal before the Commissioner Appeal. | 19.87 | 2020-21, 2021-22 |
| Dispute on levy of Building Tax at higher rates and area. Pending before High Court of Kerala. | 26.46 | 2018 onwards |

34 The Company has the following investment in joint venture

| | | |
|---|-------------------------------------|---------------------------------|
| Name of the Company | BPCL-KIAL Fuel Farm Private Limited | |
| Principal place of business | India | |
| Particulars | As at March 31, 2025 | As at March 31, 2024 |
| Unquoted investments in Equity instruments (fully paid) in ₹ Lakh | 234.00 | 234.00 |
| No of shares of face value ₹10 | 23,40,000 | 23,40,000 |
| % of holding | 26% | 26% |

Kannur International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

35 Employee Benefits
35.1 Defined contribution plans

The Company makes provident fund contributions which are defined contribution plan, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 34.61 Lakh (Previous year ₹ 35.48 Lakh) for provident fund contribution in the Consolidated Statement of profit and loss. The contributions payable to this plan by the Company are at rates specified in the rules of the said scheme.

35.2 Defined benefit plans

The Company offers Gratuity Benefit scheme to its employees.

The cost of providing Gratuity Benefit is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The gratuity benefit scheme is unfunded.

The valuation results for the defined benefit gratuity plan as at March 31, 2025 are produced in the tables below:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|-------------------------|
| 1. Assumption | | |
| Discount Rate | 6.88% | 7.23% |
| Salary Escalation | 5.00% | 5.00% |
| Attrition Rate | 6.00% | 6.00% |
| Mortality rate | Indian Assured Lives Mortality (2012-14) (Ultimate) | |
| 2. Table showing changes in the present value of Obligation | | |
| Present value of Obligation as at the beginning of the year | 206.02 | 181.89 |
| Interest Cost | 13.22 | 12.19 |
| Current Service Cost | 30.40 | 30.13 |
| Benefits paid | (46.32) | (40.86) |
| Actuarial (gain) / Loss on obligation | 16.38 | 22.67 |
| Present value of Obligation as at the end of the year | 219.70 | 206.02 |
| 3. Table showing changes in Fair Value of Plan Assets* | | |
| 4. Table showing fair value of Plan assets* | | |
| * As the Gratuity plan is unfunded, there are no disclosures related to fair value of plan assets | | |
| 5. Actuarial (Gain) / Loss recognized | | |
| Opening cumulative other comprehensive Income | 49.30 | 26.63 |
| Actuarial (gain) / loss on obligations | 16.38 | 22.67 |
| Actuarial (gain) / Loss on Plan assets | - | - |
| Total Actuarial (gain) / loss for the year | 65.68 | 49.30 |
| 6. The amounts to be recognized in the Balance Sheet and Statement of Profit and loss | | |
| Present value of Obligation at the end of the year | 219.70 | 206.02 |
| Fair Value of Plan assets at the end of the year | - | - |
| Funded Status | - | - |
| (Net Asset) / Liability recognised in the Balance Sheet | 219.70 | 206.02 |
| 7. Expenses recognised in the Statement of Profit and Loss | | |
| Current Service Cost | 30.40 | 30.13 |
| Interest Cost | 13.22 | 12.19 |
| Expected Return on Plan assets | - | - |
| Net Actuarial (gain) / Loss recognised in the year | 16.38 | 22.67 |
| Weighted average duration of the D B O | 12.83 | 12.69 |

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Sensitivity Analysis for the year ended March 31, 2025

| % increase in DBO | | Liability | Decrease/ Increase in DBO |
|----------------------------------|--------|-----------|------------------------------|
| Discount Rate +100 basis points | -9.08% | 199.74 | (19.95) |
| Discount Rate -100 basis points | 10.80% | 243.43 | 23.73 |
| Salary Growth +100 basis points | 10.50% | 242.76 | 23.06 |
| Salary Growth -100 basis points | -8.95% | 200.03 | (19.67) |
| Attrition Rate +100 basis points | 1.21% | 222.34 | 2.64 |
| Attrition Rate -100 basis points | -1.37% | 216.69 | (3.00) |
| Mortality Rate 10% up | 0.03% | 219.76 | 0.07 |
| Effect of no ceiling | 4.89% | 230.44 | 10.74 |

Sensitivity Analysis for the year ended March 31, 2024

| % increase in DBO | | Liability | Decrease/ Increase in DBO |
|----------------------------------|--------|-----------|------------------------------|
| Discount Rate +100 basis points | -9.00% | 187.47 | (18.55) |
| Discount Rate -100 basis points | 10.72% | 228.11 | 22.09 |
| Salary Growth +100 basis points | 10.40% | 227.44 | 21.42 |
| Salary Growth -100 basis points | -8.81% | 187.86 | (18.16) |
| Attrition Rate +100 basis points | 1.62% | 209.36 | 3.33 |
| Attrition Rate -100 basis points | -1.84% | 202.24 | (3.79) |
| Mortality Rate 10% up | 0.04% | 206.11 | 0.09 |
| Effect of no ceiling | 3.95% | 214.17 | 8.15 |

Maturity Analysis of the Benefit payments

| Year | As at March 31, 2025 | |
|-----------------------------------|------------------------------|-------------------------------|
| | Discounted/ Present value | Undiscounted/ Actual value |
| Year (I) | 16.31 | 16.81 |
| Year (II) | 10.37 | 11.65 |
| Year (III) | 32.49 | 37.19 |
| Year (IV) | 7.95 | 10.20 |
| Year (V) | 7.15 | 9.80 |
| Next 5 year pay-outs (6-10 years) | 42.54 | 70.00 |
| Pay-outs Above Ten Years | 102.89 | 372.65 |

Maturity Analysis of the Benefit payments

| Year | As at March 31, 2024 | |
|-----------------------------------|------------------------------|-------------------------------|
| | Discounted/ Present value | Undiscounted/ Actual value |
| Year (I) | 17.95 | 18.47 |
| Year (II) | 11.96 | 13.39 |
| Year (III) | 9.38 | 11.37 |
| Year (IV) | 29.00 | 35.85 |
| Year (V) | 9.88 | 13.51 |
| Next 5 year pay-outs (6-10 years) | 38.64 | 66.23 |
| Pay-outs Above Ten Years | 89.19 | 365.53 |

35.3 Compensated Absences

The Company offers Compensated Absences Benefit scheme to its employees.

The cost of providing Compensated Absences benefit is determined using the Projected Benefits Plan relating to Leave Encashment Scheme, with actuarial valuations being carried out at the end of each annual reporting period.

The Compensated Absences scheme is unfunded.

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Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

The valuation results for the compensated absences plan as at March 31, 2025 are produced in the tables below:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|---|-------------------------|
| 1. Assumption | | |
| Discount Rate | 6.88% | 7.23% |
| Salary Escalation | 5.00% | 5.00% |
| Attrition Rate | 6.00% | 6.00% |
| Mortality rate | Indian Assured Lives Mortality (2012-14) (Ultimate) | |
| 2. Table showing changes in the present value of Obligation | | |
| Present value of Obligation as at the beginning of the year | 83.81 | 38.35 |
| Employer expense | 67.41 | 51.18 |
| Current Service Cost | | |
| Prior service cost | | |
| Benefits paid | (14.44) | (5.72) |
| Actuarial (gain) / Loss on obligation | | |
| Present value of Obligation as at the end of the year | 136.78 | 83.81 |
| 3. Table showing changes in Fair Value of Plan Assets* | | |
| 4. Table showing fair value of Plan assets* | | |
| * As the compensated absence plan is unfunded, there are no disclosures related to fair value of plan assets | | |
| 5. Actuarial (Gain) / Loss recognized | | |
| Opening cumulative other comprehensive Income | - | - |
| Actuarial (gain) / loss on obligations | - | - |
| Actuarial (gain) / Loss on Plan assets | - | - |
| Total Actuarial (gain) / loss for the year | - | - |
| 6. The amounts to be recognized in the Balance Sheet and Statement of Profit and loss | | |
| Present value of Obligation at the end of the year | 136.78 | 83.81 |
| Fair Value of Plan assets at the end of the year | - | - |
| Funded Status | - | - |
| (Net Asset) / Liability recognised in the Balance Sheet | 136.78 | 83.81 |
| 7. Expenses recognised in the Statement of Profit and Loss | | |
| Current Service Cost | - | - |
| Employer expense | 67.41 | 51.18 |
| Expected Return on Plan assets | - | - |
| Net Actuarial (gain) / Loss recognised in the year | - | - |

Sensitivity Analysis for the year ended March 31, 2025

| % increase in DBO | | Liability | Decrease/ Increase in DBO |
|----------------------------------|--------|-----------|------------------------------|
| Discount Rate +100 basis points | -9.30% | 124.07 | -12.71 |
| Discount Rate -100 basis points | 11.22% | 152.13 | 15.34 |
| Salary Growth +100 basis points | 10.83% | 151.59 | 14.81 |
| Salary Growth -100 basis points | -9.09% | 124.34 | -12.43 |
| Attrition Rate +100 basis points | 1.59% | 138.95 | 2.17 |
| Attrition Rate -100 basis points | -1.83% | 134.27 | -2.50 |
| Mortality Rate 10% up | 0.05% | 136.84 | 0.06 |

Kannur International Airport Limited

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Sensitivity Analysis for the year ended March 31, 2024

| % increase in DBO | | Liability | Decrease/ Increase in DBO |
|----------------------------------|--------|-----------|------------------------------|
| Discount Rate +100 basis points | -9.45% | 75.88 | (7.92) |
| Discount Rate -100 basis points | 11.42% | 93.38 | 9.57 |
| Salary Growth +100 basis points | 11.04% | 93.06 | 9.25 |
| Salary Growth -100 basis points | -9.26% | 76.05 | (7.76) |
| Attrition Rate +100 basis points | 2.06% | 85.54 | 1.73 |
| Attrition Rate -100 basis points | -2.38% | 81.81 | (1.99) |
| Mortality Rate 10% up | 0.06% | 83.86 | 0.05 |

Maturity Analysis of the Benefit payments

| Year | As at March 31, 2025 | |
|-----------------------------------|------------------------------|-------------------------------|
| | Discounted/ Present value | Undiscounted/ Actual value |
| Year (I) | 18.04 | 20.04 |
| Year (II) | 7.16 | 8.21 |
| Year (III) | 14.48 | 18.38 |
| Year (IV) | 5.66 | 7.41 |
| Year (V) | 5.11 | 7.16 |
| Next 5 year pay-outs (6-10 years) | 27.11 | 47.99 |
| Pay-outs Above Ten Years | 59.22 | 252.04 |

Maturity Analysis of the Benefit payments

| Year | As at March 31, 2024 | |
|-----------------------------------|------------------------------|-------------------------------|
| | Discounted/ Present value | Undiscounted/ Actual value |
| Year (I) | 6.42 | 6.99 |
| Year (II) | 7.32 | 8.64 |
| Year (III) | 4.26 | 5.28 |
| Year (IV) | 8.84 | 12.19 |
| Year (V) | 3.95 | 5.69 |
| Next 5 year pay-outs (6-10 years) | 16.37 | 29.96 |
| Pay-outs Above Ten Years | 36.62 | 170.51 |

36 Passenger Service Fee (PSF)

As per the Standard Operating Procedures stated vide letter number AX/ /13024/047/ 2003-SS/ AD dated January 19, 2009 issued by the MoCA the accounts for Passenger Service Fee is maintained separately by the company in fiduciary capacity, on behalf of the Government of India. The total PSF collection till that date was ₹ 361.44 Lakh and out of which, after meeting security related expenses, the balance amount to be transferred to the Ministry is of ₹ 256.58 Lakh. The Company requested to MoH vide letter dated October 29, 2019 for a refund of security deposit of ₹ 982.25 Lakh paid for the deployment of CISF in Kannur Airport.

The MoH has responded vide letter dated December 2, 2019, that upon clearance from Ministry of Civil Aviation (MoCA) for refunding the deposit the same shall be processed. As per the discussions held with the MoCA on June 4, 2021, the Company was informed that the matter was taken up with the MoH and they stated that the fund was deposited in the consolidated fund of India and the fund is non-refundable. Hence the balance of Rs 256.58 Lakh has been adjusted against the security deposit recoverable from the Ministry of Home Affairs (MoH) of ₹ 982.25 Lakh.

As a matter of abundant caution, the Management has decided to make hundred percentage provision for the outstanding balance of ₹ 725.67 Lakh as detailed in Note No: 6.1.

With effect from July 01, 2019, levy of PSF (SC) was replaced with Aviation Security Fee (ASF) vide AIC NO. 15/2019 dated June 19, 2019 issued by the Director General of Civil Aviation basing on an order issued by MoCA vide order no. AV 13024/659/2015-AS dated June 13, 2019.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

In connection to this, MOCA has formed a Trust for operating and maintenance of ASF Fund namely National Aviation Security Fee Trust (NASFT). Further, NASFT has issued detailed Standard Operating Procedures (SOP) dated November 21, 2019 for operation and maintenance of the ASF. As per the SOPs, billing of ASF would be under the name of NASFT and accordingly all the risk and rewards would remain with the NASFT. In respect of expenses, cost of deployment of Central Industrial Security Force (CISF) would be paid directly by the NASFT. However, the other security related expenses for CISF are to be first incurred by the Airport Operator which would be reimbursed through a tax invoice raised on the NASFT. Accordingly, PSF (SC) Fund ceased to operate with effect from July 01, 2019.

NASFT had disallowed some expenditures incurred exclusively for CISF, ASG unit at Kannur Airport during the period July 2019 to March 2025 spent for the transportation, quarantine etc. In spite of various follow-up with the NASFT team, ASF Cell, Airports Authority of India, Delhi and after taking all necessary efforts, NASFT is in its decision of disallowing such expenditure. As a matter of abundant caution, the Management had decided to make hundred percentage provision for these amounts.

37 Fair Values

The carrying amount of all financial assets and liabilities appearing in the Consolidated financial statements is reasonable approximation of fair values.

Breakup of Financial assets and Liabilities

| Particulars | As at March 31, 2025 | |
|---|----------------------|--------------------|
| | Carrying Value | Fair Value |
| Financial assets | | |
| At Amortized cost | | |
| Deposits | 4,925.24 | 4,925.24 |
| | <i>Previous year</i> | <i>959.35</i> |
| Trade Receivables | 1,131.71 | 1,131.71 |
| | <i>Previous year</i> | <i>1,572.33</i> |
| Cash and Cash equivalents including other bank balances | 2,727.83 | 2,727.83 |
| | <i>Previous year</i> | <i>287.09</i> |
| Contractual receivables | | |
| | <i>Previous year</i> | |
| Other financial assets | 1,016.65 | 1,016.65 |
| | <i>Previous year</i> | <i>1,016.65</i> |
| Financial Liabilities | | |
| At Amortized cost | | |
| Borrowings | 1,22,031.00 | 1,21,613.22 |
| | <i>Previous year</i> | <i>1,16,673.35</i> |
| Security Deposits | 1,898.70 | 1,611.09 |
| | <i>Previous year</i> | <i>1,644.58</i> |
| Trade Payables | 10,534.63 | 10,534.63 |
| | <i>Previous year</i> | <i>8,105.40</i> |
| Other Financial Liabilities | 2,748.86 | 2,748.86 |
| | <i>Previous year</i> | <i>1,605.99</i> |

The management assessed the cash and cash equivalent, trade receivable, trade payable and other current liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

Assumption used in estimating the fair values: The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair valuation of the security deposits are computed using the current applicable discounting rate (10%).

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

Assets and liabilities by fair value hierarchy

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------|-------------------------|-------------------------|
| Level 1 | | |
| Financial Assets | | |
| Financial Liabilities | | |
| Level 2 | | |
| Financial Assets | | |
| Cash and Cash equivalents | 2,727.83 | 287.09 |
| Financial Liabilities | | |
| Borrowings | 1,21,613.22 | 1,16,561.28 |
| Level 3 | | |
| Financial Assets | | |
| Security Deposits | 4,925.24 | 959.35 |
| Trade Receivables | 1,131.71 | 1,572.33 |
| Other financial assets | 1,016.65 | 1,016.65 |
| Financial Liabilities | | |
| Security Deposits | 1,611.09 | 1,331.51 |
| Trade Payables | 10,534.63 | 8,105.40 |
| Other Financial Liabilities | 2,748.86 | 1,605.99 |

Level 1 : Fair Value measurement using Quoted prices in Active Markets

Level 2 : Fair Value measurement using significant observable inputs

Level 3 : Fair Value measurement using significant unobservable inputs

38 Income Tax

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| a) Current Income Tax Charge | | |
| b) Deferred Tax | | |
| Relating to origination and reversal of temporary differences | 730.81 | 508.29 |
| Income Tax Expense/(Benefit) as per Consolidated statement of profit and loss | (730.81) | (508.29) |
| Deferred Taxes | | |
| Deferred tax liability | | |
| On difference between book balance and tax balance of Property, Plant and Equipment and Intangibles | 25,222.21 | 26,278.99 |
| Deferred tax liability | 25,222.21 | 26,278.99 |
| Deferred Tax Assets | | |
| Arising on account of temporary differences due to disallowances | - | 325.97 |
| Brought forward business losses | - | - |
| Deduction under section 35AD of the Income Tax Act | 34,189.03 | 34,189.02 |
| Deferred tax asset | 34,189.03 | 34,514.99 |
| Deferred tax asset (Net) | 8,966.82 | 8,236.00 |
| Add: Minimum Alternate Tax Credit Entitlement | - | - |
| Tax expense during the year recognized in the OCI | 17.08 | 12.82 |
| Deferred Tax asset (unutilised tax credit) | 8,983.89 | 8,248.82 |

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

39 Dispute relating to the appointment of statutory auditors

The Company was originally incorporated as a Government Company and later it became a deemed Government Company under the provisions of Section 619B of the erstwhile Companies Act, 1956 (the "Old Act"). Accordingly, from the inception of the Company, auditors appointed by the Comptroller & Auditor General of India ("C&AG") carried out the statutory audit of the Company. This position continued up to the financial year ended March 31, 2018. On enactment of Companies Act, 2013 (the "Act") replacing the Old Act, and Sections 139(5) and 139(7) of the 2013 Act, deal with appointment of statutory auditors by the C&AG were notified on April 1, 2014.

The Company in its letter dated August 14, 2017 to the Principal Accountant General (C&AG office) stated that it is not a Government Company as defined under the 2013 Act, nor is it a Company owned or controlled, directly or indirectly, by the Central Government, or State Government or partly by the Central Government, or the State Government or partly by the Central Government and partly by the State Government; and that as Section 139(5) of the Act was not applicable, and that the Company was entitled to appoint its statutory auditors by its General Meeting.

The Company additionally obtained a legal opinion on February 2, 2018, to that effect which confirmed that the provisions of Section 139(5) of the Act do not apply to the Company. On the strength of the aforesaid legal opinion, the Board of Directors on June 28, 2018, authorised the Managing Director to seek an expression of interest from audit firms for appointment as statutory auditors of the Company.

Consequently, in pursuance of a resolution at the Annual General Meeting of the shareholders held on January 19, 2019, the Company appointed the previous statutory auditors (i.e., Deloitte Haskins & Sells LLP) on March 28, 2019 for a period of five years, i.e., from financial years 2018-19 to 2022-23. Subsequently consequent to the resignation of the said firm, the Company in the Annual General Meeting held on July 20, 2023, appointed Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Ernakulam as the Statutory Auditors of the Company for five years starting from the financial year 2021-22.

The Office of C & AG vide their letter dated October 21 2019 (the "Letter") informed that the Company cannot exempt itself from the provisions of Section 139(5) of the Act which are applicable to a 'deemed Government Company' by virtue of the Circular referred to above. Further, vide letter dated November 25, 2019, the MCA informed that the Company is required to comply with Sections 139(5) and 139(7) of the Act. MCA further directed the Company to take appropriate steps to get the audit of the Company carried out in terms of Sections 139(5) and 139(7) of the Act (i.e., by an auditor appointed by the C&AG).

The Company filed a writ petition on December 2, 2019 with the Hon'ble High Court of Kerala at Ernakulam for:

- Quashing the said letter
- Declaration that the provisions of Section 139 (5) and (7) of the Act are not applicable to the Company; and
- Direction to MCA to refrain from insisting upon appointment of statutory auditor by C&AG in terms of Sections 139(5) and 139(7) of the Act.

The Hon'ble High Court of Kerala by interim Order dated December 3, 2019 has granted interim stay on the operation of the aforesaid Letter pending disposal of the writ petition.

Accordingly the Board of Directors have approved the Consolidated financial statements of the Company for the year ended March 31, 2019, at its meeting held on December 3, 2020, and submitted the same to its previous auditors, Deloitte Haskins & Sells LLP and from 2021-22 to Krishnamoorthy & Krishnamoorthy, Chartered Accountants, for their audit report thereon, in accordance with the requirements of Section 134(1) of the Act.

Based on legal opinion received, the Company's Board of Directors is of the view that the appointment of statutory auditors is in accordance with the provisions of the Companies Act, 2013.

- 40** The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Company towards Provident Fund and Gratuity has received Presidential assent in September 2020. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Kannur International Airport Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

- 41 Disclosure requirements in accordance with amendment to schedule III vide notification dated 24th March 2021 have been incorporated, as the same is made applicable from 1st April 2021 incorporating the same for the previous year, as noted below:
- 41.1 **Wilful Defaulter:**
The company is not declared as wilful defaulter by any bank or financial institution during the year.
- 41.2 **Transactions with Struck off Companies:**
The management confirms that the company had no transaction with any struck off companies during the year.
- 41.3 **Undisclosed Income:**
There are no transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 41.4 **Charge Details:** Details of Registration or satisfaction of charge not registered with ROC beyond the time period are disclosed along with reasons thereof: NIL
- 41.5 **Details of Crypto Currency or Virtual Currency:** The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 41.6 **Loans & advances to Directors/KMP/Related Parties:** Nil
- 41.7 **Details in respect of Utilization of Borrowed funds and share premium in respect of:**
- a. Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities: NIL
- b. Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity: NIL
- 41.8 **Borrowing from Banks and Financial Institutions:**
- a) During the year, the Company has not borrowed fund from Banks/FI (being current assets as collateral security)
- b) No funds have been advanced, loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Company to or in any other person or entity including foreign entity (intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (ultimate beneficiary). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether directly or indirectly lend or invest in other person or entities identified by or on behalf of the Company (ultimate beneficiary) or provide any guarantee, security or the like on behalf of the ultimate beneficiary.
- 41.9 **Scheme of arrangement:** Not Applicable
- 41.10 **Compliance with number of layers of companies** - Not Applicable
- 41.11 Additional information related to CSR Disclosure: Since the company is not covered under Section 135 of the Companies Act, no disclosure is required.
- 41.12 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 41.13 Previous Year figures have been regrouped and reclassified, wherever necessary, to correspond with current year's classification/disclosure and the amount in bracket represents the comparable figures of previous year.
- 41.14 Details of benami property in which proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rule made thereunder has been provided hereunder:
- | | |
|---|------|
| - Details and year of acquisition of such property | :Nil |
| - Amount of property | :Nil |
| - Details of Beneficiary | :Nil |
| - If the property is disclosed in books, Reference in the balance sheet | :Nil |
| - If the property is not in the books, then the facts shall be disclosed with reasons | :Nil |
| - Where there are proceedings against the company under this law as an abettor of the transaction or as the transferor, then the details shall be provided: | :Nil |
| -Nature of proceedings and company's stand thereon | :Nil |

Kannur International Airport Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025

All amounts are in ₹ Lakh unless otherwise stated

42 Ratio analysis and its elements

| Ratio and basis | Numerator | Denominator | As at March 31, 2025 | As at March 31, 2024 | Variance (%) | Remarks |
|--|-----------------------------------|--------------------------|-------------------------|-------------------------|--------------|---------|
| Current ratio | Current assets | Current liabilities | 0.35 | 0.23 | 0.35 | 1 |
| Debt- equity ratio | Total debt | Equity | 2.43 | 1.96 | 0.19 | 2 |
| Return on equity | Profit after tax | Shareholders' Equity | (0.04) | (0.06) | -0.45 | 3 |
| Trade receivable turnover ratio | Revenue from operations | Average trade receivable | 14.12 | 5.75 | 0.59 | 4 |
| Trade payables turnover ratio | Revenue from operations | Average trade payables | 0.51 | 0.36 | 0.29 | 5 |
| Net capital turnover ratio | Revenue from operations | Working capital | (1.07) | (0.44) | 0.59 | 6 |
| Net profit/(loss) ratio | Net profit/(loss) after tax | Revenue from operations | (0.49) | (1.70) | -2.46 | 7 |
| Return on capital employed | Earnings before interest and tax# | Capital employed@ | 0.01 | -0.03 | 3.21 | 8 |

* Earnings for Debt Service = Earnings before finance costs, depreciation and amortisation, exceptional items and tax (EBIDTA)/ (Finance cost for the year + Principal repayment of long-term debt liabilities within one year)

** Cost of Good sold = Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in trade, work-in-progress and property under development + Manufacturing and operating expenses+Costs towards development of property

Earnings before Interest and Tax = Profit after exceptional item and before tax + Finance costs (recognised)

@ Capital Employed = Average of equity and total borrowings

- 1 Increase in cash/bank balance and decrease in shortterm borrowings.
- 2 Decrease in equity due to loss and increase in debt due to refinancing.
- 3 Decrease in loss due to increase in turnover and decrease in equity due to loss.
- 4 Increase in turnover.
- 5 Increase in turnover and increase in trade payable.
- 6 Increase in turnover, increase in cash/bank balance and decrease in shortterm borrowings.
- 7 Decrease in loss and increase in turnover.
- 8 Increase in turnover and cost control measures taken by the company

For and on behalf of the Board of Directors

In terms of our Report attached
For Krishnamoorthy & Krishnamoorthy
 Chartered Accountants
 Firm's Registration Number: 001488S

Sd/-
 Dinesh Kumar C
 Managing Director
 DIN: 09717438

Sd/-
 K Parvathyammal
 Director
 DIN: 07254970

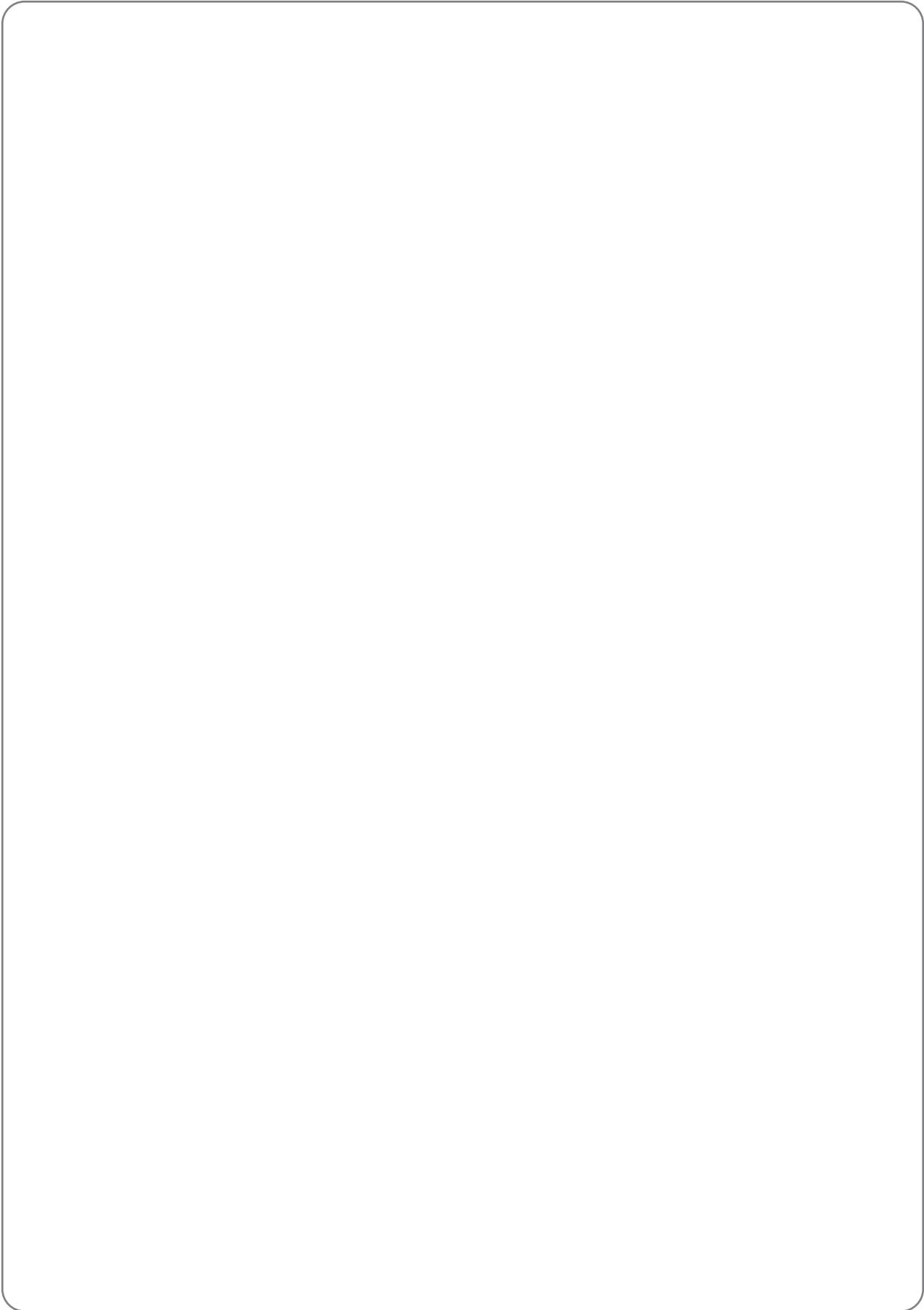
Sd/-
 CA K.T.Mohanan
 Partner, M.No: 201484
 UDIN: 25201484BMHYRY3177

Sd/-
 S Jayakrishnan
 Chief Financial Officer
 PAN: AGPPS4585B

Sd/-
 Aby Eapen
 Company Secretary
 PAN: APOPA3473J

June 23, 2025
 Cochin

June 23, 2025
 Thiruvananthapuram



FACILITIES AND SERVICES



Domestic & International Lounges



Duty Free Shop



Food & Beverage Shops



Foreign Exchanges



Airport Clinic



Airport Hotel



ATM Counters



Baby Feeding Room



Visitors Centre



Fuel Outlet



Merchandise outlets



Parking



Pharmacy



Post Office



Prayer Room



Prepaid Taxi



Smoking Lounge



Passenger Wifi



Special Assistance



Immigration Service

FEATURES

3050 m Long Runway | Instrument Landing System | Code E compliant | Full Length Parallel Taxiway | Apron for parking 20 Code C Aircrafts | Six Aerobridges | ARFF Cat 7 scalable to Cat 9 | Parking Facility for 900 Cars | Full-fledged Cargo Complex | Capacity to handle 9 million passengers | Integrated Terminal with LEED Gold Rating | Lounges in Arrival and Departure | Self Check In Kiosks | Self Baggage Drop Facility | Meet & Greet Services | 24x7 Airport Taxi Service | Airport Hotel Inside Terminal Building | Duty Free Shops with Leading Brands | Visitors' Gallery | Foreign Exchange Services | Baby Care Rooms.

CNN CONNECTIVITY UPDATES

ABU DHABI 17x | BAHRAIN 1x | DOHA 12x | DUBAI 8x | DAMMAM 4x
JEDDAH 2x | KUWAIT 2x | MUSCAT 10x | RIYADH 2x | RAS-AL-KHAIMAH 3x
SHARJAH 12x | FUJAIRAH 7x

INTERNATIONAL

BANGALURU 17x | CHENNAI 11x | COCHIN 7x | DELHI 3x
HYDERABAD 5x | MUMBAI 7x | TRIVANDRUM 3x

DOMESTIC



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