CONTENTS

BOARD OF DIRECTORS (AS ON 30TH NOVEMBER 2021)

Shri Rajiv Bansal	Chairman
Smt. Amrita Sharan	
Shri Vimlendra Anand Patwardhan	
Shri Satyendra Kumar Mishra	

Chief Executive Officer

Shri Rambabu Ch.

Chief Financial Officer

Shri. Rajesh Narain

Company Secretary

Smt. Shashi Bhadoola

Auditors

M/s Shah Gupta & Co.,
Chartered Accountants, Delhi

Bankers

HDFC Bank Limited and Axis Bank

Registered Office

2nd Floor, GSD Building,
Air India Complex, Terminal-2, IGI Airport, New Delhi-110037

CHAIRMAN'S SPEECH

Dear Shareholders

It gives me great pleasure to present to you the 18th Annual Report of the Company for the year 2020-21. AI Airport Services Limited (Formerly Known as Air India Air Transport Services Limited) ("The Company") is a leading ground handling service provider and is operational PAN India.

The Company was operationalised in February 2013 and commenced its autonomous operationalisation from F.Y 2014-15, the Company since its stand-alone operationalisation has been a profitable company excepting the F.Y 2020-21. During the FY 2020-21, the operations of the Company were majorly affected due to advent of COVID-19 pandemic, resulting in losses of Rs 2,230.85 Million. Scheduled International flight operations were suspended completely. Scheduled Domestic flights operations were totally suspended for about two months .Later on Domestic Flights have been gradually permitted to be operated from 45% of the pre-Covid schedules to 85% of the pre-covid schedules, before reducing it to 50% due to the 2nd Covid -19 wave. However, the business of the Company is expected to resume and the Company is also witnessing gradual growth in its business. The Company is also expected to reverse its financial parameters and return back to operational profit in the coming years.

Airport Authority of India issued (Ground Handling, Services)Regulation, 2018, which came into effect on 30th October, 2018 and it was expected that this would have an impact on the size and structure of India's ground handling sector which will be dramatically transformed by significantly increasing the size of the contestable market for third party handlers almost overnight. This is the first time that India has had a single document vision for the aviation sector and that is a welcome development.

PERFORMANCE OF THE COMPANY

During 2020-21, total revenue of the Company was Rs. 3341.15 million as against total restated revenue of Rs. 6961.56 million during 2019-20. The total expenses were Rs 5,572.00 million as against restated expenses of Rs. 5,780.29 million during 2019-20. Loss incurred during the year ended 31st March, 2021 was Rs. 2,230.85 million against restated figure of Profit before Tax of Rs 1,181.27 million during 2019-20. The Net Loss incurred during the period was Rs.2,036.56 million as against the restated Net Profit of Rs.504.83 million during 2019-20.

AI Airport Services Limited handled 51,774 flights (AI & Subsidiaries) during 2020-21 against 1, 33,668 flights during 2019-20. Similarly, AI Airport Services Limited handled 26,579 flights of scheduled and non-scheduled customers during 2020-21 as against 25,020 flights during 2019-20. Further Scheduled flights of customer Airlines handled are 21,859 during 2020-21, as against 25,148 flights during 2019-20. However Non-Scheduled flights handled are 3,161 flights during 2020-21, as against 1,431 flights during 2019-20. There was a significant drop in Scheduled international flights of our customer Airlines during the year 2020-2021.

First quarter of the financial year 2020-21 witnessed the pandemic due to COVID-19 which affected the overall economic growth. The COVID-19 pandemic had a massive impact on the Indian aviation sector in 2020 facing losses and challenging times. Even amidst the 1st wave of COVID-19, AI Airport Services Limited which was operational at 82 Airports in India (as on 31.03.2021) has expanded its business and continuing to render selfless service and has a very major contribution to the success of Mission Lifeline Udan of the Ministry of Civil Aviation, Government of India.

Rising to the challenges of a crisis is nothing new to AI Airport Services. When non entitled Ground Handling Agencies were declared to discontinue the Ground Handling Services effective 1st Jan 2021, AI Airport Services accepted the challenge addressed by MoCA and Airport Authority of India, to take over handling of both International and Domestic carriers at 4 Airports namely Chennai, Kolkata, Goa & Pune. In a Record time of 15 days, AI Airport Services Limited mobilized the resources as well as by ensuring safety in achieving a seamless and smooth transition. Airlines like Air Asia, Air Arabia, Druk Air, Etihad, SpiceJet, Vistara, are just to name a few.

During this pandemic period, along with human tragedy the crisis has also resulted in dramatic damage to employment, where many of the Airlines and Ground Handling Agencies had to send the staff or reduce the manpower to sustain the business.

Whereas, AI Airport Services Limited safeguarded staff salary and restrained from retrenching. More than that AI Airport Services Limited has absorbed to an extent, the employees of non-entitled Ground Handlers, who lost the job.

The commitment and grit shown by employees, during these testing times, has been exemplary. To recognize the services of our 3348 employees who contributed selflessly during the nationwide lockdown, a Certificate of COVID WARRIOR was issued to them as a token of appreciation along with monetary award of Rs.3000/-.

AI Airport Services will be privileged to handle the VVIP flights of Hon'ble President, Vice President and Prime Minister of India. MOU is being entered into with IAF for the next 7 years to handle these VVIP flights at all Airports in India.

AI Airport Services have been recognised and conferred with the Runner up Award in the category of Public Sector Undertaking by BML Munjal Awards named after the Hero Group Chairman and Padma Bhushan Awardee – Dr. Brijmohan Lall Munjal for 'Business Excellence through Learning & Development' in the year 2020-21.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted a CSR Committee in compliance with the provisions of the Companies Act, 2013 and laid down the CSR Policy with the objective of making positive contribution to the society through high impact, sustainable programmes. Considering the profitability of the Company, an amount of Rs. 23.66 million was required to be spent during 2020-21. It has been decided to contribute the said amount to PM Care Fund. A detailed report on the CSR activities forms part of the Directors' Report and is annexed at Annexure II.

CORPORATE GOVERNANCE

AI Airport Services Limited was in compliance with the guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), wherever applicable during the year. The evaluation of various parameters viz. Financial as well Technical was also done in terms of targets set in the Memorandum of Understanding entered into by the company. The evaluation reports as well as return on Corporate Governance were filed with the authorities concerned.

ACKNOWLEDGEMENT

I take this opportunity to thank Air India Limited and Ministry of Civil Aviation for their unstinted support. I also acknowledge the support extended by all other authorities including banks and regulatory agencies and assure that we will continue our course on a growth trajectory, taking AI Airport Services Limited to greater heights. I would like to thank my colleagues on the Board for their valuable guidance.

I would like to thank all employees of AI Airport Services Limited for exemplary efforts to show the world the strength and resilience of our team spirit in pursuit of excellence. I want to thank each one of our employees for their contribution, who have always upheld the image of AI Airport Services Limited.

On behalf of the Board, I seek continued support, as always.

Sd/-
Rajiv Bansal
Chairman

VISION:

To be the Leader in providing World Class Ground Handling services at all Indian Airports and expand Globally.

MISSION :

- **Customer**
  - Provide safe, reliable and on-time services
  - Deliver the highest quality of service at all Indian Airports
  - Provide State-of-the-Art Ramp Equipment
  - Be the epitome of Indian Hospitality
- **Processes**
  - Continuously improve standards of safety and efficiency
  - Continuous upgradation and modernisation of ramp equipment
- **People**
  - To Maintain an energetic, qualified and highly motivated professional team
  - Maintain high degree of work ethics

DIRECTORS' REPORT

The Directors take pleasure in presenting the Eighteenth Annual Report of the Company, together with the Audited Accounts, Auditor's Report and Comments by the Comptroller and Auditor General of India, for the year ended 31st March, 2021.

FINANCIAL PERFORMANCE

(Rupees in Millions)

Particulars	**2020-21**	**2019-20 (Restated)**
Total Revenue	3341.15	6961.56
Total Expenses	5572.00	5780.29
Profit(Loss) before Exceptional Items and Tax	(2230.85)	1181.27
Profit(Loss) before Tax	(2230.85)	1181.27
Current Tax	Nil	393.60
Short Provision of Tax	Nil	27.16
Deferred Tax Asset	(194.29)	310.00
Net Profit(Loss) after Tax	**(2036.56)**	**504.83**

During 2020-21, total revenue of the Company was Rs. 3341.15 million as against total restated revenue of Rs. 6961.56 million during 2019-20. The total expenses were Rs 5,572.00 million as against restated expenses of Rs. 5,780.29 million during 2019-20. Loss incurred during the year ended 31st March, 2021 was Rs. 2,230.85 million against restated figure of Profit before Tax of Rs 1,181.27 million during 2019-20. The Net Loss incurred during the period was Rs.2,036.56 million as against the restated Net Profit of Rs.504.83 million during 2019-20.

OTHER FINANCIAL INFORMATION

Share Capital:

The Authorised Share Capital of the Company is Rs.1000,00,00,000/- (Rupees One Thousand Crores). The Paid-up Share Capital of the Company amounting to Rs.138, 42,42,000/- (13,84,24,200 Equity Shares of Rs.10/- each) has been subscribed and paid-up by Air India Limited.

CHANGES IN SHARE CAPITAL, IF ANY

There was no change in the Authorized and Paid-up Share Capital of the Company.

STAFF STRENGTH

Based on the requirements for handling of Air India, Air India Express, Alliance Air Aviation and Customer airline flights at various Indian stations, the number of staff inducted under various categories as on 31st March, 2021 is given below:

Chief Executive Officer	01
Company Secretary	01
Chief Financial Officer	01
Dy.Terminal Manager/Asst.Terminal Manager/Terminal Manager/Duty Manager/Duty Officer/ Temp Chief Security Officer/Account Asst./Aircraft Technician/Dy.RamMgr/Executive	100

Officer Comm./Officer HR/Officer Accounts/Officer B&D/Asst Officer Comm/officer admin	22
Mgr. - Costing/Mgr. Finance	4
Jr. Executive - Technical	95
Jr. Executive - Pax Handling/Jr. Executive - Customer Services/JEHR	152
Customer Agent	2842
Jr. Customer Agent	594
Sr. Customer Agent	111
RSA/RSA-I/RSA(LG)	563
Sr. RSA/Sr.RSA-I/Sup RSA	106
Security Agent	1180
Sr. Security Agent/Sup.SA	970
Temp FFP Staff/Sup.FFP	12
Utility Agent	91
Utility Agent Cum Ramp Driver	841
HandyMan/SafaiKamgar	5411
Utility Service Agent	25
(Absorbed as per MoU)	-------
Total	13122
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IMPLEMENTATION OF RESERVATION POLICY:

The Reservation Policy has been implemented as per the Presidential Directives issued in the year 1975, along with the revised Directives effective 1991 and 1996.

SC/ST/OBC – Number of employees as on 31 March 2021

Total No. of employees	Total No. of SC employees	% of SC employees	Total No. of ST employees	% of ST employees	Total No. of OBC employees	% of OBC employees
13122	2626	20.01	568	4.32	2980	22.70

ACTIVITIES OF AI AIRPORT SERVICES LIMITED

As per MOCA's direction that outsourcing will not be permitted at airports due to security reasons effective 31 December 2016, AI Airport Services Limited takes pride in implementing Government's decision at all the Operational Airports (where non entities exited) in India where Ground Handling Services are provided by AI Airport Services Limited. There is NIL outsourcing of manpower as of date in AI Airport Services Limited.

IMPLEMENTATION OF OFFICIAL LANGUAGE

The Company is taking effective steps for implementation of the provisions of the Official Language Act and Rules framed under the Act.

SEXUAL HARASSMENT

The provisions of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 have been implemented in the company and necessary actions are being taken in line with guidelines received from time to time to prevent Sexual Harassment of Women at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered.

No complaints of sexual harassment were received during the year 2020-21.

COMPLIANCE WITH THE RTI ACT, 2005

AI Airport Services Limited has successfully ensured compliance with the provisions of Right to Information Act for providing information to the citizens.

AI Airport Services Limited has decentralized its structure to deal with the applications / appeals received under RTI Act with effect from 18 February 2014. 8 Assistant Public Information Officers (APIOs), 5 Public Information Officers (PIOs) and an Appellate Authority have been appointed for speedy disposal of applications / appeals.

During 2020-21, 51 Requests and 05 Appeals were received and all have been disposed off.

CHANGE IN NATURE OF BUSINESS

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

DIVIDEND

The directors are not recommending any dividend for the year.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid / unclaimed dividend for the past years, the provisions of Section 125 of the Companies Act, 2013 did not apply.

AMOUNT TRANSFERRED TO RESERVES

Due to the loss incurred during the year, the Board of Directors have decided not to transfer any amount to reserves during the year.

INFORMATION ABOUT SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes have occurred between 31st March, 2021 and the date of the Board's Report affecting the financial position of the Company.

MEETINGS OF THE BOARD OF DIRECTORS

As required under Section 173 of the Companies Act, 2013, during the F.Y 2020-21, 8 Board Meetings were held through video- conferencing due to ongoing threat of COVID-19 as well as exemption provided by Ministry of Corporate Affairs. Further the provisions of the Companies Act, 2013 were adhered to while considering the time gap between two Meetings. The details of the meetings held during the F.Y 2020-21 are as under:

Sr.No.	Date of Meeting	Board Strength	No. of Directors Present
1	11th June, 2020	4	4

2	10th August, 2020	4	4
3	10th September, 2020	4	4
4	18th November, 2020	4	4
5	14th December, 2020	4	3
6	18th December, 2020	4	4
7	02nd March, 2021	4	4
8	31st March, 2021	4	4

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

1. that in the preparation of the Annual Accounts, the applicable Ind AS have been followed and there has been no material departure;

2. that the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2021 and of the profit or loss of the Company for the year ended on that date;

3. that 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 fraud and other irregularities;

4. the Company being an unlisted Company, provisions of Section 134(3)(e) are not applicable;.

5. that the annual accounts have been prepared on a going concern basis; and

6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable Laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

As per the provisions of Section 177 of the Companies Act, 2013, Audit Committee comprising of the following Directors was constituted in November 2014. Presently, the Audit Committee comprises of

Name of the Director	Position Held in the Committee	Category of the Director
Shri V.A Patwardhan, Jt. Secretary & Financial Advisor, MOCA	Chairperson	Government Nominee Director
Shri S.K. Mishra, Jt. Secretary, MOCA	Member	Government Nominee Director
Shri Rajiv Bansal, Chairman & Managing Director, Air India Limited	Member	Chairman (Nominee Director)
Smt. Amrita Sharan, Air India Nominee Director	Member	Nominee Director

The Board has accepted the recommendations of the Audit Committee.

AUDITORS

M/s Shah Gupta & Co., Chartered Accountants, Delhi, were appointed as Statutory Auditors for the year 2020-21 by the Comptroller & Auditor General of India.

Management clarifications / explanations to the observations / qualifications or adverse remarks in the Auditor's Report are attached. The Notes on financial statements are self-explanatory and need no further explanation.

LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the provisions of Section 186 are not applicable to the Company.

SECRETARIAL AUDIT REPORT

The Board has appointed M/s Agarwal S. & Associates, Company Secretaries, Delhi to conduct the Secretarial Audit for Financial Year 2020-21. The Secretarial Audit Report for the Financial Year ended 31st March, 2021 is annexed at Annexure IV to this Report.

The Managements' Comments on Secretarial Auditors' observations are as under:

Secretarial Auditor's Observation	Management's Reply
The Company has not appointed Woman Director as required under the second proviso to Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of directors) Rules, 2014 during the period from 01.04.2020 to 10.09.2020	This is a statement of fact. The Matter was taken up with Ministry of Civil Aviation for necessary action in the matter and accordingly Smt. Amrita Sharan Women Director, AI nominee has been appointed on the Board of company w.e.f 11.09.2020.

COST AUDIT

The Company maintains Cost Accounts and records as per the provisions of Section 148(1) of the Act and the same are audited by the Cost Auditors. During the F.Y 2020-21, the Cost Audit Reports for F.Y 2018-19 and 2019-20 have been filed with the Ministry of Corporate Affairs on 06th July, 2020 and 22nd March, 2021 respectively. The Cost Audit for F.Y 2018-2019 and 2019-20 were conducted by M/s Meena Gupta & Associates, Cost Accountants, Mumbai. The same Cost Auditors were appointed for the Financial Year 2020-21.

SIGNIFICANT & MATERIAL ORDERS

During the year no significant and material orders were passed by the Regulators, Courts or Tribunals impacting the Going Concern Status and Company's operations in future.

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

(A) **Conservation of Energy and Technology Absorption**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of Conservation of Energy and Technology Absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

However, the Company has installed Roof Top Grid Tied Solar Power System of 50kw power capacity in Delhi and Chennai, which can yield around 220kwh electric energy per day on an average and it, is performing well.

(B) **Foreign Exchange Earnings and Outgo**

The foreign exchange earnings and outgo during the year under review was as under:

USD in Millions

Earnings	USD 11.86
Outgo	USD 10.75

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted Corporate Social Responsibility (CSR) Committee as under, in compliance with the provisions of Section 135 of the Companies Act, 2013, the Rules made thereunder and the guidelines formulated by the Department of Public Enterprises. As on 31st March, 2021, the CSR Committee comprises of

Shri Rajiv Bansal	Chairman
Shri V.A Patwardhan	Member
Shri S.K Mishra	Member
Smt. Amrita Sharan	Member

The Board in its Meeting held on 23 May 2016 approved the CSR Policy and further revised the CSR Policy in its meeting held on 11th June, 2020. The Board has also approved an expenditure of Rs.23.66 (million) towards CSR activities during the financial year 2020-21 after considering the profitability of the Company. Further, it has been decided that with the said amount, the company will make contribution to PM Care fund.

Annual Report on CSR Activities for the F.Y 2020-21 is enclosed as Annexure-II

SECRETARIAL STANDARDS

During F.Y 2020-21, the Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance. The detailed Corporate Governance Report forms part of this Annual Report separately.

EXTRACT OF ANNUAL REPORT

In compliance with the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is annexed at Annexure III and Form MGT-7, Annual Return shall be displayed on Company's website at www.aiatsl.com.

PARTICULARS OF EMPLOYEES

As per Ministry of Corporate Affairs Notification dated 5 June 2015, provisions of Section 134(3)(e) are not applicable to a Government Company.

Consequently, details on Company's policy on Directors' appointment and other matters are not provided under Section 178(3).

Similarly, Section 197 shall not apply to a Government Company. Consequently, statement showing the names and other particulars of every employee of the Company, who if employed throughout / part of the Financial Year, was in receipt of remuneration in excess of the limits set out in the Rules, is not provided in terms of Section 197(12) read with Rule 5(1) / (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

AI Airport Services Limited being a Government Company, its Directors are appointed / nominated by the Government of India as per the Government / DPE Guidelines which also include fixation of pay criteria for determining qualifications and other matters.

DEPOSITS

The Company has not accepted any deposits during the year under review.

ANNUAL EVALUATION

Vide Notification No.G.S.R.463 (E) dated 5 June 2015, the provisions of Section 134(3)(p) relating to Board Evaluation are not applicable since the Directors are evaluated by the Ministry of Civil Aviation.

INDEPENDENT DIRECTORS AND DECLARATION

AI Airport Services Limited is a wholly owned Subsidiary of Air India Limited. As per the provisions of Article 98 of the Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen all of whom shall be appointed by Air India Limited, who in turn can do so subject to the directions of the Government of India.

AI Airport Services Limited is an unlisted Public company and a wholly owned subsidiary of Air India Limited and as per Ministry of Corporate Affairs Circular dated 5th July 2017, exemption has been given to unlisted wholly owned subsidiary companies from appointing Independent Director.

NOMINATION & REMUNERATION COMMITTEE

The constitution of Nomination & Remuneration Committee under section 178 of Companies Act 2013 has been exempted for the unlisted wholly owned subsidiary companies vide notification no. GSR 880(E), dated 13-07-2017. AI Airport Services Limited being an unlisted wholly owned subsidiary company of Air India thus got exempted from these provisions.

REMUNERATION POLICY

Remuneration to Executive Directors and Non-Executive Directors

Provisions of Section 197 of the Companies Act, 2013 in respect of remuneration to Directors of the Company are not applicable to Government Companies vide Notification No.G.S.R.463(E) dated 5 June 2015.

RISK MANAGEMENT

The Company is in the process of formulating the Risk Management Policy with the following objectives:

- Provide an overview of the principles of Risk Management
- Explain approach adopted by the Company for Risk Management
- Define the Organisational Structure for effective Risk Management

- Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions
- Identify, assess and manage existing and new risks in a planned and co-ordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

DIRECTORS & KEY MANAGERIAL PERSONNEL(KMP)

During the Financial Year 2020-21, the following changes have occurred in the constitution of Directors and KMP of the Company:

Sr No.	Name	Designation	Date of Appointment	Date of Cessation	Mode of Cessation
1	Smt. Amrita Sharan	Nominee Director	11.09.2020		
2	Shri Vinod Shanker Hejmadi	Nominee Director	07.12.2015	11.09.2020	Ceased to be Nominee Director
3	Shri Ashvini Kumar Sharma	CEO	11.06.2020		
4.	Smt. Shashi Bhadoola	CS	11.06.2020		
5	Shri JV Ravi Kumr	CFO	28.03.2018	02.03.2021	Ceased to be CFO
6.	Shri Rajesh Narain	CFO	02.03.2021		

However, Capt. Ashvini Kumar Sharma ceased to be Chief Executive Officer effective 31-07-2021 and Shri Rambabu Ch., has been appointed as Chief Executive Officer by MoCA vide its Order No. 18014/02/2015-AI dated 09.07.2021 and taken over charge as CEO, w.e.f 31-07-2021.

RELATED PARTY TRANSACTIONS

The Company, during the Financial Year, entered into contracts or arrangements with related parties, which were in the ordinary course of business and on an arm's length basis. These transactions are not falling under the provisions of Section 188(1) of the Act.

Exemption from the first and second proviso to sub-Section (1) of Section 188 with regard to obtaining approval of the Company in General Meeting, has been provided to a Government Company in respect of contracts or arrangements entered into by it with any other Government Company.

The Company has obtained approval of the Board in its 81st Meeting held on 18th December 2020 to enter into contracts / arrangements with Air India Limited and its subsidiary companies (Government Companies) for an estimated amount of approximately Rs. 274 Crores during 2020-21.

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

The comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the accounts of the Company for the year ended 31 March 2021 will be annexed to this Report.

ACKNOWLEDGEMENTS

The Board gratefully acknowledges the support and guidance received from Air India Limited, the Ministry of

Civil Aviation, Airport Authority of India, Bureau of Civil Aviation Security. The Board expresses its grateful thanks to the Comptroller and Auditor General of India, the Ministry of Corporate Affairs, the Statutory Auditors and various other Government Departments.

For & on behalf of the Board

Sd/-
Rajiv Bansal
Chairman

Place : New Delhi

Date : 13.09.2021

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. ANALYSIS OF FINANCIAL PERFORMANCE

Revenue

- Total revenue earned during the year was Rs.3341.15 million as against restated Rs. 6961.56 million during 2019-20.

Expenditure

- The total expenditure incurred during the year was Rs 5572.00 million as compared to the restated previous year's figure of Rs. 5780.29million.

2. FUTURE OUTLOOK

AI Airport Services Limited, a wholly owned subsidiary of Air India Limited was operationalised *on* 1st February, 2013 and started its independent operations effective April 2014. Presently, AI Airport Services Limited provides ground handling services at 103 Airports (at 82 Airports, AI Airport Services is fully Operational and at 21 Airports AI Airport Services is setting as per the development of business) in India. Apart from handling the flights of Air India and its Subsidiary Companies, ground handling is also provided to 55 Foreign Scheduled Airlines, 4 Domestic Scheduled Airlines, 4 Regional Airlines, 7 Seasonal Charter Airlines, 23 Foreign Airlines availing Perishable Cargo handling. Additionally AI Airport Services Limited also provides cabin cleaning & cabin dressing services besides undertaking repairs of aircraft Unit Load Device (ULD) and meal carts. Ground Handling was provided for 51,774 flights (Air India and Subsidiaries) and 26,579 flights of scheduled and non-scheduled customer airlines during 2020-21.

Covid-19 Pandemic has had a severe impact on aviation & tourism sectors. Initially the scheduled flights were completely stopped for about two and half months. Later on it was opened up for domestic flight operations in a calibrated manner. International flights were completely stopped, while allowing evacuation flights in the name of “Vande Bharat” evacuations flights. Then the 2nd Wave of Covid pandemic came, which had affected domestic schedule operations and International schedules operations further. While domestic flights operations curtailed to 50% of pre-pandemic schedules and 100% curtailment of international flights continued. However, Evacuation flights continued in a calibrated manner and Air bubble flights started operating.

These curtailments had a severe impact on the Civil Aviation Industry in India and all over the world. AI Airport Services Limited was no exception to this severe impact. Further, AI Airport Services Limited honnouring the Govt. of India directions and therefore did not retrench any of its employees. No staff/ employees were sent on leave without pay, unlike other GHAs in India, who had resorted to sending their employees on leave without pay, and terminating their employees. Space rentals, lease rentals continued to impact the financials with limited revenues during the period.

All these factors had cumulatively affected all the GHAs in India and AI Airport Services Limited could still sustain, predominantly due to the business of AI Group Companies, Air India, Air India Express, Alliance Air and AI Engineering.

There would be significant opportunity due to the exit of non-entities and opening up of Domestic and International flight operations.

Effective 1st January 2021, the contract of unauthorized Ground Handlers at four AAI controlled Airports at MAA, CCU; PNQ & GOI were not extended. AI Airport Services Limited got an opportunity to expand the Client base at these Airports by taking over the handling of all Carriers operating at these stations thereto being handled by such unauthorized Ground Handlers.

Further Airports Authority of India vide its notification disallowed the unauthorized handling agencies to perform ground handling at all the Airports effective 1st July 2021. For Schedule Airlines it had extended the time till 15th July 2021 to make arrangements for Ground Handling. For Non-Schedule Airlines AI Airport Services has taken over the ground handling at all these stations where such unauthorized ground handlers ceased to exist. The Ground Handling for the Schedule Domestic Airlines has been taken over by AI Airport Services Limited effective 16th July 2021 at almost all these stations except a few airports where the unauthorized Handling Agencies still continue to function due to legalities with the Airport Operator.

AI Airport Services Limited operations along with financials will continue to recover with the opening up of the flight operations both Domestic & International by DGCA/MOCA. The major earnings are from handling international flights thereby the foreign exchange inflow will be available towards foreign procurement as well as possibly deriving foreign exchange gains in revenue earnings to the Company. AI Airport Services Limited with Pan India presence is to be the market leader in the country and with its capability should be able to venture into few of the foreign countries wherever Air India is operating.

Turning now to the year ahead, the Company has a positive view and our focus has shifted from profitability and growth to cash management and liquidity. While we are optimistic, we take nothing for granted. We will remain vigilant and focused on the key value drivers of our business. This includes expansion of Ground Handling business from 82 airports to 103 airports. Demand is expected to increase for services for Ground handling for Schedule as well as Non Schedule flight operations. We will continue to assess opportunities to acquire more businesses of Ground Handling.

3. GOING CONCERN

The Company has earned net profit since 2012-13 which has increased from Rs.5.06 million during 2012-13 to Rs. 504.83 million during 2019-20. However, due to the COVID-19 situation, the Company has incurred a loss of Rs.2036.56 million.

With Airport Authority of India (Ground Handling, Services) Regulation, 2018, which came into effect on 30th October, 2018, India's ground handling sector has been dramatically transformed.

The Ground Handling market in India is poised to grow on account of preferential travelling by air, increasing population, government UDAAN scheme and various initiatives taken by airport operators. In such stimulated industrial environment, there would be significantly larger market opportunity for Ground Handling as hence for AI Airport Services Limited .

4. HUMAN RESOURCES

Staff Strength

The number of staff inducted on Contract under various categories as on 31 March 2021 was 13122.

5. RISK MITIGATION STRATEGIES

The Company continuously monitors the risk perceptions and takes preventive action for mitigation of risks on various fronts.

6. INTERNAL CONTROL SYSTEMS

M/s Kakaria & Associates, Chartered Accountants, Mumbai have been appointed as Internal Auditors to review the business processes and controls to assess the adequacy of internal control system, to ensure compliance with all applicable laws and regulations and facilitate in optimum utilisation of resources and protect the Company's for F.Y 2020-21.

REPORT ON CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS

AI Airport Services Limited is a public sector undertaking and wholly owned subsidiary of Air India Ltd. Its Directors are appointed by holding company / administrative ministry. As per Articles of Association of the Company, the number of Directors shall not be less than three and not more than fifteen all of whom shall be appointed by Air India Ltd. Accordingly, the composition of Board of AI Airport Services Limited has been prescribed by MOCA vide its order dated 26- 12-2012.

Board Of Directors as on 31 March 2021

Shri Rajiv Bansal, Chairman	Chairman & Managing Director Air India Limited-Chairman
Smt. Amrita Sharan Director (Personnel), Air India Limited	Air India, Nominee Director
Shri V.A Patwardhan Jt. Secretary & Financial Advisor Ministry of Civil Aviation	Government Nominee Director
Shri S.K Mishra Jt. Secretary Ministry of Civil Aviation	Government Nominee Director

Shri Ashwani Lohani ceased to be Chairman effective 14-02-2020 and Shri Rajiv Bansal, who was appointed Chairman & Managing Director of Air India, became Chairman of the company, in ex officio capacity, from that date.

Further, Smt. Amrita Sharan was appointed as Woman Director by Air India vice Shri Vinod Hejmadi w.e.f. 11-09-2020.

The Board places on record its appreciation of the valuable services rendered by Shri Vinod Shanker Hejmadi as director on the Board of the Company and welcomes him on the Board as a Special Invitee.

During the year, all Meetings of the Board and the Annual General Meeting were chaired by the Chairman of the Company.

Details regarding the Board Meetings, Annual General Meeting, Directors' Attendance thereat, Directorships and Committee positions held by the Directors are as under:

2. BOARD MEETINGS

Eight Board Meetings were held during the financial year on the following dates :

11th June, 2020 (76th Meeting)

10th August, 2020 (77th Meeting)

10th September, 2020 (78th Meeting)

18th November, 2020 (79th Meeting)

14th December, 2020 (80th Meeting)

18th December, 2020 (81st Meeting)

02nd March, 2021 (82nd Meeting)

31st March, 2021 (83rd Meeting)

Particulars of Directors including their attendance at the Board / Shareholders' Meetings during the financial year 2020-21:

Name of the Director	Academic Qualifications	Attendance out of 8 Board Meetings held during the year	Details of Directorships held in other Companies	Memberships held in Committees
Shri Rajiv Bansal Chairman (from 14th February, 2020)	Civil Engineer from IIT Delhi, Diploma in Finance, ICFAI, Hyderabad Exe Masters in International Business, IIFT, Delhi	8	Chairman Air India Limited, Air India Express Limited, AI Airport Services Limited , AI Engineering Services Limited, Alliance Air Aviation Limited, Hotel Corporation of India Limited, Air India Asset Holding Limited, Air India SATS Airport. Director Air Mauritius Ltd, Air Mauritius Holdings Ltd, Bharat Yantra Nigam Limited	Chairman Corporate Social Responsibility Committee- AI Airport Services Limited Member Nomination & Remuneration Committee- Air India Limited; Audit Committee- Hotel Corporation of India Limited and AI Airport Services Limited Permanent Invitee Audit Committee-Air India Limited, AI Engineering Services Limited ,Alliance Air Aviation Limited

Name of the Director	Academic Qualifications	Attendance out of 8 Board Meetings held during the year	Details of Directorships held in other Companies	Memberships held in Committees
Shri S. K. Mishra Jt. Secretary, Ministry of Civil Aviation -Government Nominee Director (From 2nd February, 2017)	M.Tech (Applied Geology) M.A. (Public Policy)	8	<u>Director</u> Air India Limited, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Ltd, Air India Assets Holding Limited	<u>Member</u> Nomination & Remuneration Committee- Air India Limited; HR Committee- Air India Limited; Audit Committee- AI Airport Services Limited, AI Engineering Services Limited and Hotel Corporation of India Limited; Air India Asset Holding Limited CSR Committee- AI Airport Services Limited, Air India Limited.
Shri Vinod Shanker Hejmadi Air India Nominee Director (From 7th December, 2015 to 11th September, 2020)	B.Com., ACA	3 (Note 3 Meetings were attended by him in the capacity of Directors and rest 5 Meetings were attended by him as a Special Invitee on the Board)	<u>Director</u> Air India Ltd, Air India Express Ltd, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Ltd, Alliance Air Aviation Limited ,Air India SATS Airport Services Pvt Ltd, Air India Assets Holding Limited	<u>Chairman</u> HR Committee- Air India Limited; Corporate Social Responsibility Committee- Air India Express Limited <u>Member</u> Nomination & Remuneration Committee- Air India Limited; Corporate Social Responsibility & Sustainability Development Committee-Air India Limited;

Name of the Director	**Academic Qualifications**	**Attendance out of 8 Board Meetings held during the year**	**Details of Directorships held in other Companies**	**Memberships held in Committees**
				Corporate Social Responsibility Committee-AI Airport Services Limited, Share Allotment Committee- Air India Limited; Audit Committee- Hotel Corporation of India Limited, AI Airport Services Limited Air India Express Limited, AI Engineering Services Limited and Alliance Air Aviation Limited. Finance Committee- Air India Limited. Special Invitee: Audit Committee-Air India Limited.
Smt. Amrita Sharan (From 11th September, 2020	MBA	5	Director Air India Limited, AI Airport Services Limited, Hotel Corporation of India Limited,	Member Audit Committee-AI Airport Services Limited CSR Committee-AI Airport Services Limited

Name of the Director	Academic Qualifications	Attendance out of 8 Board Meetings held during the year	Details of Directorships held in other Companies	Memberships held in Committees
Shri V.A Patwardhan, Joint Secretary & Financial Advisor, Ministry of Civil Aviation- Government Nominee Director (From 20th March, 2020)	B.Com	7	Director Air India Limited, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Limited, Air India Asset Holding Limited, Pawan Hans Ltd., Indian Renewable Energy Development Agency Limited (IREDA), Solar Energy Corporation of India Ltd. (SECI).	Chairman Audit Committee- AI Airport Services Limited and Hotel Corporation of India Limited; AI Engineering Services Limited, Share Allotment Committee- Air India Limited Member Audit Committee-Air India Limited, , Solar Energy Corporation of India Ltd (SECI) CSR Committee-AI Airport Services Limited Remuneration Committee-, Solar Energy Corporation of India Ltd

3. BOARD PROCEDURE

The meetings of the Board of Directors are generally held at Air India's Headquarters in New Delhi. The meetings are scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the operating performance of the Company. The agenda for the meetings is prepared by the officials of the concerned departments and approved by the CEO & the Chairman. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarification as and when required. Action Taken Reports are put up to the Board periodically. To enable better and more focused attention on the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose.

4. CODE OF CONDUCT

In terms of requirements of DPE guidelines on Corporate Governance for CPSEs, Board has adopted Code of Conduct for the Directors and Senior Management. There is a system of affirming compliance with the Code by the Board Members and Senior Management Personnel of the Company. A declaration of compliance signed by Chief Executive Officer of the Company is enclosed with the Report.

5. BOARD COMMITTEES

AUDIT COMMITTEE

As part of the Corporate Governance and in compliance with the provisions of the Companies Act, 2013 and DPE Guidelines, the Company constituted the Audit Committee of the Board in November 2014.

As on 31 March 2021, the following were the Members of the Audit Committee:

Joint Secretary & Financial Advisor, MOCA	Chairman
Joint Secretary, MOCA	Member
Chairman & Managing Director, Air India Ltd	Member
Air India Nominee Director	Member

The terms of reference of this Committee are:

- To recommend for appointment, remuneration and terms of appointment of auditors of the company;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To review the Internal Audit program & ensure co-ordination between the Internal & External Auditors as well as determine whether the Internal Audit function is commensurate with the size and nature of the Company's Business;
- To discuss with the Auditor before the audit commences the nature & scope of the audit;
- To examine the financial statements and the auditors' report thereon;
- To review the Statutory Auditor's Report, Management's response thereto and to take steps to ensure implementation of the recommendations of the Statutory Auditors;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- To consider any other matter as desired by the Board.

Meetings of the Audit Committee

The Audit Committee had met Eight times during the year to review various issues including inter alia Financial Statement of the Company for the year before submission to the Board, as per details given below:

11th June, 2020 (17th Meeting)

10th August, 2020 (18th Meeting)

10th September, 2020 (19th Meeting)

18th November, 2020 (20th Meeting)

14th December, 2020 (21st Meeting)

18th December, 2020 (22nd Meeting)

02nd March, 2021 (23rd Meeting)

31st March, 2021 (24th Meeting)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted Corporate Social Responsibility (CSR) Committee as under, in compliance with the provisions of Section 135 of the Companies Act, 2013, the Rules made thereunder and the guidelines formulated by the Department of Public Enterprises. As on 31st March, 2021, the CSR Committee comprises of

Chairman & Managing Director, Air India Ltd	Chairman
Joint Secretary & Financial Advisor, MOCA	Member
Joint Secretary, MOCA	Member
Air India Nominee Director	Member

Meetings of the CSR Committee

The CSR Committee had met Six times during the year to review various issues related to CSR Budget, CSR Activities, etc., as per details given below:

11th June, 2020 (8th Meeting)

10th August, 2020 (9th Meeting)

18th November, 2020 (10th Meeting)

14th December, 2020 (11st Meeting)

18th December, 2020 (12nd Meeting)

31st March, 2021 (13th Meeting)

Annual General Meetings (AGM) during the last three years :

AGM Number	Date and time of the Meeting	Venue	Special Resolution
15th 15th (Adjourned)	26th December, 2018 at 1600hrs 3rd January 2019 at 1200hrs	Airlines House,113 Gurudwara Rakabganj Road, New Delhi 110 001 Airlines House,113 Gurudwara Rakabganj Road, New Delhi 110 001	NIL NIL
16th	26th December, 2019 at 1130hrs	2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi-110037	Yes

17th	29th December 2020 at 1100hrs	Airlines House,113 Gurudwara Rakabganj Road, New Delhi 110 001	Yes
17th (Adjourned)	9th March, 2021 at 1100hrs	Airlines House,113 Gurudwara Rakabganj Road, New Delhi 110 001	

CODE OF CONDUCT

DECLARATION

I hereby declare that all the Board Members & Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors for the year ended 31 March 2021.

Sd/-

(Rambabu Ch.)
CEO
AI Airport Services Limited
(Formerly Known as Air India Air Transport Services Limited)

Place : Delhi

Date : 13.09.2021

Annexure I

AI AIRPORT SERVICES LIMITED (FORMERLY KNOWN AS AIR INDIA AIR TRANSPORT SERVICES LIMITED)

CSR POLICY

A. Background

The new Companies Act, 2013 has introduced the concept of Corporate Social Responsibility (CSR) through its 'comply' – explain mandate. In terms of the provisions of this Act, w.e.f. 1 April 2014 every Company, Private Limited or Public Limited, which has a net worth of Rs.500 crores or a turnover of Rs.1000 crores or net profit of Rs.5 crores has to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the Act. The Companies (CSR Policy) Rules, 2014 place down the framework and modalities of carrying out CSR activities.

B. CSR Policy

I. Objective and Scope

The main objective of the CSR Policy is to lay down guidelines for AI Airport Services Limited (Formerly known as Air India Air Transport Services Limited) ("AI APS") to make CSR as one of the areas which focuses on making a positive contribution to society through high impact, sustainable programs.

AI APS will focus on CSR activities in and around areas of Company's operations viz., airports and city offices. AI APS is committed to allocate at least 60% of the CSR budget for these local communities.

AI APS will implement CSR activities to empower weaker, less privileged and marginalized sections of the society to create social capital.

II. CSR Organization Structure

a) CSR Committee

The Company will have a Board Level Sub Committee, hereinafter referred to as CSR Committee, consisting of three or more Directors out of which at least one shall be an Independent Director, if any. The roles / responsibilities of the CSR Committee include :

(i) Formulate and recommend a CSR Policy to the Board of Directors for approval.

(ii) Recommend CSR activities as stated in the Schedule VII of the Companies Act 2013.

(iii) Recommend the CSR budget to be incurred on the activities referred to in clause (ii) above.

(iv) Spend the allocated amount on the CSR activities once the same is approved by the Board.

(v) Monitor the CSR Policy of the Company from time to time.

(vi) Create a transparent monitoring mechanism for implementation of the CSR projects / programs / activities.

(vii) Approve projects / programs / activities with monetary value of Rs.50 lakhs and above in each case.

(viii) Approve projects / programs / activities of any value which are outside AI APS's focus areas.

b) CSR Working Committee

Members of CSR Working Committee:

(i) Chief Executive Officer Chairman

(ii) Chief of Finance

(iii) Chief of Personnel

(iv) Company Secretary

The roles and responsibilities of the CSR Working Committee include :

(i) Review the proposals for CSR projects / programs / activities received from various locations

(ii) Approve proposals of value less then Rs.10 lakhs against approved allocated budget

III. CSR Focus Area Projects / Programs / Activities

(a) AI APS's CSR focus area projects / programs / activities are inspired by national developmental policies for development of children, women and weaker sections of the society and are based on inspiration from legislations on child rights, child development and education, national skilled development mission, Swach Bharat Mission and policies on community / rural development.

(b) The Company proposes to implement its CSR activities in the areas of

- Education
- Skilled development
- Environment and community development
- Drinking water
- Rural development
- Child care
- Conservation of natural resources
- Promoting and development of art and culture
- Public libraries
- Promotion and development of traditional arts and handicrafts
- Sports
- Health& Nutrition

(c) Detailed break up of projects / programs / activities under each of the above areas will be approved in line with the limits of authority manual.

(d) Any projects / programs / activities in areas other than the above will be taken up with the approval of the CSR Committee.

(e) These projects / programs/ activities shall be undertaken at any of the following :

- The area in the proximity to AI APS's operation area / locations

- In Backward Region Grant Fund (BRGF) districts as identified by Planning Commission
- Where there is a strategic connect for AI APS

(f) CSR projects / programs / activities will be implemented through implementing partners / specialized agencies. The minimum eligibility criteria for an implementing partner are as follows :

- It must be a registered society, trust, company or any specialized agency having minimum of three years of experience post registration in handling activities of similar nature.
- Experience of working with any government body or public sector enterprise will be preferred.

However, the selection authority can request any other qualification on a mandatory basis from the applicants while selecting the implementing partners.

IV. CSR Budget / CSR Spend

(i) As provided under the Companies Act, 2013 AI APS shall earmark as CSR Budget at least 2% of the average net profits of the Company during the three immediately preceding financial years.

(ii) Budgetary allocation :

(a) Not less than 60% of the budget will be allocated for activities in a project mode.

(b) Not more than 5% of the budget will be allocated for capacity building and communications.

(c) Balance budget could be for one time and other social activities.

(d) In case the Company fails to spend the budget in any particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which shall be reported by the Board in the Directors' Report for that particular financial year. Any surplus arising out of the CSR projects / programs/ activities shall not form part of the business profit of the Company.

V. Monitoring Mechanism

(i) Monitoring process will be a two tier mechanism through

(a) CSR Committee on quarterly basis

(b) CSR Working Committee and Representatives of entities with which the Company decides to collaborate together would ensure effective implementation and monitoring of the projects / programs/ activities approved by the CSR Committee. They will submit periodic reports to the CSR Committee on the progress of various projects / programs / activities approved by the Committee.

(ii) In addition to the above, at the end of the year third party impact assessment of major projects will be carried out.

VI. Publication of CSR Policy and Programs

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website.

VII. Policy Review and Future Amendment

The Committee shall annually review its CSR Policy and make suitable changes as may be required and submit the same for the approval of the Board.

Annexure-II

AI AIRPORT SERVICES LIMITED (FORMERLY KNOWN AS AIR INDIA AIR TRANSPORT SERVICES LIMITED)

ANNUAL REPORT ON CSR FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the Company.

- The Board of Directors of the Company have adopted a CSR Policy, which includes implementation of CSR activities in the areas of Education, Skill Development, Women Empowerment, Environment, Rural Development, Child and Women Health, etc. The Company's Policy is to focus on making positive contribution to the society through high impact, sustainable programs. At least 60% of the CSR budget would be allocated for CSR activities in a project mode. The Company will implement CSR activities to empower weaker, less privileged and marginalized sections of the society to create social capital.
- The CSR focus area projects / programs / activities are inspired by the National Development Policies and would cover various areas as detailed in the CSR Policy. These activities could be undertaken in the proximity of the Company's operation area, BRGF districts as identified by Planning Commission and where there was a strategic connect for the Company.
- The CSR projects / programs / activities would be implemented through implementing partners / specialized agencies, the selection of whose would be based on the laid down criteria.
- A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken can be viewed on the website of the Company i.e. www.aiatsl.com.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Rajiv Bansal	Chariman	6	6
2.	Shri V.A Patwardhan	Member	6	6
3.	Shri S.K Mishra	Member	6	6
4.	Smt. Amrita Sharan	Member	6	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

S. No	Particulars	Weblink
1.	Composition of CSR Committee	http://www.aiatsl.com/resources/Composition%20of%20CSR%20Committee.PDF
2.	CSR Policy	http://www.aiatsl.com/resources/CSR%20Policy.pdf
3.	Project approved by the Board	http://www.aiatsl.com/resources/CSR%20Activity%202020-21.PDF

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).:

Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Not Applicable

6. Average net profit of the company as per section 135(5): Rs. 1,182,987,656/-

7.(a) Two percent of average net profit of the company as per section 135(5): 2,36,59,751/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c)Amount required to be set off for the financial year, if any: NA

(d) Total CSR obligation for the financial year (7a+7b- 7c).: 2,36,59,751/-

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
5,38,90,383/-	-	-			

(b) **Details of CSR amount spent against ongoing projects for the financial year**:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implem-entation	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1. -												

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation on Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State	District.			Name.	CSR registration number.
1.	IGRUA	Promotion of Education	No	UP	Amethi	5,38,90,383	NA	NA	NA
	TOTAL					5,38,90,383			

(d) **Amount spent in Administrative Overheads:** NIL

(e) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** 5,38,90,383

(g) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1	2018-19	-	3,31,41,569	-	-	-	-
2	2019-20	-	2,07,48,814				-
	TOTAL		**5,38,90,383**				

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project-Completed/ Ongoing.**
1.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details).: NA

(a) Date of creation or acquisition of the capital asset(s).

NA

(b) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

NA

(c) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)**.:

NA

(d) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The company was required to spend Rs. 7,75,50,134/- on CSR activities during Financial Year 2020-21 (Rs.2,36,59,751/- of 2020-21 and Rs. 5,38,90,383/- unspent from last few years) . The Company has contributed during 2020-21 Rs. 5, 38, 90,383/- to Indra Gandhi Rashtriya Uran Akademi (IGURA) for promotion of education. However, considering that the desired level of CSR spending could not be carried out. The matter was placed before the CSR Committee and Board in a meeting dated 31st March 2021, wherein, the Board decided to contribute the amount of Rs. 2, 36, 59,751/- to PM care fund at the earliest but not later than 30.09.2021.

For AI Airport Services Limited
(Formerly Known as Air India Air Transport Services Limited)

Sd/- **Rajiv Bansal** Chairman of CSR Committee	Sd/- **Rambabu Ch.** Chief Executive Officer
Sd/- **Shashi Bhadoola** Company Secretary	Sd/- **Rajesh Narain** Chief Financial Officer

Annexure III

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR 2020-21 FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U63090DL2003PLC120790
2.	Registration Date	9th June 2003
3.	Name of the Company	AI AIRPORT SERVICES LIMITED (FORMERLY KNOWN AS AIR INDIA AIR TRANSPORT SERVICES LIMITED
4.	Category/Sub-category of the Company	Government Company
5.	Address of the Registered office & contact details	2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi South West Delhi DL 110037 IN
6	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg Vikhroli (West) Mumbai – 400083 +91 22 49186000

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

Sr No	**Name and Description of main products / services**	**NIC Code of the Product/ service**	**% to total turnover of the company**
1.	Service activities incidental to air transportation	522	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

Sr. No.	**Name and Address of the Company**	**CIN/GIN**	**Holding / Subsidiary / Associate**	**% of Shares**	**Applicable Section**
1	Air India Limited Airlines House 113 Gurudwara Rakabganj Road New Delhi, 110 001.	U62200DL2007GOI161431	Holding	100%	2 (46)

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2020]				No. of Shares held at the end of the year [As on 31-03-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	138424191	9	138424200	100	138424191	9	138424200	100	
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	138424191	9	138424200	100	138424191	9	138424200	100	
B. Public Shareholding	Not Applicable								
1. Institutions									
a) Mutual Funds/UTI									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify) Foreign Banks									
Sub-total (B)(1):-									

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2020]				No. of Shares held at the end of the year [As on 31-03-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions	Not Applicable								
a) Bodies Corp. (Market Maker + LLP)									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
c) Others (specify)									
i) Non Resident Indians									
ii) Non Resident Indians - Non Repatriable									
iii)Office Bearers									
iv)Directors									

v)HUF									
vi)Overseas Corporate Bodies									
vi)Foreign Nationals									
vii)Clearing Members									
viii)Trusts									
ix)Foreign Bodies - D R									
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		138424191	9	100	138424191	9	138424200	100	

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Air India Limited	138424200	100	NIL	138424200	100	NIL	0.00

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

Sr No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding at end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Air India Limited	138424200	100	138424200	100
	At the end of the year				
	Air India Limited	138424200	100	138424200	100

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Cumulative Shareholding at end of the year

		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**NOT APPLICABLE**				
2					
3					
4					
5					
6					
7					
8					
9					
10					

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	**Shareholding of each Directors and each Key Managerial Personnel**	**Shareholding at the beginning of the year**		**Cumulative Shareholding at the end of year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1	Shri Rajiv Bansal (As Nominee of Air India Limited)	1	0	1	0
2.	Smt. Amrita Sharan(As Nominee of Air India Limited)	**1**	0	**1**	0
	Total	**2**	0	**2**	0

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

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year	**0**	**0**	**0**	**0**
i) Principal Amount	**0**	**0**	**0**	**0**
ii) Interest due but not paid	**0**	**0**	**0**	**0**
iii) Interest accrued but not due	**0**	**0**	**0**	**0**
Total (i+ii+iii)	**0**	**0**	**0**	**0**
Change in Indebtedness during the financial year	**0**	**0**	**0**	**0**
*** Addition**	**0**	**0**	**0**	**0**
*** Reduction**	**0**	**0**	**0**	**0**

Net Change	**0**	**0**	**0**	**0**
Indebtedness at the end of the financial year	**0**	**0**	**0**	**0**
i) Principal Amount	**0**	**0**	**0**	**0**
ii) Interest due but not paid	**0**	**0**	**0**	**0**
iii) Interest accrued but not due	**0**	**0**	**0**	**0**
Total (i+ii+iii)	**0**	**0**	**0**	**0**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE

(Figures in Rs.)

Sr No	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c)Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission as % of profit others, specify.						
5	Others : (PF, DCS, House Perks tax etc)						
	Total (A)						
	Ceiling as per the Act						

***There are no Managing, Whole Time Directors in the Company.**

B. Remuneration to other directors

Sr No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors						
	Fee for attending board committee meetings						
	Commission	-	-	-	-	-	-
	Others, please specify (Fees for attending Board Sub Committee Meetings)	-	-	-	-	-	-
	Total(1)	-	-	-	-	-	-

2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	**-**		-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-
		-	-	-	-	-	-

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

(figures in million)

Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			
					Total
1	Gross salary		*	*	4.54
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as % of profit	-	-	-	
	Others, specify.	-	-	-	
5	Others: (PF, DCS, House Perks tax etc)	-	-	-	
	Total		**-**	**-**	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

{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,
AI Airport Services Limited.
(Formerly Known as Air India Air Transport Services Limited)

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good Corporate Practices by **AI Airport Services Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, Minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Boardprocesses and Compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 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) Regulation, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The SEBI (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

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

(vi) Compliances/processes/systems under other applicable Laws to the Company are not being verified by us.

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

(a) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India- *Generally complied with*.

(b) Securities &Exchange Board of India (Listings Obligations and Disclosure Requirements) Regulations, 2015-Not Applicable.

(c) DPE Guidelines on Corporate Governance for CPSE.

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

- *The Company has not appointed Woman Director as required under the second proviso to Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of directors) Rules, 2014 during the period from 01.04.2020 to 10.09.2020.*

We further report that the Board of Directors of the Company is duly constituted. 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.

Generally, 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 the dissenting members' views are captured and recorded as part of the minutes, if any.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

*For **Agarwal S. & Associates**,*
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

CS Dheeraj Kumar Pandey
Partner
ACS No.: 46269
CP No.: 24308
UDIN:A046269C000693432

Place: New Delhi
Date : 27.07.2021

NOTE: 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.

Annexure A"

To,
The Members,
AI Airport Services Limited.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.

2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, happening of events, etc.

5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. The prevailing circumstances in the Country on account of Lockdown/ restrictions on movements and Covid 19 have impacted physical verification of the records/ documents of the Company.

*For **Agarwal S. & Associates**,*
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

CS Dheeraj Kumar Pandey
Partner
ACS No.: 46269
CP No.: 24308

Place: New Delhi

Date: 27.07.2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF AI AIRPORT SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of **AI AIRPORT SERVICES LIMITED** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 13 September 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **AI AIRPORT SERVICES LIMITED** for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Profitability

Statement of Profit and Loss

Revenue from Operations (Note No. 19)-Rs. 289.25 crore

The above includes Rs.4.62 crore towards bills raised on Thai Airways for service provided to the airlines by AIASL. However, the bills raised by AIASL on the said airlines were rejected by the airlines on the grounds of ‘flights not operated and incorrect currency.’ This has resulted into overstatement of Revenue from Operation and Trade Receivable and consequently the Loss for the year is understated by Rs 4.62 crore.

B. Comments on Disclosure

Contingent Liabilities (Note No. 26) – Rs 3.31 crores

The above is understated by Rs 59.53 lakh as it does not include (i) an amount of Rs.28.00 lakh with respect to pending litigation cases of two permanent employees and (ii) an amount of Rs 31.53 lakh with respect to interest due on Income Tax Demand.

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

Sd/-
(Vinod Sood)
Principal Director of Audit (Infrastructure)
New Delhi

Place : New Delhi
Date : 02 December 2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF AI AIRPORT SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2021

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Management Reply:

Bills of Rs 4.62 crores were rejected by Thai Airways. However, the aforesaid rejection was under verification as on 31st March, 2021. After due verification, the rejections were accepted during FY 2021-22 after being placed before the Board. Thus, as on 31st March, 2021, the rejection of Rs 4.62 crores by Thai Airways has not been accepted by AIASL due to which the revenue was not reversed in FY 2020-21 but only subsequently in FY 2021-22

B. Comments on Disclosure

Contingent Liabilities (Note No. 26) – Rs 3.31 crores

The above is understated by Rs 59.53 lakh as it does not include (i) an amount of Rs.28.00 lakh with respect to pending litigation cases of two permanent employees and (ii) an amount of Rs 31.53 lakh with respect to interest due on Income Tax Demand.

Management Reply

Rs 28 lacs, with respect to pending litigation cases, in respect of salaries of two permanent employees, whose services were terminated, had not been included in Contingent Liabilities (in Note No. 26), for the following reasons :

- The Management is confident that an appropriate / necessary process was followed for termination of services of the employees and the grounds of termination are very valid.

- The matter was subjudice on the cut off date i.e. 31st March, 2021.

- There is a high probability that the matter will get decided in favour of AIASL.

Rs 31.53 lakh with respect to interest due on Income Tax Demand, since the Company has not received any demand letter from the Income Tax department. If the demand letter is received, the same shall be accounted for in the current financial year.

INDEPENDENT AUDITORS' REPORT

To the Members of AI Airport Services Limited (Formerly known as Air India Air Transport Services Limited)

Report on the Audit of the Financial statements

Qualified Opinion

We have audited the accompanying Financial statements of **AI Airport Services Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and notes to the Financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. The Company has carried forward following account balances which are pending reconciliation / adjustments (if any) as at March 31, 2021:

   a. The Company has accounted for ground handling service revenue from IATA platform based on physical service documents received from the stations and booked through the Miscellaneous Billing System Platform. This revenue is subject to rejections/adjustments by the Customer. During the year, the Company has reversed amounts from IATA recharge balance pertaining to duplicate billings, rejections accepted and Tax Deduced at Source (TDS) receivable overbooked for the FY's ended March 2015, 2017, 2018, 2019 and 2020 amounting to Rs.169.30 million. Amount remaining after such reversal up to FY 2017-18 have been provided for. The Company is in the process of rebilling the customers and is in correspondence for recovery of the outstanding amount. Balance outstanding in respect thereof as at March 31, 2021 is Rs.483.46 million against which the Company has made expected credit loss allowance of Rs.268.81 million. We have relied on the management contention for realisation of such balances equivalent to the value reported and hence, no further adjustments are required to be made.

   b. Recording and accounting of expenses relating to Employee Benefits is not automated. During the course of verification various statutory delay in compliances regarding provident fund, ESIC, Professional tax, Tax Deducted at Sources have also been observed. Further, we report that Employee Benefits and Goods and service tax related accounts have reported adverse balances which are under reconciliation and are reported on net basis. We are unable to ascertain impact of such balances on the financial statements. Balances of Goods and Service Tax, Income Tax assets, Professional tax and Tax Deducted at source are under reconciliation with the respective statutory returns. The Company is in the process of reconciling the said balances and assessing the impact on financial statements. We are unable to ascertain impact of such balances on the financial statements. We have relied on the management contention that reconciliation of such balances will not result in material impact on the financial statements and hence, no further adjustments are required for the current year.

c. The Company has collected airport authority levy in respect of ground handling services provided to parties other than Air India Limited and its group companies. As at March 31, 2021, levy amounting to Rs.913.03 million for the past six years is classified under other financial liability. This amount is under reconciliation with the Airport Authority of India (AAI). Pending adjustments of such levy, the impact of the same on the financial statements is unascertainable.

d. (i) The Company has entered into leases for various commercial premises/vehicles etc. (with option to purchase/renew but title of the same may or may not eventually be transferred) which are scattered at various locations/stations/regions. Based on evaluation of the lease agreement by the Company, the agreement shall be foreclosed in the event of disinvestment of Air India and its subsidiaries. In view of the management, considering it as cancellable lease, the same does not qualify for recognition under Ind AS 116 – Lease Accounting.

(ii) The Company is in the process of entering into a comprehensive arrangement outlining the details of all the services including lease services, electricity, insurance, staff travel, material management services, IT services etc provided by the Holding Company. In the absence of approved master service agreement, the Company unable to identify lease obligations to comply with the requirements of IND AS 116 – Lease Accounting.

Pending evaluation, these leases have not been considered as Right-of-Use asset under Ind AS 116 and rent of the same has been charged systematically to the Statement of Profit & Loss for the current year.

The matters stated above could also have a consequential impact on the measurement and disclosures of information provided in the financial statements, in respect of, but not limited to revenue, goods and service tax, income tax, profit for the year and receivables, payables, right of use assets, inventories, shareholders' funds for the respective financial years which could not be ascertained.

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

Emphasis of Matter

1. We draw attention to Note 53 to the financial statements which explains the management assessment for the impact of COVID-19 pandemic on the financial statements. In view of the highly uncertain future economic conditions associated with the pandemic, the actual impact on the financial statements in the subsequent periods is highly dependent upon the circumstances as they evolve.

2. We draw attention to Note 49 (i) of the financial statements, the Company has not provided for impairments of financial assets (Trade and Other Contractual Receivables) using provision matrix in accordance with the requirements of Ind AS – 109 "Financial Instruments". During the year, the Company has computed cumulative effect of Expected Credit Loss as on March 31, 2021 applying simplified approach for trade and other contractual receivables from the parties other than the group companies amounting to Rs.958.75 million. The Company has considered Rs. Nil

towards expected credit loss in respect of receivable from the group companies.

3. We draw attention to Note 29 to the financial statements, the Company has restated its Financial Statements for the year ended March 31, 2020 in accordance with Ind AS – 8, “Accounting Policies, Changes in Accounting Estimates and Errors”. Prior Period adjustments consists of errors/omissions on account of recording of revenue & expenses and effect of receivable/payable reconciliations. Accordingly, net effect amounting to Rs.157.31 million has been considered in the Statement of Profit and Loss of the previous year with corresponding effect in related assets/ liabilities. This has resulted into decrease in profit before tax and other comprehensive income by Rs. 157.31 million and Rs. Nil respectively with corresponding reduction of other equity by Rs. 157.31 million for the previous year.

4. The Company earns majority of its revenue by providing services to Air India Limited (the Holding Company). As explained to us, the Company is in the process of entering into a comprehensive arrangement outlining the details of all the services to be provided by both, *inter-se.* In the absence of approved master service agreement, the Company has recorded its transactions based on rate chart approved by both the parties. We have relied on the management contention that effect of master service agreement would not be material and will be considered in the year in which it will be signed.

5. We draw attention to Note 35 to the financial statements, the Company is charging interest at the rate of 9% p.a. on overdue balances of receivables in respect of group companies, namely, Air India Limited, Air India Express, Air India Engineering Services Limited and Alliance Airlines Limited. During the current year, interest on overdue payments amounting to Rs.289.05 million (previous year Rs.269.41 million) has been booked as Other Income. We have relied on the management contention that such amount will be fully recovered and hence, no further adjustments are required for the current year.

6. We draw attention to Note 33 to the financial statements, the Company has inventories consisting of stores and spares amounting to Rs.62.27 million. These inventories are transferred from Air India Limited and Air India Engineering Services Limited, which are not used for more than three years. We have relied on the management contention that such inventories have value in use is at-least equal to the carrying value in the books based on the confirmation received from the user (technical) department of the Company and hence, no further adjustments are required for the current year.

7. We draw attention to Note 31 (a) to the financial statements, the balances of trade payable and trade receivable are subject to balance confirmation (except in case of group companies) and reconciliation. Pending such reconciliation trade payable has been reported net of debit balance amounting to Rs.16.06 million and trade receivable net of credit balance amounting to Rs.245.06 million. In the absence of adequate reconciliation, we are unable to ascertain impact of such reconciliation on the financial statements. The Company is in the process of evaluating recoverability of receivables considering COVID-19 pandemic. Pending such analysis, impact of COVID-19 on the Company’s financial statements cannot be determined as at the date of approval of these financial statements.

Our opinion is not modified in respect of these matters.

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 Annual Report but does not include the Financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of the Management for the Financial statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial statements, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the

Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial statements in place and the operating effectiveness of such controls.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by sub-section (3) of Section 143 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, except for the matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.

    d. Except for the indeterminate effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e. The outcome of the matter described in the Basis for Qualified Opinion paragraph above in our opinion, may have an adverse effect on the functioning of the Company.

f. In pursuance to the Notification No. G.S.R. 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, sub-section (2) of section 164 of the Act pertaining to disqualification of directors, is not applicable to the Government Company.

g. With respect to the adequacy of the internal financial controls over financial reporting with reference to Financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report.

h. In term of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Act relating to managerial remuneration are not applicable to the Company.

i. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2015, 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 financial statements – Refer Note 26 to the financial statements;

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

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

3. As required by sub-section (5) of Section 143 of the Act and in terms of directions issued by the Comptroller and Auditor General of India during the course of audit of annual accounts of AI Airport Services Ltd, we report that:

(a) Whether the company has system in place to process all the accounting transactions through IT system? If yes, the *implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.*

The Company has system for accounting transactions through IT system. However, it has been observed that adequacy of design of information technology (IT) general and application controls that prevent the information system from providing complete and accurate information consistent with financial reporting objectives needs to be strengthened. We refer our remarks given in our separate Report in “Annexure B” – Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section (3) of Section 143 of the Act for further details.

(b) Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated.

The Company does not have any borrowings during the year.

(c) Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

The Company has not received funds from specific schemes from central/ state agencies during the year.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M. No. 037606
UDIN : 21037606AAAACO2003

Place: Mumbai
Date: September 13, 2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT (REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF AI AIRPORT SERVICES LIMITED OF EVEN DATE)

(i) (a) The Company has maintained Property, Plant and Equipment (PPE) register based on available details in the books of account. However, PPE register showing full particulars, including quantitative details and situation of PPE is not maintained.

(b) The Physical verification of the assets had been carried out by the third party during the year 2018 and the report had been submitted by them during August 2019.

As per the policy of the Company, the physical verification of PPE has to be carried out once in two years. As per the said policy Physical verification was due for FY 2020, however, the same could not be carried out in during the year. Effectiveness of Physical verification of the PPE by the management, cannot be commented upon, in absence of physical verification.

(c) The Company does not own any immovable properties and, hence, reporting under paragraph 3 (i)(c) of the order is not applicable to the Company.

(ii) According to the information and explanations given to us, inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification needs to be further strengthened. As explained to us, no discrepancies were noticed on verification between the physical stocks and the book records.

(iii) According to the information and explanations given to 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 Act. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act 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) (a) According to the information and explanations given to us, and the records of the company examined by us, in our opinion, the Company is not regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. Non-compliances have been noticed regarding payment of dues in respect of provident fund, employees' state insurance, Professional tax, income tax, Tax Deducted at Sources, goods and service tax. Further, balances of Goods and Service

Tax and Tax Deducted at source are under reconciliation with the respective statutory returns. In the absence of adequate information, we are unable to opine on the same.

According to information and explanations given to us, we have noticed following undisputed amounts payable (pending reconciliation) which were outstanding, at the year end, for a period of more than six months from the date they became payable.

Name of the Statue	Nature of dues	Amount (Rs in million)	Period to which the amount relates
Employees State Insurance, 1948	ESIC Dues	2.93	Under Reconciliation
Professional Tax	Professional Tax	2.02	Under Reconciliation
Income Tax Act, 1961	Tax Deducted at source	10.68	Under Reconciliation
Goods and Service Tax	TDS on GST (Section 51)	0.34	Under Reconciliation

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the Statue	Nature of Dues	Amount (Rs in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.15	AY 2013-14	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income tax	13.34	AY 2013-14	Commissioners of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	6.60	AY 2017-18	Commissioners of Income Tax (Appeals)

(viii) Based on our examination of documents and records, the Company has not taken any loan from a financial institution, a bank, the government or issued debentures. Accordingly, reporting under paragraph 3 (viii) of the Order is not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, reporting under paragraph 3 (ix) of the Order is not applicable.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer or employees has been noticed or reported during the year.

(xi) In term of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Act relating to managerial remuneration are not applicable to the Company. Accordingly, reporting under paragraph 3 (xi) of the Order is not applicable.

(xii) The Company is not a Nidhi Company. Accordingly, reporting under paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records, the Company being a government company, transactions with other government companies are exempt for the compliance of Section 188 of the Act, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs. Details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 of the Act, to the extent applicable, for transactions with the related parties.

In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under paragraph 3 (xvi) of the Order is not applicable to the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M. No. 037606
UDIN : 21037606AAAACO2003

Place: Mumbai
Date: September 13, 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the internal financial controls with reference to the aforesaid Financial statements under Clause (i) of sub-section (3) of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **AI Airport Services Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Financial statements 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 with reference to these Financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Financial statements, 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 internal financial controls system over financial reporting with reference to these Financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial statements

A Company's internal financial control over financial reporting with reference to these Financial statements 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 with reference to these Financial statements 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 with reference to these Financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Financial statements, 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 with reference to these Financial statements 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2021:

(a) Deficiencies in the design of internal control over the preparation of the financial statements being audited:

(i) Documented Standard Operating Procedures as required by the guidance note on Internal Financial Controls over Financial Reporting for critical processes are not in place.

(ii) Authorisation controls such as maker/checker controls in accounting software needs further strengthening.

(iii) Absence or inadequate segregation of duties (including responsibility chart and job descriptions) within a significant accounting process.

(iv) Inadequate utilization of information technology (IT) general and application controls preventing the information system from providing complete and accurate information consistent with financial reporting objectives and current needs.

(v) The absence of an internal process to report deficiencies in internal control to management on a timely basis.

(vi) Payroll is a significant process considering the size of Company’s Operations. However, it has been observed that various processes such as attendance, leave records, details of new joinees and resigned employees, payment of statutory dues, etc. are not fully automated and maintained manually.

(b) Inadequacy of controls designed to safeguard assets from loss, damage, or misappropriation. The Company did not have appropriate internal controls for reconciliation of physical inventory and fixed assets with the books of account.

(c) Timely reconciliations of certain significant accounts such as accounts receivables, accounts payables, statutory dues with returns and payroll balances are not reconciled in an accurate manner.

(d) Following are indicator of a control deficiency and an indicator of a material weakness in internal control:

(i) Restatement of previously issued financial statements to reflect the correction of a material misstatement. This indicates that cut-off procedures while closing of books is not working efficiently.

(ii) Non-compliances in complying with the laws and regulations by the entity as referred in Point vii of Annexure A to the Independent Auditors' Report has been observed. This indicates an ineffective regulatory compliance function.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2021, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 financial statements of the Company, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on financial statements.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K Choksi
Partner
M. No. 037606
UDIN : 21037606AAAACO2003

Place: Mumbai
Date: September 13, 2021

MANAGEMENT REPLIES TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT OF AI AIRPORT SERVICES LIMITED FOR THE FINANCIAL YEAR 2020-21

Sr. No.	Independent Auditor's Comments	Management's Comment
	We have audited the accompanying Financial statements of **AI Airport Services Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and notes to the Financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial statements"). In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.	This is a statement of fact
	Basis for Qualified Opinion	
1	The Company has carried forward following account balances which are pending reconciliation / adjustments (if any) as at March 31, 2021:	
a.	The Company has accounted for ground handling service revenue from IATA platform based on physical service documents received from the stations and booked through the Miscellaneous Billing System Platform. This revenue is subject to rejections/adjustments by the Customer. During the year, the Company has reversed amounts from IATA recharge balance pertaining to duplicate billings, rejections accepted and TDS receivable overbooked for the FY's ended March 2015, 2017, 2018, 2019 and 2020 amounting to Rs.169.30 million. Amount remaining after such reversal up to FY 2017-18 have been provided for. The Company is in the process of rebilling the customers and is in correspondence for recovery of the outstanding amount. Balance outstanding in respect thereof as at March 31, 2021 is Rs.483.46 million against which the Company has made expected credit loss allowance of Rs.268.81 million. We have relied on the management contention for realisation of such balances equivalent to the value reported and hence, no further adjustments are required to be made.	The billing on other Airlines through IATA Clearing House(ICH is done through automated system(MBS). However, the basis of billing is as per Ramp Assistance Form which are serially controlled and proper records are maintained on manual basis. A Committee was formed which had submitted their Interim Report which was put up to the Board.

Sr. No.	Independent Auditor's Comments	Management's Comment
		Based on Committees Report, a reconciliation is made with the SAP balances which resulted in PPA to the extent of Rs.169.30 million. Subsequently a progress report is being submitted where airline wise details is mentioned for further re-billing and recovery action.
b.	Recording and accounting of expenses relating to Employee Benefits is not automated. During the course of verification various statutory delay in compliances regarding provident fund, ESIC, Professional tax, Tax Deducted at Sources have also been observed. Further, we report that Employee Benefits and Goods and service tax related accounts have reported adverse balances which are under reconciliation and are reported on net basis. We are unable to ascertain impact of such balances on the financial statements. Balances of Goods and Service Tax, Income Tax assets, Professional tax and Tax Deducted at source are under reconciliation with the respective statutory returns. The Company is in the process of reconciling the said balances and assessing the impact on financial statements. We are unable to ascertain impact of such balances on the financial statements. We have relied on the management contention that reconciliation of such balances will not result in material impact on the financial statements and hence, no further adjustments are required for the current year.	While the payroll is drawn based on the inputs in HR module of SAP, the attendance is maintained manually and SAP records are updated accordingly. The instances of delays are being addressed and steps are being taken to make the payments however we are impacted by Cash flow issues due to COVID-19 situation.
C	The Company has collected airport authority levy in respect of ground handling services provided to parties other than Air India Limited and its group companies. As at March 31, 2021,levy amounting to Rs.913.03 million for the past six years is classified under other financial liability. This amount is under reconciliation with the Airport Authority of India (AAI). Pending adjustments of such levy, the impact of the same on the financial statements is unascertainable.	The Company has provided for the Liability in its books, however, there is a difference in the amount shown as Liability and the updated status of Royalty outstanding dues as on 15.11.2020 confirmation by AAI over mail which is under reconciliation with AAI and we expect to complete the same in this year.
d	(i) The Company has entered into leases for various commercial premises/vehicles etc. (with option to purchase/renew but title of the same may or may not eventually be transferred) which are scattered at various locations/stations/regions. Based on evaluation of the lease agreement by the Company, the agreement shall be foreclosed in the event of disinvestment of Air India and its subsidiaries. In view of the management, considering it as cancellable lease, the same does not qualify for recognition under Ind AS 116 Lease Accounting.	The Company has provided the necessary information as per INDAS 116 in respect of the vehicles taken on Lease and accounted for the same. The Company has made the necessary compliance under Ind AS-116 for vehicles, by

Sr. No.	Independent Auditor's Comments	Management's Comment
		capitalizing the lease rentals as Right of use Assets. As regards the premises we have considered these as short term lease since the agreement have an option to terminate the same at short notice of 90 days by either parties. So, it was interpreted that in respect of cancellable leases applicability of IND AS 116 was not considered. However, the expense on account of rental had been charged to the P/L and suitable disclosure to this effect has been made in Notes to Accounts.
	(ii) The Company is in the process of entering into a comprehensive arrangement outlining the details of all the services including lease services, electricity, insurance, staff travel, material management services, IT services etc provided by the Holding Company. In the absence of approved master service agreement, the Company unable to identify lease obligations to comply with the requirements of IND AS 116 – Lease Accounting.	The Company has agreed to make the payment in respect of shared services as per terms of the MSA. The MSA has been signed at our end and requested AI to countersign the MSA on the part of AI is still awaited. However, the schedule of rates for GH services being rendered by us to AI, which is part of MSA and has been signed by both the parties.
	Emphasis of Matter :	
1.	We draw attention to Note 53 to the financial statements which explains the management assessment for the impact of COVID-19 pandemic on the financial statements. In view of the highly uncertain future economic conditions associated with the pandemic, the actual impact on the financial statements in the subsequent periods is highly dependent upon the circumstances as they evolve.	This is a statement of fact and the disclosure in respect of the same has been made in the other notes to accounts.
2.	We draw attention to Note 49 (i) of the financial statements, the Company has not provided for impairments of financial assets (Trade and Other Contractual Receivables) using provision matrix in accordance with the requirements of Ind AS – 109 "Financial Instruments". During the year, the Company has computed cumulative effect of Expected Credit Loss as on March 31, 2021 applying simplified approach for trade and other contractual receivables from the parties other than the group companies amounting to Rs.958.75 million. The Company	This is a statement of fact and disclosure of the same has been made in the Other Notes to Accounts.

Sr. No.	Independent Auditor's Comments	Management's Comment
	has considered Rs. Nil towards expected credit loss in respect of receivable from the group companies.	
3.	We draw attention to Note 29 to the financial statements, the Company has restated its Financial Statements for the year ended March 31, 2021 in accordance with Ind AS – 8, "Accounting Policies, Changes in Accounting Estimates and Errors". Prior Period adjustments consists of errors/omissions on account of recording of revenue & expenses and effect of receivable/payable reconciliations. Accordingly, net effect amounting to Rs.157.31 million has been considered in the Statement of Profit and Loss of the previous year with corresponding effect in related assets/liabilities. This has resulted into decrease in profit before tax and other comprehensive income by Rs. 157.31 million and Rs.Nil respectively with corresponding reduction of other equity by Rs. 157.31 million for the previous year.	The company has carried out the restatement in the books as required by IND AS-8 and the same has been reflected in the financial statements.
4.	Company earns majority of its revenue by providing services to Air India Limited (the Holding Company). As explained to us, the Company is in the process of entering into a comprehensive arrangement outlining the details of all the services to be provided by both, *inter-se*. In the absence of approved master service agreement, the Company has recorded its transactions based on rate chart approved by both the parties. We have relied on the management contention that effect of master service agreement would not be material and will be considered in the year in which it will be signed.	This is a statement of fact. The existing MSA has been signed by us and is awaiting countersignature of AI. However, the rate schedule which forms part of the MSA has been signed by both parties, based on which we are doing the billing for GH services being provided to AI. The existing MSA was valid from 1.4.2018 to 31.3.2021. The next MSA which is effective 1.4.2021 will not have any impact on the transaction entered into during FY 2020-21.
5	We draw attention to Note 35 to the financial statements, the Company is charging interest at the rate of 9% p.a. on overdue balances of receivables in respect of group companies, namely, Air India Limited, Air India Express, Air India Engineering Services Limited and Alliance Airlines Limited. During the current year, interest on overdue payments amounting to Rs.289.05 million (previous year Rs.269.41 million) has been booked as Other Income. We have relied on the management contention that such amount will be fully recovered and hence, no further adjustments are required for the current year.	The interest recoverable from AI Group companies on overdue balance is in terms of the MSA and has already been recovered from AI & Group Companies for past years and is fully recoverable for the year under audit as well.

Sr. No.	Independent Auditor's Comments	Management's Comment
6	We draw attention to Note 33 to the financial statements, the Company has inventories consisting of stores and spares amounting to Rs.62.27 million. These inventories are transferred from Air India Limited and Air India Engineering Services Limited, which are not used for more than three years. We have relied on the management contention that such inventories have value in use is at-least equal to the carrying value in the books based on the confirmation received from the user (technical) department of the Company and hence, no further adjustments are required for the current year.	Our Technical team has confirmed that there is no diminishing in the value of stores and spares inventory which has been lying with us for over 3 years and hence inventory is being carried in the books at which it was transferred to us from AI.
7	We draw attention to Note 31 (a) to the financial statements, the balances of trade payable and trade receivable are subject to balance confirmation (except in case of group companies) and reconciliation. Pending such reconciliation trade payable has been reported net of debit balance amounting to Rs.16.06 million and trade receivable net of credit balance amounting to Rs.245.06 million. In the absence of adequate reconciliation, we are unable to ascertain impact of such reconciliation on the financial statements. The Company is in the process of evaluating recoverability of receivables considering COVID-19 pandemic. Pending such analysis, impact of COVID-19 on the Company's financial statements cannot be determined as at the date of approval of these financial statements.	Trade receivables other than those pertaining to Group companies are also including some credit balances which will be cleared after the reconciliation exercise is completed. As regards to trade payables, we have sent balance confirmation letter to all creditors and same is being reconciled.
	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 Annual Report but does not include the Financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.	This is a statement of fact
	In connection with our audit of the Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. 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.	This is a statement of fact
	Responsibilities of the Management for the Financial Statements	

Sr. No.	Independent Auditor's Comments	Management's Comment
	The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Financial statements, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.	This is a statement of fact This is a statement of fact
	Auditor's Responsibilities for the Audit of the Financial Statements	
	Our objectives are to obtain reasonable assurance about whether the Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:	

Sr. No.	Independent Auditor's Comments	Management's Comment
	● Identify and assess the risks of material misstatement of the Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. ● Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls. ● Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. ● Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. ● Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.	This is a statement of fact
	Report on Other Legal and Regulatory Requirements	
	1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order. 2. As required by sub-section (3) of Section 143 of the Act, we report that:	This is a statement of fact

Sr. No.	Independent Auditor's Comments	Management's Comment
	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.	This is a statement of fact
	b. In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph above, 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.	This is a statement of fact
	c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.	This is a statement of fact
	d. Except for the indeterminate effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.	This is a statement of fact
	e. The outcome of the matter described in the Basis for Qualified Opinion paragraph above in our opinion, may have an adverse effect on the functioning of the Company.	The Company is of the opinion that there will be no adverse impact on the functioning of the company
	f. In pursuance to the Notification No. G.S.R. 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, sub-section (2) of section 164 of the Act pertaining to disqualification of directors, is not applicable to the Government Company.	This is a statement of fact
	g. With respect to the adequacy of the internal financial controls over financial reporting with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.	The Company has noted the observation and is in the process of strengthening the system.
	h. In term of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Act relating to managerial remuneration are not applicable to the Company.	This is a statement of fact
	i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanations given to us:	This is a statement of fact
	i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements;	This is a statement of fact

Sr. No.	Independent Auditor's Comments	Management's Comment
	ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.	This is a statement of fact This is a statement of fact
	3. As required by sub-section (5) of Section 143 of the Act and in terms of directions issued by the Comptroller and Auditor General of India during the course of audit of annual accounts of AI Airport Services Ltd, we report that:	
	a) Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. The Company has system for accounting transactions through IT system. However, it has been observed that adequacy of design of information technology (IT) general and application controls that prevent the information system from providing complete and accurate information consistent with financial reporting objectives needs to be strengthened. We refer our remarks given in our separate Report in "Annexure B" – Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section (3) of Section 143 of the Act for further details.	
	b) Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. The Company does not have any borrowings during the year.	
	c) Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation. The Company has not received funds from specific schemes from central/ state agencies during the year.	
	ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AI Airport Services Limited of even date)	
(i)	(a) The Company has maintained Property, Plant and Equipment (PPE) register based on available details in the books of account. However, PPE register showing full particulars, including quantitative details and situation of PPE is not maintained.	The Fixed Assets register is maintained in SAP and has all the required details and it is maintained in business area wise and location is identified by business area.

Sr. No.	Independent Auditor's Comments	Management's Comment
	(b) The Physical verification of the assets had been carried out by the third party during the year 2018 and the report had been submitted by them during August 2019. As per the policy of the Company, the physical verification of PPE has to be carried out once in two years. As per the said policy Physical verification was due for FY 2020, however, the same could not be carried out in during the year. Effectiveness of Physical verification of the PPE by the management, cannot be commented upon, in absence of physical verification.	This is a statement of fact. We have already issued work order to carry out physical verification of assets, however, due to Pandemic, the same is delayed and will be completed shortly.
	(c)The Company does not own any immovable properties and, hence, reporting under paragraph 3 (i)(c) of the order is not applicable to the Company.	This is a statement of fact
(ii)	According to the information and explanations given to us, inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification needs to be further strengthened. As explained to us, no discrepancies were noticed on verification between the physical stocks and the book records.	This is a statement of fact
iii)	According to the information and explanations given to 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 Act. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.	This is a statement of fact
iv)	In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.	This is a statement of fact
v)	According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company.	This is a statement of fact

<table>
<tr><th>Sr. No.</th><th>Independent Auditor's Comments</th><th>Management's Comment</th></tr>
<tr><td>vi)</td><td>The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act 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.</td><td>This is a statement of fact</td></tr>
<tr><td>vii)</td><td>(a) According to the information and explanations given to us, and the records of the company examined by us, in our opinion, the Company is not regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales- tax, goods and service tax, cess and other material statutory dues applicable to it. Non-compliances have been noticed regarding payment of dues in respect of provident fund, employees' state insurance, Professional tax, income tax, Tax Deducted at Sources, goods and service tax. Further, balances of Goods and Service Tax and Tax Deducted at source are under reconciliation with the respective statutory returns. In the absence of adequate information, we are unable to opine on the same.

According to information and explanations given to us, we have noticed following undisputed amounts payable (pending reconciliation) which were outstanding, at the year end, for a period of more than six months from the date they became payable.

<table>
<tr><th>Name of the Statue</th><th>Nature of dues</th><th>Amount (Rs in million)</th><th>Period to which the amount relates</th></tr>
<tr><td>Employees State Insurance, 1948</td><td>ESIC Dues</td><td>2.93</td><td>Under Reconciliation</td></tr>
<tr><td>Professional Tax</td><td>Professional Tax</td><td>2.02</td><td>Under Reconciliation</td></tr>
<tr><td>Income Tax Act, 1961</td><td>Tax Deducted at source</td><td>10.68</td><td>Under Reconciliation</td></tr>
<tr><td>Goods and Service Tax</td><td>TDS on GST (Section 51)</td><td>0.34</td><td>Under Reconciliation</td></tr>
</table>
</td><td>The Company has been by and large depositing the statutory dues in a timely manner except some non-compliances which have been quantified for which necessary action is being initiated to redress the issue which have been noticed during the period of audit and necessary steps are being taken to complete the same in an expeditious manner. Cash crunch due to COVID-19 pandemic has added to the delay in payment of dues.</td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Independent Auditor's Comments</th><th>Management's Comment</th></tr>
<tr><td></td><td>b) According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except the following:
<table>
<tr><th>Name of the Statue</th><th>Nature of Dues</th><th>Amount (Rs in million)</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>0.15</td><td>AY 2013-14</td><td>Income Tax Appellate Tribunal (ITAT)</td></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>13.34</td><td>AY 2013-14</td><td>Commissioners of Income Tax (Appeals)</td></tr>
<tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>6.60</td><td>AY 2017-18</td><td>Commissioners of Income Tax (Appeals)</td></tr>
</table>
</td><td>This is a statement of fact</td></tr>
<tr><td>Viii</td><td>Based on our examination of documents and records, the Company has not taken any loan from a financial institution, a bank, the government or issued debentures. Accordingly, reporting under paragraph 3 (viii) of the Order is not applicable.</td><td>This is a statement of fact</td></tr>
<tr><td>ix)</td><td>In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, reporting under paragraph 3 (ix) of the Order is not applicable.</td><td>This is a statement of fact</td></tr>
<tr><td>x)</td><td>Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer or employees has been noticed or reported during the year.</td><td>This is a statement of fact</td></tr>
<tr><td>xi)</td><td>In term of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Act relating to managerial remuneration are not applicable to the Company. Accordingly, reporting under paragraph 3 (xi) of the Order is not applicable.</td><td>This is a statement of fact</td></tr>
<tr><td>xii)</td><td>The Company is not a Nidhi Company. Accordingly, reporting under paragraph 3 (xii) of the Order is not applicable.</td><td>This is a statement of fact</td></tr>
</table>

Sr. No.	Independent Auditor's Comments	Management's Comment
Xiii	According to the information and explanations given to us and based on our examination of the records, the Company being a government company, transactions with other government companies are exempt for the compliance of Section 188 of the Act, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs. Details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 of the Act, to the extent applicable, for transactions with the related parties. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.	This is a statement of fact This is a statement of fact
xiv)	During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.	This is a statement of fact
xv)	Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.	This is a statement of fact
xvi)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under paragraph 3 (xvi) of the Order is not applicable to the Company.	This is a statement of fact

BALANCE SHEET AS AT MARCH 31, 2021

Rs. in Millions

		Particulars	Note No.	As at March 31, 2021	As at March 31, 2020 (Restated)
I		**ASSETS :**			
	1	**Non-current Assets**			
	(i)	Property, Plant & Equipment	2	**3,369.41**	3,564.54
	(ii)	Right of Use Assets	3	**31.77**	160.37
	(iii)	Income Tax Assets (net)	4	**49.89**	261.46
	(iv)	Deferred Tax Assets (net)	5	**964.11**	769.82
	(v)	Other Non-Current Assets	6	**13.52**	0.65
		Total Non-Current Assets		**4,428.70**	**4,756.84**
	2	**Current Assets**			
	(i)	Inventories	7	**62.28**	86.77
	(ii)	Financial assets:			
		a) Trade Receivables	8	**3,680.65**	5,543.04
		b) Cash and Cash equivalents	9	**43.58**	161.02
		c) Bank balances other than (b) above	10	**1.59**	1.50
		d) Other Financial Assets	11	**57.54**	76.86
	(iii)	Other Current Assets	6	**130.61**	138.73
		Total Current Assets		**3,976.25**	**6,007.91**
		Total Assets		**8,404.95**	10,764.75
II		**EQUITY AND LIABILITIES :**			
	1	**Equity**			
		a) Equity Share Capital	12	**1,384.24**	1,384.24
		b) Other Equity	13	**459.71**	2,490.22
		Total Equity		**1,843.95**	**3,874.46**
	2	**Liabilities :**			
	(i)	**Non-current Liabilities**			
		a) Financial Liabilities			
		i) Lease Liabilities	3	**-**	34.78
		ii) Other Financial Liabilities	14	**0.11**	0.11
		b) Provisions	15	**2,625.43**	2,568.01
		c) Other non Current Liabilities	16	**21.49**	20.88
		Total Non-Current Liabilities		**2,647.03**	**2,623.78**
	(ii)	**Current Liabilities**			
		a) Financial Liabilities			
		i) Lease Liabilities	3	**35.19**	131.46
		ii) Trade Payables	17		
		(a) Total outstanding, dues of micro and small enterprises		**4.51**	0.26
		(b) Total outstanding, dues of creditors other than micro and small enterprises		**1,061.79**	845.94
		iii) Other Financial Liabilites	14	**1,632.20**	2,140.21
		b) Provisions	15	**312.29**	526.29
		c) Other Current Liabilities	18	**867.99**	622.35
		Total Current Liabilities		**3,913.97**	**4,266.51**
		Total Equity & Liabilities		**8,404.95**	**10,764.75**

See accompanying notes to the financials statements

* Refer Note.25. For details regarding the re statement as a result of error or ommission

As Per Our Report Of Even Date Attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration No. 109574W

Sd/-
Vipul K. Choksi
Partner
M.No. 37606
UDIN : 21037606AAAACO2003

Place: Delhi / Mumbai
Date: 13th September 2021

For and on behalf of the Board of Directors

Sd/-
Rajiv Bansal
Chairman
DIN 00245460

Sd/-
Vimlendra Anand Patwardhan
Director
DIN 08701559

Sd/-
Rajesh Narain
Chief Financial Officer

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Smt. Shashi Bhadoola
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Rs in Millions

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020 (Restated)
I	Revenue from Operations :	19	2,892.50	6,081.23
II	Other Income:	20	448.65	880.33
III	**Total Revenue (I + II)**		3,341.15	6,961.56
IV	Expenses:			
a	Employee Benefit Expenses	21	3,835.78	4,396.35
b	Finance Cost	22	9.55	62.93
c	Depreciation Expense	2	488.27	383.28
d	Other Expenses	23	1,238.40	937.73
V	**Total Expenses**		5,572.00	5,780.29
VI	**Profit/ (Loss) Before Tax (III-V)**		(2,230.85)	1,181.27
VII	Tax Expense			
	1. Current Tax		-	393.60
	2. Short/ (Excess) Provision of Tax		-	(27.16)
	3. Deferred Tax Liability / (asset)		(194.29)	310.01
VIII	**Profit/ (Loss) For the Year (IX-X)**		(2,036.56)	504.82
IX	**Other Comprehensive Income**			
(i)	Items that will not be reclassified to profit or loss			
	a. Re-measurement of the defined benefits plan		(6.05)	(8.61)
(ii)	Income tax relating to the items that will not be reclassified to profit or loss		-	2.17
	Total Other Comprehensive Income		(6.05)	(6.45)
	Prior Period Expenditure			
X	**Total Comprehensive Income for the year**		(2,030.51)	498.38
XI	**Earning per Equity Share of Rs. 10 each**	39		
	Basic (Rs.)		(14.71)	3.65
	Diluted (Rs.)		(14.71)	3.65

See accompanying notes to the financials statements
* Refer Note.25. For detail regarding the re statement as a result of error or ommission

As Per Our Report Of Even Date Attached
For Shah Gupta & Co.
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Sd/-
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Director
DIN 08701559

Sd/-
Rajesh Narain
Chief Financial Officer

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Smt. Shashi Bhadoola
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Rs in Millions

A. Equity Share Capital	As at March 31, 2021 Amount	As at March 31, 2020 Amount
Balance at the beginning of the reporting year	**1,384.24**	**1,384.24**
Movement during the year	-	-
Balance at the end of reporting year	**1,384.24**	**1,384.24**

B. Other Equity

Particulars	Reserves and Surplus	Total equity attributable to equity Holders of the company
	Retained Earnings	
Opening Balance as at 1st April 2019	1,991.84	1,991.84
Effect of Deferred Tax Asset of earlier years	-	-
Profit for the year	662.13	662.13
Correction of errors/omissions (refer note 29)	(157.31)	(157.31)
Other Comprehensive Income/(loss)	(6.45)	(6.45)
Remeasurement of defined benefit plans	-	-
Balance as at 31st March 2020	**2,490.22**	**2,490.22**
Effect of Deferred Tax Asset of earlier years	-	-
Profit/(Loss) for the year	(2,030.51)	(2,030.51)
Correction of errors/omissions (refer note 29)	-	-
Other Comprehensive Income/(loss)	-	-
Balance as at 31st March 2021	**459.71**	**459.71**

As Per Our Report Of Even Date Attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration No. 109574W

Sd/-
Vipul K. Choksi
Partner
M.No. 37606
UDIN : 21037606AAAACO2003

Place: Delhi / Mumbai
Date: 13th September 2021

For and on behalf of the Board of Directors

Sd/-
Rajiv Bansal
Chairman
DIN 00245460

Sd/-
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Director
DIN 08701559

Sd/-
Rajesh Narain
Chief Financial Officer

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Smt. Shashi Bhadoola
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Rs in Millions

	Particulars	March 31, 2021		March 31, 2020 (Restated)	
A	**Cash Flow From Operating Activities**				
	Net Profit/(Loss) Before tax		**(2,230.85)**		1,181.27
	Adjustments for:				
	Depreciation / Amortisation	**488.27**		383.28	
	Interest on Fixed deposits	**(0.10)**		(0.41)	
	Interest on Income Tax	**(6.32)**		49.05	
	Interest on MSME	**-**		0.03	
	Interest on lease liabilities	**9.55**		13.88	
	Profit & Loss on sale of Property, Plant & Equipment	**-**		21.15	
	Expected Credit loss allowance	**436.82**		122.82	
	Provision No Longer Required	**-**		(101.03)	
	Recovery of Gratuity	**-**		(86.47)	
	Unrealised exchange gain/loss	**30.90**	**959.12**	(275.07)	127.22
	Operating profit before working capital changes		**(1,271.73)**		**1,308.49**
	Adjustments for:				
	(Increase) / Decrease in inventory	**24.49**		3.04	
	(Increase) / Decrease in Trade Receivables	**1,425.56**		(1,602.13)	
	(Increase) / Decrease in short term and Long term provision	**(150.53)**		(317.35)	
	(Increase) / Decrease in Other Current & Non Current Assets	**226.15**		(18.26)	
	Increase / (Decrease) in Trade Payables	**220.10**		1,916.96	
	Increase / (Decrease) in other Current & Non current Liability	**(349.70)**	**1,396.08**	(631.76)	(649.51)
	Cash Generated from Operations		**124.34**		**658.98**
	Income Tax (Paid)/refund		**6.32**		(64.52)
	Net Cash from Operating Activities		**130.66**		**594.46**
B	**Cash Flow From Investing Activities**				
	Interest on Fixed deposits	**0.09**		0.41	
	Fixed deposits	**-**		(1.50)	
	Sale of Property Plant & Equipment (net)	**-**		23.30	
	Purchase of Property Plant & Equipment	**(107.50)**		(493.32)	
	Net Cash From Investing Activities		**(107.41)**		**(471.10)**
C	**Cash Flow From Financing Activities**				
	Hire Charges of Right of Use Assets		**(140.60)**		(100.38)
	Net Cash From Financing Activities		**(140.60)**		**(100.38)**
	Net (Decrease)/Increase in Cash and Cash Equivalents		**(117.35)**		**22.98**
	Add: Cash and Cash Equivalents at the begning of the Year		**162.52**		139.55
	Cash and Cash Equivalents at the end of the Year		**45.17**		**162.52**
	Component of Cash and Cash Equivalents				
	Cash on hand		**0.12**		0.07
	Balance in Current Account		**43.46**		160.95
	Other Deposit Account*		**1.59**		1.50
			45.17		162.52

* Fixed deposit is liened marked. Refer Note 9 and Note 10

As Per Our Report Of Even Date Attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration No. 109574W

Sd/-
Vipul K. Choksi
Partner
M.No. 37606
UDIN : 21037606AAAACO2003

Place: Delhi / Mumbai
Date: 13th September 2021

For and on behalf of the Board of Directors

Sd/-
Rajiv Bansal
Chairman
DIN 00245460

Sd/-
Vimlendra Anand Patwardhan
Director
DIN 08701559

Sd/-
Rajesh Narain
Chief Financial Officer

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Smt. Shashi Bhadoola
Company Secretary

Notes forming part of the financial statements for the year ended March 31, 2021

Note 1

A. Corporate Information:

AI Airport Services Limited (a wholly owned subsidiary of Air India Limited a Government of India Company) is a public limited company incorporated in India under the provisions of the Companies Act applicable in India with a CIN: U63090DL2003PLC120790. The Company has changed its name from Air India Airport Services Limited to AI Airport Services Limited dated. The company mainly provides services of Ground Handling at Indian Airports to Airlines Operators.

The registered office of the company is situated at: 2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi - 110037.

B. Basis of preparation of Financial Statements:

The Company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as “Financial Statements”).

i) Basis of preparation and presentation:

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

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 in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

ii) Functional Currency:

Currency of the primary economic environment in which the Company operates ("the Functional Currency") is Indian Rupee (Rs.) in which the Company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (Rs.) The Financial Statements are presented in Indian Rupee (INR) which is Company's Presentation and Functional currency and all amounts disclosed in the Financial Statements and Notes have been rounded off to the nearest Million (up to one decimal), unless otherwise stated.

iii) Current and non-current classification:

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

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in the Company's normal operating cycle. it is held primarily for the purpose of providing services;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of providing services;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

The Company being in service sector, there is no specific operating cycle; however, 12 months period has been adopted as "The Operating Cycle" in-terms of the provisions of Schedule III to the Companies Act 2013. Accordingly, current liabilities and current assets include the current portion of non-current financial liabilities and assets.

C. Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

D. Use of estimates and judgments:

Inherent in the application of many of the accounting policies used in preparing the IND AS Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

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

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are mainly in respect useful lives of property, plant and equipment, depreciation/amortization, impairments, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets, contingent assets and contingent liabilities etc.

E. Significant Accounting Policies:

i) Property, Plant & Equipments (PPE):

a) The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment except freehold land held for use in the providing services, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company had elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. PPE of small value not exceeding INR 5,000, in each case, are fully provided for in the year of Purchase.

b) Physical Verification of PPE is done on a rotational basis so that every asset is verified in every two years and the discrepancies observed in the course of the verification are adjusted in the year in which report is submitted.

c) Impairment of Property, plant and equipment

At the end of each reporting year, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash- generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

F. Inventories

Inventories consist of various stores and spares which are valued at lower of cost and Net Realizable Value ('NRV'). Costs of inventories are determined on weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

G. Revenue Recognition

Ind AS 115 addresses the recognition of revenue from customer contracts and impacts on the amounts and timing of the recognition of such revenue. The standard introduced a five-step approach to revenue recognition

- Identifying the contract;
- identifying the performance obligations in the contract;
- determining the transaction price;
- allocating that transaction price to the performance obligations; and
- Finally recognizing the revenue as those performance obligations are satisfied.

On transition to Ind AS 115 the company has adopted the modified retrospective approach, and therefore has not restated the prior year comparative within this year's financial statements. On transition to Ind AS 115 an impact assessment was performed.

Rendering of Services

The Company recognizes revenue when control over the promised services is rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company recognises revenue generally at the point in time when the services are rendered to customer

a) Ground Handling services are recognized when the services are provided. Un-billed services at the end of each financial year, based on available data, are estimated and are recognized as Revenue.

b) Income from Interest is recognized on a time proportion basis.

c) Other Operating Revenue is recognized when services rendered during the year.

In revenue arrangements with multiple performance obligations, the Company accounts for individual services separately if they are distinct – i.e. if a service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate services in the arrangement based on their stand- alone selling prices.

Contract balances

i) **Contract Assets**

A contract asset is the right to consideration in exchange for services rendered to the customer. If the Company performs by rendering of services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration including Trade receivables.

ii) **Contract Liabilities**

A contract liability is the obligation to render services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company render services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract including Advance received from Customer.

iii) **Refund Liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities at the end of each reporting period.

H. Foreign currency transactions

The functional currency of the company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the following rates

a) Interline settlement on account of IATA Clearing House (ICH) bills settlement is carried out at the exchange rate published by International Air Transport Association (IATA) for respective month.

b) At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at exchange rate circulated by Foreign Exchange Dealers Association of India (FEDAI) and the gains / losses arising out of fluctuations in exchange rates are recognized in the statement of Profit and Loss.

c) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

I. Leases

The Company has adopted Ind AS 116 Leases from 1st April, 2019. Ind AS 116 “Leases” introduced a single, on-balance sheet accounting model for lessees. As a result, the company, as a lessee, has recognised right-to-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The following is the summary of practical expedients elected on initial application:

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

b. Apply the exemption not to recognize right-to-use assets and liabilities for leases with less than 12 months of lease term, low value asset and the lease contracts in which the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty as on the date of initial recognition.

c. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company as a Lessee:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and the company applied practical expedient to “grandfather approach” for the assessment of transactions as leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. Leases as Lessee (Assets taken on lease) the Company applies a single recognition and measurement approach for all leases, except for short-term leases, leases of low-value assets and the lease contracts in which the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

For the short-term, low-value leases and the lease contracts in which the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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 several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 or to terminate.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

J. Government Grant

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government Grants related to assets are presented in the balance sheet as deferred income and are recognized in profit or loss on a systematic basis over the expected useful life of the related assets.

K. Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. The retirement benefits to the employees comprise of defined contribution plans and defined benefit plans.

a) Defined contribution plans

Defined contribution plan consists of contribution to Employees Provident Fund. The Parent Company has separate trust(s) to administer Provident Fund contributions to which contributions are made regularly. As regards Fixed Term Contract (FTC) employees, Provident Fund (PF) dues are deposited with the office of Employees' Provident Fund Organization (EPFO) by the Company. Employees' State Insurance Corporation (ESIC) dues are regularly deposited with government authorities. The company's payment to defined contribution plans are recognized as an expense during the period in which the employees perform the services that the payment covers.

b) Defined benefit plans

The Company's defined benefit plans, which are not funded, consist of Gratuity, Post-Retirement Medical Benefits and other benefits. For defined retirement benefit plans, 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 year.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in "Other Equity" in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognized immediately in Statement of Profit and Loss as past service cost.

Other Long-Term Employee Benefits

In the form of Leave Encashment are accounted as other long-term employee benefits. The Company's net obligation in respect of Leave Encashment is the amount of benefits to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the Projected Unit Credit Method. Re-measurements are recognized in Statement of Profit and Loss in the period in which they arise.

Short Term Benefits

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

Short-term and other long-term employee benefit

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

L. Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill. The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty based on operational and financial restructuring, revenue generation and cost reduction program of the company that the assets will be realized in the future.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

M. Provisions, Contingent Liabilities / Capital Commitments & Contingent Assets

a) Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that there will be an outflow of resources. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the statement of profit and loss

b) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

c) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

d) Contingent liabilities are disclosed by way of a note in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

e) Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent asset is disclosed, when an inflow of economic benefits is probable.

Onerous contracts

f) An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligations arising under onerous contracts are recognized and measured as provisions.

N. Cash & Cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

O. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

P. 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. Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in Statement of Profit and Loss.

i) Financial Assets

a) Classification of Financial Assets

On initial recognition, a financial asset is measured at amortized cost, fair value through other comprehensive income (FVTOCI) or FVTPL on the basis of the objective of its business model, applied for managing the financial assets and characteristics of the contractual cash flows.

b) Recognition and initial measurement

A financial asset is initially recognized at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. In case financial assets are not recorded at fair value through Statement of Profit and Loss, transaction costs are attributed to the acquisition of the financial asset.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

c) Subsequent measurement

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

d) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

e) Impairment of other financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

f) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in statement of profit or loss and is included in the 'Other income' line item.

g) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Financial Liabilities

a) Classification

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

b) Initial recognition and measurement

All financial liabilities are recognized initially at fair value. The Company's financial liabilities include trade and other payables

c) Subsequent measurement

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

d) De-recognition

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to sell on a net basis, to realize the assets and sell the liabilities simultaneously

Q. Key sources of estimation uncertainty

Useful lives of property, plant and equipment:

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortization expected in future periods.

Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognized nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

Fair value measurements:

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Taxes:

Pursuant to the announcement of the changes in the corporate tax regime, the Companies have an option to either opt for the new tax regime or continue to pay taxes as per the old applicable tax structure together with the other benefits available to the Companies including utilization of the MAT credit available. This requires significant estimation in determining in which year the company would migrate to the new tax regime basis future year's taxable profits including the impact of ongoing expansion plans of the Company and consequential utilization of available MAT credit. Accordingly, in accordance with IND AS 12 – Income Taxes, deferred tax assets and liabilities are required to be measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. During the year, the Company has assessed the outstanding deferred tax liability, and written back an amount to the extent of 310.01 millions to the Statement of Profit and loss. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime.

Note 2: Plant, Property and Equipment as at March 31, 2021

Rs. in Million

Particular	Office Equipment	Ramp Equipments	Furniture & Fixtures	Electrical Fittings	Computers	Workshop Equipment & Instruments	Plant & Machinery	Vehicles	Total
Gross Block									
As at 1st April 2020	2.03	5,930.07	1.17	10.86	8.54	2.07	0.07	25.95	5,980.76
Additions	0.06	164.32	-	-	0.16	-	-	-	164.53
Disposals/Adjustments*	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**2.09**	**6,094.39**	**1.17**	**10.86**	**8.70**	**2.07**	**0.07**	**25.95**	**6,145.29**
Depreciation									
As at 1st April 2020	1.56	2,392.92	0.39	4.09	7.02	0.68	0.07	9.50	2,416.22
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Charge for the Year	0.21	354.50	0.12	1.02	0.52	0.21	0.00	3.08	359.66
As at 31st March 2021	**1.77**	**2,747.42**	**0.51**	**5.11**	**7.54**	**0.88**	**0.07**	**12.58**	**2,775.88**
Net Block									
As at 31st March 2021	**0.32**	**3,346.97**	**0.66**	**5.75**	**1.16**	**1.19**	**0.00**	**13.37**	**3,369.41**
As at 31st March 2020	**0.48**	**3,537.16**	**0.77**	**6.77**	**1.52**	**1.39**	**0.01**	**16.45**	**3,564.54**

Plant, Property and Equipment as at March 31, 2020

Rs. in Million

Particular	Office Equipment	Ramp Equipments	Furniture & Fixtures	Electrical Fittings	Computers	Workshop Equipment & Instruments	Plant & Machinery	Vehicles	Total
As at 1st April 2019	2.03	4,890.68	1.17	8.89	7.26	2.07	0.07	25.41	4,937.57
Additions	-	1,354.45	-	1.96	1.28	-	-	0.55	1,358.24
Disposals/Adjustments*	-	315.05	-	-	-	-	-	-	315.05
As at 31st March 2020	**2.03**	**5,930.07**	**1.17**	**10.86**	**8.54**	**2.07**	**0.07**	**25.95**	**5,980.76**
Depreciation									
As at 1st April 2019	1.31	2,377.88	0.28	3.16	6.27	0.47	0.06	6.47	2,395.91
Disposals/Adjustments	-	270.60	-	-	-	-	-	-	270.60
Charge for the Year	0.24	285.64	0.12	0.92	0.75	0.21	0.00	3.03	290.91
As at 31st March 2020	**1.56**	**2,392.92**	**0.39**	**4.09**	**7.02**	**0.68**	**0.07**	**9.50**	**2,416.22**
Net Block									
As at 31st March 2020	**0.48**	**3,537.16**	**0.77**	**6.77**	**1.52**	**1.39**	**0.01**	**16.45**	**3,564.54**
As at 31st March 2019	**0.72**	**2,512.80**	**0.89**	**5.73**	**0.99**	**1.60**	**0.01**	**18.93**	**2,541.66**

Note No. 3 : Right of Use Assets and Lease Liabilities as at March 31, 2021

(Rupees in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Block		
Gross Block at the beginning of the year	**252.74**	252.74
Additions during the year	**-**	-
Disposals/Adjustments	**-**	-
Balance at the end of the year	**252.74**	**252.74**
DEPRECIATION		
Depreciation at the beginning of the year	**92.37**	-
Depreciation during the year	**128.61**	92.37
Disposals/Adjustments	**-**	-
Balance at the end of the year	**220.97**	**92.37**
Net Block at the end of the year	**31.77**	**160.37**

LEASE LIABILITIES

(Rupees in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities on initial recognition as on 1st April 2020		
Additions	**-**	252.74
Interest accrued	**9.55**	13.88
Lease principal payments	**131.05**	86.50
Lease interest payments	**9.55**	13.88
Reversal	**140.60**	100.38
At 31st March 2021		
Current	**35.19**	**131.46**
Non-current	**-**	**34.78**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis :

(Rupees in Million)

Particulars	Amount	Amount
Less than 1 year	**35.19**	140.60
1- 5 Years	**-**	35.15
More than 5 years	**-**	-
At 31st March 2021	**35.19**	**175.76**

Notes

3.1 The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. These amounts are being recognised as part of other expenses.

3.2 The leases that the Company has entered with lessors are generally long-term in nature and no changes in terms of those leases are expected due to the COVID-19.

NOTE NO. 4 : INCOME TAX ASSETS

(Rs in Million)

Particulars	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Income Tax - net of provisions				
Advance Tax and Tax Deducted at source (Net of provision for Tax)	**49.89**	261.46	-	-
	49.89	261.46	-	-

NOTE NO. 5 : DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2021		As at March 31, 2020	
	(in Rs Million)	(in Rs Million)	(in Rs Million)	(in Rs Million)
Deferred Tax Liability on account of (DTL)				
Depreciation	**(151.69)**		(125.54)	
Total Deferred Tax Liability		(151.69)		(125.54)
Deferred Tax Asset on account of (DTA)				
Unabsorbed Depreciation				
Other Tax disallowances	**1,115.80**	1,115.80	895.36	895.36
Net Deferred Tax Asset		**964.11**		**769.82**

Refer note no. 40

NOTE NO. 6. OTHER ASSETS

(Rs in Million)

Particulars	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advance to Vendors	**-**	-	35.64	34.22
Security Deposit with Govt. Authorities	**8.50**	0.15	-	-
Staff Claim Recovries	**4.65**	0.13	-	-
Entilement of "Service Export from India Scheme" (Refer Note No. 37)	**-**	-	94.80	104.51
Advance For Capital Purchase	**0.37**	0.37	-	-
Other Assets	**-**	-	0.16	-
Total	**13.52**	**0.65**	**130.61**	**138.73**

NOTE NO. 7. INVENTORIES

(Rs in Million)

Particulars	March 31, 2021	March 31, 2020
Stores and Spares (At Cost)	62.28	86.77

Refer note no. 33

NOTE NO. 8. TRADE RECEIVABLES (NET) (REFER NOTE 29)

(Rs in Million)

Particulars	Current	
	March 31, 2021	March 31, 2020
Considered good - Secured		
Considered good - Unsecured	**1,003.57**	1,687.96
Trade Receivables having significant increase in Credit Risk	**958.75**	521.93
Trade Receivables - Credit Impaired	**-**	-
	1,962.32	2,209.89
Less : Allowance for Doubtful (Refer note no.49(i))	**958.75**	521.93
	1,003.57	1,687.96
Dues from Group Companies	**2,677.09**	3,855.08
Total	**3,680.65**	**5,543.04**

AGEING OF RECEIVABLES AS ON :

(Rs in Million)

Particulars	March 31, 2021	March 31, 2020
Dues from Group Companies		
Up to 1 Years	**1,382.60**	1,989.28
1 to 3 Years	**1,294.49**	1,865.80
3 Years and above	**-**	-
	2,677.09	**3,855.08**
Dues from other Companies		
Up to 1 Years	**946.24**	838.87
1 to 3 Years	**444.95**	684.17
3 Years and above	**571.12**	164.93
	1,962.32	**1,687.96**

The credit period on sales of Services ranges from 30 to 60 days with or without security.

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Credit risk management regarding trade receivables has been described in note 49(i)

Trade receivables from related parties' details has been described in note 43.

Trade receivables does not include any receivables from directors and officers of the Company

NOTE NO. 9. CASH AND CASH EQUIVALENTS

(Rs in Million)

Particulars	March 31, 2021	March 31, 2020
Cash and Cash Equivalents		
Cash on hand	**0.12**	0.07
Balance with Bank :		
- In Current Account	**43.27**	160.77
- Fixed Deposit having original maturity less than 3 month*	**0.19**	0.18
Total	**43.58**	**161.02**

*Earmarked balance represents Fixed deposits with Dy. Commissioner (Sales Tax)

NOTE NO. 10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs in Million)

Particulars	March 31, 2021	March 31, 2020
Earmarked balances		
- in Fixed Deposit**	**1.59**	1.50
Total	**1.59**	1.50

*Earmarked balance represents Fixed deposits with Dy. Commissioner (Goods and Services Tax)

NOTE NO. 11. OTHER FINANCIAL ASSETS

(Rs in Million)

Particulars	Current	
	March 31, 2021	March 31, 2020
Unsecured, considered good		
Recoverable from Staff	**56.73**	57.79
Others Recoverables	**0.81**	19.06
Total	**57.54**	**76.86**

12. Equity Share Capital

(Rs in Million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	(in Rs Million)	Number	(in Rs Million)
Authorised Capital				
Equity Shares of Rs 10/- each	**10,000.00**	10,000.00	1,000.00	10,000.00

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	(in Rs Million)	Number	(in Rs Million)
Issued and Subscribed				
Equity Shares of Rs 10/- each	**138.42**	1,384.24	138.42	1,384.24
	138.42	1,384.24	138.42	1,384.24

The company is a wholly owned subsidiary of Air India Ltd.

a. Shareholders holding more than 5% share in the company are set out below

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of Share	Number of shares held	% of Share
Air India Ltd. - Holding Company	138.42	100	138.42	100

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of the shares.

b. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

(Rs in Million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	Amount	Number of shares held	Amount
At the beginning of the year	138.42	1,384.24	138.42	1,384.24
Issued during the period	-	-	-	-
Outstanding at the end of the year	**138.42**	**1,384.24**	**138.42**	**1,384.24**

The Company has issued only one class of shares referred to as equity shares having a par value of Rs10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders after distribution of all preferential amounts, if any.

There were no bonus shares issued and there is an instance of shares being issued for consideration other than cash and no shares have been bought back by the company during the period of five years immediately preceding the date of Balance Sheet.

13. Other Equity

(Rs in Million)

Particulars	As at March 31, 2021		As at March 31, 2020	
Surplus in Profit and Loss Account:				
Balance as per last Balance Sheet		**2,490.22**		1,991.84
Effect of Deferred Tax Asset of earlier year		**-**		-

Particulars	As at March 31, 2021		As at March 31, 2020	
		2,490.22		1,991.84
Profit/ (Loss) for the year	**(2,030.51)**		498.38	
Less:				
Remeasurement of Defined Benefit Plans	**-**		-	
Transfer to General Reserve	**-**		-	
Add: Prior Period Adjustments				
Less: Prior Period Adjustments	**-**			
Interim Dividend	**-**		-	
Tax on Interim Dividend	**-**		-	
Proposed Dividend	**-**		-	
Tax on Proposed Dividend	**-**		-	
Sub Total		**-**		-
Net Surplus		**(2,030.51)**		498.38
Total Reserves & Surplus		**459.71**		**2,490.22**

(Rs in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	**459.71**	2,490.22
Total	**459.71**	**2,490.22**

Retained Earnings:

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

14. Other Financial Liabilities

(Rs in Million)

Particulars	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payables to Employees	**0.11**	0.11	**582.29**	352.30
Payable towards Airport Authority of India Levy (Refer Note No.31(b))	**-**	-	**992.88**	922.99
Payable for Capital Purchases		-	**57.03**	864.92
Total	**0.11**	**0.11**	**1,632.20**	**2,140.21**

15. Provisions

(Rs in Million)

Particulars	Non - Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rs)	(Rs)	(Rs)	(Rs)
Provisions for Employees Benefits*				
Provision for Leave encashment	**307.41**	347.23	**74.44**	92.10
Provision for Gratuity	**818.83**	836.95	**183.63**	177.29
Provision for Medical	**1,499.18**	1,383.83	**54.23**	56.39
Other Provision				
Provision for Tax Including Interest (Net)	**-**	-	**-**	200.49
Provision for MSME	**-**	-	**-**	0.03
Total	**2,625.43**	**2,568.01**	**312.29**	**526.29**

***Refer Note No.38**

16. Other Non Current Liabilities

(Rs in Million)

Particulars	Non - Current	
	March 31, 2021	March 31, 2020
Security Deposit From Customer	**21.49**	20.88
Advance from customers (Refer Note no.50)	**-**	-
Total	**21.49**	**20.88**

17. Trade Payables (Net)*

(Rs in Million)

Particulars	March 31, 2021	March 31, 2020
Trade Payables		
- Micro Small and Medium Enterprises	**4.51**	0.26
- Other Payables	**1,061.79**	845.94
Total	**1,066.30**	**846.20**

***Payable are normally settled within 30-60 days**

***Please refer Note No. 42**

18. Other Current Liabilities

(Rs in Million)

Particulars	Current	
	March 31, 2021	March 31, 2020
Statutory Liabilities (Refer Note No.31)	**836.85**	590.45
Deposits from Vendors	**30.56**	30.55
Security Deposit From Customer	**0.01**	0.61
Advance from customers (Refer Note No.50)	**0.57**	0.57
Other Current Liabilities		0.16
Total	**867.99**	**622.35**

19. Revenue from Operations (Gross)

(Rs in Million)

	Particulars	March 31, 2021	March 31, 2020
		(Rs)	(Rs)
A	**Revenue from Handling Services :**		
	Revenue from Group Companies	**1,516.12**	3,837.76
	Revenue from 3rd Party Handling	**1,079.87**	1,572.39
	Rev from Govt Parties	**27.21**	46.08
	Revenue From Casual Handling	**99.24**	112.86
		2,722.44	5,569.09
	Less : Revenue Sharing with Holding Company	**213.58**	342.49
	Total (A)	**2,508.86**	5,226.60
B	**Cargo Handling Revenue**		
	- APEDA Revenue	**35.13**	85.59
	- Others	**276.27**	510.98
	Total (B)	**311.41**	**596.57**
C	**Equipment Loaning**	**72.23**	**258.06**
	Other		
	Total (C)	**72.23**	**258.06**
	Total	**2,892.50**	**6,081.23**

20. Other Income

(Rs in Million)

Particulars	March 31, 2021	March 31, 2020
	(Rs)	(Rs)
Recruitment Application Money	**0.33**	1.93
Interest on overdue payments on group companies (refer note no.35)	**289.05**	269.42

Particulars	March 31, 2021	March 31, 2020
	(Rs)	(Rs)
Interest on overdue payments on other than group companies	**9.54**	5.89
Interest on Fixed Deposit	**0.10**	0.41
Foreign Exchange Gain (Net)	**-**	258.19
Profit Sharing of HAL - JWG (Refer note no.30)	**6.95**	9.10
Manpower cost recovery	**86.09**	97.60
Recovery of Gratuity (refer note no.38)	**-**	86.47
Provision no longer required written back	**-**	101.03
Duty Credit Entitlement under SFIS (Refer note no. 37)	**-**	25.32
Other Income	**56.59**	24.95
Total	**448.65**	**880.33**

21. Employee Benefit Expenses

(Rs in Million)

Particulars	March 31, 2021	March 31, 2020
	(Rs)	(Rs)
Salaries, Wages and Bonus	**3,207.97**	3,589.12
Contribution to Provident and Other Funds (refer note no.31)	**242.93**	359.37
Staff Welfare Expenses	**27.79**	68.27
Gratuity (refer note no.38)	**234.78**	203.92
Leave Encashment (refer note no.38)	**9.19**	52.88
Medical Benefit Expenses (refer note no.38)	**113.11**	122.79
Total	**3,835.78**	**4,396.35**

22. Finance Cost

(Rs in Million)

Particulars	March 31, 2021	March 31, 2020
	(Rs)	(Rs)
Interest on lease liabilities	**9.55**	13.88
Interest on Income Tax	**-**	49.05
Total	**9.55**	**62.93**

23. Other Expenses

(Rs in Million)

Particulars	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Handling Charges	**23.12**	47.67
Recruitment Expenses	**0.03**	0.07
Insurance	**57.42**	35.72
Telephone Charges	**0.50**	0.71
Repairs & Maintenance - Others	**84.69**	53.40
Electricity, Heating & Fuel	**125.99**	223.82
Water Charges	**1.24**	3.38
Stores & Spares Consumption	**45.70**	59.48
Hire of Transport & Equipments	**14.09**	9.07
Loss on sale of Property Plant and Equipment	**-**	21.15
Printing & Stationary	**2.13**	4.46
General Office Expense	**19.22**	13.81
Expected credit loss allowance (refer note no.49(i))	**436.82**	122.82
Rent expenses (Refer note 52)	**287.24**	246.93
Rates And Taxes	**2.53**	4.09
Travelling And Conveyance Expenses	**10.60**	43.23
Legal And Professional Expenses	**6.08**	13.83
Bank Charges	**3.50**	1.21
Other Audit Expenses	**0.51**	0.65
Pax Baggage Claims Expenditure	**0.06**	0.77
Foreign Exchange Loss (Net)	**28.59**	-
Interest Charges	**38.44**	4.46
Corporate social responsibility (refer note no.44)	**34.65**	10.37
Remuneration To Statutory Auditor		
- Audit fees	**1.00**	1.00
- Out of Pocket Expenses	**0.10**	0.10
Miscellaneous Expenses	**14.17**	15.52
Total	**1,238.40**	**937.73**

24. Earning Per Share

(Rs in Million)

Particulars	March 31, 2021	March 31, 2020
Profit/(loss) after tax	**(2,036.56)**	504.82
Weighted Average no. of shares outstanding (Nos.)	**138.42**	138.42
Nominal value of equity share (Rs.)	**10.00**	10.00

Particulars	March 31, 2021	March 31, 2020
Earnings per share (Rs.) - Basic	**(14.71)**	3.65
Earnings per share (Rs.) - Diluted	**(14.71)**	3.65

Reconciliation of Weighted Average No. of Shares outstanding during the Year

Rs. in Millions

Particulars	March 31, 2021	March 31, 2020
Total number of equity shares outstanding at the beginning of the year	**138.42**	138.42
Add: Issue of Shares through Right Issue (Date of Allotment 15th Dec 2011)	**-**	-
Total number of equity shares outstanding at the end of year	**138.42**	138.42
Weighted average number of equity shares at the end of the year	**138.42**	138.42

Previous Year's figures have been re-grouped / re-arranged to confirm to current year's classification

Notes forming part of the financial statements as at and for the year ended March 31, 2021

25. Disinvestment Process:

The Government of India (GOI) had given an In-Principle approval for the strategic Disinvestment of Air India group. The GOI has appointed the Transaction Advisor, Legal Advisor and Asset Valuer to guide the GOI and to carry forward the process of disinvestment of Air India Specific Alternative Mechanism (AISAM) was constituted to guide the Strategic disinvestment.

AISAM decided the following four Subsidiaries of Air India be demerged and parked in the newly created Special Purpose Vehicle (SPV):

i) AI Airport Services Ltd (AIASL)

ii) Alliance Air Aviation Limited

iii) AI Engineering Services Limited (AIESL)

iv) Hotel Corporation of India

A Special Purpose Vehicle (SPV) was created for warehousing accumulated working capital loans not backed by any asset along with four subsidiaries AAAL, AIASL, AIESL, HCI, non-core assets paintings and artificats and other non-operational assets of Air India. Accordingly, the SPV, Air India Assets Holding Ltd (AIAHL) was formed.

Pursuant to the fact that no bids were received on the above EOI issued in March 2018, Air India Specific Alternate Mechanism (AISAM) in its meeting held on 18th June 2018 took many decisions one of them being to separately decide the contours of the mode of disposal of the subsidiaries vis. AI Engineering Services Limited (AIESL). AI Airport Services Limited (previously known as Air India Air Transport Services Limited (AIATSL) and Alliance Air Aviation Limited previously known as Airline Allied Services Limited (AAAL).

In line with the above directives issued by GOI, Air India board approved the transfer of 100% shareholding of its subsidiary AI ASL to AIAHL, subject to necessary approvals and authorized the company to initiate the talks with AIASL/AIAHL to finalize the detailed terms and conditions of the transfer. The process of legal transfer of shareholding of AIASL to AIAHL is still under process and likely to be completed shortly.

Further in this regard the Preliminary Information Memorandum (PIM) for the invitation of the bids of Expression of Interest (EOI) for the disinvestment of AIASL has already been issued and the details of which are as under.

AIAHL had issued PIM on 12th February 2019 for inviting Expression of Interest for the proposed strategic sale of Air India Air Transport Services Limited followed by 12 corrigendum extending the dates with the last date being 27th December 2019. However, it was informed that the strategic sale of AI ASL stood cancelled and AIAHL will reinitiate the process of proposed strategic sale of AI ASL in due course.

26. Contingent Liabilities:

A. Disputed Claims / Levies (Including Interest, if any):

Claims against the company not acknowledged as debts (excluding interest and penalty, in certain cases) and the required information, in compliance of Ind AS 37, are as under:

₹ in Million

Sr no	Description	Balance as on March 31, 2021	Balance as on March 31, 2020
(i)	Income Tax Demand Notices received by the Company which are under Appeal (*)	20.10	20.10
(ii)	Claims of Airport Operators/Others (**)	9.90	30.57
(iii)	Other Claims on account of Staff/Civil/Arbitration Cases pending in Courts	3.08	3.20
	Total	**33.08**	**53.87**

Explanatory Statement in respect of Other Contingent Liabilities

1. **Income Tax Demand Notices received by the Company which are under Appeal (*)**

   a. **Gratuity disallowance:** The Dy. Commissioner of Income Tax (DCIT) disregarded the Revised Return of Income filed by the Company for A.Y. 2013-14 on 07-01-2015 and disallowance u/s. 40A(7) of ₹ 16.67 Million instead of correct amount determined as disallowable u/s.40A(7) of ₹ 2.60 million in accordance with Tax Audit Report and Revised Return filed on 07-01-2015.

   b. **Employees contribution to provident fund:** The D.C.I.T. made addition of ₹ 9.06 million to total Income of the company in respect of Employees Contribution towards P.F. u/s.36(i)(va) r.w.s. 2(24) (x) of the I.T. Act,1961 pertaining to A.Y. 2013-14.

2. **Claims of Airport Operators includes (**)**

   Neha Aviation Management Pvt. Ltd. had raised a demand of ₹ 9.9 Million (including penal interest and GST thereon) for providing baggage, cargo handling, miscellaneous services at Jaipur Airport. The Company has reviewed all their outstanding bills and found that the bills raised by the vendor were not correct and even for a single service, billing for double services has been made. Hence the claim has not been acknowledged as debt and has been shown as contingent liability.

27. Equity infusion by Air India

As per Memorandum of Understanding (MOU) signed on 19th April 2013 between the Company and Air India Limited, Air India, based on the equity support received from Government of India as part of Financial Restructuring Plan (FRP) will provide to AIASL equity required for capital expenditure to the extent of Rs. 3930 million up to F.Y. 2023. And as per MOU, out of total equity of Rs. 3930 million, Rs. 1500 million shall be infused in FY 2013-14 by AI for capital requirement of AIASL. The balance amount of Rs. 2430 million as equity shall be provided by AI to AIASL during the period until FY 2023 depending upon the capital requirement of AIASL. Against the above, Air India has infused Rs. 1384.24 million till date.

28. Capital & Other Long-Term Commitments

Capital Contract Commitments & Long-term Commitments is Nil as on 31st March 2021 (Previous Year Nil).

29. Correction of Prior Period Errors in Accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

During the year, the company undertook a detailed review of Opening Balances and discovered that the below mentioned Line items of financial statements had been incorrectly accounted/disclosed in the

Prior Year.

These errors have now been corrected by restating each of the affected financial statements line items for the prior year.

₹ in Million

Balance Sheet (Extract)	As at March 31, 2020 (as previously reported)	Increase / (Decrease)	As at March 31, 2020 (Restated)
Trade Receivables	5,713.96	(170.91)*	5,543.04
Other Financial Liabilities	2,153.82	(13.60)	2,140.21
Net Assets	**3,560.14**	**(157.31)**	**3,402.83**
Retained Earnings (refer note 12)	2,647.53	(157.31)	2,490.22
Total Equity	**1,991.84**	**(157.31)**	**1,834.51**
Statement of Profit and Loss (Extract)			
Revenue from Operations	6,221.30	(140.07)	6,081.23
Other Income	866.71	13.61	880.32
Total Revenue	**7,088.01**	**(126.46)**	**6,961.55**
Other Expenses	906.88	30.85	937.73
Total Expenses	**5,749.44**	**30.85**	**5,780.29**
Profit/(Loss) before tax	**1,338.58**	**(157.31)**	**1,181.27**
Profit/(Loss) after tax	**662.13**	**(157.31)**	**504.82**
Other Comprehensive Income			
Re- measurement of the defined benefit plan	**(6.45)**	**-**	**(6.45)**
Total Comprehensive Income for the year	**655.69**	**(157.31)**	**498.38**

* Break up of Increase / (Decrease) in Trade Receivables:

Particulars	Amount (₹ in Million)
IATA Recharge 2014-15	(1.26)
IATA Recharge 2016-17	(43.87)
IATA Recharge 2017-18	(127.58)
IATA Recharge 2018-19	4.99
IATA Recharge 2019-20	(1.38)
Non ICH Receivables	(1.81)
Total	**(170.91)**

30. Disclosure with regard to Joint Working Group

HAL Bangalore airport belongs to Hindustan Aeronautics Limited (HAL) and Ground Handling Services were provided by HAL. However, Company entered into an arrangement vide agreement dated April 29, 2016 with HAL to provide the expertise of the Company for Ground Handling Services at Bangalore Airport. In terms of such arrangement, the Company will use all infrastructure of HAL to provide the

Ground Handling Services at that airport and in terms of the same net profit of HAL, after tax, shall be shared equally between HAL and the Company. Accordingly, 50% share of net profit of HAL for the current year amounting to ₹ 6.95Million has been accounted for as Other Income.

₹ in Million

Name of the Joint Working Group	AI Joint Working Group	
	As at March 31, 2021	As at March 31, 2020
Share of Company / Ownership Interest	50%	50%
Income - Company's Share	36.40	22.25
Expenditure - Company's Share	22.50	4.05
Profit / (Loss) - Company's Share	13.90	18.20
Share of income from Joint Working Groups of the Company with HAL:	6.95	9.10
Contingent Liability	-	-

31. Reconciliation/Confirmation

a) The Company has sought for the confirmation of balances for all the major trade receivables and the company has obtained the balance confirmation of balances receivables from the holding company, sister concern of the holding company and from some private parties which consist of reasonable amounts of receivables of the company and reconciliation has been completed and balance confirmations have been obtained. In case of trade payables some parties have responded and wherever the party's balances are not in agreement with the books, the reconciliation of the differences is in progress. Impact, if any, of the consequential adjustments arising out of the reconciliation will be dealt with in the year of completion of the reconciliation and approvals from appropriate authority.

b) The Royalties recovered from clients and payable to Airport Authority of India and MIAL are under reconciliation. Impact, if any, of the consequential adjustments arising out of the reconciliation will be dealt with in the year of completion of the reconciliation and approvals from appropriate authority.

c) Goods& Service Tax (GST) and other statutory dues are in the process of reconciliation with the returns filed and statutory records maintained by the company. Impact, if any, of the consequential adjustments arising out of the reconciliation will be dealt with in the year of completion of the reconciliation and approvals from appropriate authority.

d) The reconciliation and matching of certain unmatched receivables/ recoverable from staff and payables including certain control ledger is in the process. Impact, if any, of the consequential adjustments arising out of the reconciliation will be dealt with in the year of completion of the reconciliation and approvals from appropriate authority.

e) The company has IATA recharge receivables amounting to Rs 483.46 Million which is under reconciliation. A committee has been formed by the company comprising of 3 members and interim report dated 13th May 2021, has also been submitted to the Board on 14th June 2021. The company is ascertaining the amounts to be rebilled or recovered from the customers. Impact, if any, of the consequential adjustments arising out of the reconciliation will be dealt with in the year of completion of the reconciliation and approvals from appropriate authority.

32. Property, Plant and Equipment (PPE)

As per the policy of the company physical verification of the major assets of the company will be done on rotational basis so that every asset will be verified every two years. Accordingly, the company has appointed independent agency for the physical verification of the assets and the discrepancies observed in the course of the verification will be adjusted in the year in which report will be submitted and after taking approval from the concerned authority.

33. Inventories

Physical Verification of Inventories carried out internally at four locations where inventories are stored has been carried out by officer of the company and duly certified. Physical verification has been carried out on 31stMarch 2021. The inventories have value in use at least equal to the carrying value in the books based on the confirmation received from the user (technical) department.

34. Cash and Bank Balances

The process of year end physical verification of cash in hand has been done by the authorized officials and the certificate of cash balance has been duly certified by the official concerned. Bank balances have been fully reconciled and confirmations from banks have been obtained in respect of all bank accounts.

35. Interest on Overdue Payments on Air India Group:

The interest has been charged at the rate of 9% on average balance method in respect of Air India, Air India Express, Air India Engineering Services Limited as per past practice. However, in respect of Alliance Air the interest has been charged at 9% after the credit period.

The interest charged for the Air India Group Companies is as under:

Particulars	Amount (₹in Million)
Air India Limited	113.75
Air India Express Limited	10.11
Air India Engineering Services Limited	89.87
Allied Airlines Services Limited	75.32
Total	**289.05**

36. Internal Control:

The company has appointed independent firm of Chartered Accountants for conducting the internal audit to provide suggestions for the improvement in the system required if any. The scope of the internal auditor is reviewed by the management from time to time so as to ensure implementation of the effective internal controls at stations, regional offices and user departments and system for uniform and timely accounting entries of transactions in SAP.

37. Entitlement of "Service Export from India Scheme" (SEIS):

The Company is entitled for credit under the "Service Export from India Scheme" on the basis of the foreign exchange earned by the Company through export of services. The said benefit, in the form of license /scrips, is provided by the Director General of Foreign Trade (DGFT). The Company is in the process of submitting of claim for the FY 2018-19, 2019-20 and 2020- 21.Pending submission of claim no export entitlement has been recognized for such financial years in the current year.

38. Employee Benefits Plan:

(A) Defined Contribution Plan

Employees Provident Fund: The Company has Employees Provident Fund Trusts under the Provident Fund Act, 1925 for Permanent employees. Also, the Company subscribes to EPFO under Employees' Provident Fund Scheme, 1952 which governs the Provident Fund Plans in respect on employees on contract. The Company as well as the employees contributes at applicable rates to the Provident Fund out of which Provident Fund is paid to the employees. Company's contribution to provident fund recognized in the Statement of profit and loss is ₹ 242.93 Million (Previous year: ₹ 359.37 Million) (Refer note no.21)

There is a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. In the view of the management, the contribution for PF is to be calculated as per Employee's Provident Funds and Miscellaneous Provisions Act, 1952.

(B) Defined Benefit Plans:

a) **Gratuity**: Gratuity is payable to all the eligible employees of the Company on superannuation, death, or permanent disablement, in terms of the provisions of the Payment of Gratuity Act. The Company has a defined benefit gratuity plan in India (Unfunded). Gratuity is paid from the company as and when it becomes due and is paid as per the company scheme for Gratuity.

In Case of employees on contract, up to previous year, basic and special allowance component of salary was considered as the salary for the purpose of actuarial valuation of Gratuity & Leave Encashment. During the year, the Company has considered only basic component of the salary for the said purpose as per the applicable law.

i) Disclosure Statement as per Ind AS of Gratuity

₹in Million

	As at March 31, 2021	**As at March 31, 2020**
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19	Indian Accounting Standard 19 (Ind AS 19
Funding Status	Unfunded	Unfunded
Starting Period	01-04-20	01-04-19
Date of Reporting	31-03-21	31-03-20
Period of Reporting	12 Months	12 Months
Assumptions (Previous period)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.56%	7.64%
Rate of Salary Increase	5.50%	5.50%
Rate of Employee Turnover	10% & 2% as Applicable	10% & 2% as Applicable
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
Assumptions (Current Period)		

Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.57%	6.56%
Rate of Salary Increase	5.50%	5.50%
Rate of Employee Turnover	10% & 2% as Applicable	10% & 2% as Applicable
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
Present Value of Benefit Obligation at the Beginning of the Period	1,014.12	966.11
Interest Cost	66.53	73.81
Current Service Cost	63.89	60.08
Past Service Cost	-	-
(Benefit Paid Directly by the Employer)	(98.85)	(109.88)
Actuarial (Gains)/Losses on Obligations - Due to Change in	(0.45)	46.66

	As at March 31, 2021	As at March 31, 2020
Financial Assumptions		
Actuarial (Gains)/Losses on Obligations - Due to Experience	(42.79)	(22.66)
Present Value of Benefit Obligation at the End of the Period	1002.46	1014.12
Amount recognized in the Balance sheet		
(Present Value of Benefit Obligation at the end of the Period)	(1002.46)	(1014.12)
Funded Status (Surplus/ (Deficit))	(1002.46)	(1014.12)
Net (Liability)/Asset Recognized in the Balance Sheet	(1002.46)	(1014.12)
Net Interest Cost for Current Year		
Present Value of Benefit Obligation at the Beginning of the Period	1,014.12	966.11
Net Liability/(Asset) at the Beginning	1.014.12	966.11
Interest Cost	66.53	73.81
Net Interest Cost for Current Period	66.53	73.81
Expenses Recognized in the Statement of Profit or Loss for Current Year		
Current Service Cost	63.89	60.08
Net Interest Cost	66.53	73.81
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	
(Gains)/Losses on Curtailments and Settlements	-	
Net Effect of Changes in Foreign Exchange Rates	-	

Expenses Recognized	130.42	133.89
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year		
Actuarial (Gains)/Losses on Obligation for the Period	(43.24)	23.99
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense for the Period Recognized in OCI	(43.24)	23.99
Balance Sheet Reconciliation		

	As at March 31, 2021	**As at March 31, 2020**
Opening Net Liability	1,014.12	966.11
Expenses Recognized in Statement of Profit or Loss	1,30.42	133.89
Expenses Recognized in OCI	(43.24)	23.99
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(98.85)	(109.88)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	1,002.45	1014.12
Other Details		
No of Active Members	13,962	14,278
Per Month Salary for Active Members	157.09	153.27
Weighted Average Duration of the Projected Benefit Obligation	6	6
Average Expected Future Service	8	8
Projected Benefit Obligation	1,002.46	1014.12
Prescribed Contribution for Next Year (12 Months)	42.95	0.00
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	1002.46	1014.12
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	1002.46	1014.12
Interest Cost	63.04	66.53
(Interest Income)	-	-
Net Interest Cost for Next Year	63.04	66.53
Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	68.45	63.89

Net Interest Cost	63.04	66.53
(Expected Contributions by the Employees)	-	-
Expenses Recognized	131.49	130.42
Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years from the Date of Reporting		

	As at March 31, 2021	As at March 31, 2020
1st Following Year	183.63	177.29
2nd Following Year	95.31	75.47
3rd Following Year	118.27	148.92
4th Following Year	127.54	122.51
5th Following Year	118.76	122.92
Sum of Years 6 To 10	451.22	483.57
Sensitivity Analysis: Increase / (Decrease)		
Projected Benefit Obligation on Current Assumptions	1002.46	1014.12
Delta Effect of +1% Change in Rate of Discounting	(42.93)	(43.36)
Delta Effect of -1% Change in Rate of Discounting	47.45	47.71
Delta Effect of +1% Change in Rate of Salary Increase	46.53	46.55
Delta Effect of -1% Change in Rate of Salary Increase	(42.91)	(43.12)
Delta Effect of +1% Change in Rate of Employee Turnover	1.49	1.72
Delta Effect of -1% Change in Rate of Employee Turnover	(1.76)	(1.96)
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.		
Notes:		

Gratuity is payable as per company's scheme as detailed in the report. Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation. Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above for foreseeable future of next 10 years. Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

b) **Post-Retirement Medical Benefits**: The Company has a Post-Retirement Medical Benefit Scheme under which medical benefits are provided to retired employees and their spouse.

Disclosure Statement as per Ind AS of Post-Retirement Medical Benefits

₹ in Million

	As at March 31, 2021	**As at March 31, 2020**
Type of Benefit	Medical	Medical
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded	Unfunded
Starting Period	01-04-20	01-04-19
Date of Reporting	31-03-21	31-03-20
Period of Reporting	12 Months	12 Months
Assumptions (Previous Year)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.81%	7.78%
Medical Cost Inflation	0.00%	4.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006- 08)	Indian Assured Lives Mortality (2006- 08)
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Assumptions (Current Year)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.91%	6.81%
Medical cost inflation	0.00%	4.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Present Value of Benefit	1440.22	1373.64

	As at March 31, 2021	As at March 31, 2020
Obligation at the Beginning of the Period		
Interest Cost	98.08	106.87
Current Service Cost	13.19	12.75
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(35.16)	(37.66)
(Benefit Paid from the Fund)	-	-
The Effect of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	116.44	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(20.52)	147.83
Actuarial (Gains)/Losses on Obligations - Due to Experience	58.72	(163.21)
Present Value of Benefit Obligation at the End of the Period	1553.52	1440.22
Table Showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes in Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding	-	-

	As at March 31, 2021	As at March 31, 2020
Interest Income		
Fair Value of Plan Assets at the End of the Period	-	-
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	(1553.51)	(1440.22)
Fair Value of Plan Assets at the end of the Period	-	-

Funded Status (Surplus/ (Deficit))	(1553.51)	(1440.22)
Net (Liability)/Asset Recognized in the Balance Sheet	(1553.51)	(1440.22)
Net Interest Cost for Current Year		
Present Value of Benefit Obligation at the Beginning of the Period	1440.22	1373.64
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	1440.22	1373.64
Interest Cost	98.08	106.87
(Interest Income)	-	-
Net Interest Cost for Current Period	98.08	106.87
Expenses Recognized in the Statement of Profit or Loss for Current Year		
Current Service Cost	13.19	12..75
Net Interest Cost	98.08	106.87
Past Service Cost	-	
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	111.27	119.62
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year		
Actuarial (Gains)/Losses on Obligation for the Period	37.19	(15.83)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense for the Period Recognized in OCI	37.19	(15.83)
Balance Sheet Reconciliation		

	As at March 31, 2021	**As at March 31, 2020**
Opening Net Liability	1440.22	1373.68
Expenses Recognized in Statement of Profit or Loss	111.27	119.62
Expenses Recognized in OCI	37.19	(15.38)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(35.16)	(37.65)
(Employer’s Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	1553.51	1440.21

Other Details		
No of Active Members	1010	1190

No. of Retired Employees	1028	1119
Weighted Average Duration of the Projected Benefit Obligation	14	30
Average Future Term	30	30
Projected Benefit Obligation	1553.51	1440.22
Prescribed Contribution for Next Year (12 Months)	-	-
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	1553.51	1440.21
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	1553.51	1449.21
Interest Cost	107.35	98.07
(Interest Income)	-	-
Net Interest Cost for Next Year	107.35	98.07
Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	12.18	13.18
Net Interest Cost	107.35	98.08
(Expected Contributions by the Employees)	-	-
Expenses Recognized	119.52	111.07
Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	51.33	53.67
2nd Following Year	68.03	70.35
3rd Following Year	87.03	89.32
4th Following Year	108.11	110.34
5th Following Year	128.52	130.69

Sum of Years 6 To 10	722.18	729.89
Sensitivity Analysis: Increase / (Decrease)		
Projected Benefit Obligation on Current Assumptions	1553.51	1440.21
Delta Effect of +1% Change in Rate of Discounting	(182.48)	(151.97)
Delta Effect of -1% Change in Rate of Discounting	227.76	186.25
Delta Effect of +1% Change in Medical Cost inflation	232.41	189.82
Delta Effect of -1% Change in Medical Cost inflation	(188.67)	(157.04)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.
Notes
Medical is payable as per Company Scheme as detailed in the report. Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation. Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above for foreseeable future of next 10 years. Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

(C) Other Long Term Employee Benefits

i. **Compensated Absence**

The Company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the Company due to death, retirement or resignation. The expected cost of compensated absence is determined by actuarial valuation performed by an independent actuary at the balance sheet date using projected unit credit method.

ii. **Bonus**

Bonus is payable to all employees as per the provisions of the Payment of Bonus Act 1965 and the provision for the same has been made in the current financial year.

39. Earnings Per Share (EPS)

₹ in Million

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020 (Restated)
Profit/(Loss) After Tax attributable to equity Holders of the company	(2036.56)	498.38
Weighted Average No. of Equity Shares	138.42	138.42
EPS After Tax (₹ per share)		
- Basic EPS	(14.71)	3.65
- Diluted EPS	(14.71)	3.65

40. Income taxes

Income tax expense

₹ in Million

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax		
Current tax	-	393.60
Short / (excess) provision of tax of earlier years*	-	(27.16)
Total	**-**	**366.44**
Deferred tax		
Deferred tax	(194.29)	310.01
Total	**(194.29)**	**674.27**

*This represents short / (excess) provision of income tax (net) of earlier years identified in the current year.

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognized income tax expense for the year indicated are as follows:

₹ in Million

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	**(2230.85)**	**1,338.58**
Enacted tax rate in India	25.16%	25.16%
Expected income tax expense at statutory tax rate (A)	**-**	**336.89**
Tax effect of:		
Expenses not deductible in determining taxable profits	-	16.08
Short / (excess) provision of tax for earlier years*	-	(27.16)
Others	-	40.74
Others – pending reconciliation	-	(0.11)
Income tax recognized in the statement of profit and loss	**-**	**366.44**
Impact of Deferred Tax	(194.29)	310.00
Income tax recognized in the statement of profit and loss (including deferred tax)	**(194.29)**	**676.44**

*This represents short /(excess) provision of income tax (net) of earlier years identified in the current year.

a) Deferred tax assets/(liabilities)

The following is the analysis of deferred tax assets / (liabilities) balances presented in the balance sheet:

₹ in Million

Particulars	As at March 31, 2021	As at March 31,2020
Deferred tax liabilities	(151.69)	(125.54)
Deferred tax assets	1115.80	895.36
Total	**964.11**	**769.82**

Significant component of deferred tax assets / (liabilities) and movement during the year are as under:

Particulars	As at March 31, 2020	For the year ended March 31, 2021			As at March 31, 2021
		Recognized through P&L	Recognized through OCI	Recognized through Retained Earnings	
Deferred tax balance in relation to					
Deferred tax asset of earlier years	939.37	-	-	-	939.37
Property, plant and equipment	(125.54)	(26.15)	-	-	(151.69)
Provision for employee benefits	(189.63)	(3.66)	-	-	(193.29)
Expected credit loss	131.36	109.94	-	-	241.30
Disallowance under Section 43B and 40(a)(ia) of Income tax Act, 1961	12.78	114.78	-	-	127.56
Lease Balances	1.48	(0.62)	-	-	0.86
Total	**769.82**	**194.29**	**-**	**-**	**964.11**

₹ in Million

Particulars	As at March 31, 2019	For the year ended March 31, 2020			As at March 31, 2020
		Recognized through P&L	Recognized through OCI	Recognized through Retained Earnings	
Deferred tax balance in relation to					
Deferred tax asset of earlier years	939.37	-	-	-	939.37
Property, plant and equipment	(124.75)	(0.79)	-	-	(125.54)
Provision for employee benefits	90.67	(282.47)	2.17	-	(189.63)
Expected credit loss	152.45	(21.09)	-	-	131.36

Disallowance under Section 43B and 40(a)(ia) of Income tax Act, 1961	19.92	(7.14)	-	-	12.78
Lease Balances	-	1.48	-	-	1.48
Total	**1,077.66**	**(310.01)**	**2.17**	**-**	**769.82**

The company is creating deferred tax assets considering that company is hopeful of showing improved performance in future and accordingly, has reasonable certainty that deferred tax asset recognized will be realized against future taxable profits.

41. Claims from Jet Airways (India) Ltd:

The Company has submitted its claims of Rs. 250.18million (including interest) from M/s Jet Airways (India) Ltd to the Interim Resolution Professional / Resolution Professional of M/s Jet Airways (India) Ltd out of which claims of Rs. 166.1 million has been admitted. However, 100% provision of the receivables from M/s Jet Airways (India) Ltd is considered in ECL.

42. The Micro and Small Enterprises Development Act, 2006:

The accounting system (SAP) has a field, minority indicator in Vendor Master, which is updated to identify the vendor as MSME. The system is being enhanced to capture more details of SSI Vendors, such as certificate no., issuing agency, validity, etc. However, payments to such undertakings covered under the Micro, Small and Medium Enterprises Development Act (to the extent identified) have been made within the prescribed time limit/date agreed upon with the supplier and hence, no interest is payable on delayed payments. In other cases, necessary compliance/disclosure will be ensured in due course.

₹ in Million

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount due outstanding as at end of year	4.50	0.25
Principal amount overdue more than 45 days	4.50	0.25
Interest due on (1) above and unpaid as at end of year	0.11	0.02
Interest paid to the supplier	0	0.00
Payments made to the supplier beyond the appointed day during the year	4.50	0.24
Interest due and payable for the year of delay	0.00	0.00
Interest accrued and remaining unpaid as at end of year	0.11	0.02
Amount of further interest remaining due and payable in succeeding year	0.11	0.02

43. Related Party Disclosures

Disclosure of the names and designations of the Related Parties as required by Ind AS24 Related Parties, during the year 2020-21.

A. List of Related parties:

i. In terms of Ind AS 24, following are related parties which are Government Related entities i.e. Significantly controlled and influenced entities (Government of India) :

Sr. No	Name of Company	Relationship
1	Air India Limited	Holding Company

ii. List of Fellow Subsidiary Companies:

Sr. No	Name of Company	Relationship
1	Hotel Corporation of India Limited (HCI)	Fellow Subsidiary Company
2	Air India Engineering Services Limited (AIESL)	Fellow Subsidiary Company
3	Air India Express Limited (AIEL)	Fellow Subsidiary Company
4	Alliance Air Aviation Limited (AAAL)	Fellow Subsidiary Company
5	Air India SATS Airport Services Private Limited (Other than Government related entities)	Fellow Joint Venture

iii. **Others**:

Sr. No	Name of Company	Relationship
1	Airport Authority of India	Entity under same control by the Government
2	Ministry of Defense	
3	Hindustan Aeronautics Limited (HAL)	

B. Key Managerial Personnel

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Shri. Rajiv Bansal	Chairman (Appointed as CMD effective 14.02. 2020)
2.	Capt. A.K. Sharma	Chief Executive Officer (ceased as CEO & KMP on 31.07.2021)
3.	Shri. Rambabu Ch.	Chief Executive Officer (appointed as CEO & KMP w.e.f 31.07.2021)
4.	Shri J V Ravi Kumar	Chief Financial Officer(Ceased as CFO & KMP on 02.03.2021)
5.	Shri Rajesh Narain	Chief Financial Officer (Appointed as CFO & KMP w.e.f. on 02.03.2021)
6.	Smt. Shashi Bhadoola	Company Secretary (Appointed as CS & KMP w.e.f. 11.06. 2020)

C. Related Party Transactions

i. No loans or credit transactions were outstanding with directors or officers of the company or their relatives at the end of the year.

ii. In terms of Ind AS 24, following are the disclosure requirements related to transactions with certain Government Related entities i.e. Significantly controlled and influenced entities (Government of India) and other than government related parties:

₹ in Million

Sr. No	Name of the Entity & Nature of Transaction	As at and for the year ended	
		March 31, 2021	March 31, 2020
1	**Air India Limited (Holding Company)**		
	Revenue from Operations:		
	Ground Handling Revenue	1231.96	3463.81
	Supply of Manpower Services*	84.91	102.91
	Interest on Outstanding recoverable	113.75	105.04
	Expenditure		
	Rent on Premises	88.95	31.99
	IT Charges	10.93	11.80
	Insurance Charges	57.47	35.69
	Recovery of Electricity Charges	20.49	37.79
	Staff Travel Expenses	4.59	10.57
	Staff Welfare Expenses	24.16	33.87
	Medical Expenses	00.00	40.39
	Revenue Sharing with Holding Company	**213.58**	**342.91**
	Closing Balance of Trade	**808.46**	**1833.03**

Sr. No	Name of the Entity & Nature of Transaction receivable [Debit / (Credit)]	As at and for the year ended	
		March 31, 2021	March 31, 2020
2	**Air India Express Limited**		
	Revenue		
	Ground Handling Revenue	157.51	364.31
	Manpower Service	0.06	0.13
	APEDA/Carting Revenue	0.36	0.55
	Interest on outstanding recoverable	10.11	18.73
	Closing Balance of Trade receivable (Debit)	**77.85**	**156.25**
3	**Air India Engineering Services Limited**		
	Revenue		
	Manpower Services / Cabin Cleaning	99.26	77.54

	Interest on outstanding recoverable	89.87	90.78
	Expenditure		
	Headset Services	0.69	13.91
	Closing Balance of Trade receivable (Debit)	**1072.26**	**1014.70**
4	**Airline Allied Service Limited (Alliance Air)**		
	Revenue from Operations		
	Ground Handling Revenue	124.00	243.60
	Supply of Manpower Services	0.00	0.15
	Interest on Outstanding recoverable	75.32	54.86
	Expenditure		
	Staff on Duty Expenditure	0.86	1.08
	Closing Balance of Trade receivable (Debit)	**718.52**	**851.10**
5	**Hotel Corporation of India Limited (HCIL-Centaur)**		
	Expenditure		
	Staff Hotel Expenses	0.09	1.03
	Closing Balance of Trade payable (Credit)	**1.13**	**1.03**
6	**Air India Singapore Airlines Transport Services (AISATS)**		
	Closing Balance of trade receivable (Debit)	**2.58**	**2.58**

Compensation to Key Management Personnel

₹ in Million

Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	4.54	0.81
Post-employment benefits	Nil	Nil
Other long-term benefits	Nil	Nil
Termination benefits	Nil	Nil
Total compensation to Key Management Personnel	**4.54**	**0.81**

As the future liability for Post- employment, Other Long-term and Termination Benefits are provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

Major Transactions with Government Related Entities

₹ in Million

Name of Entity	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Expenditure: Airports Authority of India levy	68.39	128.10
Revenue: Indian Air Force/Border Security Force/Indian Navy for Ground Handling Services	27.21	46.18

Note: The above transactions with the Government /Government related entities cover transactions that are significant individually and collectively. The company also entered into other transactions with various other governments related entities; however, these transactions are insignificant either individually or collectively and hence not disclosed

44. Corporate Social Responsibility (CSR)

₹ in Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Gross amount required to be spent by the Company during the year	23.66	20.74
(b) Amount spent on:		
(i) Construction / acquisition of assets	Nil	Nil
(ii) On purposes other than (i) above (for CSR projects)	53.89*	10.37

* Amount spent during the year pertains to the past years and amount of Rs.23.66 million required to be spent for the FY 2020-21 will be spent before 30th September 2021.

45. Following are the details of Foreign Currency earned and expended by the Company during the Financial Year 2020-21.

₹ in Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Foreign Exchange Earnings	867.06	1,275.50
Foreign Exchange expended (for Import Payments)	(786.29)	(1,179.02)
Net Foreign Exchange Earnings	**80.77**	**96.48**

46. Segment Reporting

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Ground HandlingServices" and that all of the operations are in India. Hence the Company does not have any reportable Segments as per Indian Accounting

Standard 108 "Operating Segments".

a. Disclosure of Customer with more than 10% of Revenue:

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Air India Ltd.	2279.68	4700.83

47. Remuneration to Auditors

The details of the audit fees and expenses of the Auditors:

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit Fees - For the Year	1.00	1.00
Out of Pocket Expenses	0.10	0.10
Total	1.10	1.10

48. Fair value measurement and financial instruments

a. **Financial instruments – by category and fair value hierarchy** The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As at March 31, 2021

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVT OCI	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial Assets					-	-	-
Current					-	-	-
Trade Receivable*	-	-	3,680.65	3,680.65	-	-	-
Cash & Cash Equivalents and other bank balances	-	-	45.17	45.17	-	-	-
Others Financial Assets	-	-	57.54	57.54	-	-	-
Total	-	-	**3,783.36**	**3,783.36**	-	-	-
Financial liabilities					-	-	-
Non-Current					-	-	-
Other Financial Liabilities	-	-	0.11	0.11	-	-	-
Current					-	-	-
Trade Payables*	-	-	1,066.29	1,066.29	-	-	-
Other Financial Liabilities	-	-	1,632.20	1,632.20	-	-	-
Total	**-**	**-**	**2,698.60**	**2,698.60**	**-**	**-**	**-**

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, and other current financial assets, approximates the fair values, due to their short-term nature.

(ii) As at March 31, 2020

₹ in Million

Particulars	**Carrying Value**				**Fair value measurement using**		
	FVTPL	**FVT OCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial Assets							
Current							
Trade Receivable* (Restated)	-	-	5,543.04	5,543.04	-	-	-
Cash & Cash Equivalents and other bank balances	-	-	162.52	162.52	-	-	-
Others Financial Assets	-	-	76.85	76.85	-	-	-
Total	-	-	**5,782.40**	**5,782.40**	-	-	-
					-	-	-
Financial liabilities					-	-	-

Particulars	**Carrying Value**				**Fair value measurement using**		
	FVTPL	**FVT OCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Non-Current					-	-	-
Other Financial Liabilities	-	-	0.11	0.11	-	-	-
Current					-	-	-
Trade Payables*	-	-	846.20	846.20	-	-	-
Other Financial Liabilities (Restated)	-	-	2,140.21	2,140.21	-	-	-
Total	**-**	**-**	**2,986.52**	**2,986.52**	**-**	**-**	**-**

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, and other current financial assets, approximates the fair values, due to their short-term nature.

b. Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data unobservable inputs. Fair value are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

49. Financial Risk Management Objective and Policies:

The company has exposure to following risks arising from financial instruments:

i. Credit Risk

ii. Liquidity Risk

iii. Market Risk – a. Foreign Currency and b. Interest Rate

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance receivable, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which summarized below:

(i) Credit Risk Management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits defined in accordance with the assessment.

The maximum exposure to the credit at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company brands credit terms in the normal course of the business.

Trade receivables consist of number of customers from the same aviation industry. Significant of outstanding is from its Group Companies (i.e. 60%) and for which the Management expects no credit risk. Accordingly, no expected credit loss has been considered on receivables from Group Companies. Further, receivables from government companies is also considered as fully recoverable and hence, no provisioning considered on such receivables.

Apart from Group Company and Government receivables, in respect of other parties there is no significant concentration of credit risk. No single customer accounted for 10% or more of revenue in any of the years indicated. The outstanding trade receivables are regularly monitored, and appropriate action is taken for collection of overdue receivables.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

As per policy receivables are classified into different buckets based on the overdue period ranging from 6 months – one year to more than one year and one to two years.

Based on the business environment in which the company operates, management considers that the trade receivable (other than receivables from government departments) are in default (credit impaired) if the payments are past due. There provisioning norms computed based on the proportion computed by taking ratio of outstanding receivables for more than 36 months. According ECL is provide using following rates:

Bucket	As at March 31, 2021	As at March 31, 2020
Government Company	27.19%	0.00%
Group Company	0.00 %	0.00 %
Other Parties past due up to three years	27.19%	8.73%
Other Parties past due more than three years	100.00 %	100.00 %
Specific Credit Risk impairment on individual basis	100.00 %	100.00 %

The movement in allowance for Expected Credit Loss is as follows:

₹ in Million

Particular	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**521.93**	**436.26**
Allowance for trade receivable which have significant increase in credit risk	436.82	85.67
Specific Credit Risk impairment on individual basis	-	-
Balance as at the end of the year	**958.75**	**521.93**

The Company has not provided for impairments of financial assets (Trade and Other Contractual Receivables) using provision matrix in accordance with the requirements of Ind AS — 109 “Financial Instruments”. During the year, the Company has computed cumulative effect of Expected Credit Loss as on March 31, 2021 applying simplified approach for trade and other contractual receivables from the parties other than the group companies amounting to Rs. 958.75million (Previous year Rs.521.93 million). The Company has considered Rs. Nil towards expected credit loss in respect of receivable from the group companies.

The Company is in the process of evaluating recoverability of receivables considering COVID-19 pandemic. Pending such analysis, impact of COVID-19 on the Company’s financial statements cannot be determinable as at the date of approval of these financial statements.

(ii) Liquidity Risk Management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associated with its Financial liabilities that are settled by delivering cash or another Financial assets.

The Company’s approach to manage Liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company believes that its liquidity position, including total cash (including bank deposit lien and excluding interest accrued but not due) anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility of ₹ NIL (31 March 2020: ₹NIL) will enable it to meet its future known obligation in the ordinary course of business. However, if a liquidity needs were to arise, the company believes it has access to financing arrangement, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and liquidity requirement.

The Company's liquidity management process as monitored by management includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirement can be met.
- Maintaining rolling forecast of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

The following are the remaining contractual maturities of financial liabilities at the reporting data. The contractual maturity is based on the earliest date on which the Company may be required to pay:

Exposure to Liquidity risk

As at March 31, 2021

₹ in Million

Particulars	**Carrying amount**	**Contractual Cash Flows**			
		Upto 1 year	**1-5 Years**	**More than 5 years**	**Total**
Financial Assets					
Current					
Trade Receivable	3680.65	3680.65	-	-	3680.65
Cash & Cash Equivalents and other bank balances	45.17	45.17	-	-	45.17
Others Financial Assets	57.54	57.54	-	-	57.54
Financial Liabilities					
Non-Current					
Other Financial Liabilities	0.1	0.1	-	-	0.1
Current					
Trade Payables	1066.29	1066.29	-	-	1066.29
Other Financial Liabilities	1632.20	1632.20	-	-	1632.20

As at March 31, 2020

₹in Million

Particulars	Carrying amount	Contractual Cash Flows			
		Upto 1 year	1-5 Years	More than 5 years	Total
Financial Assets					
Current					
Trade Receivable (Restated)	5,543.04	5,543.04	-	-	**5,543.04**
Cash & Cash Equivalents and other bank balances	162.52	162.52	-	-	**162.52**
Others Financial Assets	76.85	76.85	-	-	**76.85**
Financial Liabilities					
Non-Current					
Other Financial Liabilities	0.11	0.11	-	-	**0.11**
Current					
Trade Payables	846.20	846.20	-	-	**846.20**
Other Financial Liabilities	2,140.21	2,140.21	-	-	**2,140.21**

(iii) Market risk

Market risk is that the fair value and future cash flows of financial instrument will fluctuate because of changes in market prices. Market risk comprises two type of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

A. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any borrowings

B. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is exposed to the effects of fluctuation in the prevailing foreign currency rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuation between the functional currency and other currencies from the company's operating, investing and financing activities.

Exposure to foreign Currency Risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2021andMarch31, 2020 are as below:

₹in Million

Particulars	As at March 31, 2021			As at March 31, 2020		
	USD	INR	Total	USD	INR	Total
Financial Assets				-	-	-
Trade Receivable	455.25	3225.40	3680.65	298.87	5244.17	5543.04

Cash & Cash Equivalents and bank balances	12.59	32.58	45.17	44.63	117.89	162.52
Other Financial Assets	-	57.54	57.54	-	76.85	76.85
Total Financial Assets	**467.84**	**3315.52**	**3783.36**	**343.50**	**5438.91**	**5782.41**
Financial Liabilities						
Non-Current						
Other Financial Liabilities	-	0.11	0.11	-	0.11	0.11
Current						
Trade Payables	-	1066.29	1066.29	-	846.20	846.20
Other Financial Liabilities	44.70	1587.50	1632.20	895.73	1244.48	2,140.21
Total Financial Liabilities	**44.70**	**2653.90**	**2,698.60**	**895.73**	**2090.79**	**2,986.52**

Sensitivity Analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR depreciates 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

₹ in Million

Particulars	**Increase**		**(Decrease)**	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Receivable				
USD/INR	83.31	114.26	(83.31)	(114.26)
Payable				
USD/INR	(2.23)	(44.79)	2.23	44.79

50. Ind AS 115- Revenue from Contracts with Customers

Particulars	**For the year ended 31 March 2021 (in million)**	**For the year ended 31 March 2020 (in million)**
Revenue from contracts with customer	2,892.50	6081.23
Other operating revenue	448.65	880.33
Total revenue from operations	3341.15	6961.56
Timing of revenue recognition		
At a point in time	3341.15	6961.56
Total revenue from operations	3341.15	6961.56

Particulars	As at March 31 2021	As at March 31 2020
Trade Receivables (refer note 8)	3,680.65	5543.04
Contract liabilities		
Advance from customers		
Opening	0.57	0.44
Revenue Recognised During the Year	-	
Additions during the Year	-	0.13
Closing Balance (Refer Note no.16 and 18)	0.57	0.57

51. We refer to note no. 24of the financial statements where the prior period reported figures have been re-stated to incorporate necessary corrections. However, due to impracticability to determine the period specific effects of certain errors,the company has given cumulative effects in the opening balances of current year. Hence, reported restated previous year financial figures are not strictly comparable.

52. IND AS 116 Clarificatory note on not considering Airport Spaces for Lease Liability.

(a) Following the recognition exemption available under Ind AS 116, regarding short term leases, low value assets and those assets which were not covered under the previous Ind AS 17, the company has availed the same exemptions for the implementation of the new Ind AS 116.

(b) In respect of other leases for various commercial premises,(with option to purchase/renew but title of the same may or may not eventually be transferred) which are scattered at various locations/ stations/regions, there is a foreclosure clause in the contract wherein it is cancellable by providing notice period of 90 days by either side.

Pending evaluation these the company has not considered as ROU under Ind AS 116 , regarding short term leases, low value assets and those assets which were not covered under the previous Ind AS 17, the company has availed the same exemptions for the implementation of the new Ind AS 116.

53. Impact of COVID on financials

The global outbreak of COVID-19 pandemic and the nation-wide lockdown imposed from 25th March 2020 and followed by multiple extensions in lockdown/ restrictions imposed by Central/State Governments had a major impact on the aviation industry. Similar lockdowns were imposed in the different parts of the world as well, leading to a severe dent on the business of the Company. Air India Group companies and Customer airlines had to cease all scheduled domestic and international operations in compliance with the directions issued by the DGCA in the aftermath of the pandemic.

The suspension of all air traffic during this period saw the revenues of the Company plummeting and at the same time, salaries and other expenditure had to be met during this period leading to a further dent in financial position of the Company.

The Company has assessed the impact of COVID-19 on the impairment in the carrying value of its assets, inventories, receivables etc appearing in its financial statements. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions manifested by the pandemic, the Company has relied on various internal and external sources of information. Based on the current indicators of future economic conditions, the management expects to fully recover the carrying value of all its assets. However, given the uncertainties, the final impact on the Company's Financial Statements and Cash Flows cannot be predicted at this time and in future may differ from that estimated as at the date of approval of these financial statements. Further, the impact assessment does not indicate any adverse impact on the ability of the Company to continue as a going concern.

The Company had been operating and handling during the Covid period as well by handling various flights carrying essential medical supplies to different parts of India and also providing Ground Handling services, loaning of equipment etc to Charters as well.

54. Amendments to Companies Act, 2013

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1,2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

  The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

55. Applicability of new and revised Indian Accounting Standards (Ind AS):

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following major amendments and new accounting standards, which became applicable with effect from 1ST April, 2020.

Ind AS 116 – Leases

The amendments clarify for the accounting for rent concessions due to COVID-19 and whether to treat it as lease modifications or not

Ind AS 1 – Presentation of financial statements / Ind AS 8 - Accounting policies, changes in accounting estimates and errors

The amendments provides for the definition of "material".

Ind AS 10 – Events after the reporting period

The amendments provides for the definition of "non-adjusting events" and its effective date of application.

Ind AS 34 – Interim financial reporting

The amendments clarifies the consequential effects of the amendments to various Ind AS.

Ind AS 37 – Provisions, contingent liabilities and contingent assets

The amendments clarifies the consequential effects of the amendments to various Ind AS and the accounting of the restructuring plan.

Ind AS / Amendments to existing Ind AS issued but not effective:

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1ST April, 2020.

As Per Our Report Of Even Date Attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration No. 109574W

Sd/-
Vipul K. Choksi
Partner
M.No. 37606
UDIN : 21037606AAAACO2003

Place: Delhi / Mumbai
Date: 13th September 2021

For and on behalf of the Board of Directors

Sd/-
Rajiv Bansal
Chairman
DIN 00245460

Sd/-
Vimlendra Anand Patwardhan
Director
DIN 08701559

Sd/-
Rajesh Narain
Chief Financial Officer

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Smt. Shashi Bhadoola
Company Secretary