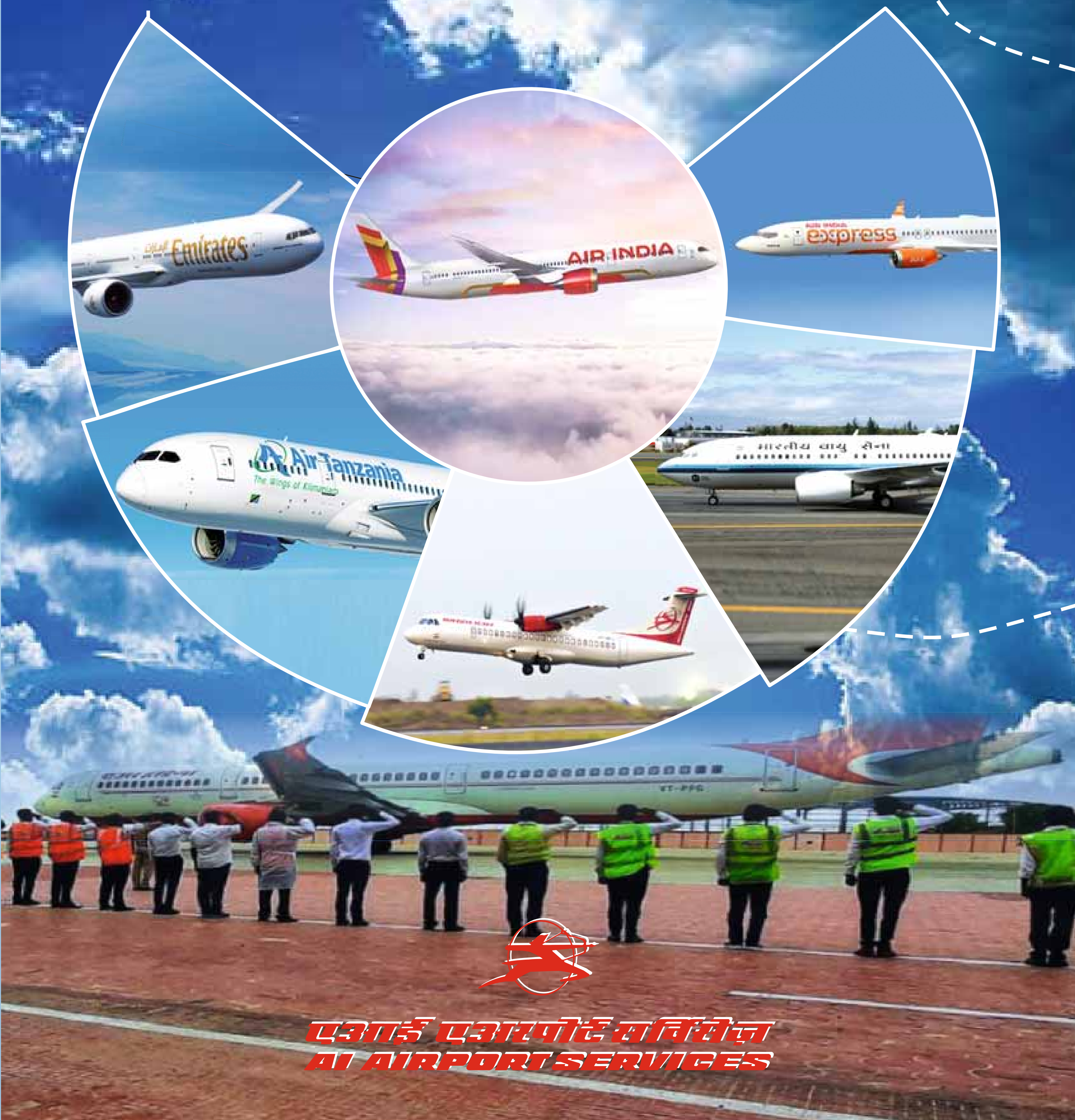
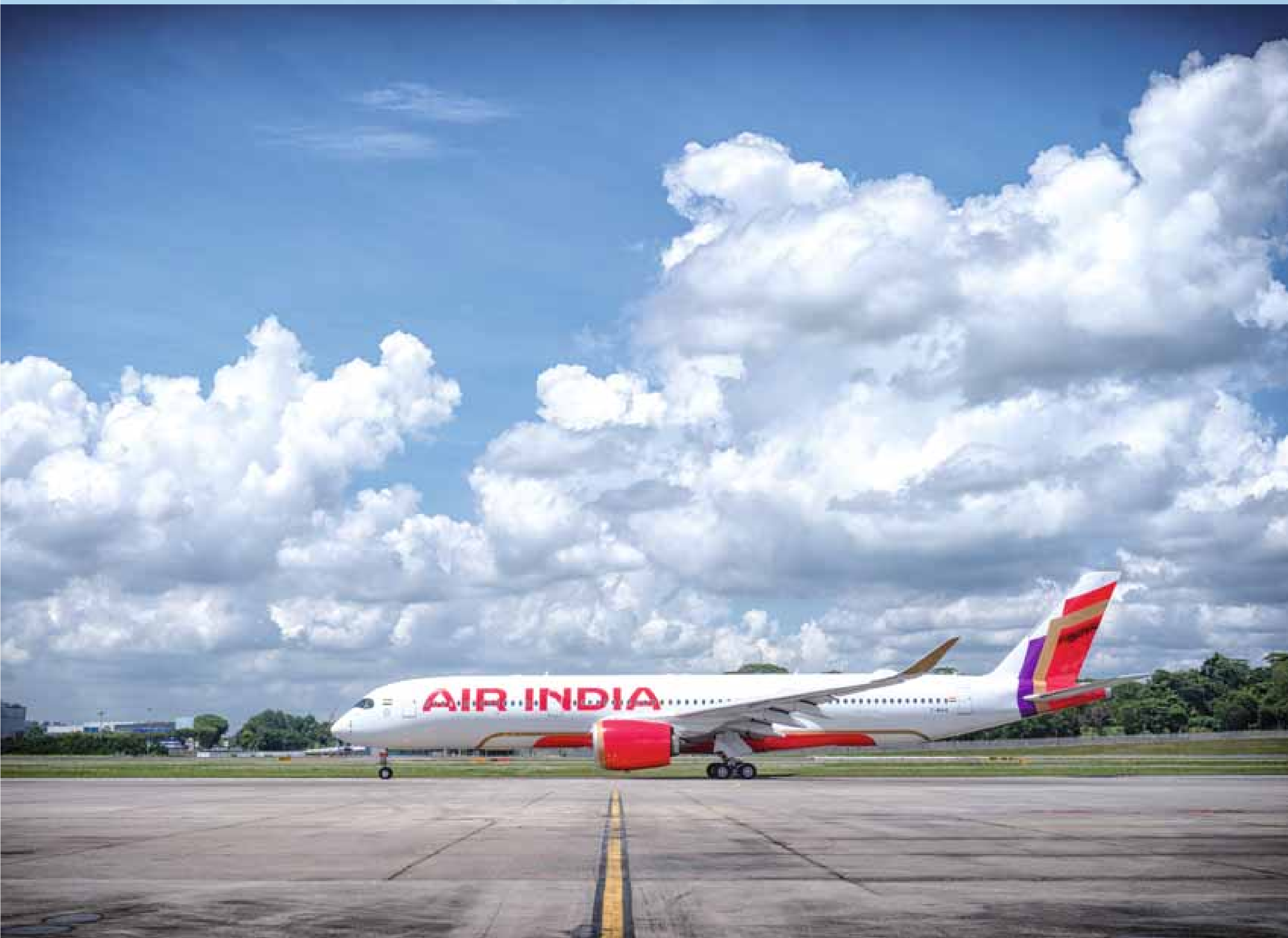
ANNUAL REPORT 2022-23



एआई एयरपोर्ट सर्विसेज
AI AIRPORT SERVICES


AIR INDIA

AI AIRPORT SERVICES LIMITED

CONTENTS

CORPORATE INFORMATION

Board of Directors (As on 03rd November 2023)

Shri Satyendra Kumar Mishra	Chairman
Shri Padam Lal Negi	
Smt. Parama Sen	

Chief Executive Officer

Shri Rambabu Ch.

Chief Financial Officer

Shri Sandeep Malhotra

Company Secretary

Smt. Shashi Bhadoola

Auditors

M/s S. Mann & Co.,

Chartered Accountants, Delhi

Bankers

HDFC Bank Limited, Axis Bank and

SBI Bank

Registered Office

2nd Floor, GSD Building,

Air India Complex, Terminal-2, IGI Airport, New Delhi- 110037

Registrar And Transfer Agent

M/s Link Intime India Pvt Ltd

C 101, 247 Park, L B S Marg,

Vikhroli West, Mumbai 400083.

CHAIRMAN'S SPEECH

Dear Shareholders

It gives me immense pleasure to present the 20th Annual Report of the Company for the Financial Year 2022-23.AI Airport Services Limited ("The Company") (AIASL) is a leading ground-handling service provider and is operational on PAN India.

AIASL was operationalized in February 2013 and commenced its autonomous operations from FY 2014-15. AIASL, since its stand-alone operationalization has been a profitable company except for FY 2020-21. During the FY 2020-21, the operations of the Company were majorly affected due to the advent of the COVID-19 pandemic. However, the company was turned around to make profits from the next FY 2021-22 onwards, and continued its profitability, in the FY 2022-23, the Company earned a profit of Rs.783.14 Million.

AIASL has the largest and widest ground handling presence for providing ground handling and related services at 113 airports in India. AIASL-served Airports include the highest altitude and snow-clad airports at Leh & Thoise, the desert airfield at Jaisalmer, Island airports in Agatti & Port Blair, and table-top airports at Calicut over the complete network.

AIASL has the largest inventory of Ground Support Equipment (GSE) and skilled expertise and experienced manpower resources, capable of rendering ground Handling (GH) services, covering all types of passenger & freighter aircraft up to A380, A350 & 777 Max.

OVERVIEW- CIVIL AVIATION INDUSTRY

India has become the third-largest domestic aviation market in the world and is expected to overtake the UK to become the third-largest air passenger market by 2024. Indian aviation also contributed significantly to the GDP, creating millions of jobs. The Aviation industry's fastest growth is being propelled by the development of airports across multiple city tiers; a liberalized FDI policy; increasing adoption of information technology and a strong focus on regional connectivity.

India is already among the top 10 aviation markets, serving over 105 million domestic passengers annually, and the volume of air traffic, both in terms of passengers and cargo, is growing at a rapid pace after the COVID-19 pandemic. More than 4 lakh passengers are traveling daily (P.T.O) on domestic flights alone, with almost 6,000 flight movements. Similarly, about 1.75 lakh passengers are traveling on international flights with about 1,000 flight movements.

Government of India, Ministry of Civil Aviation's stimulating interventions play a major role in the development of the aviation industry in India. One of the schemes launched by the Government in support of the growth of aviation was the UDAN (Ude Desh Ka Aam Nagrik) scheme which was released in June 2016 with the motive of offering half of the flights at subsidized fares and is expected to be in process for a period of 10 years (till 2026). Under the UDAN scheme, there are about 75 Airports operating and supporting about 490 RCS routes operated by 11 operators, flying about 4.5 lakh flights annually.

OVERVIEW- GROUND HANDLING

The India ground handling services market is consolidating with a large number of GHA's being appointed at most of the Air Ports by the Airport Operators, and competing in the market. AI Airport Services Limited is the leading player in terms of spread, handling, and revenue in the India ground handling services market. Air India SATS Airport Services, Bird Worldwide Flight Services, Celebi NAS Airport Services Private Limited, and Indo-Thai Airport Management Services are the other leading GHA's.

An increase in air passenger and freight traffic will increase demand for ground handling services in the future. Growth in airline fleets and modernization and expansion of airport terminals will be major contributors to the ground-handling services market in India. The record number of aircraft orders placed by almost all the Indian carriers, led by Air India Limited and Indigo will surely augment the ground-handling services market in India.

STRONG POSITION IN THE WORLD'S FASTEST-GROWING AVIATION INDUSTRY

The Indian aviation market is on its sustained recovery path and high growth trajectory after Covid, which has a direct bearing on the business volumes for AIASL, - with the following milestone achievements:

- Domestic Air passenger traffic grew by 60% in FY 2022-23.
- Air carriers flew about 8.52 crore passengers on local routes in FY 2022-23.
- International Traffic is expected to recover to pre-COVID levels of FY 2020 in FY 2023-24
- India is 3rd largest domestic civil aviation market in the world after the USA and China and is expected to become the 3rd largest air passenger (including domestic and international) market by 2024 besides being 2nd fastest-growing aviation market in the world.
- There are about 750 aircraft capacity in India and it is expected to add about 1000 aircraft over the next few years with firm aircraft orders by almost all the leading domestic schedule operators, as some of them will replace the existing aircraft that are either phased out or leases terminated. As per the forecast, India will need about 2,500 new commercial aircraft by 2038.
- In addition, there are about 830 aircraft being operated by NSOPs, Government, Private owned and Training Institutes, etc., in India.
- About 12 Passenger Airlines and 4 Cargo Airlines in India operate about 750 aircraft consisting of 50+ wide-body aircraft, 80+ Turbo Props aircraft, and the balance aircraft are Narrow-body aircraft.
- There are about 103 NSOPs including 81 Domestic NSOP operators, operating 344 aircraft in India. Top 15 NSOP operators accounted for more than 73% of the total domestic NSOP flights operated in the year 2022-23
- There are about 25+ Ground handlers in India operating at various Airports.
- On the side of General Aviation operators, 150+ Business Jets, 30+ Turbo Props, and 320+ Helicopters,

who engage in operating Private Charters and Business Charters flights in India to various Airports, which is a potential business for AIASL.

- Air India is acquiring about 470 aircraft i.e. narrow-body aircraft and wide-body aircraft.
- Indigo is acquiring about 500 narrow-body aircraft.
- India further plans to increase the number of operational airports to 220 by 2025.
- The Ministry of Civil Aviation (MoCA) stated that growth in aviation is likely to increase direct employment across Airports, Airlines, FTOs, MROs, and GHs.

Ground handling companies are also the direct beneficiaries of the aviation sector growth in India (higher flights handled leading to optimum utilization of resources and a larger revenue pool for ground handling companies)

With the launch of the UDAN 5.2, with newly identified routes, about 500 RCS Routes are operationalized as on date. AIASL by virtue of its pan-India presence is well placed to further consolidate its market leadership position. However, sustenance and continuation of such Regional Connectivity Services Flights, is a challenge for the Airlines, and thereby to AIASL and the other GHA's operating at these UDAN Airports.

GROUND HANDLING REGULATION, 2018:

Airports Authority of India issued (Ground Handling Services) Regulation, 2018, which came into effect on 30th October 2018 and it regulated the size and structure of India's ground handling sector or third-party Ground Handling and Self Handling . This was the first time that India has had a single-document vision for the aviation sector and that was a welcome development.

Airports Authority of India (AAI) on April 20, 2023, issued the Airports Authority of India (Ground Handling Services) Amendment Regulations, 2023 to further amend the Airport Authority of India (Ground Handling Services) Regulation 2018, in continuation to the previously amended regulations in 2019 and 2020.

<u>DGCA AI Circular, 2022 For Providing Ground Handling Services at Private Airports:</u>

The DGCA had issued AIC S.No03/2022 dated 25th February 2022, "Grant of Permission for providing Ground Handling (GH) Services at Airports other than those belonging to the Airports Authority of India" i.e. GH Policy for all Airports that are managed by private operators. This has regulated the Ground Handling Services at Private Airports in terms of the GH Policy, uniformly.

<u>Airports Economic Regulatory Authority of India- AERA</u>

- AERA, is an independent economic regulator, aims to create level playing field, foster healthy competition amongst all major Airports to encourage investment in airport facilities and regulate tariffs for aeronautical services.
- One of the statutory functions of AERA as AERA Act, 2008, with specific reference to Ground Handling Services, is to determine the tariff for Ground Handling services at Airports.
- Ensure, Healthy Competition by removing monopolistic practices which are detrimental to all the stakeholders.

PERFORMANCE OF THE COMPANY

<u>Financial</u>

During FY 2022-23, the total revenue of the Company was Rs.9,322.98 million as against the total restated revenue of Rs.7,220.56 million during FY 2021-22. The total expenses were Rs. 8350.01 million as against restated expenses of Rs. 7,333.29 million during FY 2021-22. Profit incurred before tax during the year ended 31st March 2023 was Rs.972.97 million against the restated figure of Loss before Tax of Rs.112.73 million during FY 2021-22. The Net profit incurred during the period was Rs.783.14 million as against the restated Net Profit of Rs.59.96 million during FY 2021-22

Financial Key Achievements

- AIASL has recorded the highest ever earned revenue of Rs.9,322.98 million in FY 2022-23 since, the operationalization of the Company. The Turnover of Rs.8944.73 million is 1.28 times of the previous year.
- AIASL has been a profit-making company since its operationalization, except for the FY 2020-21 (Covid period). The profitability course of the company has been restored, soon after that Covid year
- During FY 2022-23, Profit before tax i.e. Rs.972.97 million is a respectable profit over the previous year.
- AIASL has recorded the highest Revenue of Rs.371.84 million from Non-Scheduled Operations since its Operationalization.
- AIASL has received a Statutory Audit Report with "Nil Qualifications" for the second consecutive year. This is a significant achievement of the management for having secured such reports after nearly 10 years of its inception.
- AIASL has successfully remained as a debt-free company since its inception.
- All statutory compliances have been complied with during the year.
- The net worth of the company has been increased from Rs.3451.40 million to Rs.4230.70 million.
- Internally generated and retained earnings are used for all its expenses, including the most needed CAPEX requirements to replace age-old Ground Support Equipment, without seeking funds support from the parent company, AI Assets Holding Limited (AIAHL) or Govt. of India. The choice of borrowing debt from the Banks is still open.
- The health of any company is determined by its financial ratios. AIASL proudly carrying on its business, so professionally, with its very healthy financial ratios.
- AIASL is able to meetup with minimum wage compliances, by supporting with its internally generated earnings. The arrears for the non-compliant years, is also being met out of the internal earnings.
- Complete reconciliation and cleaning up of Accounts has been carried out in compliance of Ind AS requirements and findings of various Audit Reports, in the past few years.
- First time, in the history of AIASL, every employee is being paid bonus, by giving acknowledgment to the employees for their hard work in AIASL's transformation and image makeover process.

Operational

- AIASL handled 1,09,024 flights (AI Group Flights & Alliance Air flights) during FY2022-23 against 87,246 flights during FY 2021-22.
- Similarly, AIASL handled 95,112 flights of Scheduled Client Airlines in FY 2022-23 as against 66,570 flights during FY 2021-22,
- Handled 16,471 flights of Non-Scheduled Operators during FY 2022-23 as against 13,706 flights during FY 2021-22,
- Handled 115 HAJ flights during FY 2022-23.

- AIASL is the single largest Ground Handling Agency in India and in the Region having a presence at 113 airports in India. The second-largest Ground Handling Agency in India is having a presence at about 16 Airports only when compared with the presence of AIASL. AIASL has a diverse mix of international and domestic client Airlines, having scheduled and non-scheduled flight operations, besides cargo freighters.
- AIASL is having the largest market share of ~48% as of 01st May 2023 (considering 33 Airports where 3rd party airlines operate with competitors).
- AIASL is having a Joint Working Group (JWG) arrangement, in association with M/s HAL at HAL Airport, BLR to handle all the Defense aircraft at that airport. AIASL is also ready to handle A-321 aircraft, recently acquired by DRDO/IAF from Air India, for transporting Defense Personnel across the network.

<u>Cargo Warehouse Management at MAA & BOM:</u>

- AIASL manages and operates International Cargo Warehouses at both Mumbai and Chennai Airports on behalf of Indian Customs. With continuous efforts, AIASL has secured Regulated Agent (RA) status from BCAS for its Chennai Cargo Warehouse and further, the documents for getting a similar RA status from BCAS for the Mumbai Cargo Warehouse, have also been submitted with the BCAS.
- Further, AIASL is in the process of getting RA3 status for both Chennai and Mumbai Cargo Warehouses, this would facilitate the carriage of cargo to UK, Europe and other EU countries directly from here, after the screening.
- AIASL is also providing cargo handling services at almost all the domestic airports in India, wherever authorized.

Additionally, AIASL also provides cabin cleaning, deep cleaning, and cabin dressing services besides undertaking repairs of aircraft Unit Load Devices (ULD) (Containers and Pallets) and inflight catering Meal Carts.

<u>VVIP / SESF / Defense Flights</u>

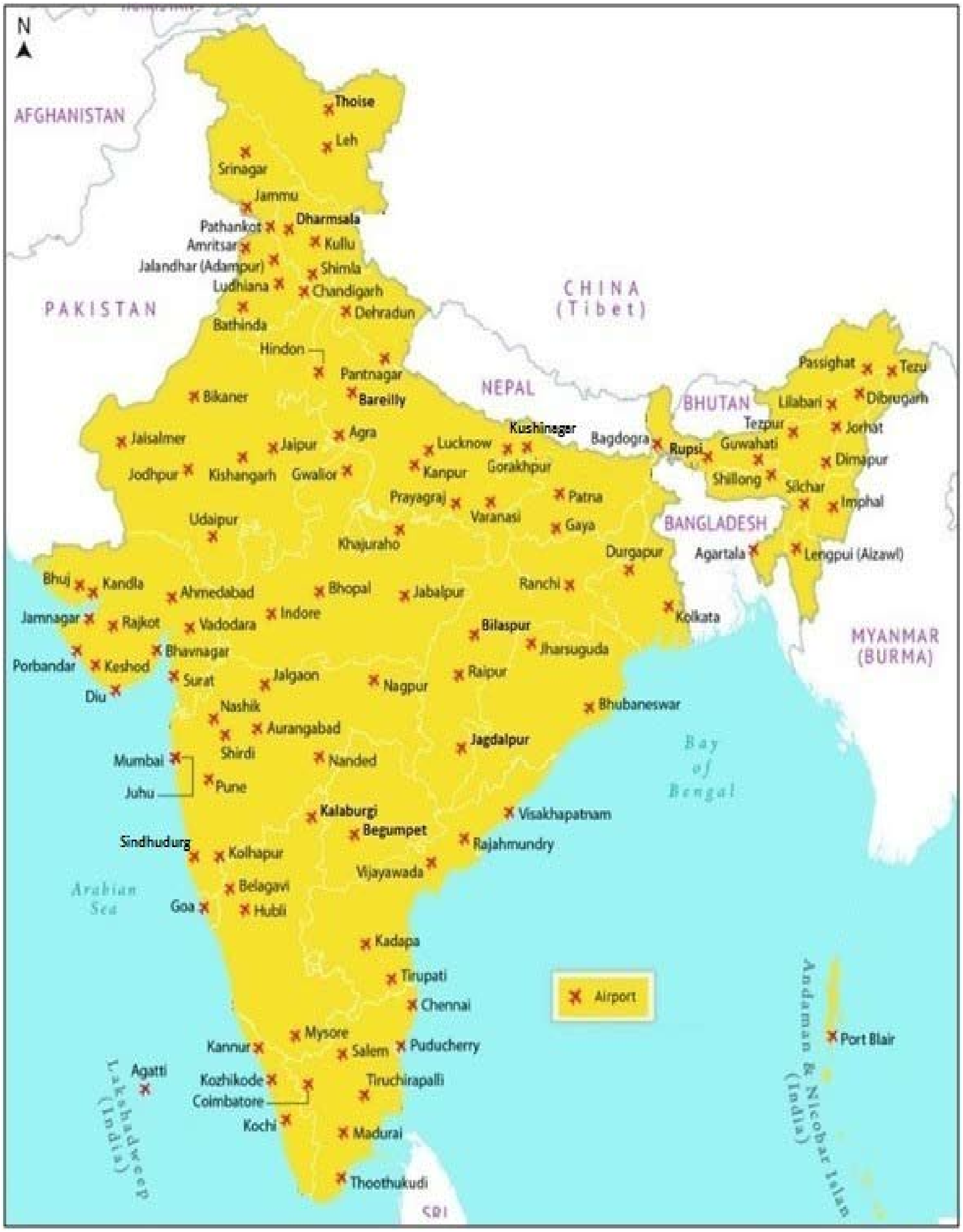
AIASL is privileged to provide Ground Handling Services and handle the VVIP flights of the Hon'ble President, Vice President, and Prime Minister of India, as AIASL has been appointed as the sole ground handler by the Indian Air Force for the handling of SESF/VVIP flights at all Indian domestic and International airports (including Civil Enclaves, and Defense Enclaves Airports). It also handles all flights on behalf of defense forces at all Indian airports like IAF, BSF, Indian Navy, DRDO, HAL, NSG, etc. AIASL has been discharging GH functions after taking over successfully from Air India, following the appointment of AIASL as the sole Ground Handling Agency by the Indian Air Force for coordinating, arranging, and ensuring the handling of SESF/VVIP flights at all foreign airports (Overseas).

In line with the long pending demand of Air India and their group Companies like Air India Express, Air Asia and Vistara, (now managed by Tata), and other major client Airlines, besides various Airport Operators, AIASL has embarked upon upgrading the aging Ground Support Equipment (GSEs). AIASL is finally in the process of giving a facelift to existing GSEs by adding a sizeable number of branded and brand new GSEs, by spending a sizeable amount over two years.

AIASL has also been recognized as a valued member and admitted in International Air Transport Association (IATA) Ground Handling Partnership Program in the year for 2022.AIASL continued to reap the benefits from the IATA Partnership besides acquiring expertise on par with the global practices in GH.

<u>Operational Key Achievements</u>

- AIASL has registered its presence at the highest-ever, and record number of Airports across the width and breadth of India, which can be seen in the below map:



- AIASL has the highest (more than optimal) utilization of the available Ground Support Equipment.
- Handled, highest number of flights ever, in the history of AIASL i.e. 2, 20,722 flights during the F.Y 2022-23.
- Region and customer wise flights handled by AIASL in FY 2022-23.

Region	Air India	Alliance Air	Air India Express	Third Party Airlines	Non-Scheduled Operators	HAJ Flights	Total
	Number of flights						
Northern	9,957	10,680	1,468	19,200	5,032	-	**46,337**
Southern	12,121	4,920	9,684	27,522	33,39	-	**57,586**
Eastern	14,307	9,484	-	31,964	2,118	92	**57,965**
Western	29,867	5,547	989	16,426	5,982	23	**58,834**
Total	**66,252**	**30,631**	**12,141**	**95,112**	**16,471**	**115**	**2,20,722**

CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR FY 2022-23

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 a positive contribution to society through high-impact, sustainable programs. As per the CSR provisions stipulated in the Companies Act, 2013, AIASL was not required to spend any fresh CSR Contributions during FY 2022-23, other than the previous year's allocated CSR funds for an ongoing project that is being spent during this year to acquire the Trainer Aircraft for IGRUA, Amethi.

A detailed report on the CSR activities including the details of unutilized CSR funds pertaining to the Ongoing CSR Projects that form part of the Directors' Report is annexed at **Annexure II**.

CORPORATE GOVERNANCE

AI Airport Services Limited is in compliance with the guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), wherever applicable during the year. The Company, based on self-evaluation, falls under 'Excellent' grade for the compliance of DPE Corporate Governance Guidelines for the FY 2022-2023. The DPE has also awarded 'Excellent' grading to AIASL for compliance of DPE Corporate Governance Guidelines during 2021-22.

ACKNOWLEDGMENTS

I take this opportunity to thank AI Assets Holding Limited (Holding Company), the Airports Authority of India, the Bureau of Civil Aviation Security, the Director General of Civil Aviation, the AERA (Airport Economic Regulatory Authority), and the Ministry of Civil Aviation for their unstinted support. I also acknowledge the support extended by all the State Govt. Authorities and the other stakeholders including all Private Airport Operators in India (GMR, Adani Airports, CIAL, etc), Banks, and Regulatory agencies, and assure all that we will continue to cruise on our course of a growth trajectory, by taking AIASL to greater heights. I would like to thank my colleagues on the Board for their valuable contribution and guidance, and KMPs led by the Chief Executive Officer in turning around the company and bringing in transformation on all fronts to the satisfaction of all Client Airlines.

I would also like to thank all the employees of AIASL through the Chief Executive Officer, for rising to the occasion and putting in their exemplary efforts to show the world, the strength and resilience of our team spirit in pursuit of excellence. I would like to express my gratitude to each one of our employees, for their individual contributions, who have always upheld the image of AIASL and bringing in the desired changes at this hour of need.

On behalf of the Board, I seek continued support from one and all, as always.

Sd/-
Satyendra Kumar Mishra
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 up-gradation and modernization of ramp equipment

- **People**

- To maintain an energetic, qualified, and highly motivated professional team
- Maintain a high degree of work ethics

DIRECTOR'S REPORT

The Directors take pleasure in presenting the Twentieth 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 2023.

FINANCIAL PERFORMANCE

(Rupees in Millions)

Particulars	2022-23	2021-22 (Restated)
Total Revenue	9322.98	7220.56
Total Expenses	8350.01	7333.29
Profit(Loss) before Exceptional Items and Tax	**972.97**	**(112.73)**
Profit(Loss) before Tax	**972.97**	**(112.73)**
Current Tax	235.77	Nil
Short Provision of Tax	Nil	24.62
Deferred Tax Asset	(45.94)	(197.30)
Net Profit(Loss) after Tax	**783.14**	**59.96**

During 2022-23, the total revenue of the Company was Rs.9,322.98 million as against total restated revenue of Rs.7,220.56 million during 2021-22. The total expenses were Rs. 8,350.01 million as against restated expenses of Rs.7,333.29 million during 2021-22. Profit earned before tax during the year ended 31st March, 2023 was Rs.972.97 million against restated figure of Loss before Tax of Rs112.73 million during 2021-22. The Net profit earned during the period was Rs.783.14 million as against the restated Net Profit of Rs.59.96 million during 2021-22.

OTHER FINANCIAL INFORMATION

Share Capital:

The Authorized Share Capital of the company during the year was Rs.1000,00,00,000/- (Rupees One Thousand Crores).

The Paid-Up Share Capital of the company during the year was Rs.138,42,42,000/- (13,84,24,200 Equity Shares of Rs.10/- each).

During the year under review, there was no change in the share capital of the Company and the entire shareholding is held by AI Assets Holding Limited (AIAHL).

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 other Customer airline flights including Non-Schedule operators flights at various Indian Airports, the number of staff inducted under various categories as on 31st March, 2023 is given below:

Particulars	Numbers
Chief Executive Officer	1
GM-GS(O)	2
Company Secretary	1
DGM	5
Chief Financial Officer	1
Dy COF & AGM(O)-Finance	1
AGM/AGM-GH/AGM-HR/Sr Manager	38
Sr Manager Ramp	1
Chief Security Officer	1
Dy.Terminal Manager/Asst.Terminal Manager/Terminal Manager/Duty Manager/ Duty Officer/Dy. Ramp Manager/ Chief Aircraft Operator /Account Asst./Assistant-HR/Executive-IR/Executive MMD/Chief Security Officer-cum-Dy.Terminal Manager/ Executive-Commercial, Training & HAJ Flights, VVIP & SESF/Executive-SESF & HAJ Charters/ Sr.Executive - Maintenance/ Sr.Executive – IT/Asst Regional Security Coordinator/ Ass Exe Corporate Intelligence/ Deputy Manager	174
Aircraft Operator, Apron Supervisor, Asst-I, Asst-II, Sr Driver/ Ramp Operator	646
Jr Serv Engineer, SrSupdtServ Engineer, Manager Service Engineer, Supt. Serv Engineer /Sr Sup Technician	66
Officer HR/Officer Accounts/Officer B&D/Officer Personnel	24
Manager-Finance/ Officiating Finanace Manager	4
Manager- HR	2
Manager-IT	1
Manager-Technical	1
Jr. Executive – Technical	102
Jr. Executive - Pax Handling/Jr. Executive - HR	175
Customer Agent/ Para Medical Agent cum Cabin Services Agent	2972
Jr. Customer Agent	625
Sr. Customer Agent	1164
RSA/RSA-I/RSA(LG)	210
Sr. RSA/Sr.RSA-I/Sup RSA	428
Security Agent	56
Sr. Security Agent/Sup.SA	29
Utility Agent	419
Utility Agent Cum Ramp Driver	1406
HandyMan/SafaiKamgar	7856
Utility Service Agent	28
Temporary Key Account Holder	1
Total	**16440**

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 2023

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
16440	3466	21.08	663	4.03	3545	21.56

ACTIVITIES OF AI AIRPORT SERVICES LIMITED

AIASL provides Comprehensive Ground Handling services to AI Group (Air India & Air India Express Limited), Alliance Air Aviation Limited (Group Company), and many Domestic & Foreign Airlines, Cargo Charters Operators, and Non-Schedule Operators at various airports in India. AIASL also operates cargo warehouses one each at BOM & MAA.

AIASL is a leading ground-handling service provider in India and offers ground-handling services at 113 airports (including civil airports and civil enclaves) in India. AIASL presently has a presence at 81 airports and arranges the ground handling services at additional 32 airports on request. Besides, AIASL also offers Ground Handling services at Defense Enclaves (Airports) for all defense aircraft.

The services can be majorly identified as:

- Passenger Handling / Ramp Handling / Cargo Handling / Cabin Services / Station Management
- Cargo warehouse handling at BOM & MAA as at present and any other airports in the future.
- Fabrication and repair of ULDs (Unit Loading Devices) & Meal cart repair workshop at HQ, IGI Airport-Delhi.
- Engineering services through AIESL.
- Ground Handling Services to Subsidiary Companies – Alliance Air Aviation Ltd & AI Engineering Services Ltd.
- Non-scheduled flights Handling of Domestic & International Private Charter flights - PAN India basis.
- Special Extra Section Flights (SESF) of Indian Air Force (IAF) – Domestic & International.
- Non-SESF Domestic Handling of Govt. Agencies (Indian Air Force, Indian Navy, Border Security Forces, NSG Charter) etc.
- HAL – AIASL Joint Working Group at Bengaluru, HAL Airport.

As per MOCA's direction that outsourcing will not be permitted at airports due to security reasons effective 31 December 2016, and non-entities (GHAs) exited totally w.e.f 15th August 2021, AIASL takes pride in implementing the Government's decision at all the Operational Airports(where non-entities exited) in India where Ground Handling Services are provided by AIASL. There is NIL outsourcing of manpower as of date in AIASL.

IMPLEMENTATION OF OFFICIAL LANGUAGE

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

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

The provisions of the 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 the workplace.

An internal complaints committee has been put in place as per Section 4 of the Act. In terms of Section 22 of the Act, the details of sexual harassment cases filed, if any, in the company during the financial year, are as under:

- Number of complaints of sexual harassment received in the year; 15
- Number of complaints disposed of during the year; 14
- Number of cases pending for more than ninety days; None
- Number of workshops or awareness programs carried out in connection with sexual harassment; Training on POSH organized by NAHRD was provided to all the members of the POSH Committee in a phased manner. Further, General awareness programs through internal circulars are being implemented across all offices of AIASL.
- Remedial measures taken by the company: Female Security Staff Deployed at workplaces and Time to Time Counseling are done.

COMPLIANCE WITH THE RTI ACT, 2005

AIASL has successfully ensured compliance with the provisions of the Right to Information Act for providing information to the citizens.

AIASL has decentralized its structure to deal with the applications/appeals received under RTI Act with effect from 18 February 2014, 05 Public Information Officers (PIOs), 05 Assistant Public Information Officers (APIOs), 01 Nodal Officer and an Appellate Authority have been appointed for speedy disposal of applications/appeals.

During 2022-23, 41 RTI Requests and 03 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

The Board of the company has decided/proposed to carry NIL amounts to its reserves.

DEPOSITS

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

MSE COMPLIANCE

It always has been the endeavor of AIASL to support Micro and Small Enterprises (MSEs) and local suppliers. AIASL has taken a number of steps including implementing the Public Procurement Policy of the Government of India to procure the items specified from MSEs. The actual procurement from MSEs during the financial year 2022-23 was Rs.151.55 Million.

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 2023, 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 FY 2022-23, 7 Board Meetings were held through video-conferencing and one Board Meeting was held physically. Further, the provisions of the Companies Act, 2013 were adhered to while considering the time gap between the two Meetings. The details of the meetings held during the F.Y 2022-23 are as under:

Sr.No.	Date of Meeting	Board Strength	No. of Directors Present
1	07th June 2022	4	3
2	12th July 2022	4	3
3	02nd August 2022	4	3
4	20th September 2022	4	3
5	30th November 2022	4	2
6	09th February 2023	4	4
7	23rd February 2023	4	2
8	29th March 2023	3	3

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

1. that in the preparation of the Annual Accounts, the applicable IndAS has 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 2023 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 part of the Corporate Governance and in compliance with the provisions of the Companies Act, 2013 and DPE Guidelines, the Company initially constituted the Audit Committee of the Board in November 2014 and reconstituted the same on 13th December 2017. Further, post disinvestment of Air India Limited, the Board of AIASL was reconstituted by the Ministry of Civil Aviation (MoCA) vide its several OM's issued from time to time. Further, in pursuant to the OM dated 28.02.2023 issued by the MOCA, the Audit Committee of AIASL was again reconstituted by the Board on 14th March 2023 by passing a Circular Resolution bearing No.58 comprising of the following members.

Presently, the Audit Committee is comprised of :

Name of the Director	Position Held in the Committee	Category of the Director
Shri Padam Lal Negi Jt. Secretary & Financial Advisor, MoCA	Chairman	Government Nominee Director
Shri S.K. Mishra, Chairman & Managing Director, AI Assets Holding Limited, Jt. Secretary, MoCA	Member	Government Nominee Director
Smt.Parama Sen, Add. Secretary, DIPAM	Member	Government Nominee Director

The Board has accepted the recommendations of the Audit Committee.

AUDITORS

M/s S. Mann & Co., Chartered Accountants, Delhi, were appointed as Statutory Auditors for the year 2022-23 by the Comptroller & Auditor General of India.

The Auditors' Report along with Management's replies thereon are attached. The notes on financial statements are self-explanatory and need no further explanation.

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 2023 is annexed to this Report.

SECRETARIAL AUDIT REPORT

The Board has appointed M/s Amit Agarwal & Associates, Company Secretaries, Delhi to conduct the Secretarial Audit for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year ended 31st March 2023 is annexed at **Annexure-V** to this Report.

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 FY 2022-23, the Cost Audit Report for FY2021-22 was filed with the Ministry of Corporate Affairs on 29th December 2022.

M/s ABK & Associates, Cost Accountant had been reappointed as Cost Auditor for conducting the Cost Audit for F.Y 2022-23, however, they had tendered their resignation on 28.02.2023, which was taken on record by the management on 28.02.2023 and consequently, M/s K. G Goyal & Associates were appointed as Cost Auditor for the Financial Year 2022-23 by the Board at its 97th Meeting held on 29th

March 2023 in order to fill the casual vacancy caused due to the resignation of M/s ABK & Associates, Cost Accountant.

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.

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

During the year under review, no Loan/no one-time settlement of Loans taken from Banks and Financial Institutions.

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 the 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 made all efforts wherever possible for the conservation of non-renewable sources of energy and utilizing the alternative sources of energy.

(B) Foreign Exchange Earnings and Outgo

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

USD in Millions

Earnings	USD 24.38
Outgo	USD 0.04

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the requirements of the Companies Act 2013, the Board initially constituted a CSR Committee on 23rd May 2016. Further, post disinvestment of Air India Limited, the Board of AIASL was reconstituted by the Ministry of Civil Aviation (MoCA) vide its several OM's issued from time to time. Further, in pursuant to the OM dated 28.02.2023 issued by the MoCA, the CSR Committee of AIASL was reconstituted by the Board on 14th March 2023 by passing a Circular Resolution bearing No.58, 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 of 31st March 2023, the CSR Committee comprises of:

Name of the Director	Position Held in the Committee	Category of the Director
Shri S.K. Mishra, Chairman & Managing Director, AI Assets Holding Limited, Jt. Secretary, MOCA	Chairman	Government Nominee Director
Shri Padam Lal Negi Jt. Secretary & Financial Advisor, MOCA	Member	Government Nominee Director
Smt. Parama Sen, Add. Secretary, DIPAM	Member	Government Nominee Director

As per the CSR provisions stipulated in the Companies Act, 2013, AIASL was not required to spend any fresh CSR Contributions during FY 2022-23.

However, during the FY 2020-21, AIASL transferred its unutilized CSR fund (accumulated from the FY 2017-18, 2018-19 & 2019-20) amounting to Rs.5,38,90,383/- towards Indira Gandhi Rashtriya Uran Akademy(IGRUA) for providing scholarships for obtaining Commercial Pilot Training (CPL) to Economical Weaker Section of Society. During the FY 2021-22, no progress was noted in the said ongoing project due to the advent of COVID and other unavoidable reasons. Consequently, during FY 2022-23, the said project was amended/modified in the Board Meeting held on 02.08.2022 based on IGRUA's request. According to the amended project, IGRUA was required to utilize the said CSR funds for the procurement of trainer aircraft, and in lieu of this IGRUA shall extend free-of-cost training to 7 no of candidates from economically weaker sections of the society. Further, on completion of FY 2022-2023, the said CSR funds were still lying unutilized with IGRUA. On the backdrop of unutilized money lying in IGRUA Account in the form of FD, AIASL opened an Unspent CSR Account and transferred the CSR unutilized funds (with a surplus) amounting to Rs.5,96,68,779/- (Rs.5,38,90,383+ Rs.57,78,396) from IGRUA Account to Unspent CSR Account of AIASL on 29.04.2023.

In furtherance thereof, the Board in its meeting held on the 15th day of September, 2023 approved the following on the recommendation of the CSR Committee:

(i) To release the unutilized CSR funds lying in AIASL Unspent CSR Account along with the surplus, if any (which have been allocated for IGRUA) on the submission/issuance of a Purchase Order or any similar document by IGRUA for the procurement of trainer aircraft on or before 31.03.2024 in terms of the CSR provisions and as per the existing approval, and

(ii) To permit IGRUA to procure the trainer aircraft as per the existing board approval using the CSR funds, and

(iii) To allow IGRUA to continue the stipulated training(PPL/CPL/Type rating) beyond 31.03.2024 (to 7 EWS category candidates) and complete the training in about 24 months or as per IGRUA stipulated training schedule, at IGRUA's cost, in lieu of procurement of trainer aircraft with allotted CSR fund and for which the IGRUA shall provide an undertaking to the AIASL Management that the training of 7 EWS candidates shall be imparted and completed in about 24 months from the commencement of training or as per IGRUA stipulated training schedule.

(iv) To direct IGRUA to provide a status update on half half-yearly basis until Training is completed. Also, to direct IGRUA to submit the following completion certificates:

(a) Certificate of completion in line with the fund utilization after the procurement of trainer aircraft.

(b) Certificate of Completion of trainer aircraft registration formalities in India, upon receipt

(c) Certificate of Completion of CPL training on completion of CPL training of 7 EWS category candidates.

Annual Report on CSR Activities for the F.Y 2022-23 is enclosed as **Annexure-II.**

SECRETARIAL STANDARDS

During F.Y 2022-23, 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 Report separately.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed Management Discussion and Analysis Report is given separately.

EXTRACT OF ANNUAL RETURN

In compliance with the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, a copy of the Annual Return of the company for the year ended 31st March, 2023 shall be displayed on Company's website at www.aiasl.in. Further, an extract of Annual Return in Form MGT-9 is annexed at Annexure III.

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

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016.

PARTICULARS OF EMPLOYEES

As per the 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, a 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 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.

AIASL 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.

ANNUAL EVALUATION

Vide NotificationNo.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

AIASL is a wholly owned subsidiary of AI Assets Holding Limited. As per Article 97 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 Administrative Ministry/AI Assets Holding Limited, who in turn can do so subject to the directions of the Government of India.

AIASL is an unlisted public company and a wholly-owned subsidiary of AI Assets Holding Limited and as per the Ministry of Corporate Affairs Circular dated 5th July 2017, an exemption has been given to unlisted wholly-owned subsidiary companies from appointing Independent Director.

NOMINATION & REMUNERATION COMMITTEE

The constitution of the 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. AIASL being an unlisted wholly owned subsidiary company of AI Assets Holding Limited 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.

INTERNAL FINANCIAL CONTROLS

Adequate internal financial controls are in place for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies; the safeguarding of its assets; the prevention and detection of frauds and errors; the accuracy and completeness of the accounting records; and the timely preparation of reliable financial information, which is commensurate with the operations of the Company.

Further, the company is in the process of strengthening the internal control process so as to ensure the coverage of all the areas as envisaged and ensure effective internal controls at stations, regional offices, user departments.

M/s G. Deep And Co, Chartered Accountants, Delhi was appointed as Internal Auditors to review the business processes and controls to assess the adequacy of the internal control system, to ensure compliance with all applicable laws and regulations and, facilitate in optimum utilization of resources and protect the Company's assets for F.Y 2022-23.

DISCLOSURE REGARDING FRAUDS

There were no frauds reported by the Auditor to the Audit Committee or to the Board.

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 the approach adopted by the Company for Risk Management
- Define the Organizational 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 coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

MANAGEMENT

DIRECTORS

During the Financial Year 2022-23, 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
1	Shri. Vikram Dev Dutt	Chairman & Nominee Director	27.01.2022	28.02.2023
2.	Smt. Parama Sen	Nominee Director	11.02.2022	-
3.	Shri. S.K Mishra	Nominee Director *(Elected as Chairman w.e.f 01.03.2023)*	02.02.2017	-
4.	Shri. V.A Patwardhan	Nominee Director	20.03.2020	14.12.2023
5.	Shri. Rajeshsingh Shrinarayan Sharma	Nominee Director	14.12.2022	18.01.2023
6.	Shri Padam Lal Negi	Nominee Director	18.01.2023	-

KEY MANAGERIAL PERSONNEL (KMP)

Sr. No	Name	Designation	Date of Appointment	Date of Cessation
1	Shri Rambabu Ch.	CEO	31.07.2021	-
2	Shri Satya Narayan Panda	CFO	13.12.2021	31.12.2022
3	Shri Sandeep Malhotra	CFO	09.02.2023	-
4	Smt. Shashi Bhadoola	CS	11.06.2020	-

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 92nd Board Meeting held on 2nd August 2022 for entering into contracts/arrangements with AI Assets Holding Limited and other subsidiary companies (Government Companies) for an estimated amount of approximately Rs.65.84 Crores during 2022-23. The details of Related Party Transactions in form AOC-2 are attached at **Annexure-IV**.

There was no material related party transaction with the Company's Directors', Management or their relatives, which could have had a potential conflict with the interests of the company.

ACKNOWLEDGEMENTS

The Board gratefully acknowledges the support and guidance received from AI Assets Holding Limited, the Ministry of Civil Aviation, the Airport Authority of India, and the 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/-
Satyendra Kumar Mishra
Chairman

Place: New Delhi
Date : 03.11.2023

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. ANALYSIS OF FINANCIAL PERFORMANCE

Revenue

Total revenue earned during the year was Rs.9,322.98 million as against restated Rs.7,220.56 million during 2021-22.

Expenditure

The total expenditure incurred during the year was Rs.8,350.01 million as compared to the restated previous year's figure of Rs.7,333.29 million.

2. FUTURE OUTLOOK

AI Airport Services Limited (AIASL) , was operationalized on 1st February 2013 and started its independent operations effective April 2014. Presently, AIASL provides ground handling services at 113 airports (at 81 Airports, AIASL is fully Operational, and at 32 Airports AIASL is setting as per the development of business) in India.

In the current scenario, Ground handling (passenger, ramp, and cargo) is provided to 7Indian scheduled airlines (including AI Group – Air India & Air India Express flights); 5 Regional Airlines (including Alliance Air flights); 1 domestic cargo airline; 65 foreign scheduled airlines, 4 seasonal charter airlines and 22 foreign airlines availing (APEDA) perishable cargo handling apart from Non-Scheduled handling.

Additionally, AIASL also provides Cabin Cleaning & Cabin Dressing services besides undertaking Repairs ofAircraft Unit Load Devices (ULD) and Meal Carts.

Region and customer wise flights catered by AIASL in FY 2022-23 (01st April 2022 to 31st March 2023)

Region	Air India	Alliance Air	Air India Express	Third Party Airlines	Non-Scheduled Operators	HAJ Flights	Total
	Number of flights						
Northern	9,957	10,680	1,468	19,200	5,032	-	**46,337**
Southern	12,121	4,920	9,684	27,522	33,39	-	**57,586**
Eastern	14,307	9,484	-	31,964	2,118	92	**57,965**
Western	29,867	5,547	989	16,426	5,982	23	**58,834**
Total	**66,252**	**30,631**	**12,141**	**95,112**	**16,471**	**115**	**220722**

AIASL, the future outlook can be summarized as follows:

- AIASL migrating to a new ERP system from SAP, for automation of systems.
- AIASL has taken over the Cargo Warehousing custodianship at MAA, from AI, which will add to revenue generation.
- AIASL has secured Regulated Agent (RA) status from BCAS for its Chennai Cargo Warehouse. Further, AIASL is in the process of getting RA3 status for both Chennai and Mumbai Cargo Warehouse, including RA status for Mumbai Cargo warehouse.
- AIASL is planning to start handling of International Courier business at the MAA Cargo warehouse, to introduce new services and bring in additional business.

- AIASL is continuing to facilitate SESF Operations both in India and abroad.
- AIASL is facilitating the handling of the entire Defense forces-operated aircraft in India at all Airports including Defense enclaves.
- AIASL has joined the IATA Ground Handlers Partnership (IATA GHP) by associating itself on the IATA worldwide Platform, for visibility among world airlines and World Non-Schedule operators.
- AIASL is participating in world Ground Handling Conferences, for networking and Sourcing business.
- Revamp the Security, HR, MMD and IT sections with professionals.
- AIASL has started the process to comply and obtain ISAGO certification.
- AIASL is continuing the process of establishing offices at various airports across India and establishing prominence in the Ground Handling Market share.
- Strive to achieve the service level agreement requirements of customer airlines.
- Imparting grooming & soft skills training to all the frontline staff across the network for improving and maintaining the service standards of Client Airlines.
- Introducing Uniform and safety PPE for the employees.
- Inculcating safety culture to reduce and minimize ground handling incidents and aircraft damage. SMS/QMS Section is being set up in AIASL with professionals
- Emphasizing the importance of functional trainings and imparting regular trainings to the employees.
- Expanding the scope of AIASL ground handling services in terms of technical assistance and line maintenance to Client airlines.
- Offering ULD repair services to other Client airlines other than Air India group.
- Payment Gateway for Non-Schedule Airline operators Payments, through AIASL's new ERP system, is being explored.
- Operationalizing its workshops located at major base stations (BOM, MAA, CCU, COK, GOI, PNQ, ATQ) by using its skilled workforce, thereby saving huge maintenance costs.
- Planning to replace age old Ground Handling Equipment in a phased manner in line with the Board Approval for CAPEX.
- Planning to support the Government drive of Eco-friendly environment at Airports in line with the Board Approval.
- AIASL is in the process of acquiring Air India Unity Complex at Chennai Airport from AIAHL from its internal revenues. The same will be registered for title transfer.

The Ground Handling market in India is poised to grow on account of preferential traveling by air, the increasing population of air travelers, the government UDAAN scheme, the induction of aircrafts by Airlines and various initiatives taken by airport operators. In such a simulated industrial environment, there would be a significantly larger market opportunity for offering Ground Handling services by AIASL.

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.1,900.28 million during FY 2020-21. During the current year, the company made a net profit after tax of Rs.783.14 million.

4. HUMAN RESOURCES

Staff Strength

The number of staff inducted under various categories as on 31 March 2023 was 16440.

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 G. Deep and Co, Chartered Accountants, Delhi has been appointed as Internal Auditors to review the business processes and controls to assess the adequacy of the internal control system, to ensure compliance with all applicable laws and regulations and facilitate in optimum utilization of resources and protect the Company's assets for F.Y. 2022-23

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The company firmly believes in and has consistently practiced good Corporate Governance. The company's essential character is shaped by the values of transparency, professionalism, and accountability. The company is committed to attain the highest standard of Corporate Governance. The philosophy of the company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures, and enhance all stakeholders' value within the framework of laws and regulations.

2. BOARD OF DIRECTORS

AI Airport Services Limited (AIASL) is a Public Sector Undertaking and a wholly-owned subsidiary of AI Assets Holding Limited. Its Directors are appointed by the holding company / administrative ministry. As per Article 97 of the 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 the holding company / administrative ministry.

Accordingly, the composition of the Board of AIASL is prescribed in the following manner.

Board Of Directors as on 31 March 2023

Shri S.K Mishra Jt. Secretary Ministry of Civil Aviation & CMD, AI Assets Holding Limited	- Chairman & Nominee Director
Shri Padam Lal Negi Jt. Secretary & Financial Advisor Ministry of Civil Aviation	- Nominee Director
Smt. Parama Sen Additional Secretary Department of Investment and Public Assets Management, (DIPAM)	- Nominee Director

In pursuance of OM dated 14.12.2022 issued by MoCA regarding the constitution/reconstitution of the Board of subsidiaries of AIAHL inter alia AIASL, the below changes took place on the Board of AIASL:

Shri Vimlendra Anand Patwardhan ceased to be Director on the Board of AIASL and Shri RajeshSingh Shrinarayan Sharma (Rajesh Singh), Joint Secretary & Financial Advisor (JS&FA), MoCA had been appointed on the Board of AIASL w.e.f.14.12.2022.

Further, in pursuance of OM dated 18.01.2023 issued by MoCA regarding the constitution of the Board of subsidiaries of AIAHL inter alia AIASL, the below change took place on the Board of AIASL:

Shri Rajesh Singh Shrinarayan Sharma (Rajesh Singh), ceased to be a Director on the Board of AIASL and Shri Padam Lal Negi, Joint Secretary & Financial Adviser (JS&FA), MoCA, had been appointed on the Board of AIASL w.e.f. 18.01.2023.

Further MoCA vide order dated 28.02.2023, has assigned the additional charge for the post of Chairman and Managing Director (CMD) of AI Assets Holding Limited (AIAHL) to Shri Satyendra Kumar Mishra, Joint

Secretary, MoCA, for a period of three months w.e.f. 01-03-2023 or till the regular appointment of CMD, AIAHL, whichever is earlier, by virtue of the appointment of Shri Vikram Dev Dutt as Director General in the Directorate General of Civil Aviation (DGCA). In view of this, the following changes took place on the Board of AIASL:

Shri. Vikram Dev Dutt ceased as Nominee Director and Chairman from the Board of AIASL w.e.f 28.02.2023. Further AIASL Board vide its Circular Resolution bearing No. 58 dated 14.03.2023 had nominated and elected Shri Satyendra Kumar Mishra, as the Chairman on the Board of AIASL w.e.f 01.03.2023 and passed the requisite resolution on 14.03.2023 till any further instruction from the MoCA/ Holding Company.

The Board places on record its appreciation of the valuable services rendered by Shri Vikram Dev Dutt, Chairman, Shri Vimlendra Anand Parwardhan, Director, and Shri Rajeshsingh Shrinarayan Sharma, Director on the Board and Board level Committees of the Company during their tenure.

3. DETAILS REGARDING THE BOARD MEETINGS, ANNUAL GENERAL MEETING, DIRECTORS' ATTENDANCE THEREAT, DIRECTORSHIPS, AND COMMITTEE POSITIONS HELD BY THE DIRECTORS:

BOARD MEETINGS

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

7th June 2022	(90th Meeting)
12th July 2022	(91st Meeting)
2nd August 2022	(92nd Meeting)
20th September 2022	(93rd Meeting)
30th November 2022	(94th Meeting)
9th February 2023	(95th Meeting)
23rd February 2023	(96th Meeting)
29th March 2023	(97th Meeting)

Particulars of Directors including their attendance at the Board / Shareholders' Meetings during the financial year 2022-23:

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 Vikram Dev Dutt, -Chairman (From 27th January 2022 to 28th February 2023)	B.Tech. & PGDM, IAS (UT:93)	7 (Eligible to attend 7 meetings only)	**Chairman and Managing Director** AI Assets Holding Limited till 28.02.2023 **Chairman** AI Airport Services Limited till 28.02.2023, AI Engineering Services Limited till 28.02.2023, Hotel Corporation of India Limited (HCI) till 28.02.2023	**AI Airport Services Limited** Chairman Corporate Social Responsibility Committee Member Audit Committee **AI Engineering Services Limited** Chairman Corporate Social Responsibility Committee Member Audit Committee

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
			Director Port Blair Smart Projects Limited	**Alliance Air Aviation Limited** Chairman HR Committee Flight Safety Committee Member Audit Committee **AI Assets Holding Limited** Member Audit Committee
Shri S. K. Mishra Jt. Secretary, Ministry of Civil Aviation - Nominee Director (From 02.02.2017) ***(AIASL Board had nominated and elected Shri. S.K Mishra as Chairman of the Board w.e.f 01.03.2023 and consequently become the Chairman of CSR Committee w.e.f 14.03.2023.)***	M.Tech (Applied Geology) M.A. (Public Policy), IRS (IT:1990)	7	**Chairman & Managing Director** AI Assets Holding Limited w.e.f 01.03.2023 **Chairman** AI Airport Services Limited w.e.f 01.03.2023 AI Engineering Services Limited w.e.f 01.03.2023 Hotel Corporation of India Limited w.e.f 01.03.2023 Alliance Air Aviation Limited w.e.f 01.03.2023 **Director** AI Airport Services Limited w.e.f. 02.02.2017 AI Engineering Services Limited w.e.f. 02.02.2017 AI Assets Holding Limited w.e.f 22.01.2018 -	**AI Airport Services Limited** Chairman Corporate Social Responsibility Committee Member Audit Committee * CSR Committee (**Shri. S.K Mishra was the member of CSR Committee before 14.03.2023)* **AI Engineers Services Limited** Chairman Corporate Social Responsibility Committee Member Audit Committee **Alliance Air Aviation Limited** Chairman HR Committee Flight Safety Committee Member Audit Committee **AI Assets Holding Limited** Chairman Nomination & Remuneration Committee Member Audit Committee

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- Nominee Director (From 20th March 2020 to 14th December 2022)	B.Com, IA &AS Officer, 1996 Batch.	4 (Eligible to attend 5 meetings only)	Director AI Airport Services Limited, AI Engineering Services Limited, AI Assets Holding Limited, Pawan Hans Ltd., Indian Renewable Energy Development Agency Limited (IREDA), Solar Energy Corporation of India Ltd. (SECI).	**AI Airport Services Limited** Chairman Audit Committee Member CSR Committee **AI Engineering Services Limited**, Chairman Audit Committee Member CSR Committee **AI Assets Holding Limited** Chairman Audit Committee **Indian Renewable Energy Development Agency Limited** Chairman 1. Nomination & Remuneration Committee, 2.Stakeholder Relationship Committee Member 1. NPA & Stressed Assets Resolution Committee 2. Audit Committee, 3. Risk Management Committee **Pawan Hans Ltd.,** Member Audit Committee **Solar Energy Corporation of India Ltd (SECI),** Member 1. Remuneration Committee, 2.Audit Committee **Airport Authority of India** Member 1. Remuneration Committee, 2. Audit Committee

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
Smt. Parama Sen, Additional Secretary, DIPAM (From 11th February 2022)	MSC Physics, IA&AS (1994)	2	**Director** AI Airport Services Limited, AI Engineering Services Limited, , AI Assets Holding Limited, National Land Monetization Corporation Limited	**AI Airport Services Limited** Member Audit Committee CSR Committee **AI Engineering Services Limited** Member Audit Committee CSR Committee **AI Assets Holding Limited** Member Nomination and Remuneration Committee
Shri Rajeshsingh Shrinarayan Sharma (From 14th December,2022 to 18th January 2023)	-B.Sc (Geology, Mathematics); Hansraj College, Delhi University, Delhi -M.Sc (Geology); Department of Earth Sciences, IIT Roorkee University, Roorkee. -PG Diploma in Public Policy Management from MDI (Gurgaon),	0 (No meeting was held during his tenure)	**Director** National Internet Exchange of India, National Informatics Centre Services, Incorporated Digital India Corporation, Pawan HansLimited AI Engineering Services Limited, AI Airport Services Limited, AI Assets Holding Limited	**AI Airport Services Limited** Chairman Audit Committee Member CSR Committee **AI Engineering Services Limited**, Chairman Audit Committee Member CSR Committee
Shri Padam Lal Negi (From 18th January 2023)	IDAS 1992	3 (Eligible to attend 3 Meetings only)	**Director** AI Airport Services Limited, AI Engineering Services Limited, AI Assets Holding Limited, Pawan Hans Ltd., Indian Renewable Energy Development Agency Limited (IREDA), Solar Energy Corporation of India Ltd. (SECI).	**AI Airport Services Limited** Chairman Audit Committee Member CSR Committee **AI Engineering Services Limited**, Chairman Audit Committee Member CSR Committee **AI Assets Holding Limited** Chairman Audit Committee

4. **BOARD PROCEDURE**

The meetings of the Board of Directors were generally held at the registered office of the Company via Video Conferencing (VC)/ physical mode or at the corporate office of Holding Company. 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 are 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 the inclusion of any matter on 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.

5. CODE OF CONDUCT

In terms of requirements of DPE guidelines on Corporate Governance for CPSEs, the 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 the Chief Executive Officer of the Company is enclosed with the Report.

6. 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 initially constituted the Audit Committee of the Board in November 2014 and reconstituted the same on 13th December, 2017. Further, post disinvestment of Air India Limited, the Board of AIASL was reconstituted by the Ministry of Civil Aviation (MoCA) vide its several OM's issued from time to time. Further, in pursuant to the OM dated 28.02.2023 issued by the MOCA, the Audit Committee of AIASL was again reconstituted by the Board on 14th March 2023 by passing a Circular Resolution bearing No.58 comprising of the following members.

As on 31 March 2023, the following were the Members of the Audit Committee:

(i) Shri Padam Lal Negi (JS&FA, MoCA)	-	Chairman
(ii) Shri Satyendra Kumar Mishra (CMD, AIAHL & JS, MoCA)	-	Member
(iii) Smt. Parama Sen [AS, DIPAM]	-	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 Seven 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:

7th June 2022	(31st Meeting)
12th July 2022	(32nd Meeting)
2nd August 2022	(33rd Meeting)
20th September 2022	(34th Meeting)
30th November 2022	(35th Meeting)
23rd February 2023	(36th Meeting)
29th March 2023	(37th Meeting)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the requirements of the Companies Act 2013, the Board initially constituted a CSR Committee on 23rd May 2016. Further, post disinvestment of Air India Limited, the Board of AIASL was reconstituted by the Ministry of Civil Aviation (MoCA) vide its several OM's issued from time to time. Further, in pursuant to the OM dated 28.02.2023 issued by the MoCA, the CSR Committee of AIASL was reconstituted by the Board on 14th March 2023 by passing a Circular Resolution bearing No.58, 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 of 31st March 2023, the CSR Committee comprises of:

(i) Shri Satyendra Kumar Mishra (CMD, AIAHL & JS, MoCA)	-	Chairman
(ii) Shri Padam Lal Negi (JS&FA, MoCA)	-	Member
(iii)Smt. Parama Sen [AJS, DIPAM]	-	Member

Meetings of the CSR Committee

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

7th June 2022	(15th Meeting)
12th July 2022	(16th Meeting)
2nd August 2022	(17th Meeting)

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

AGM Number	Date and time of the Meeting	Venue	Special Resolution
17th	29th December 2020 at 1100hrs	2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi-110037	Yes
17th (Adjourned)	9th March, 2021 at 1100hrs	2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi-110037	
18th	30th November 2021 at 1130hrs	2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi-110037	Yes
18th (Adjourned)	14th December 2021 at 1100hrs	2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi-110037	
19th	30th December 2022 at 1130hrs	2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi-110037	Yes

- During the year 2021-22, one Extra Ordinary General Meeting was held on 14th day of January 2022**.**
- M/s Link Intime India Pvt Ltd having its address at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083, is the Registrar and Transfer Agent (RTA) of the Company.

7. DISCLOSURES AND STATUTORY COMPLIANCES: -

Adequate Disclosures pertaining to Director’s interest, related party transactions, and maintenance of statutory registers have been taken and placed periodically before the Board of Directors to take informed decisions, with the Board following a clear policy of specific delegation and authorization of designated officers to handle the business matters. MCA Filings with respect to disclosures, intimations, allotments, and appointments have been made in a time-bound manner with no pending matters. The Company, based on self-evaluation, falls under the ‘Excellent’ grade for the compliance of DPE Corporate Governance Guidelines for two financial years 2020-21 and 2021-22. The DPE has also awarded ‘Excellent’ grading to AIASL for compliance of DPE Corporate Governance for two financial years 2020-21 and 2021-22. The rating for F.Y 2022-23 is awaited.

8. CEO/CFO DECLARATION:

The Chief Executive Officer and Chief Financial Officer have certified in writing with respect to the truth and fairness of the financial statements, due compliances, and financial reporting which was placed before the Audit Committee and Board Meeting and forms part of this report.

CODE OF CONDUCT

DECLARATION

Pursuant to DPE guidelines on Corporate Governance for CPSEs, 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 March 31, 2023.

Sd/-
(Rambabu Ch.)
Chief Executive Officer
AI Airport Services Limited

Place: Delhi
Date: 03.11.2023

DECLARATION BY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

To,

The Board of Directors,
AI Airport Services Limited,

We, Rambabu Ch. , Chief Executive Officer and Sandeep Malhotra , Chief Financial Officer of AI Airport Services Limited (hereinafter "the Company"), do hereby certify that:

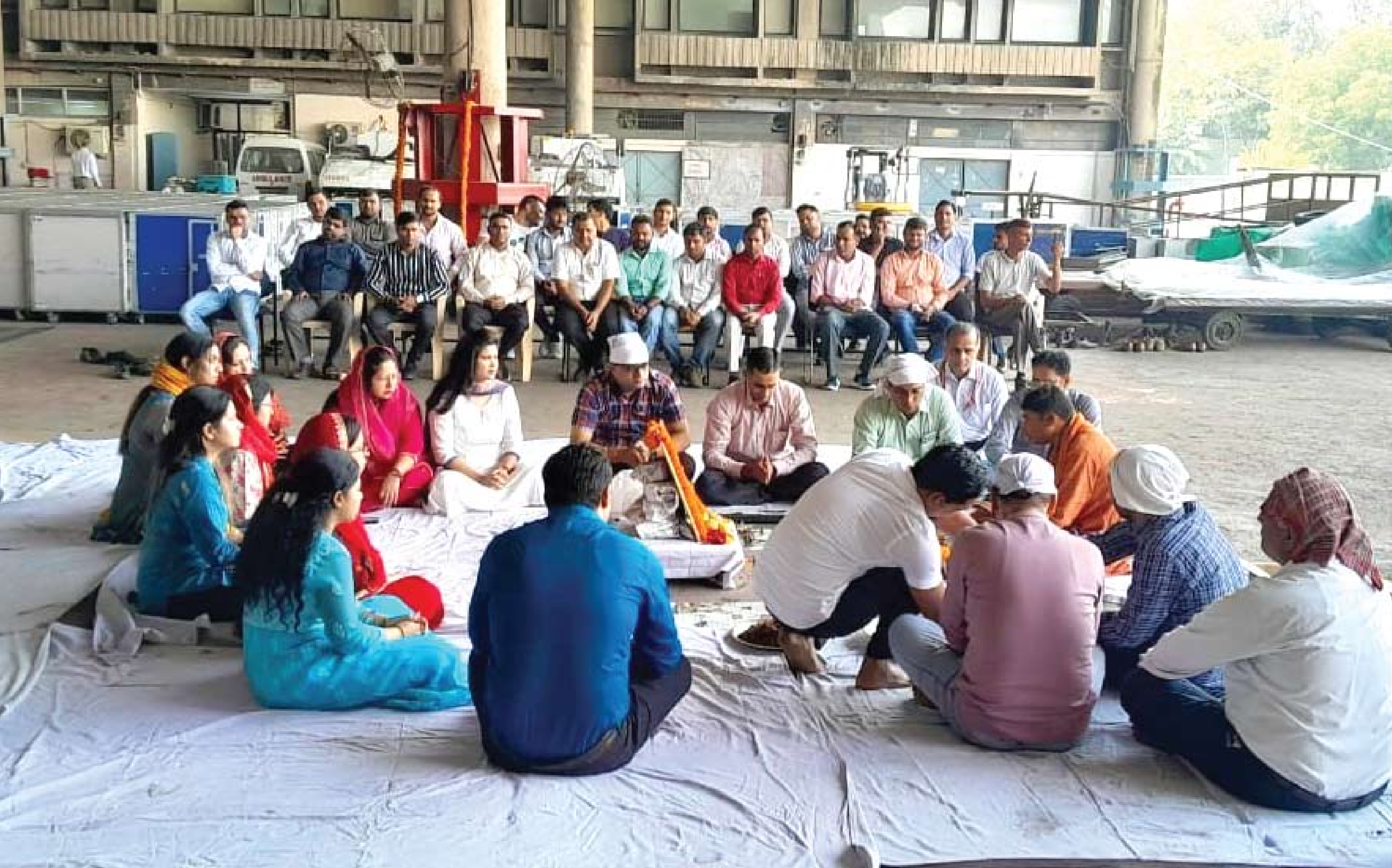
1. We have reviewed the financial statements for the financial year 2022-2023 and that to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements give a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept overall responsibility for the Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board of Directors.

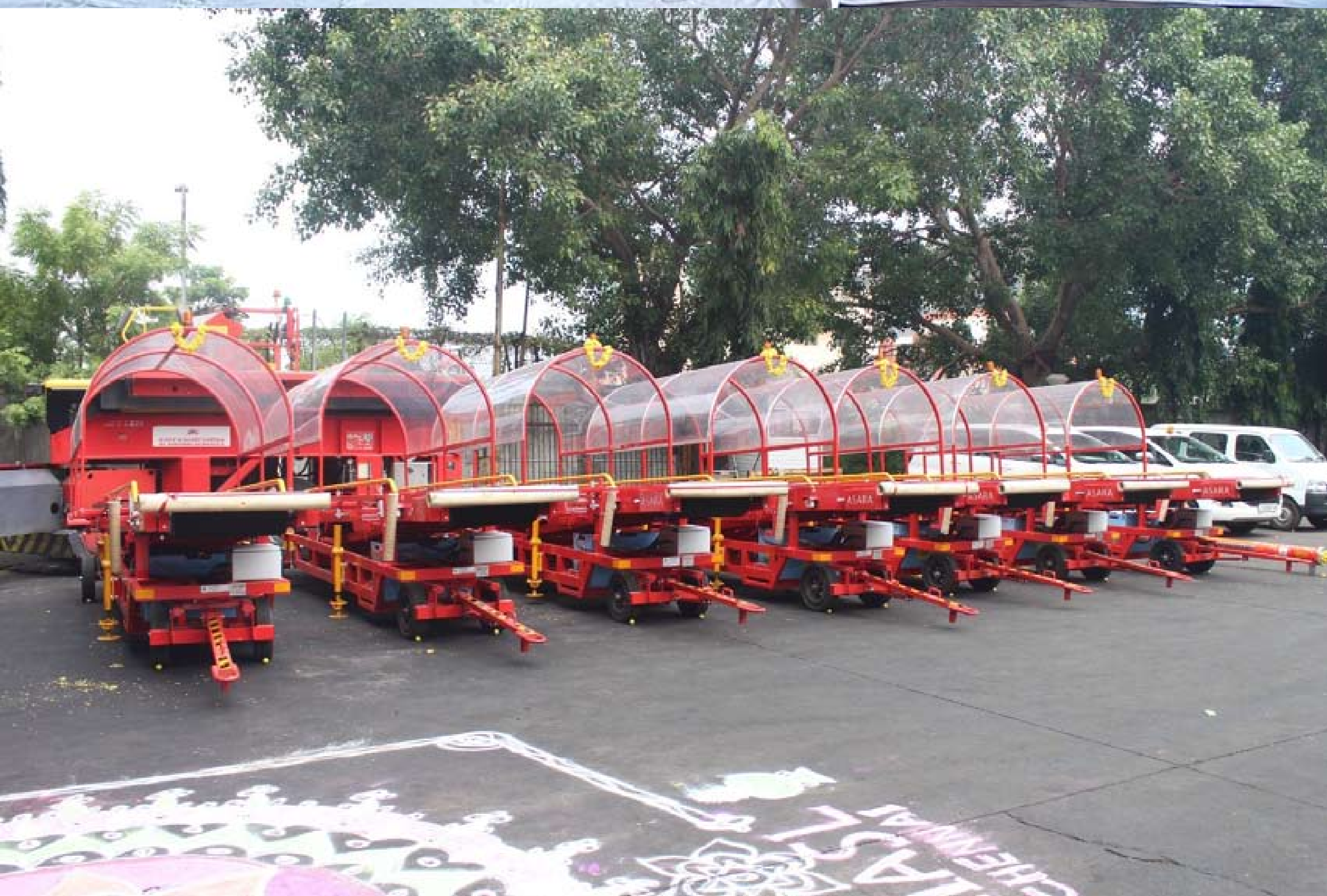
   The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
4. We indicate to the Auditors:
   a) Significant changes in internal control over financial reporting during the year;
   b) Significant changes in accounting policies during the year;
5. We further declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct during the year ended 31st March 2023.

For AI Airport Services Limited

Sd/-
Rambabu Ch.
Chief Executive Officer
PAN: AGVPC9371P
Place: New Delhi
Date: 19.07.2023

Sd/-
Sandeep Malhotra
Chief Financial Officer
PAN: AFWPM3559B

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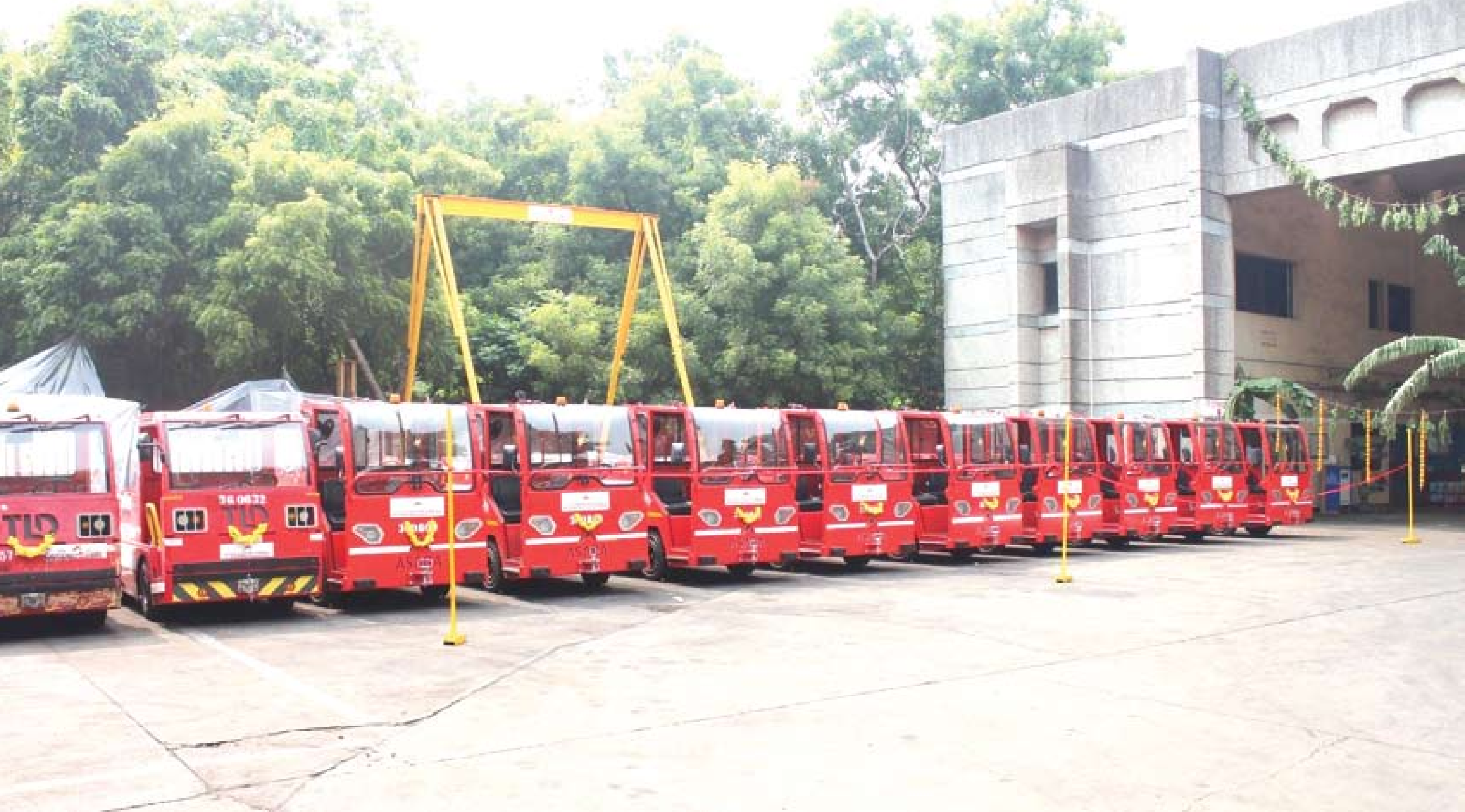

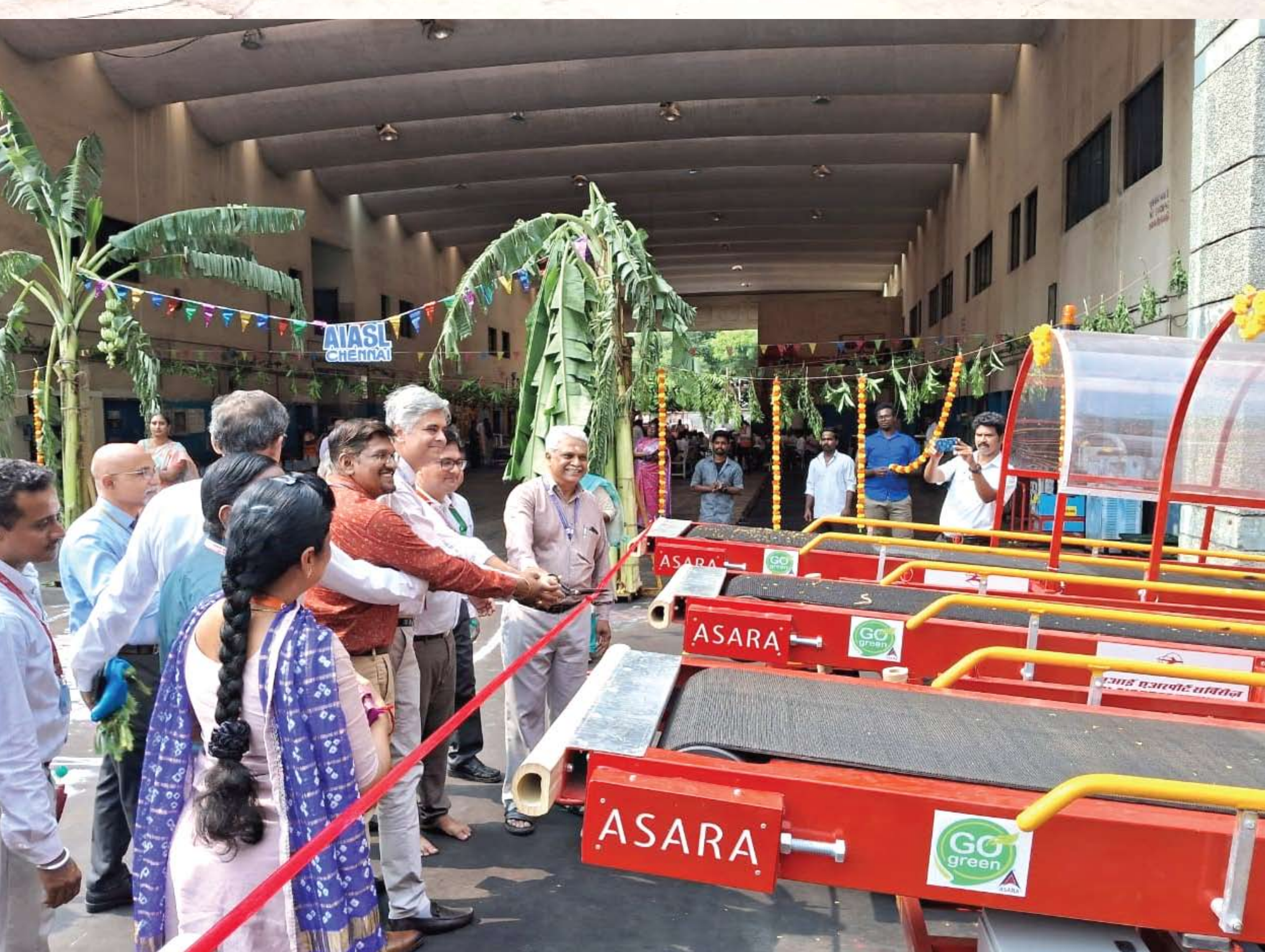
AIASL
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Annexure I

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. <u>CSR Budget / CSR Spend</u>

(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. <u>Monitoring Mechanism</u>

(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 a third-party impactt 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 2022-23

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 contributions to 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 the 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 an overview of projects or programs proposed to be undertaken can be viewed on the website of the Company i.e. www.aiasl.in.

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 Vikram Dev Dutt	Chairman ***(Ceased to be Chairman w.e.f 28.02.2023)***	3	3
2.	Shri V.A Patwardhan	Member ***(Ceased to be Member w.e.f 14.12.2022)***	3	3
3.	*Shri S.K Mishra	Member (***Designation changed from Member to Chairman w.e.f 14.03.2023)***	3	3
4.	Smt. Parama Sen	Member	3	0
5.	** *Shri. Rajesh Singh Shrinarayan Sharma*	Member ***(Member from 19.12.2022 to 18.01.2023)***	3	0
6.	**Shri. Padam Lal Negi	Member ***(Member from 30.01.2023)***	3	0

* *Shri. Vikram Dev Dutt ceased as Nominee Director and Chairman from the Board & CSR Committee of AIASL w.e.f. 28.02.2023. Further, in pursuant to the OM dated 28.02.2023 issued by the MoCA, the*

CSR Committee of AIASL was reconstituted by the AIASL Board on 14th March 2023 by passing a Circular Resolution bearing No.58, 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, whereby Shri. Satyendra Kumar Mishra has become the Chairman of the CSR Committee w.e.f. 14.03.2023.

*** The CSR Committee met three times during the year i.e. 7th June 2022, 12th July 2022 and 2nd August 2022, therefore Shri. RajeshSinghShrinarayan Sharma and Shri Padam Lal Negi had not attended any meetings during F.Y 2022-23.*

3. Provide the web link where the Composition of the 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	https://www.aiasl.in/csr.aspx
2.	CSR Policy	https://www.aiasl.in/csr.aspx
3.	Project approved by the Board	https://www.aiasl.in/csr.aspx

4. Provide the details of the 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 setoff in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and amount required for setoff for the financial year, if any:

Not Applicable

6. Average net profit of the company as per section 135(5): Nil

7. (a) Two percent of the average net profit of the company as per section135(5) : Nil

(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). : Nil

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

Total Amount Spent for the Financial Year. (inRs.)	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 the second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Nil	-	-	-	-	-

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

(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.	The 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 Implementation	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: Nil

(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 (inRs.).	Mode of implementation on Direct (Yes/No).	Mode of implementation-Through implementing agency.	
				State	District.			Name.	CSR Registration number.
							NA	NA	NA

(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): Nil

(g) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section135(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 programs or Activities of the previous financial years, if any	-
(v)	Amount available for setoff 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 section135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 13 if any.			The amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1	2019-20		-	-			5,38,90,383
2	2020-21	-	*5,38,90,383/-				5,38,90,383
3	2021-22	-	-				5,38,90,383

** This is an exceptional case, where during the FY 2020-21 AIASL transferred its unutilized CSR fund (accumulated from the FY 2017-18, 2018-19 & 2019-20) amounting to Rs.5,38,90,383/- towards Indira Gandhi Rashtriya Uran Akademy (IGRUA) for providing scholarships for obtaining Commercial Pilot Training to Economical Weaker Section of Society. During the FY 2021-22, no progress was noted in the said ongoing project due to the advent of COVID and other unavoidable reasons. Consequently, during FY 2022-23, the said project was amended/modified in the Board Meeting held on 02.08.2022 based on IGRUA's request. According to the amended project, IGRUA was required to utilize the said CSR funds for the procurement of trainer aircraft, and in lieu of this IGRUA shall extend free-of-cost training to 7 no of candidates from economically weaker sections of the society. Further, on completion of FY 2022-2023, the CSR funds were still lying unutilized with IGRUA. On the backdrop of unutilized money lying in IGRUA Account in the form of FD, AIASL opened an Unspent CSR Account and transferred the CSR unutilized funds (with a surplus) amounting to Rs.5,96,68,779/- (Rs.5,38,90,383+ Rs.57,78,396) from IGRUA Account to Unspent CSR Account of AIASL on 29.04.2023, which may further be allocated to IGRUA, if the Board satisfied itself that the CSR –IGRUA project could be completed by March 2024, else the said CSR funds shall be transferred to the fund specified under Schedule VII with the approval of the Board on or before 30.04.2024.*

In furtherance thereof, the Board in its meeting held on the 15th day of September, 2023 approved the following on the recommendation of the CSR Committee:

(i) *To release the unutilized CSR funds lying in AIASL Unspent CSR Account along with the surplus, if any (which have been allocated for IGRUA) on the submission/issuance of a Purchase Order or any similar document by IGRUA for the procurement of trainer aircraft on or before 31.03.2024 in terms of the CSR provisions and as per the existing approval, and*

(ii) *To permit IGRUA to procure the trainer aircraft as per the existing board approval using the CSR funds, and*

(iii) *To allow IGRUA to continue the stipulated training(PPL/CPL/Type rating) beyond 31.03.2024 (to 7 EWS category candidates) and complete the training in about 24 months or as per IGRUA stipulated training schedule, at IGRUA's cost, in lieu of procurement of trainer aircraft with allotted CSR fund and for which the IGRUA shall provide an undertaking to the AIASL Management that the training of 7 EWS candidates shall be imparted and completed in about 24 months from the commencement of training or as per IGRUA stipulated training schedule.*

(iv) *To direct IGRUA to provide a status update on half half-yearly basis until Training is completed. Also, to direct IGRUA to submit the following completion certificates:*

(a) *Certificate of completion in line with the fund utilization after the procurement of trainer aircraft.*

(b) *Certificate of Completion of trainer aircraft registration formalities in India, upon receipt*

(c) *Certificate of Completion of CPL training on completion of CPL training of 7 EWS category candidates.*

(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 the creation or acquisition of capital asset, furnish the details relating to the assets 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 assets 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 percent of the average net profit as per section 135(5):

As per the CSR provisions stipulated in the Companies Act, 2013, AIASL was not required to spend any fresh CSR Contributions during FY 2022-23. However, the detail pertaining to the unutilized fund for the preceding 3 years has already been stated in point 9 (a) above.

For AI Airport Services Limited

Sd/-
Satyendra Kumar Mishra
Chairman of CSR Committee

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Shashi Bhadoola
Company Secretary

Sd/-
Sandeep Malhotra
Chief Financial Officer

Annexure III

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR 2022-23

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
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	AI Assets Holding Limited Indian Airlines BLDG, 113, Gurudwara Rakabganj Road, NA New Delhi North East DI 110001 IN	U74999DL2018GOI328865	Holding	100%	2 (46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as a percentage of : Total Equity) :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2022]				No. of Shares held at the end of the year [As on 31-03-2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2022]				No. of Shares held at the end of the year [As on 31-03-2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	138424200	0	138424200	100	138424200	0	138424200	100	
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	138424200	0	138424200	100	138424200	0	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 01-04-2022]				No. of Shares held at the end of the year [As on 31-03-2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non-Institutions	Not Applicable								
a) Bodies Corp. (Market Maker + LLP)									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2022]				No. of Shares held at the end of the year [As on 31-03-2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) Non Resident Indians									
ii) Non Resident Indians - Non Repatriable									
iii) Office Bearers									
iv) Directors									
v) HUF									
vi) Overseas Corporate Bodies									
vii) Foreign Nationals									
viii) Clearing Members									
ix) Trusts									
x) 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)	138424200	0	138424200	100	138424200	0	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 to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / Encumberedd to total shares	
1	AI Assets Holding Limited	138424200	100	NIL	138424200	100	NIL	100

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

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
	NOT APPLICABLE				

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
	NIL				
	(Note : Equity Shares are held by Nominees of AI Assets Holding Limited only, which includes Directors also ddirectors also)				
	Total				

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

(In Rs Crore)

	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	Commissionas % of profitothers, 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-Not applicable

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				
		CEO	**CS**	**CFO**		**Total**
		Shri Rambabu Ch.	**Smt. Shashi Bhadoola**	**Shri Satya Narayan Panda (From 01.04.2022 to 31.12.2022)**	**Shri Sandeep Malhotra (From 09.02.2023 to 31.03.2023)**	
1	Gross salary	4.867	1.080	1.260	0.268	7.475
	(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	**4.867**	**1.080**	**1.260**	**0.268**	**7.475582**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For AI Airport Services Limited

Sd/-
Satyendra Kumar Mishra
Chairman

Annexure-IV

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies Accounts Rules, 2014).

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

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2023, which were not at arm's length basis.

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

All contracts /arrangements/transactions entered by the Company with related parties under Section 188(1) of the Act during the financial year 2022-23 were on an arm's length basis, in the ordinary course of business, which were duly approved by the 92nd Board Meeting of the Company held on 2nd August 2022. The details of Contracts or arrangements or transactions at arm's length basis are as follows":

Name of Related Party and Nature of Relation	Nature of Transaction	Duration of transaction	Salient Terms of Transaction	Amount in Millions
AI Assets Holding Limited Holding Company	Revenue from Operation	01.04.2022-31.03.2023		
	Manpower services		Revenue	1.52
	Expenditure			
	Reimbursement of cost		Expenditure	6.38
	Interest on outstanding payable		Expenditure	35.69
Alliance Air Aviation Limited (AAAL) (subsidiary of AI Assets Holding Limited)*	Revenue from Operation	01.04.2022-31.03.2023		
	Ground handling revenue		Revenue	281.49
	Supply of manpower services		Revenue	0.59
	Interest on outstanding recoverable		Revenue	94.80
	Expenditure			
	SOD		Expenditure	1.25

Name of Related Party and Nature of Relation	Nature of Transaction	Duration of transaction	Salient Terms of Transaction	Amount in Millions
AI Engineering Services Limited(subsidiary of AI Assets Holding Limited)*	Revenue from Operation	01.04.2022-31.03.2023		
	Manpower services/ cabin cleaning		Revenue	204.08
	Interest on outstanding recoverable		Revenue	21.87
	Expenditure			
	Provision for Head Set		Expenditure	12.42
Hotel Corporation of India Limited (Subsidiary of same of AI Assets Holding Limited)	Expenditure	01.04.2022-31.03.2023		
	Staff hotel expenses			7.52
	Festive expenses			2.27
	Event expenses			1.93

For AI Airport Services Limited

Sd/-
Satyendra Kumar Mishra
Chairman

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2023

[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)

2nd Floor, GSD Building, Air India Complex, Terminal-2,

IGI Airport, New Delhi-110037

CIN: U63090DL2003PLC120790

We report that:

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 [**(Formerly known as Air India Air Transport Services Limited) (hereinafter referred as 'the Company')] having its registered office at 2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi-110037. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

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.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

Limitations

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. received via electronic means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

Basis of Opinion

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases 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. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Secretarial Records and Compliances thereof

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 March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company **AI Airport Services Limited [(Formerly known as Air India Air Transport Services Limited)** for the financial year ended on March 31, 2023 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

Not Applicable

(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; (Not applicable to the company during the Audit Period): **Not Applicable**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **Not Applicable**

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 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, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [Not applicable to the company during the Audit Period];

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable to the company during the Audit Period];

(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 [Not applicable to the company during the Audit Period];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable to the company during the Audit Period];

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable to the company during the Audit Period]; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws applicable specifically to the Company namely:

a) The DPE Guidelines.

b) The Competition Act, 2002.

c) The Right to Information Act, 2005;

d) Air Corporations Act, 1953

e) Airports Authority of India Act, 1994

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to conducting board and general meetings.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

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 the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.

We further report that during the audit period there were no specific events / corporate actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Amit Agarwal & Associates**
(Company Secretaries)

Sd/-
CS Amit Agrawal
Partner
CP No. 3647, MNo.5311
UDIN: F005311E000717242

Date : 01.08.2023
Place: New Delhi

This report is to be read with my letter of even date which is annexed as an "**Annexure-A**" and forms an integral part of this report.

ANNEXURE- A

To,
The Members,
AI Airport Services Limited
(Formerly known as Air India Air Transport Services Limited)
2nd Floor, GSD Building, Air India Complex, Terminal-2,
IGI Airport, New Delhi-110037
CIN: U63090DL2003PLC120790

My Secretarial Audit Report of even date is to be read along with this letter:

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

For **Amit Agrawal & Associates**
(Company Secretaries)

Sd/-
CS Amit Agrawal
Partner
CP No. 3647, MNo.5311
UDIN: F005311E000717242

Place: New Delhi
Date : 01.08.2023

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 2023

The preparation of financial statements of AI AIRPORT SERVICES LIMITED for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the companies act, 2013 (Act) is 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 19 July 2023.

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 2023 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

Current Tax - ₹ 23.58 crore

Deferred Tax - ₹ (4.59) crore

The unabsorbed loss brought forward from previous year (2021-22) was ₹ 65.05 crore. The same was adjusted as unabsorbed losses while computing the tax of ₹ 23.58 crore payable for the current year. However, the said brought forward loss amounting to ₹ 65.05 crore was also considered while computing the Deferred Tax expense of ₹16.37 crore as on 31 March 2023 and accordingly, the Deferred Tax Asset has been created for such absorbed loss.

Para 5 of Ind AS 12 on Income Taxes states that 'Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of (a)deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits.'

Thus, as the unabsorbed loss was already considered while computing the tax payable for the current year, therefore, the same should not have been considered while computing Deferred Tax Assets as there is no unabsorbed carry forward loss for the year ended 31 March 2023.

This has resulted in overstatement of Deferred Tax Assets and understatement of Deferred Tax Expense by ₹16.37 crore. Consequently, profit after tax is also overstated to the same extent.

The above has also rendered note no. 46 deficient to that extent. Further, non-reporting of the above said issue by the statutory auditor has rendered the Independent Auditor's Report deficient to that extent.

B. Comments on Auditors' Report

1. Annexure 'A' to the Independent Auditor's Report – Para no. vii (b)

The above states that as of 31 March 2023, the company has disputed outstanding dues under the Provident Fund Act, 1952 for ₹6.01 crore related to damages and interest for the period 2020-2022. However, the company has not disputed the said dues and made provision of ₹6.01 crore during the current year. Also, out of the said dues of ₹ 6.01 crore, the company paid an amount of ₹ 0.15 crore in February 2023. Since the above said dues were not under dispute, hence the dues amounting to ₹ 5.86 crore should have been depicted as undisputed dues under para no. vii (a) of Annexure A of Independent Auditor's Report. Thus, the Independent Auditor's Report is deficient to that extent.

2. Annexure 'A' to the Independent Auditor's Report – Para no. (xi)(a)

According to para 3(xi) (a) of Companies (Auditor's Report) Order, 2020, the statutory auditor shall report in its Independent Auditor's Report '*Whether any fraud by the company or any fraud on the company has been noticed or reported during the year; if yes, the nature and the amount involved is to be indicated*.'

However, the statutory auditor has reported that '*According to the information and explanation given to us and based on our examination, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year*'.

As the company has reported about the fraud by the company or on the company by its officers or employees only and no reporting regarding the frauds by the company or on the company by any third party has been done. This has rendered the Independent Auditor's Report deficient to that extent.

For on behalf of the
Comptroller and Auditor General of India

Sd/-
(Atoorva Sinha)
Principle Director of Audit (Infrastructure)
New Delhi

Place: New Delhi
Date: 25.09.2023

MANAGEMENT REPLY ON THE COMMENTS ON 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 2023

CAG Comments for FY 22-23	Management's Reply
A. Comments on Profitability **Statement of Profit and Loss** **Current Tax - ₹ 23.58 crore** **Deferred Tax - ₹ (4.59) crore** The unabsorbed loss brought forward from previous year (2021-22) was ₹ 65.05 crore. The same was adjusted as unabsorbed losses while computing the tax of ₹ 23.58 crore payable for the current year . However, the said brought forward loss amounting to ₹ 65.05 crore was also considered while computing the Deferred Tax expense of ₹16.37 crore as on 31 March 2023 and accordingly, the Deferred Tax Asset has been created for such absorbed loss. Para 5 of Ind AS 12 on Income Taxes states that 'Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits.' Thus, as the unabsorbed loss was already considered while computing the tax payable for the current year, therefore, the same should not have been considered while computing Deferred Tax Assets as there is no unabsorbed carry forward loss for the year ended 31 March 2023. This has resulted in overstatement of Deferred Tax Assets and understatement of Deferred Tax Expense by ₹ 16.37 crore. Consequently, profit after tax is also overstated to the same extent. The above has also rendered note no. 46 deficient to that extent. Further, non-reporting of the above said issue by the statutory auditor has rendered the Independent Auditor's Report deficient to that extent.	*Brought forward of losses of Rs 65.05 crores has been considered erroneously while computing the deferred tax for the year 2022-23.* *Further, We would like to state that there is no financial impact of deferred tax on operating profit of the company for the year 2022-23 since the deferred tax is below the line item in statement of Profit and Loss Account.* *Deferred tax asset/ deferred tax liability is only an estimate which arises at the end of the financial year based on the timing differences as per Ind AS 12 like provision for tax which is payable to Income Tax department as per Income Tax Act, 1961, which also gets changed after completion of tax audit.* *Since the company has made the provision for income tax accurately and excess deferred tax created is only an estimate in financial statements at the year end and not payable to any authority, further, we ensure to take the necessary impact of DTA/DTL in next FY 23-24.* *In view of the auditors, in accordance with Para A111 of Standard on Auditing 315, deferred tax is neither a transaction nor an event and only an estimate of tax on timing difference. It is below the line item in statement of Profit and Loss Account and has no financial impact on operational profit of the company for the year 2022-23.*

CAG Comments for FY 22-23	Management's Reply
B. Comments on Auditors' Report **1. Annexure 'A' to the Independent Auditor's Report – Para no. vii (b)** The above states that as of 31 March 2023, the company has disputed outstanding dues under the ProvidentFund Act, 1952 for ₹ 6.01 crore related to damages and interest for the period 2020-2022. However, the company has not disputed the said dues and made provision of ₹6.01 crore during the current year. Also, out of the said dues of ₹ 6.01 crore, the company paid an amount of ₹ 0.15 crore in February 2023. Since the abovesaid dues were not under dispute, hence the dues amounting to ₹ 5.86 crore should have been depicted as undisputed dues under para no. vii (a) of Annexure A of Independent Auditor's Report. Thus, the Independent Auditor's Report is deficient to that extent.	*Auditors have been apprised about this observation with respect to their Audit Report and they have duly noted it for their future compliance.*
2. Annexure 'A' to the Independent Auditor's Report – Para no. (xi)(a) According to para 3(xi) (a) of Companies (Auditor's Report) Order, 2020, the statutory auditor shall report in its Independent Auditor's Report 'Whether any fraud by the company or any fraud on the company has been noticed or reported during the year; if yes, the nature and the amount involved is to be indicated.' However, the statutory auditor has reported that 'According to the information and explanation given to us and based on our examination, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year'. As the company has reported about the fraud by the company or on the company by its officers or employees only and no reporting regarding the frauds by the company or on the company by any third party has been done. This has rendered the Independent Auditor's Report deficient to that extent.	*As such, the statutory auditors have noted for future compliance that with respect to reporting on fraud as per of Companies (Auditor's Report) Order, 2020, the reporting with respect to fraud by third parties is also to be mentioned which erroneously missed out in their audit report. However, in the auditors subsequent replies to provisional comments issued by CAG, they have confirmed that no fraud has been reported by third parties on company during the period under audit.*

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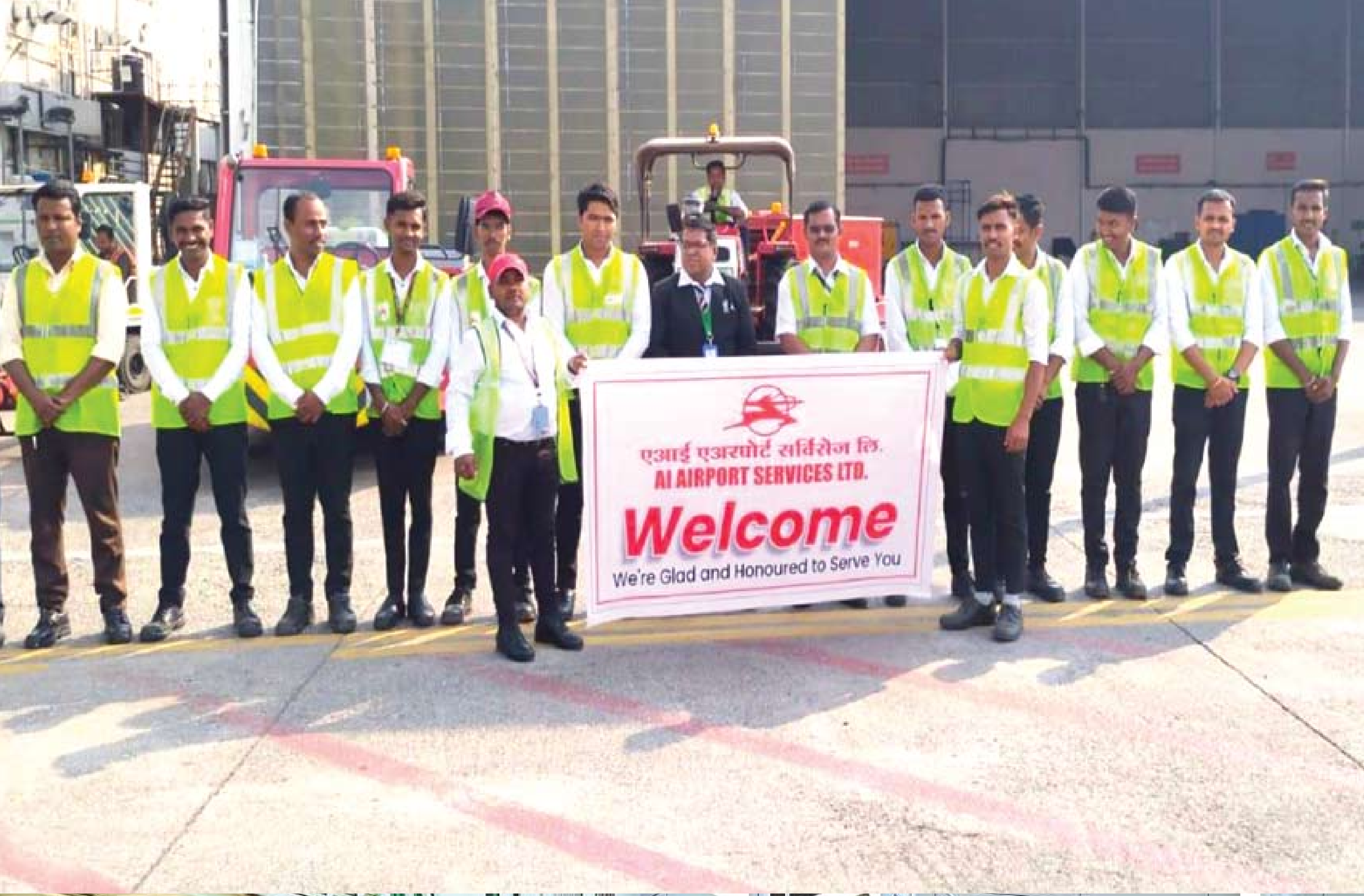
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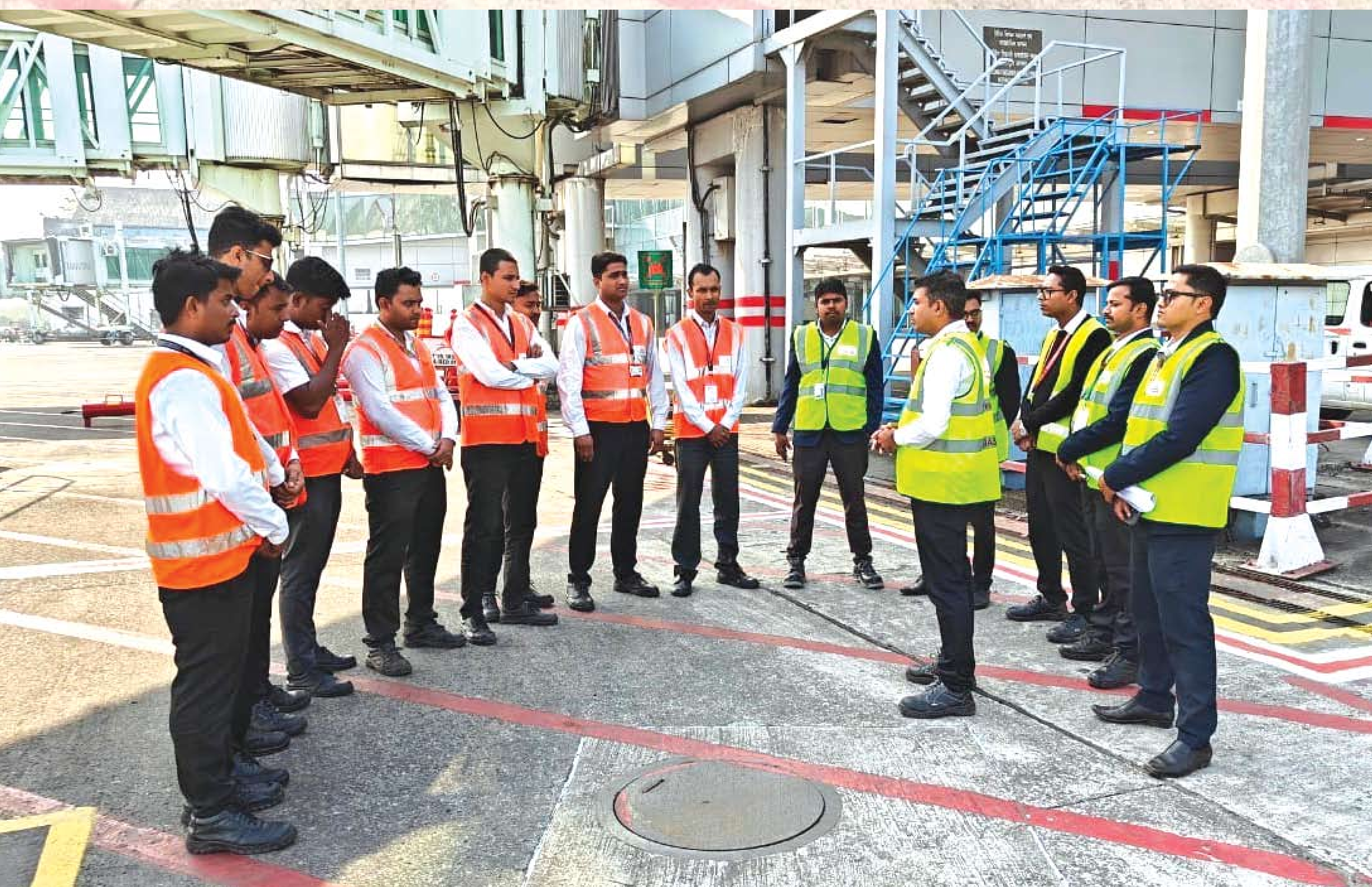
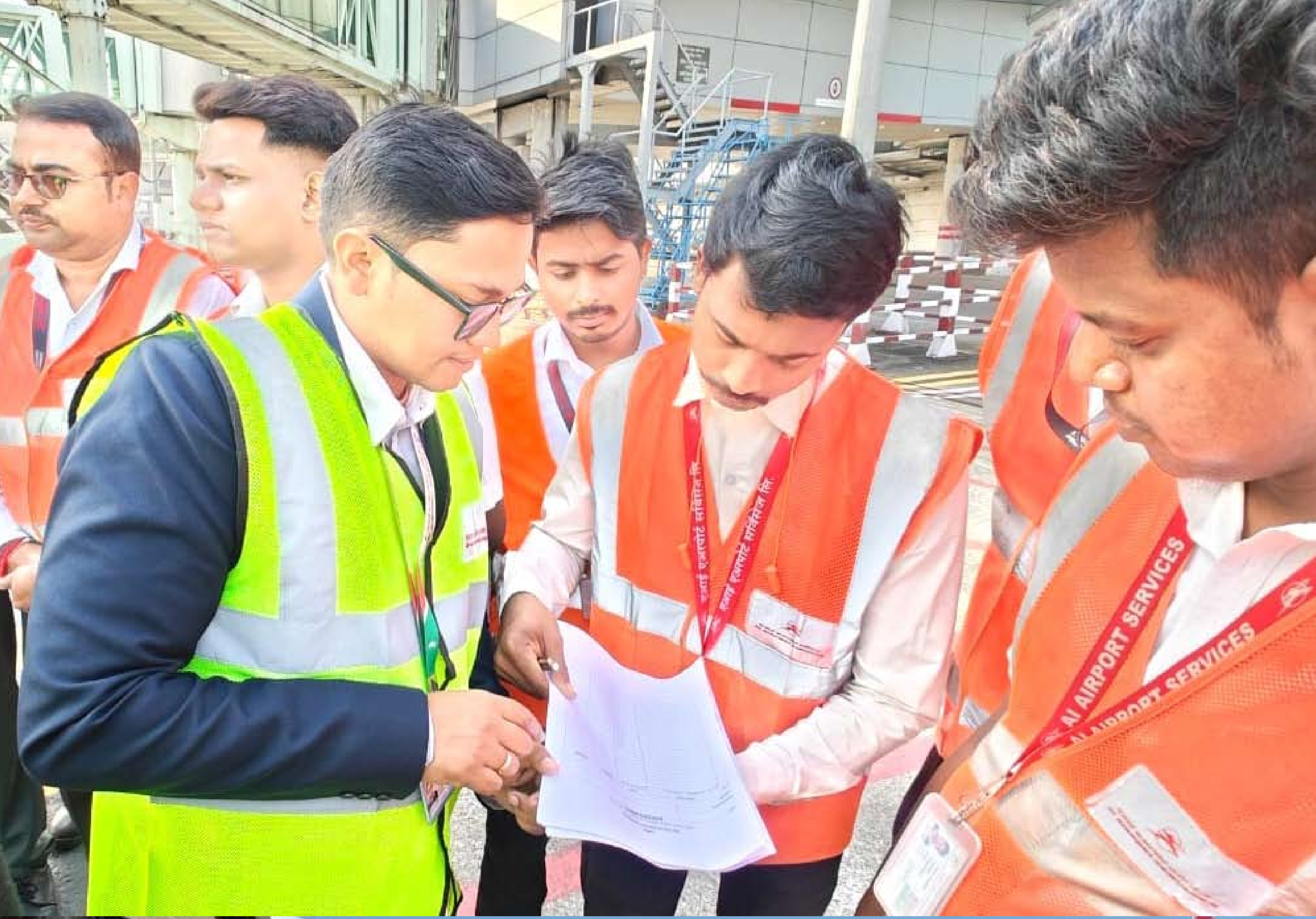
We're Glad and Honoured to Serve You

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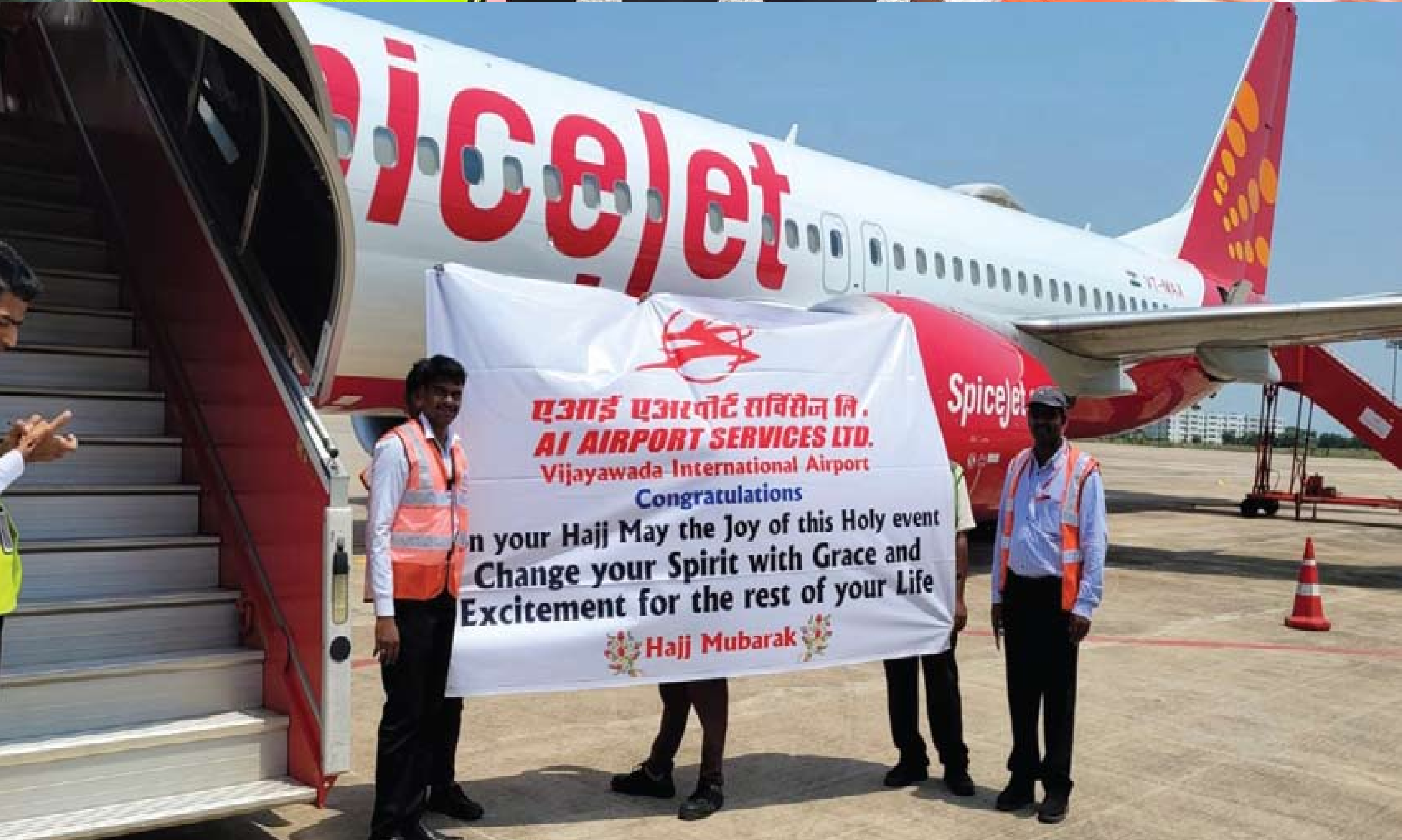
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of AI AIRPORT SERVICES LIMITED ("The Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 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 opinion on the financial statements.

Emphasis of Matter

1. We draw attention to Note 53 to the financial statements, During the year 2022-23, Air India Limited and Alliance Air Aviation Limited has raised an invoice for an amount of Rs. 121.41 million and Rs. 1.61 million respectively towards penalty. However, the same has not been provided in the books of accounts of the company.

2. We draw attention to Note 37 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 Engineering Services Limited and Alliance Air Aviation Limited. During the audit period, interest on overdue payments amounting to Rs.116.67 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 audit period.

3. We draw attention to Note 7 to the financial statements, the Company has inventories consisting of stores and spares gross amounting to Rs. 56.11 million (Provision of Rs. 33.14 million has been made for obsolescence of such inventories). 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 and 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 audit period.

4. We draw attention to Note 54 to the financial statements, the Company has entered into 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. In view of the management, considering it as cancellable lease, the same does not qualify for recognition under 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. We have relied on the management contention that the impact of the same will not be material.

5. We draw attention to Note 47 to the financial statements, the Company has provided interest amounting to Rs. 35.69 million at the rate of 9% p.a. to AIAHL on average of outstanding balance payable.

6. We draw attention to Note 33 to the financial statements, amounts receivables from and payables to the various parties are subject to confirmation and reconciliation.

7. We draw attention to Note 43 to the financial statements, Go Airlines India Limited has submitted their application to NCLT for insolvency resolution process and accordingly NCLT has accepted the application and initiated the insolvency process vide order dated May 10th, 2023 and now company has filed its claim amounting Rs 220.35 million as on March 31st, 2023 (including interest amounting Rs 11.27 million and accordingly company has made the 100% provision of the receivables excluding interest in ECL).

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

When we read the other information comprising the above documents, if we conclude that there is a material misstatement therein, we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors of the company is 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 skepticism throughout the audit. We also:

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure-A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

   (c) The Balance sheet, the Statement of Profit and Loss including other comprehensive income, the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) 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 the directors, is not applicable to the Company.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 statement.

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company does not have any derivative contracts.

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

iv) a. The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The company has not declared or paid any dividend during the financial year.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the

Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

C. As required by Section 143(5) of the Act and as per directions issued by comptroller and Auditor General of India, the actions taken thereon and its impact on the accounts and financial statements of the Company, refer to our separate report in "**Annexure C**".

For S. Mann & Co
Chartered Accountants
Firm Registration No. 000075N

Sd/-
(Subhash Chander Mann)
Partner
Membership No. 080500
UDIN : 23080500BGXRAU5748

Place: New Delhi
Date: 19.07.2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in "Paragraph-A" under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AI AIRPORT SERVICES LIMITED of even date)

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

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The quantitative details shown for various assets (ref. to Asset Number) in the Fixed Asset Register does not correspond to the physical records of fixed assets maintained as provided by the Company.

(B) The Company does not have any intangible assets. Therefore, paragraph 3 (i)(a)(B) of the said order is not applicable to the company.

(b) The Property, Plant and Equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provide for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, material discrepancies were noticed on such verification and dealt with in the books of accounts.

(c) The Company does not own any immovable properties, therefore paragraph 3 (i) (c) of the said order is not applicable to the company.

(d) The company has not revalued its' Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year therefore paragraph 3 (i) (d) of the said order is not applicable to the company.

(e) The company does not hold any benami property, further no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) As explained to us, inventory has been physically verified by management during the year, the frequency of which in our opinion is reasonable. The Company is not maintaining proper records of inventory. In our opinion, having regard to the size, nature and location of inventory, the coverage and procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such verification conducted by the Company.

(b) The company has not been sanctioned working capital limit in excess of 5 Crores, in aggregate from banks and financial institutions on the basis of security of current assets, therefore paragraph 3 (ii) (b) of the said order is not applicable to the company.

iii. With respect to investments made, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

(a) During the year the company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability

Partnerships or any other parties and hence reporting under paragraph 3 (iii)(a) and (c) to (f) of the Order is not applicable to that extent.

(b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.

(c) During the year the company has not provided loans to any companies, Therefore, paragraph 3 (iii)(c) of the said order is not applicable to the company.

(d) During the year the company has not provided loans to any companies, Therefore, paragraph 3 (iii)(d) of the said order is not applicable to the company

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not made any investments or provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Therefore, paragraph 3 (iv) of the said order is not applicable to the company.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 regarding the deposits accepted from the public are not applicable.

vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to information and explanations given to us and our examination of the books of account, and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, the undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on which they become payable, are as follows:

Name of statute	Nature of dues	in Million	Period to which amount relates	Date of payment
Provident Fund Act, 1952	PF	7.33	FY 2022-23	Not paid
Employee State Ins, 1948	ESIC	0.82	FY 2022-23	Not paid
Professional Tax	PT	4.78	Earlier years and FY 2022-23	Not paid

(b) According to the records of the Company, there are no dues referred to in sub-clause (a) above as at 31st March 2023, which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of Dues	in Million	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	19.18	AY 2013-14	CIT (Appeals)
Income Tax Act, 1961	Income tax	6.60	AY 2017-18	CIT (Appeals)
Income Tax Act, 1961	Income tax	5.40	AY 2017-18	NFAC
Income Tax Act, 1961	Income tax	80.76	AY 2018-19	NFAC
Income Tax Act, 1961	Income tax and Interest	200.25*	AY 2020-21	NFAC
Goods and Service Tax Act, 2017	Goods and Service Tax and Interest	659.40	FY 2017-2020	Departmental Authorities
Goods and Service Tax Act, 2017	Goods and Service Tax and Interest	78.17	FY 2017-2020	Departmental Authorities
Goods and Service Tax Act, 2017	Goods and Service Tax and Interest	9.77	FY 2017-2018	Assistant Commissioner (Central GST)
Goods and Service Tax Act, 2017	Penalty	5.71	FY 2018-2019	Additional Commissioner (GST)
Provident Fund Act, 1952	Damages and Interest	60.06	FY 2020-2022	Regional Provident Fund Commissioner

* ₹ 82.65 million amount has been deposited as self-assessment tax on October 16, 2021.

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. (a)The Company has not defaulted in the repayment of loans and borrowing to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender. Hence, reporting under paragraph 3 (ix) (b) is not applicable.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not taken any term loans during the period, from banks and financial institutions, therefore paragraph 3 (ix) (iii) of the said order is not applicable to the company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not raised funds on short term basis during the period, therefore paragraph 3 (ix) (iv) of the said order is not applicable to the company.

(e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures during the period.

(f) In our opinion and according to the information and explanations given to us, the company has not raised any loans on the pledge of securities held in its subsidiaries, associates, or joint ventures during the period.

x. (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi. (a) According to the information and explanation given to us and based on our examination, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(b) To the best of our knowledge and belief, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle-blower complaints received during the year by the Company, therefore paragraph 3 (xi) (c) of the said order is not applicable to the company and hence not commented upon.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered the internal audit reports for the year under audit, issued to the Company till date for the period under audit, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a), (b) and (c) of the Order is not applicable.

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. According to the information and explanations given to us, the Group has no CIC as a part of the group.

xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses during the financial year covered by our audit and in the previous financial year.

xviii. In our opinion and according to the information and explanations given to us, there has been no resignation of the statutory auditors during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. The provisions of Section 135 with respect to Corporate Social Responsibility (CSR) of the Companies Act, 2013 are not applicable to the Company. Hence, reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

For S. Mann & Co
Chartered Accountants
Firm Registration No. 000075N

Sd/-
(Subhash Chander Mann)
Partner
Membership No: 080500
UDIN : 23080500BGXRAU5748

Place: New Delhi
Date: 19.07.2023

ANNEXURE – 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AI AIRPORT SERVICES LIMITED

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **AI AIRPORT SERVICES LIMITED** ("the Company") as of March 31, 2023, 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 control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal financial controls over financial reporting (the "Guidance Note") and the standards on auditing as specified under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, 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 the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 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, 2023:

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

   (i) Detailed documented Standard Operating Procedures as required by the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI for critical processes are not in place.

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

   (iii) Optimum utilization of information technology (IT) general and application controls needs to be strengthened to provide complete information consistent with financial reporting objectives and current needs.

   (iv) 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 joiners and resigned employees, payment of statutory dues, etc. are not fully automated and maintained manually.

(b) The controls for reconciliation of physical inventory and fixed assets with the books of account can be further strengthened.

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

(d) Galaxy software to account cargo handling and APEDA and SAP are not integrated.

(e) Due to bugs in MBS software, full billing is not captured in SAP. The Company does the reconciliation manually to account the billing which was not interfaced in SAP from MBS software.

(f) While creating new customer ledger, KYC Documents shared with the department are incomplete.

(g) No scrap register is maintained w.r.t property, plant and equipment (Ramp Equipments & Others)

(h) Records of procurement of material by MMD are not fully automated and maintained manually.

(i) Records of Ramp Assistance Form (RA Forms) issued are not fully automated and maintained manually. There are no records of the Ramp Assistance Form (RA Forms) for which invoices have not been issued. Such controls should be further strengthened.

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, based on 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, 2023, 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.

For S. Mann & Co
Chartered Accountants
Firm Registration No. 000075N

Sd/-
(Subhash Chander Mann)
Partner
Membership No.080500
UDIN : 23080500BGXRAU5748

Place: New Delhi
Date: 19.07.2023

ANNEXURE-C TO THE INDEPENDENT AUDITOR'S REPORT

We have examined the books of Accounts of AI AIRPORT SERVICES LIMITED, for the year ended 31st March, 2023 and we are submitting our comments based on direction issued by Comptroller and Audit General of India, according to best our information and explanation given to us by management and as appears from the examination of books of accounts and records maintained, as under.

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of AI AIRPORT SERVICES LIMITED for the year 2022-23 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013

S. No.	Directions	Auditor's Remark
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	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.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? .(In case, lender is a Government Company then this direction is also applicable for statutory auditor of lender company)	There is no restructuring of 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.
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	The funds received/ receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions.

For S. Mann & Co
Chartered Accountants
Firm Registration No. 000075N

Sd/-
(Subhash Chander Mann)
Partner
Membership No. 080500
UDIN : 23080500BGXRAU5748

Place: New Delhi
Date: 19.07.2023

MANAGEMENT REPLIES TO THE AUDITOR'S REPORT ON THE FINANCIAL STATEMENT OF AI AIRPORT SERVICES LIMITED FOR THE FINANCIAL YEAR 2022-23

STATUTORY AUDITOR'S REPORT

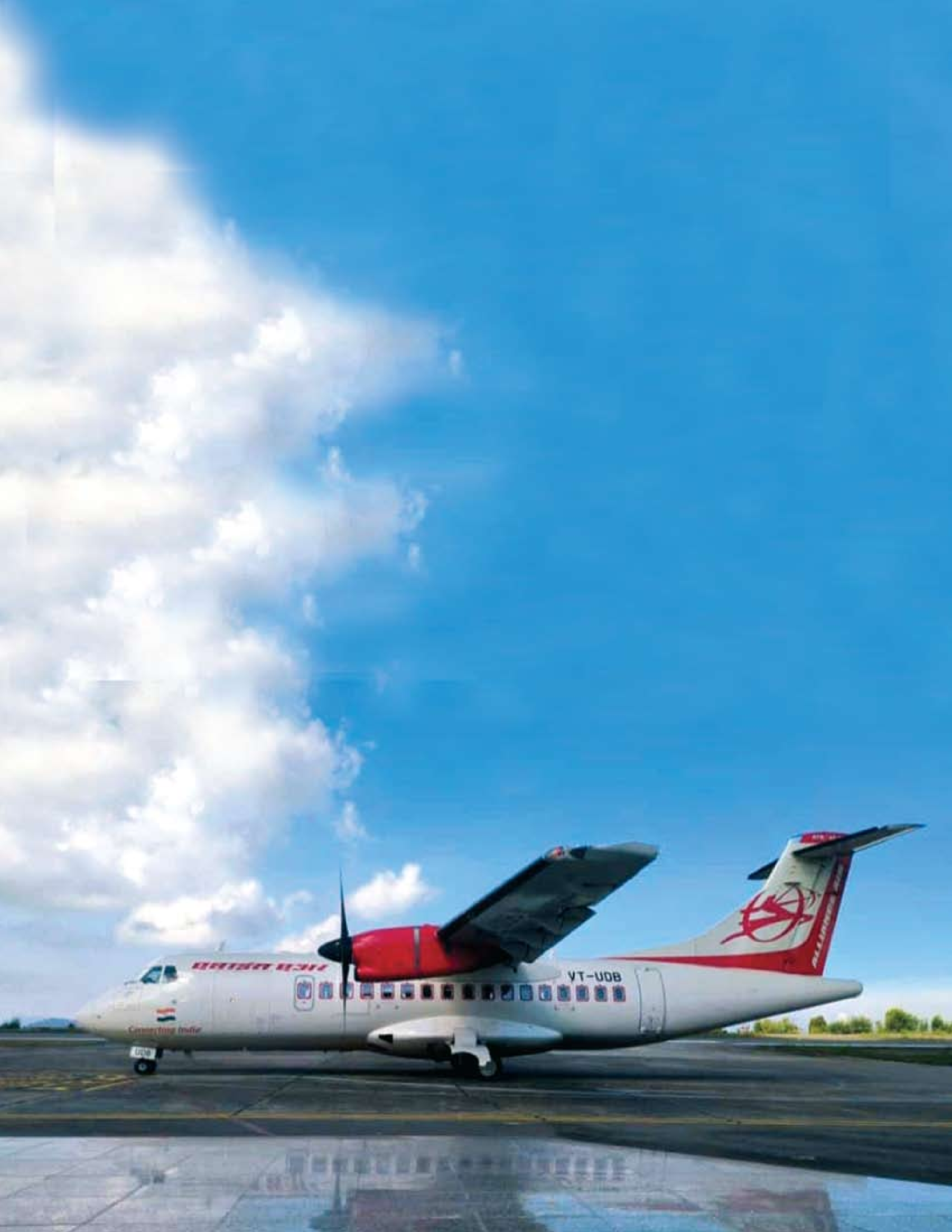
Sr. No.	Point of Qualification	Management Reply
Emphasis of Matter		
1	We draw attention to Note 53 to the financial statements, during the year 2022-23, Air India Limited and Alliance Air Aviation Limited has raised an invoice for an amount of Rs.121.41 million and Rs.1.61 million respectively towards penalty. However, the same has not been provided in the books of accounts of the company.	As per MSA between Air India and AI Airport Services Ltd. the service standard and performance targets have been set and based on the performance. Non-adherence to service standards, Air India raises an ERF form. As per Clause 36.2 of MSA (Page No- 66) entered between AI and AIASL wherein it is mentioned that Air India to prepare and provide the handling report for certification by the authorized representative after each shift. The Handling Exception Report Format (ERF) shall be jointly signed by AI and AIASL. Further as per clause 2.7, the delays will be jointly reviewed and only be attributable if they are within the AIASL responsibility and control. During the year 2022-23, Air India has raised an invoice for an amount of Rs.121.41 million towards penalty. However, AIASL has been contesting the penalties raised as there is no ERF forms provided along with the Invoice. In such cases as per escalation matrix, Air India should escalate the matter to Hub Control Centre/Airport Manager then to Regional General Manager and then to Regional Director. It is observed that inspite of AIASL protesting the levy of penalty, Air India has not escalated the matter and neither has responded to our correspondence. AIASL is of the strong opinion that the penalties imposed by Air India are unilateral and without the consent of AIASL.

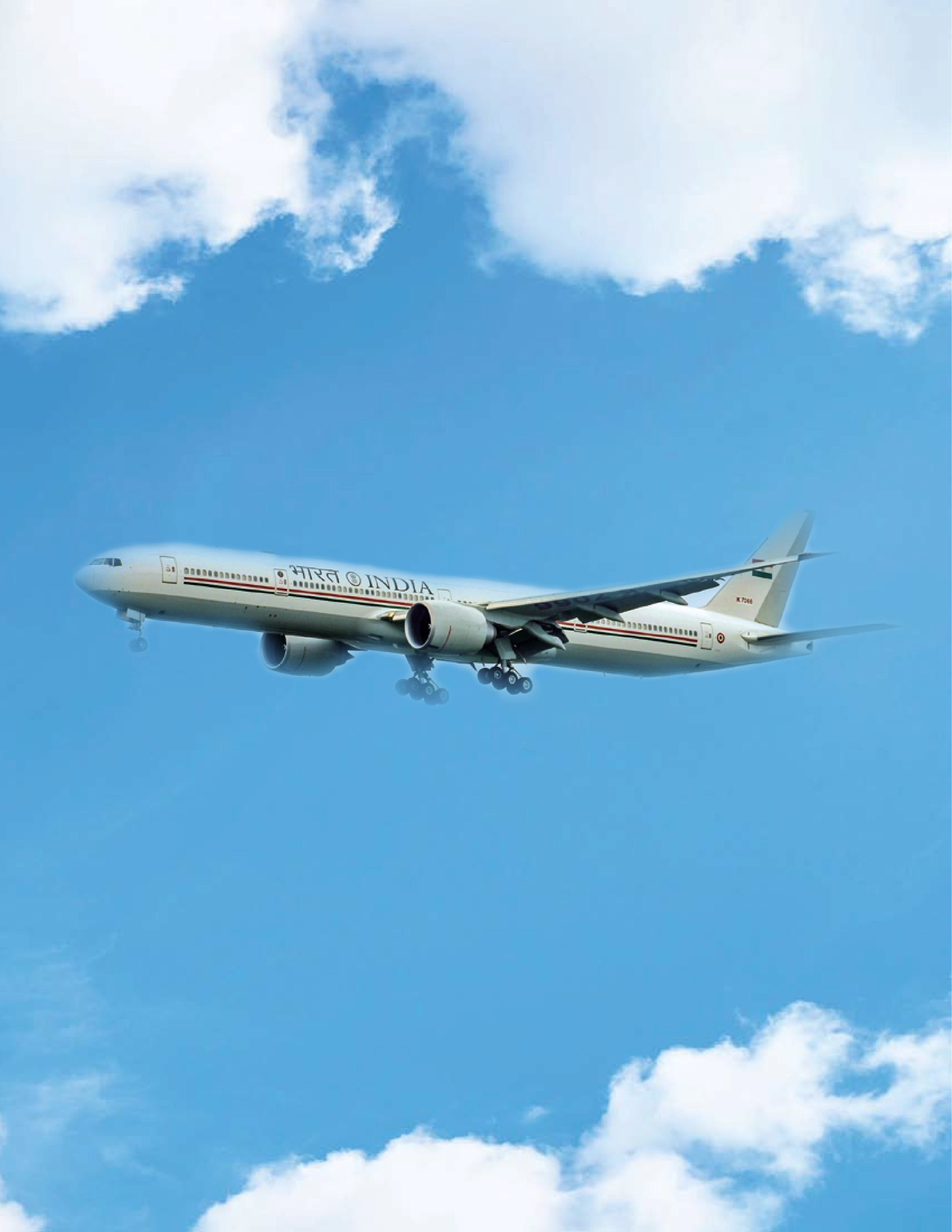
Sr. No.	Point of Qualification	Management Reply
		Inspite of AIASL contesting it, Air India has neither reverted nor escalated the matter which has made our assumption stronger that the penalties levied are not in norms with the Service Level Agreement. The above reasoning holds good even for penalties imposed by Alliance Air.
2	We draw attention to Note 37 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 (considered related party till January 13, 2022), Air India Express, Air India Engineering Services Limited and Alliance Airlines Private Limited. During the audit period, interest on overdue payments amounting to ₹ 116.67 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 audit period.	The interest recoverable from Air India, Air India Express, AI Engineering Services Limited and alliance Airlines Pvt. Ltd. on overdue balance is in terms of the MSA and has already been recovered from said Companies for past years and is fully recoverable for the year under audit as well.
3	We draw attention to Note 7 to the financial statements, the Company has inventories consisting of stores and spares amounting to ₹ 56.11 million(Provision of Rs.33.14 million has been made for obsolescence of such inventories). These inventories are transferred from Air India Limited and Air India Engineering Limited, which are not used for more than three years. We have relied on the management contention that such inventories have value in use and 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 audit period.	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. Further we have made a provision for the obsolescence of such inventories.
4	We draw attention to Note 54 to the financial statements, the Company has entered into 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. 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.	The Company has provided the necessary information as per Ind AS 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 capitalizing the lease rentals as Right of use Assets.

Sr. No.	Point of Qualification	Management Reply
	In view of the management, considering it as cancellable lease, the same does not qualify for recognition under 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. We have relied on the management contention that the impact of the same will not be material.	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.
5	We draw attention to Note 47 to the financial statement's, the Company has provided interest amounting to Rs.35.69 million at the rate of 9% p.a. to AIAHL on average of outstanding balance payable.	The interest has been provided in line with the MSA we have with other Group Companies.
6	We draw attention to Note 33 to the financial statements, amounts receivables and payables to the various parties are subject to confirmation and reconciliation.	We did sent to all the Third Party Airlines for Balance Confirmation to as on 31.03.2023, however, except for few, none of the Airlines confirmed the balances. We have obtained balance confirmation from AI Express, AI Engineering Services, Alliance Air and AI AHL.
7	We draw attention to Note 43 to the financial statements. Go Airlines India Limited has submitted their application to NCLT for insolvency resolution process and accordingly NCLT has accepted the application and initiated the insolvency process vide order dated May 10th, 2023 (including interest amounting to Rs.11.27 million and accordingly company has made the 100% provision of the receivables excluding interest in ECL).	This is a statement of fact.
	Annexure A- CARO	
(i) (a) (A)	The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The quantitative details shown for various assets (refer to Asset Number) in the Fixed Asset Register does not correspond to the physical records of fixed assets maintained as provided by the company.	During the year all Stations were instructed for maintaining a Fixed Assets Register. The reconciliation of Fixed Assets maintained at Station and that with the books is under reconciliation and the impact if any, will be analysed and impact of the same shall be taken after obtaining approval from the BoD.

Sr. No.	Point of Qualification	Management Reply
	Annexure B - IFC	
(a)	Deficiencies in the design of internal control over the preparation of the financial statements being audited:	
(i)	Detailed documented Standard Operating Procedures as required by the guidance note on Internal Financial Controls over Financial Reporting for critical processes are not in place.	The company is in process of development of new SOPs along with implementation of new accounting software/ERP.
(ii)	Authorisation controls such as maker/checker controls in accounting software needs further strengthening.	The Company is dependent on AI and IBM for any implementation of controls in the existing ERP. A new software named Oddo has been implemented effective 1st April 2023 in which adequate measures of maker/checker control is implemented.
(iii)	Optimum utilization of information technology (IT) general and application controls should be ensured, to provide complete information consistent with financial reporting objectives and current needs.	The Company was dependent on AI and IBM for any implementation of controls in the existing ERP. In the new ERP implemented effective 1.4.2023, the control measures has been taken care.
(iv)	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.	The Company has already implemented the new ERP named Zeta HRMS and we are in the process of automation of all HR and payroll related matter.
(b)	The controls for reconciliation of physical inventory and fixed assets with the books of account can be further strengthened.	This is noted for compliance
(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.	The reconciliation of all ledgers has been done and shared to the auditor as on the Balance Sheet date.
(d)	Galaxy software to account cargo handling and APEDA and SAP are not integrated.	The cargo invoices are recorded in SAP at the end of the month from the data extracted from the Galaxy software. However, effective measures are taken care every month to ensure accuracy. Integration of both the software shall be done in the new ERP.

Sr. No.	Point of Qualification	Management Reply
(e)	Due to bugs in MBS software, full billing is not captured in SAP. The Company does the reconciliation manually to account the billing which were not interfaced in SAP from MBS software.	Due to some error in customer coding and GL coding, the invoices are stuck for being recorded in SAP. The invoices which are not flown in SAP from MBS are reconciled and flown at regular intervals, and accuracy is maintained.
(f)	While creating new customer ledger KYC not called/ shared with the department.	The customer code is created by accounts department wherein the customer is asked to fill up all the details in a format provided. KYC details such as GST certificate, etc. are called for to ensure correctness of details filled by the customer.
(g)	No scrap register is maintained w.r.t property, plant and equipment (Ramp Equipment & Others)	Scrap Register is maintained, however, will need an upgradation.
(h)	Records of procurement of material by MMD are not fully automated and maintained manually.	It is a fact that procurement of material by MMD are done manually, however, the process of automation is on and will be implemented shortly.
(i)	Record of Ramp Assistant Form(RA Forms) issued are not fully automated and maintained manually. There are no records of the Ramp Assistance Form (RA Forms) for which invoices have not been issued. Such controls should be further strengthened.	In the new ERP, there is a provision for digitalization of RA Forms wherein all the RA forms data will captured digitally and will be flown in to ERP automatically to generate invoice. This is being done in the second phase of implementation of ERP.


VT-UDB
Connecting India


भारत INDIA

Balance Sheet as at March 31, 2023

(₹ in Millions)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022# Restated	As at April 01, 2021# Restated
Assets				
1. Non-current assets				
(a) Property, plant and equipment	2 (a)	2,934.47	3,168.65	3,369.42
(b) Intangible assets under development	2 (b)	2.15	-	-
(c) Right of use assets	2 (c)	-	-	31.76
(d) Financial assets				
(i) Other financial assets	3	1,299.16	9.17	12.71
(e) Income tax assets (net)	4	487.68	450.12	49.89
(f) Deferred tax assets (net)	5	1,130.35	1,084.41	964.11
(g) Other non-current assets	6	23.74	19.77	29.85
Total non-current assets		**5,877.56**	**4,732.12**	**4,457.74**
2. Current Assets				
(a) Inventories	7	22.97	59.14	62.27
(b) Financial assets				
(i) Trade receivables	8	4,071.44	3,499.33	3,730.34
(ii) Cash and cash equivalents	9	520.43	776.18	43.46
(iii) Bank balances other than cash and cash equivalents (ii) above	10	1.73	61.66	1.59
(iv) Other financial assets	11	100.96	1.13	95.74
(c) Other current assets	12	144.75	38.57	35.76
Total current assets		**4,862.28**	**4,436.01**	**3,969.16**
Total assets		**10,739.84**	**9,168.13**	**8,426.90**
Equity and liabilities				
1. Equity				
(a) Equity share capital	13	1,384.24	1,384.24	1,384.24
(b) Other equity	14	2,846.46	2,067.16	1,778.29
Total equity		**4,230.70**	**3,451.40**	**3,162.53**
Liabilities				
2. Non-current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	15	-	-	-
(ii) Other financial liabilities	16	72.48	64.51	52.17
(b) Provisions	17	2,413.54	2,429.09	2,625.43
Total non-current liabilities		**2,486.02**	**2,493.60**	**2,677.60**
3. Current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	15	-	-	35.19
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	21	2.30	0.14	4.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	1,619.33	1,458.10	978.97
(iii) Other financial liabilities	18	1,185.56	990.53	897.70
(b) Provisions	19	859.04	478.54	312.29
(c) Other current liabilities	20	356.89	295.82	358.11
Total current liabilities		**4,023.12**	**3,223.13**	**2,586.77**
Total liabilities		**6,509.15**	**5,716.73**	**5,264.37**
Total equity and liabilities		**10,739.84**	**9,168.13**	**8,426.90**

Significant accounting policies, key accounting estimates and judgements 1
See accompanying notes to the financials statements
Refer note 31 for details regarding the restatement as a result of error or omission

As per our report of even date attached

For S. Mann & Co
Chartered Accountants
Firm Registration No: 000075N

For and on behalf of the Board of Directors

Sd/-
Subhash Chander Mann
Partner
Membership No: 080500
UDIN: 23080500BGXRAU5748

Sd/-
Satyendra Kumar Mishra
Chairman
DIN: 07728790

Sd/-
Padam Lal Negi
Director
DIN: 10041387

Sd/-
Sandeep Malhotra
Chief Financial Officer

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Smt. Shashi Bhadoola
Company Secretary

Place: New Delhi
Date : July 19, 2023

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Millions, except EPS)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022# Restated
1 Income			
Revenue from operations	22	8,944.73	6,988.51
Other income	23	378.25	232.05
Total income		**9,322.98**	**7,220.56**
2 Expenses			
Employee benefits expense	24	5,161.82	4,821.47
Finance costs	25	149.21	373.53
Depreciation and amortization expenses	26	283.79	407.86
Other expenses	27	2,755.19	1,730.43
Total expenses		**8,350.01**	**7,333.29**
3 Profit/ (Loss) before tax (1-2)		**972.97**	**(112.73)**
4 Tax expenses	44		
(i) Current tax		235.77	-
(ii) Short provision for tax relating to previous years		-	24.62
(iii) Deferred tax		(45.94)	(197.30)
Total tax expenses		**189.83**	**(172.68)**
5 Profit/(loss) after tax for the year (3-4)		**783.14**	**59.96**
6 Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)			
- Remeasurement of employee benefits obligations		(3.92)	228.92
Total other comprehensive income		**(3.92)**	**228.92**
7 Total comprehensive income/(loss) for the year (5+6)		**779.22**	**288.88**
8 Earnings/(loss) per equity share (of ₹ 10/- each)			
(i) Basic	28	5.66	0.43
(ii) Diluted	28	5.66	0.43

Significant accounting policies, key accounting estimates and judgements 1

See accompanying notes to the financials statements

Refer note 31 for details regarding the restatement as a result of error or omission

As per our report of even date attached

For S. Mann & Co
Chartered Accountants
Firm Registration No: 000075N

Sd/-
Subhash Chander Mann
Partner
Membership No: 080500
UDIN: 23080500BGXRAU5748

For and on behalf of the Board of Directors

Sd/-
Satyendra Kumar Mishra
Chairman
DIN: 07728790

Sd/-
Padam Lal Negi
Director
DIN: 10041387

Sd/-
Sandeep Malhotra
Chief Financial Officer

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Smt. Shashi Bhadoola
Company Secretary

Place: New Delhi
Date : July 19, 2023

Statement of Changes in Equity For the Year ended March 31, 2023

(₹ in Millions)

A Equity share capital

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
1,384.24	-	1,384.24	-	1,384.24

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,384.24	-	1,384.24	-	1,384.24

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,384.24		1,384.24	-	1,384.24

B Other equity

(₹ in Millions)

Particulars	Reserves & surplus Retained earnings	Other comprehensive income	Total
Balance as at April 1, 2020	3,752.31	(6.44)	3,745.87
Loss for the year	(1,885.33)	-	(1,885.33)
Correction of error/omission	(86.78)	-	(86.78)
Remeasurement of employee benefits obligations	-	4.53	4.53
Balance as at March 31, 2021	**1,780.20**	**(1.91)**	**1,778.29**
Balance as at April 1, 2021	**1,780.20**	**(1.91)**	**1,778.29**
Loss for the year	59.96	-	59.96
Remeasurement of employee benefits obligations	-	228.92	228.92
Balance as at March 31, 2022	**1,840.16**	**227.01**	**2,067.16**
Balance as at April 1, 2022	**1,840.16**	**227.01**	**2,067.16**
Profit/ (Loss) for the period	783.14	-	783.14
Rounding off difference	0.07	-	0.07
Remeasurement of employee benefits obligations	-	(3.92)	(3.92)
Balance as at March 31, 2023	**2,623.37**	**223.09**	**2,846.46**

As per our report of even date attached

For S. Mann & Co
Chartered Accountants
Firm Registration No: 000075N

Sd/-
Subhash Chander Mann
Partner
Membership No: 080500
UDIN: 23080500BGXRAU5748

For and on behalf of the Board of Directors

Sd/-
Satyendra Kumar Mishra
Chairman
DIN: 07728790

Sd/-
Padam Lal Negi
Director
DIN: 10041387

Sd/-
Sandeep Malhotra
Chief Financial Officer

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Smt. Shashi Bhadoola
Company Secretary

Place: New Delhi
Date : July 19, 2023

Statement of Cash Flows for the year ended March 31, 2023

(₹ in Millions)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from operating activities :		
Profit before tax	972.97	(112.73)
Adjustments for		
Depreciation and amortisation expenses	283.79	407.86
Interest income on fixed deposits	(47.48)	(1.44)
Interest income on income tax refund	-	-
Finance costs	149.21	373.53
Bad debts written off	-	110.00
Rounding off difference	0.07	-
Sundry balances written off	-	106.31
Provision for expected credit loss	750.06	231.72
Loss on sale of duty credit entitlement under SEIS	-	4.30
Assets Written off	14.46	-
Provision for duty credit entitlement under SEIS	-	66.79
Provision for doubtful advances	5.54	9.74
Remeasurement of employee benefits obligations	(3.92)	228.92
Net unrealised exchange loss	(25.16)	449.61
Operating profit/(loss) before working capital changes	**2,099.54**	**1,874.61**
Adjustments for		
(Increase) / decrease in inventory	36.17	3.13
(Increase) / decrease in trade receivables	(1,297.00)	(328.60)
(Increase) / decrease in other current financial assets	(68.20)	(313.40)
(Increase) / decrease in other non-current financial assets	-	3.54
(Increase) / decrease in other current assets	(111.72)	(12.67)
(Increase) / decrease in other non-current assets	(3.97)	10.08
Increase / (decrease) in short term provision	380.50	(87.98)
Increase / (decrease) in long term provision	(15.55)	(196.34)
Increase / (decrease) in trade payables	163.40	450.14
Increase / (decrease) in financial liabilities	203.00	105.16
Increase / (decrease) in other liabilities	61.07	(62.29)
Cash generated from operations	**1,447.24**	**1,445.39**
Income taxes (paid)/refunded	(273.34)	(323.23)
Net cash generated from operating activities (A)	**1,173.90**	**1,122.16**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
B. Cash flow from investing activities :		
Purchase of property, plant & equipment	(66.22)	(175.33)
Interest income on fixed deposits	15.85	0.33
Investments in bank deposits	(1,230.07)	(60.07)
Net cash used in investing activities (B)	**(1,280.44)**	**(235.07)**
C. Cash flow from financing activities :		
Repayment of lease liabilities	-	(35.19)
Finance costs	(149.21)	(119.30)
Net cash used in financing activities (C)	**(149.21)**	**(154.49)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(255.75)**	**732.60**
Cash and cash equivalents at the beginning of year	776.18	43.58
Cash and cash equivalents at the end of year (refer note 9)	**520.43**	**776.18**

Significant accounting policies, key accounting estimates and judgements	1
See accompanying notes to the financials statements	

Notes to Cash Flow Statement:

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".
2. Previous years figures have been regrouped wherever necessary.

As per our report of even date attached

For S. Mann & Co
Chartered Accountants
Firm Registration No: 000075N

Sd/-
Subhash Chander Mann
Partner
Membership No: 080500
UDIN: 23080500BGXRAU5748

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Sandeep Malhotra
Chief Financial Officer

Sd/-
Rambabu Ch.
Chief Executive Officer

Sd/-
Smt. Shashi Bhadoola
Company Secretary

Place: New Delhi
Date : July 19, 2023

Notes forming part of the audited financial statements

1. SIGNIFICANT ACCOUNTING POLICIES

A. Corporate Information

AI Airport Services Limited (a wholly owned subsidiary of AI Asset Holding 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 Transport Services Limited to AI Airport Services Limited. 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 Significant Accounting Policies

The company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2023, Statement of Profit and Loss 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 & 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 period, 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 within the scope of Ind AS 116, Financial Statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 1116, 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 (₹) in which the Company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹) The Financial Statements are presented in Indian Rupee (₹) 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. Recent Pronouncements

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

Ind AS - 103 Business Combination

The amendment specifies that for identified assets and liabilities to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS - 16 Property Plant and Equipment

The amendment clarifies that sale proceeds of items produced in the process of making PPE available for its intended use cannot be deducted from the cost of PPE. Instead, such proceeds shall be recognized in the statement of profit or loss.

Ind AS - 37 Provisions

The amendment clarifies that that the 'costs to fulfil' a contract include both incremental costs (direct labour and material) and an allocation of other direct costs (e.g: depreciation charge for an item of PPE used in fulfilling the contract).

Annual improvements to Ind AS 109 - Financial instruments

The amendment clarifies while performing the '10 percent test' for derecognition of financial liabilities, borrower includes only fees paid or received between borrower and lender directly or on behalf of the other's behalf. The Company does not expect the above amendments / improvements to have any significant impact on its standalone financial statements.

D. Use of Estimates & Judgements

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 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 10,000, in each case, are fully provided for in the year of Purchase. The company has changed its capitalisation policy for PPE which is an accounting estimate of small value not exceeding INR 10,000 from current financial year, which has NIL financial impact in current financial year.

(in years)

Asset	Useful life as per Companies Act, 2013
Office equipment	5
Ramp equipments	15
Furniture & fixtures	10
Electrical fittings	10
Computers	3
Workshop equipments & instruments	10
Plant & machinery	15
Vehicles	8

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 period.

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 period, 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, 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 Lease working has been done till 30th June' 2021 as on that date, there is a expiration of contract and, after that contract extends for short term period only and Ind AS 116 not applicable on short term leases.

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 month 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 period 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 Company has Employees Provident Fund Trusts under the Provident Fund Act, 1925 for Permanent employees till 1st December' 2021. After that, trust has been dissolved and amount had been transferred to EPFO under Employees' Provident Fund Scheme, 1952. 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. There had been 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. 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 period 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 period 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 period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the 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 period

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.

f) Onerous Contracts

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 and 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. Earning 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 period. The weighted average number of equity shares outstanding during the period 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 period, 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 period 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.

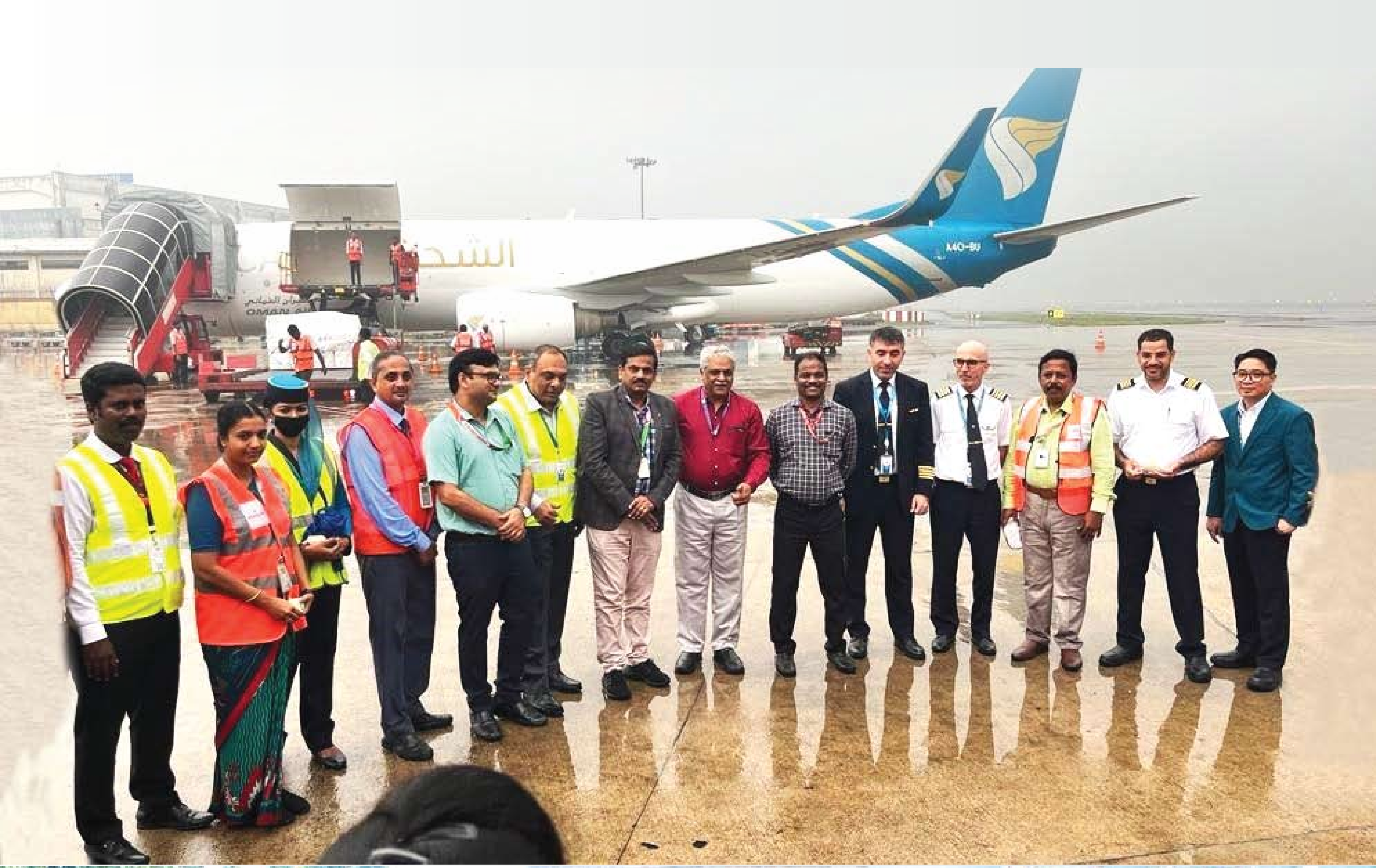
Taxes:

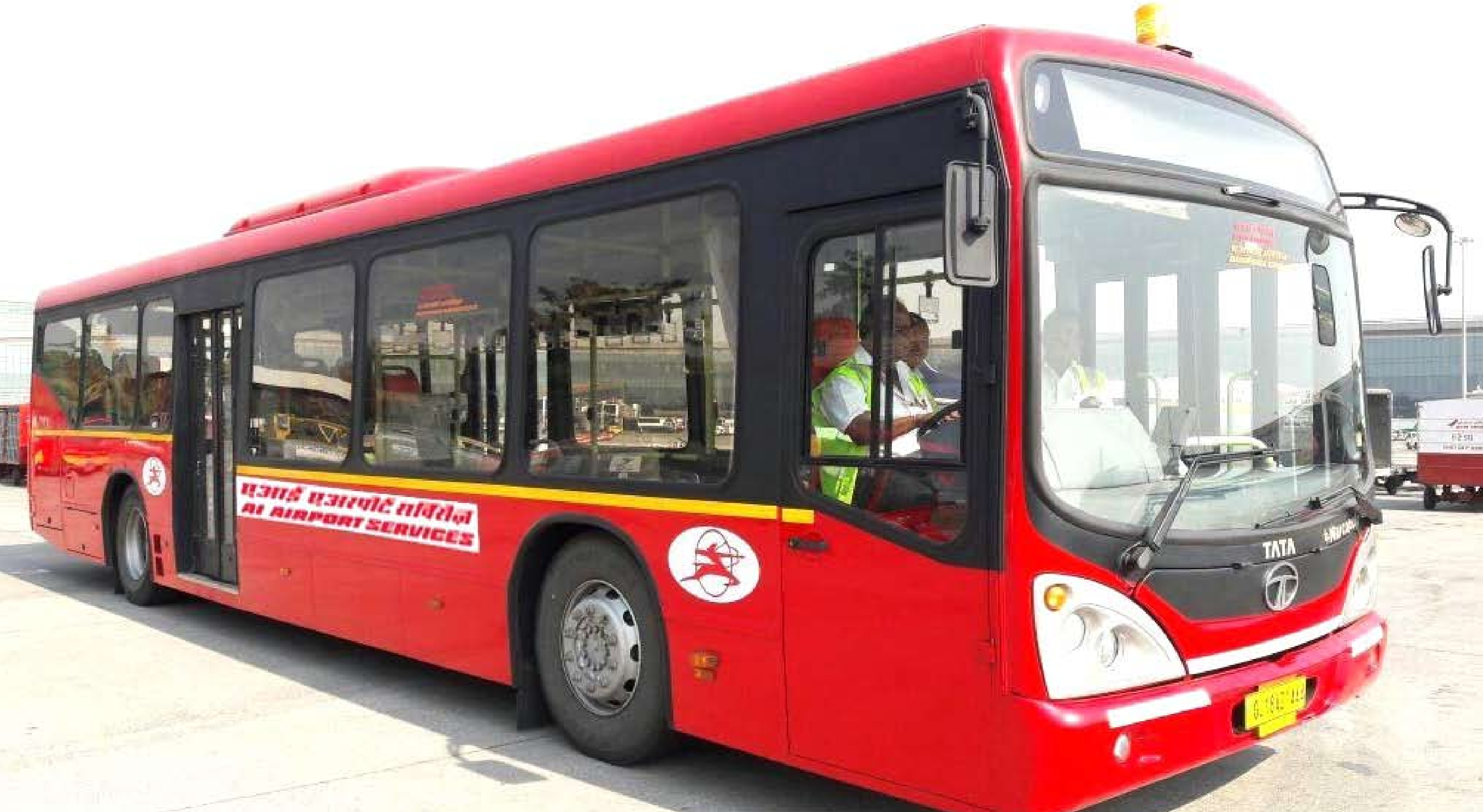
Pursuant to the announcement of the changes in the corporate tax regime, the Companies have an option to either opt for the new tax regime or continue to pay taxes as per the old applicable tax structure together with the other benefits available to the Companies including utilization of the MAT credit available. This requires significant estimation in determining in which year the company would migrate to the new tax regime basis future year taxable profits is 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.

2 (a). Property, plant and equipment

(₹ in Millions)

Particulars	Office equipments	Ramp equipments	Furniture & fixture	Electrical fittings	Computers	Workshop equipment & instruments	Plant & machinery	Vehicles	Total
Year ended March 31, 2021									
Gross carrying amount									
Cost as at April 1, 2020	2.03	5,934.60	1.17	10.86	8.54	2.07	0.07	25.95	5,985.29
Additions	0.06	164.32	-	-	0.16	-	-	-	164.54
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	**2.09**	**6,098.92**	**1.17**	**10.86**	**8.70**	**2.07**	**0.07**	**25.95**	**6,149.83**
Accumulated depreciation									
Balance as at April 1, 2020	1.59	2,397.29	0.39	4.14	7.09	0.68	0.07	9.50	2,420.75
Additions	0.21	354.50	0.12	1.02	0.52	0.21	-	3.08	359.66
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**1.81**	**2,751.79**	**0.51**	**5.16**	**7.61**	**0.88**	**0.07**	**12.58**	**2,780.41**
Net carrying amount as at March 31, 2021	**0.28**	**3,347.13**	**0.66**	**5.70**	**1.08**	**1.19**	**0.01**	**13.37**	**3,369.42**
Year ended March 31, 2022									
Gross carrying amount									
Cost as at April 1, 2021	2.09	6,098.92	1.17	10.86	8.70	2.07	0.07	25.95	6,149.83
Additions	0.25	166.99	0.01	-	2.22	-	-	5.85	175.33
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	**2.34**	**6,265.92**	**1.18**	**10.86**	**10.92**	**2.07**	**0.07**	**31.80**	**6,325.15**
Accumulated Depreciation									
Balance as at April 1, 2021	1.81	2,751.79	0.51	5.16	7.61	0.88	0.07	12.58	2,780.41
Additions	0.19	370.33	0.12	1.02	0.64	0.21	0.00	3.59	376.09
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**2.00**	**3,122.12**	**0.63**	**6.18**	**8.25**	**1.09**	**0.07**	**16.17**	**3,156.50**
Net carrying amount as at March 31, 2022*	**0.33**	**3,143.80**	**0.55**	**4.68**	**2.67**	**0.98**	**0.00**	**15.63**	**3,168.65**
Period ended March 31, 2023									
Gross carrying amount									
Cost as at April 1, 2022	2.34	6,265.92	1.18	10.86	10.92	2.07	0.07	31.80	6,325.15
Additions	5.84	51.72	-	-	4.75	-	-	1.75	64.07
Disposals	-	(270.61)	-	-	-	-	-	-	(270.61)
Closing gross carrying amount	**8.18**	**6,047.02**	**1.18**	**10.86**	**15.67**	**2.07**	**0.07**	**33.56**	**6,118.61**
Accumulated Depreciation									
Balance as at April 1, 2022	2.00	3,122.12	0.63	6.18	8.25	1.09	0.07	16.17	3,156.50
Additions	0.33	276.82	0.12	1.02	1.52	0.21	-	3.78	283.79
Disposals	-	(256.15)	-	-	-	-	-	-	(256.15)
Closing accumulated depreciation	**2.33**	**3,142.78**	**0.74**	**7.20**	**9.76**	**1.29**	**0.07**	**19.96**	**3,184.14**
Net carrying amount as at March 31, 2023*	**5.84**	**2,904.24**	**0.43**	**3.66**	**5.91**	**0.78**	**0.00**	**13.60**	**2,934.47**





AI AIRPORT SERVICES
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2 (b) Intangible assets under development

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Intangible assets under development*	2.15	-	-
	2.15	**-**	**-**

* New ERP is under implementation and accodingly proportionate cost paid has been capitalized in Intangible assets under development

Intangible assets under development aging schedule as on 31st March, 2023

(₹ in Millions)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	2.15	-	-	-	2.15
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development aging schedule as on 31st March, 2022

(₹ in Millions)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development aging schedule as on 1st April, 2021

(₹ in Millions)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

2 (c) Right to use of assets

(₹ in Millions)

Particulars	Lease of buses
Year ended March 31, 2021	
Gross carrying amount	
Balance as at April, 1, 2020	252.74
Additions	-
Disposals	-
Balance as at March 31, 2021	**252.74**
Accumulated depreciation	
Balance as at April 1, 2020	92.37
Additions	128.61
Disposals	-
Balance as at March 31, 2021	**220.98**
Net carrying amount as at March 31, 2021	**31.76**
Year ended March 31, 2022	
Gross carrying amount	
Balance as at April 1, 2021	252.74
Additions	-
Disposals	-
Balance as at March 31, 2022	**252.74**
Accumulated depreciation	
Balance as at April, 1, 2021	**220.98**
Additions	**31.76**
Disposals	-
Balance as at March 31, 2022	**252.74**
Net carrying amount as at March 31, 2022	-
Year ended March 31, 2023	
Gross carrying amount	
Balance as at April 1, 2022	-
Additions	-
Disposals	-
Balance as at March 31, 2023	**-**
Accumulated depreciation	
Balance as at April, 1, 2022	-
Additions	-
Disposals	-
Balance as at March 31, 2023	**-**

3. Other non-current financial assets

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Security deposits	8.50	8.50	8.50
Fixed Deposits >12 months	1,290.00	-	
Recoverables from staff	0.66	0.67	4.21
	1,299.16	**9.17**	**12.71**

4. Income tax assets (net)

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Advance tax and TDS [net of provisions ₹ 1,985.84 Millions]	487.68	450.12	49.89
	487.68	**450.12**	**49.89**

5. Deferred tax assets (net)

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Deferred tax liabilities on account of (DTL)			
Depreciation	(189.84)	(166.59)	(151.69)
Total deferred tax liability	**(189.84)**	**(166.59)**	**(151.69)**
Deferred tax asset on account of (DTA)			
Unabsorbed depreciation & losses	163.72	278.00	-
Other tax disallowances	1,156.47	973.00	1,115.80
Total deferred tax asset	**1,320.19**	**1,251.00**	**1,115.80**
Net deferred tax asset	**1,130.35**	**1,084.41**	**964.11**

6. Other non-current assets

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Recoverables from staff	23.74	19.77	29.48
	23.74	**19.77**	**29.85**

7. Inventories

(Valued at lower of cost or net realisable value)

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Stores & spares (at cost)	56.11	59.14	62.27
Less: Provisions	(33.14)	-	-
	22.97	**59.14**	**62.27**

8. Trade receivables

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Unsecured			
Considered good*	2,662.98	1,757.25	1,053.25
Undisputed having significant increase in credit risk	1,759.42	1,009.37	958.75
	4,422.40	**2,766.62**	**2,012.00**
Less: Allowance for expected credit loss	1,759.42	1,009.37	958.75
	2,662.98	1,757.25	1,053.25
Dues from group companies**	1,408.46	1,742.08	2,677.09
	4,071.44	**3,499.33**	**3,730.34**

*Company has reclassified advances from trade receivables and has shown separately as gross.

** Dues from group companies and payables to group companies has been shown separately.

Trade receivable ageing schedule

(₹ in Millions)

As at March 31, 2023	Outstanding for the following period from due date of payment						Total
Particulars	**Unbilled Dues**	**Less than 6 month**	**6 month - 1 year**	**1 -2 years**	**2-3 years**	**More than 3 years**	
Undisputed trade receivable - considered good	1,103.62	1,679.01	677.54	424.75	186.51	-	4,071.43
Undisputed trade receivable - which have significant increase in credit risk	-	223.50	139.80	99.16	43.54	1,253.43	1,759.42
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-
Less: Allowance for expected credit loss (refer note 46 (B)(i))	-	-	-	-	-	-	(1,759.42)
Net trade receivables	**1,103.62**	**1,902.50**	**817.34**	**523.91**	**230.06**	**1,253.43**	**4,071.44**

(₹ in Millions)

As at March 31, 2022	Outstanding for the following period from due date of payment						Total
Particulars	**Unbilled Dues**	**Less than 6 month**	**6 month - 1 year**	**1 -2 years**	**2-3 years**	**More than 3 years**	
Undisputed trade receivable - considered good	1,160.32	1,106.12	407.69	370.33	454.87	-	3,499.33
Undisputed trade receivable - which have significant increase in credit risk	-	38.17	29.75	58.30	118.46	764.69	1,009.37
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-

(₹ in Millions)

As at March 31, 2022	Outstanding for the following period from due date of payment						Total
Particulars	**Unbilled Dues**	**Less than 6 month**	**6 month - 1 year**	**1 -2 years**	**2-3 years**	**More than 3 years**	
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-
Less: Allowance for expected credit loss (refer note 46 (B)(i))	-	-	-	-	-	-	(1,009.37)
Net trade receivables	**1,160.32**	**1,144.29**	**437.44**	**428.63**	**573.33**	**764.69**	**3,499.33**

(₹ in Millions)

As at April 1, 2021	Outstanding for the following period from due date of payment						Total
Particulars	**Unbilled Dues**	**Less than 6 month**	**6 month - 1 year**	**1 -2 years**	**2-3 years**	**More than 3 years**	
Undisputed trade receivable - considered good	183.55	725.16	2.67	851.47	768.29	1,199.20	3,730.34
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	46.85	47.08	864.82	958.75
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-
Less: Allowance for expected credit loss (refer note 46 (B)(i))	-	-	-	-	-	-	(958.75)
Net trade receivables	**183.55**	**725.16**	**2.67**	**898.32**	**815.37**	**2,064.02**	**3,730.34**

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 48 (B)(i).

Trade receivables from related parties' details has been described in note 47.

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

Trade receivables does not include any amount of receivables from struck off companies.

9. Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Balances with banks			
-In current account	520.23	592.06	43.27
Cash on hand	-	-	-
Fixed deposits with banks with original maturity of less than three months*	0.20	184.12	0.19
	520.43	**776.18**	**43.46**

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
* Earmarked balance represents fixed deposits with Dy. Commissioner (sales tax)	0.20	0.20	0.19

10. Bank balances other than cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Fixed deposits with banks with original maturity more than 3 months but less than 12 months*	1.73	61.66	1.59
	1.73	**61.66**	**1.59**

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
* Earmarked balance represents fixed deposits with Dy. Commissioner (goods and service tax)	1.73	1.66	1.59

11. Other current financial assets

Unsecured, considered good

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Other receivables	32.75	1.13	0.94
Entitlement of “Service Export from India Scheme”	90.25	22.05	94.80
Less: Allowance for duty credit entitlement under SEIS	(22.05)	(22.05)	-
	100.96	**1.13**	**95.74**

12. Other current assets

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Advance to suppliers*	79.98	44.14	35.64
Less: Allowance for doubtful advances	(15.28)	(9.74)	-
	64.70	**34.40**	**35.64**
Prepaid expenses	79.84	4.13	-
Advance to staff	0.21	0.04	0.12
	144.75	**38.57**	**35.76**

** During the year 22-23 and 21-22, company has reclassified advances from customers and has shown separately, however for the year 20-21, advance from customers are shown net.

13. Equity share capital

a. Details of authorised, issued and subscribed and paid up share capital (₹ in Millions)

Particulars	No. in millions	As at March 31, 2023	No. in millions	As at March 31, 2022	No. in millions	As at April 1, 2021
Authorised capital						
Equity shares of ₹ 10/- each	1,000	10,000.00	1,000	10,000.00	1,000	10,000.00
Issued capital, subscribed and fully paid up						
Equity shares of ₹ 10/- each	138.42	1,384.24	138.42	1,384.24	138.42	1,384.24
		1,384.24		**1,384.24**		**1,384.24**

b. Reconciliation of number of shares (₹ in Millions)

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 1, 2021	
	Number	₹ in Millions	Number	₹ in Millions	Number	₹ in Millions
Shares outstanding at the beginning of the year	138.42	1,384.24	138.42	1,384.24	138.42	1,384.24
Shares Issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	**138.42**	**1,384.24**	**138.42**	**1,384.24**	**138.42**	**1,384.24**

c. Terms and conditions

The company has only one class of equity shares having a face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Shareholders having more than 5% shareholding

Name of shareholder	As at March 31, 2023		As at March 31, 2022		As at April 1, 2021	
	Number	Percentage	Number	Percentage	Number	Percentage
Air India Limited	-	-	-	-	138.42	100%
AI Assets Holding Limited	138.42	100.00%	138.42	100.00%	-	-

e. Equity shares held by the holding company: (₹ in Millions)

Name of the shareholder	Relationship	As at March 31, 2023		As at March 31, 2022		As at April 1, 2021	
		Number	₹ in Millions	Number	₹ in Millions	Number	₹ in Millions
Air India Limited#	Holding Company	-	-	-	-	138.42	1,384.24
AI Assets Holding Limited##	Holding Company	138.42	1,384.24	138.42	1,384.24	-	-
Total		**138.42**	**1,384.24**	**138.42**	**1,384.24**	**138.42**	**1,384.24**

\# upto January 13, 2022

\## from January 13,2022

f. Shareholding of promoters **(₹ in Millions)**

Name of the promoter	As at March 31, 2023			As at March 31, 2022			As at April 1, 2021		
	Number	Percentage	Percentage change during the period	Number	Percentage	Percentage change during the period	Number	Percentage	Percentage change during the period
Air India Limited	-	-	-	-	-	-	138.42	100.00%	-
AI Assets Holding Limited	138.42	100.00%	-	138.42	100.00%	-	-	-	-

Note

The number of shares held and percentage of holding represents the shares held in the individual capacity.

Promoter here means promoter as defined in the Companies Act, 2013, as amended.

g. Shares issued other than Cash

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.

14. Other equity

(₹ in Millions)

Particulars	Reserves & surplus	Other comprehensive income	Total
	Retained earnings		
Balance as at April 1, 2020	**3,752.31**	**(6.44)**	**3,745.87**
Loss for the year	(1,885.33)	-	(1,885.33)
Correction of error/ omission (refer note 31)	(86.78)	-	(86.78)
Remeasurement of employee benefits obligations	-	4.53	4.53
Balance as at March 31, 2021	**1,780.20**	**(1.91)**	**1,778.29**
Balance as at April 1, 2021	**1,780.20**	**(1.91)**	**1,778.29**
Profit/ (Loss) for the year	59.96	-	59.96
Remeasurement of employee benefits obligations	-	228.92	228.92
Balance as at March 31, 2022	**1,840.16**	**227.01**	**2,067.16**
Balance as at April 1, 2022	**1,840.16**	**227.01**	**2,067.16**
Profit/ (Loss) for the period	783.14	-	783.14
Rounding off difference	0.07	-	0.07
Remeasurement of employee benefits obligations	-	(3.92)	(3.92)
Balance as at March 31, 2023	**2,623.37**	**223.09**	**2,846.46**

Nature and purpose of reserves

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders

Other comprehensive income

Other comprehensive income consists of remeasurement gains/ (loss) on defined employee benefit obligations.

15. Lease liabilities

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Lease liabilities on initial recognition as on 1st April			
Additions	-	-	-
Interest accrued	-	0.52	9.55
Lease principal payments	-	35.19	131.05
Lease interest payments	-	0.52	9.55
At 31st March			
Current	-	-	35.19
Non-current	-	-	-

16. Other financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Security deposits from customers	38.05	28.99	21.50
Security deposits from vendors	34.43	34.29	30.56
Payable to employees	-	1.23	0.11
	72.48	**64.51**	**52.17**

17. Provisions

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Provision for employee benefits:			
Leave entitlement	300.21	301.74	307.41
Gratuity	701.88	780.53	818.83
Medical	1,411.45	1,346.82	1,499.18
	2,413.54	**2,429.09**	**2,625.43**

18. Other current financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Payable to employees	1,185.56	990.53	897.70
	1,185.56	**990.53**	**897.70**

19. Provisions

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Provision for employee benefits			
Leave entitlement	67.61	75.61	74.44
Gratuity	159.28	172.67	183.63
Medical	-	64.63	54.23
Other provisions			
Provision for other statutory dues	632.04	141.01	-
Provision for demand notice under SEIS	-	24.58	-
Provision for interest on MSME vendors	0.10	0.04	-
	859.04	**478.54**	**312.29**

20. Other current liabilities

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Statutory liabilities	72.56	8.19	357.54
Advance from customers *	284.33	287.63	0.57
	356.89	**295.82**	**358.11**

** During the year 22-23 and 21-22, company has reclassified advances from customers and has shown separately, however for the year 20-21, advance from customers are shown net.

21. Trade payables

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Total outstanding dues of micro enterprises and small enterprises	2.30	0.14	4.51
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,619.33	1,458.10	978.97
	1,621.64	**1,458.24**	**983.48**

* Company has reclassified advances to trade payables and has shown separately.
* Dues from group companies and payables to group companies has shown separately.
Interest paid / payable by the Company on the aforesaid principal amount has been waived by the concerned supplier.

Trade payables Ageing of Schedule

As at March 31, 2023 (₹ in Millions)

Particulars	Outstanding for following periods from due date of payment					Accrued expenses	Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) MSME	-	2.30	-	-	-	-	2.30
(ii) Others	-	700.15	557.45	9.53	60.09	292.12	1,619.33
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	**-**	**702.45**	**557.45**	**9.53**	**60.09**	**292.12**	**1,621.64**

As at March 31, 2022 **(₹ in Millions)**

Particulars	Outstanding for following periods from due date of payment					Accrued expenses	Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) MSME	-	0.10	-	-	0.04	-	0.14
(ii) Others	-	899.97	28.38	63.84	107.16	358.75	1,458.10
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	**-**	**900.07**	**28.38**	**63.84**	**107.20**	**358.75**	**1,458.24**

As at April 1, 2021 **(₹ in Millions)**

Particulars	Outstanding for following periods from due date of payment					Accrued expenses	Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years		
(i) MSME	-	-	-		4.51	-	4.51
(ii) Others	-	428.06	393.60	97.68	10.55	49.08	978.97
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	**-**	**428.06**	**393.60**	**97.68**	**15.06**	**49.08**	**983.48**

Trade payables does not include the amount payable to struck off companies.

Trade payable are normally settled within 30 to 60 days

Trade payable to related parties has been disclosed in note 47

22. Revenue from operations

(₹ in Millions)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
A. Revenue from handling services		
Revenue from Air India	2,708.50	3,235.40
Revenue from group companies	485.69	697.33
Revenue from 3rd party handling	4,417.59	2,450.97
Revenue from government parties	158.38	29.57
Revenue from casual handling	371.84	321.52
	8,142.00	**6,734.79**
Less: Revenue sharing with holding company	-	356.53
Total (A)	**8,142.00**	**6,378.26**
B. Cargo handling revenue		
APEDA revenue	29.93	25.51
Others	581.43	445.29
Total (B)	**611.36**	**470.80**
C. Equipment loaning		
Other	191.37	139.45
Total (C)	**191.37**	**139.45**
Total revenue from operations (A+B+C)	**8,944.73**	**6,988.51**

Timing of revenue recognition

(₹ in Millions)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Services transfered at a point in time	8,944.73	6,988.51
Total revenue from contacts with customers	**8,944.73**	**6,988.51**

23. Other income

(₹ in Millions)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Recruitment application money	5.37	0.26
Interest on overdue payments on group companies	116.67	172.24
Interest on overdue payments on other than group companies	29.72	1.67
Interest income on fixed deposit	47.48	1.44
Foreign Exchange Gain (Net)	25.16	-
Profit sharing of HAL-JWG (refer note 32)	13.70	8.35
Miscellaneous income	140.75	48.09
Total	**378.25**	**232.05**

24. Employee benefits expense

(₹ in Millions)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Salaries and bonus	4,604.70	4,216.54
Contribution to provident and other funds	395.48	416.96
Staff welfare expenses	7.60	25.52
Gratuity	59.20	69.90
Leave encashment	53.56	55.94
Medical benefit expenses	41.29	36.61
Total	**5,161.82**	**4,821.47**

25. Finance costs

(₹ in Millions)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Interest expense on lease liability	-	0.52
Interest on delayed payment of statutory dues	13.43	121.99
Other interest costs	135.78	251.02
Total	**149.21**	**373.53**

26. Depreciation and amortization expense

(₹ in Millions)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	283.79	376.10
Depreciation on right-of-use assets	-	31.76
Total	**283.79**	**407.86**

27. Other expenses

(₹ in Millions)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Handling charges	265.01	36.35
Insurance	23.44	57.68
Repairs & maintenance - others	83.12	81.16
Electricity, heating & fuel	332.54	210.34
Water charges	5.58	1.99
SESF Handling Charges	22.99	0.75
Stores & spares consumption	136.13	71.59
Hire of transport & equipments	23.23	14.41
Loss on sale of duty credit entitlement under SEIS	-	4.30
Write off of assets	14.46	-
Sundry balances written off	-	106.31
Allowance for duty credit entitlement under SEIS (refer note 40)	-	66.79
Allowance for doubtful advances	5.54	9.74
Allowance for Inventories	33.14	-
Printing & stationary	9.95	4.05
General office expenses	16.70	14.27
Bad debts written off (net)	-	110.00
Expected credit loss allowance	750.06	231.72
Rent expenses	442.70	190.25
Rates and taxes	474.80	14.11
Travelling and conveyance expenses	60.22	19.70
Legal and professional expenses	4.78	8.15
Foreign exchange loss (net)	-	449.61
Corporate social responsibility	-	4.98
Remuneration to statutory auditor		
- Audit fees	1.00	1.00
- Out of pocket expenses	0.10	0.10
Miscellaneous expenses	49.70	21.08
Total	**2,755.19**	**1,730.43**

28. Earnings/(loss) per equity share:

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Basic/diluted earnings per Share		
Profit/(loss) attributable to equity shareholders (₹ in millions)	**783.14**	**59.96**
Weighted average number of equity shares (in millions)	138.42	138.42
Basic and diluted earnings per share (in ₹)	5.66	0.43
Face value per Share (in ₹)	10	10

29. Contingent liabilities, assets & commitments

a) Contingent liabilities

(₹ in Millions)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Claims against the company not acknowledged as debts:		
- Income tax demands against which the company is in appeals (including interest upto date of order)#	312.19	218.34
- Interest on GST demands ##	296.22	-
- Others ###	14.91	23.76
Total	**623.32**	**242.10**

#Income tax demand notices received by the Company which are under appeal **(₹ in Millions)**

Particulars	AY	Appeal status	Amount
The income tax outstanding demand order raised on March 04, 2016 u/s 143(3)	2013-14	CIT(A) on April 07, 2016	19.18
The income tax outstanding demand order raised on December 27, 2019 u/s 143(3)	2017-18	CIT(A) on January 21, 2020	6.60
The income tax outstanding demand order raised on March 24, 2021 u/s 143(1)	2017-18	Response to IT Dept on June 09, 2022	5.40
The income tax outstanding demand order raised on May 25, 2021 u/s 143(3)	2018-19	CIT(A) on October 04, 2021	80.76
The income tax outstanding demand order raised on December 23, 2021 u/s 143(1). In this, ₹ 82.65 million amount of tax has already been paid on October 16, 2021	2020-21	CIT(A) on October 29, 2022	200.25
Total			**312.19**

Interest on GST demand notices received by the Company **(₹ in Millions)**

Particulars	FY	Notice Status	Amount
Maharashtra State	2017-2020	Interim Notice	262.16
Goa State	2017-18	Show Cause Notice	4.63
Rajasthan State	2017-2020	GST Summon	29.43
			296.22

Explanatory statement in respect of other contingent liabilities:

Other claims on account of staff/civil/arbitration cases pending in courts **(₹ in Millions)**

Description	Name of parties	Case no.	Amount
It is against the punishment of removal from services for misconduct relating to loss of business to the company. The party has asked for re-instatement with back wages in services till the date of normal retirement, i.e., December 31, 2016.	M L Shetty	CGIT 2/12-2016 Pending for hearing	0.21
The workman is challenging the order dated March 01, 2016 regarding his removal from the services for misconduct relating to defamation of AIATSL Executives. He is demanding continuity in services with full back wages.	ST Katkar	CGIT 2/13 of 2016 Pending for hearing	2.30

(₹ in Millions)

Description	Name of parties	Case no.	Amount
It is against the punshiment of removal from the services relating to willful insubordination or disobedience of any lawful and reasonable order of his superior and neglect of work. The party is asking for re-insistatment in service with full back wages and other benefits.	PN Powar	CGIT 2/3 of 2017 Pending for hearing	2.30
This reference is against the termination of contract for misconduct. The party has claimed re-instatement with full back wages w.e.f October 17, 2017, i.e., date of termination of contract.	SB Adhav	CGIT 2/15 of 2017 Pending for hearing	0.20
The Party had raised a demand of ₹ 9.90 millions (including penal interest and GST thereon) for providing baggage, cargo handling and 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 raised. Hence, the claim has not been acknowledged as debt and has been shown as contingent liability.	Neha Aviation Management Pvt. Ltd.	NA	9.90
Total			**14.91**

b. Capital and other long-term commitments:

Capital contract commitments and long-term commitments is ₹ 119.50 millions as on March 31, 2023 (previous year ₹ Nil). Summary of Capital commitments are as below:

Particulars	(₹ in Millions)
Intangible assets	66.08
Ramp equipments	29.65
Computers	4.48
Vehicles	17.85
Furniture and fixtures	0.35
Workshop equipment & instruments	0.31
Office equipments	0.79
Total	**119.50**

30. Disinvestment Status:

Air India Limited has been disinvested on 27th January 2022. AI Airport Services Limited shares were transferred on 13th January 2022 to AI Asset Holding Limited. By virtue of the above, AI Airport Services became a wholly owned subsidiary of AI Asset Holding Limited w.e.f. 13th January 2022.

AIAHL, 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.

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.

31. 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 Millions)

Particulars	As at March 31, 2022			As at April 1, 2021		
Balance sheet (extract)	**As previously reported**	**Increase/ (decrease)**	**Restated**	**As previously reported**	**Increase/ (decrease)**	**Restated**
Property, Plant and Equipments	3,161.54	7.11	3,168.65	3,369.42	-	3,369.42
Other non-current financial assets	1,563.47	-	1,563.47	1,088.32	-	1,088.32
Other non-current assets	-	-	-	-	-	-
Total non-current assets	**4,725.01**	**7.11**	**4,732.12**	**4,457.74**	**-**	**4,457.74**
Trade receivables	3,492.60	6.73	3,499.33	3,715.39	14.95	3,730.34
Other current financial assets	838.97	-	838.97	140.79	-	140.79
Other current assets	97.71	-	97.71	98.03	-	98.03
Total current assets	**4,429.28**	**6.73**	**4,436.01**	**3,954.21**	**14.95**	**3,969.16**
Total assets	**9,154.29**	**13.84**	**9,168.13**	**8,411.95**	**14.95**	**8,426.90**
Equity share capital	1,384.24	**-**	1,384.24	1,384.24	**-**	1,384.24
Retained earnings	2,160.48	(93.32)	2,067.16	1,850.12	(71.83)	1,778.29
Total Equity	**3,544.72**	**(93.32)**	**3,451.40**	**3,234.36**	**(71.83)**	**3,162.53**
Other non-current financial liabilities	-	-	-	-	-	-
Other non-current liabilities	2,493.60	-	2,493.60	2,677.60	-	2,677.60
Total non-current liabilities	**2,493.60**	**-**	**2,493.60**	**2,677.60**	**-**	**2,677.60**
Trade payables - Total outstanding dues of creditors other than micro enterprises and small enterprises	1,457.88	0.36	1,458.24	983.48	-	983.48
Other current financial liabilities	883.73	106.80	990.53	846.11	86.78	932.89
Other current liabilities	774.36	-	774.36	670.40	-	670.40
Total current liabilities	**3,115.97**	**107.16**	**3,223.13**	**2,499.99**	**86.78**	**2,586.77**
Total equity and liabilities	**9,154.29**	**13.84**	**9,168.13**	**8,411.95**	**14.95**	**8,426.90**
Statement of Profit and loss (extract)#						
Revenue from operations	6,981.78	6.73	6,988.51	-	-	-
Other income	219.84	12.21	232.05	-	-	-
Total revenue	**7,201.62**	**18.94**	**7,220.56**	-	-	-
Employee benefits expense	4,714.67	106.80	4,821.47	-	-	-

Particulars	As at March 31, 2022			As at April 1, 2021		
Finance costs	373.53	-	373.53	-	-	-
Depreciation	402.40	5.46	407.86	-	-	-
Other expenses	1,730.43	-	1,730.43	-	-	-
Total expenses	**7,221.03**	**112.25**	**7,333.29**	-	-	-
Loss before tax	(19.41)	(93.32)	(112.73)	-	-	-
Loss after tax	153.27	(93.32)	59.96	-	-	-
Total comprehensive loss for the year	382.19	(93.32)	288.88	-	-	-

32. 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 ₹ 13.70 millions has been accounted for as Other Income.

(₹ in Millions)

Name of the joint working Group	AIASL joint working group	
	As at March 31, 2023	As at March 31, 2022
Share of company / ownership interest	50%	50%
Income - company's share	62.50	44.10
Expediture - company's share	35.10	27.40
Profit - company's share	27.40	16.70
Share of income of joint working groups of the company with HAL	13.70	8.35
Contingent liability	-	-

33. 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 is yet to obtain the balance confirmation from some private parties, further reconciliation has been completed and balance confirmations have been sent. 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 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.

(c) Goods & Service Tax (GST) and other statutory dues have been reconciled with the returns filed and statutory records maintained by the company. Necessary adjustments have been made.

34. 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 conducted the physical verification of the assets in house and company is verifying the discrepancies observed in the course of the verification and the same will be adjusted in the year in which final reconciliation is completed, after taking approval from the concerned authority. Further, management has identified the requirement to tag all assets of the company and to fulfill the same, a reconciliation exercise has been initiated on all station across pan India and the impact of reconciliation will be taken in the year in which exercise will be completed.

35. 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 March 31, 2023. 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. The consumption of inventories is computed on the basis of derived figure.

Further, company has made provision for following categories of inventories as per the rate mentioned below:

a) Fast moving inventories- 0%
b) Slow moving inventories- 25%
c) Non moving inventories- 50%
d) Obselete inventories- 100%

36. Cash and bank balances

The process of year end Bank balances have been fully reconciled and confirmations from banks have been obtained in respect of all bank accounts. Further, company has not maintaining any cash, therefore there is no cash in hand at the end of the year.

37. Interest on overdue payments on group companies

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

The interest charged for the group companies is as under:

(₹ in Millions)

Particulars	Amount
Air India Engineering Services Limited	21.87
Alliance Air Aviation Limited	94.80
Total	**116.67**

38. Income on supply of manpower

Company is supplying manpower to group companies including few third parties after charging cost plus 10% and accordingly company has shown the 10% markup in other income and cost recovery was reduced from Manpower cost till FY 21-22. However, from current FY 22-23, company has shown complete cost recovery with 10% mark up in Revenue from operations and accordingly company has reclassified the figures in statement of Profit and Loss for FY 21-22.

39. 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.

40. 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 2019-20. Pending submission of claim, no export entitlement has been recognized for such financial years in the current year.

During the year, the company had received a license amounting Rs 69.69 millions for FY 2018-19 from Directorate General of Foreign Trade (DGFT) dated March 15, 2023, The company has recognized this license as assets after crediting to other income. Further, company has observed that company has claimed Rs 1.49 millions inadvertently on higher side and accordingly company has paid the same by way of Demand Draft dated 27.04.2023.

During the year, SEIS license no. 0319271362 issued for the year 2017-18 having entitlement claim of ₹ 22.06 millions, had expired on January 19, 2022. The company had applied to Policy Relaxation Committee (PRC) for extension of expiry date for the aforesaid license and accordingly, the Company had created a provision to the extent of full value of the license during FY 2021-22.

41. Valuation of unclaimed/uncleared Cargo lying at International Cargo Warehouse, Mumbai

In the FY 22-23, Company has conducted the valuation of uncleared/ unclaimed cargo for the year 2012 to 2020 through a govenrment approved valuer appointed through a tender process. The company has sent the 2 notices via speed post to the consignee’s wherever the records of consignee are available and also displayed public notices at various locations and on various websites, intimating disposal/ auction of uncleared/unclaimed cargo lying at Cargo Warehouse, Mumbai.

Valuer has valued Rs 9.16 million the value of unclaimed/uncleared cargo lying at cargo warehouse and accordingly company has intimated the same to Customs Disposal Task force. The Customs task force will undertake 100% examination of all the consignments. After examination of the same, it will be auctioned through M/s MSTC Limited or destucted in presence of Custom officials, after obtaining clearance from regulatory agencies. Expected cost involved in destruction would be Rs 0.5 millions. At this stage, we are unable to quantify the realizable value of unclaimed/ uncleared cargo to recognize the same in books of accounts.

42. Claims from Jet Airways (India) Ltd.

The Company has submitted its claims of ₹ 250.18 millions (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 ₹ 166.10 millions has been admitted. Further, with reference to regulation 39 (5A) of the Insolvency and Bankruptcy Board of India Regulations 2016, principle or formulae proposed to Operational creditors (other than Workmen & employees and Ticket Refund) under the Approved Resolution Plan (Jet Airways (I) Limited) by Hon’ble NCLT on 25th June 2021 vide order dated 22nd June 2021, payment of a fixed sum of ₹ 15000/-(irrespective of the claim amount) to each Relevant Creditor was awarded. The company has submitted that the payment of a fixed sum of ₹ 15,000/- was not acceptable. However, 100% provision of the receivables from M/s Jet Airways (India) Ltd is considered in ECL.

43. Claims from Go Airlines India Ltd.

The Go Airlines India Limited has submitted their application to NCLT for insolvency resolution process and accordingly NCLT has accepted the application and initiated the insolvency process vide order dated May 10th, 2023 and allow company has filed its claim amounting Rs 220.35 millions as on March 31st, 2023 (including interest amounting Rs 11.27 millions and accordingly company has made the 100% provision of the receivables excluding interest in ECL.

44. 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 Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount remaining unpaid to any supplier as at the end of accounting year;	2.30	0.14
Principal amount overdue more than 45 days	2.30	0.14
The interest due and remaining unpaid to any supplier as at the end of accounting year;	0.10	0.04
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed date during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the MSMED Act, 2006;The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	0.10	0.04
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprise as on the basis of information available with the company.

45. Employees benefit 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 ₹ 327.79 million (previous year: ₹ 363.50 million)

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.

i) Disclosure statement as per Ind AS of gratuity

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
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	April 01,2022	April 01,2021
Date of reporting	March 31,2023	March 31,2022
Period of reporting	12 months	12 months

a) Assumptions (previous period)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Expected return on plan assets	N.A.	N.A.
Rate of discounting	6.84%	6.57%
Rate of salary increase	5.50%	5.50%
Rate of employee turnover	10% & 2% as Applicable	10% & 2% as Applicable
Mortality rate during employment	ndian Assured Lives Mortality 2012-14 (Urban	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality rate after employment	N.A.	N.A.

b) Assumptions (Current Period)

(₹ in Millions)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Expected return on plan assets	N.A.	N.A.
Rate of discounting	7.41%	6.84%
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 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality rate after employment	N.A.	N.A.
Present value of benefit obligation at the beginning of the period	953.19	1002.45
Interest cost	63.35	63.04

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	59.2	68.45
Past service cost	-	-
(Benefit paid directly by the employer)	(218.50)	(136.42)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions		(0.14)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(20.16)	(38.50)
Actuarial (gains)/losses on obligations- due to Experience	24.08	(5.69)
Present value of benefit obligation at the end of the period	**861.16**	**953.19**

c) Amount recognized in the balance sheet

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the end of the period	(861.16)	953.19
Funded status (surplus/ (deficit))	(861.16)	953.19
Net (liability)/asset recognized in the balance sheet	**(861.16)**	**(953.19)**

d) Net interest cost for current period

(₹ in Millions)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Present value of benefit obligation at the beginning of the period	953.19	1,002.46
Net liability/(asset) at the beginning	953.2	1002.46
Interest cost	63.35	63.04
Net interest cost for current period	**63.35**	**63.04**

e) Expenses recognized in the statement of profit or loss for current period

(₹ in Millions)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Current service cost	59.2	68.45
Net interest cost	63.35	63.04
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognized	**122.55**	**131.49**

f) Expenses recognized in the other comprehensive income (OCI) for current period

(₹ in Millions)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Actuarial (gains)/losses on obligation for the period	3.92	(44.33)
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income) / expense for the period recognized in OCI	**3.92**	**(44.33)**

g) Balance Sheet reconciliation

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening net liability	953.19	1,002.44
Expenses recognized in statement of profit or loss	122.54	131.49
Expenses recognized in OCI	3.92	(44.33)
Net liability / (asset) transfer in	0	-
Net liability / (asset) transfer out	0	-
(Benefit paid directly by the employer)	(218.50)	(136.42)
(Employer's contribution)		-
Net liability/(asset) recognized in the balance sheet	**861.16**	**953.19**

h) Other Details

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
No of members in service	16440	11,369
Per month salary for members in service	182.42	135.61
Weighted average duration of the defined benefit obligation	6	6
Average expected future service	8	7
Defined benefit obligation (DBO) - total	861.16	953.20
Defined benefit obligation (DBO) - due but not paid	**41.78**	**27.05**

i) Net interest cost for next year

(₹ in Millions)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Present value of benefit obligation at the end of the period	861.16	953.20
(Fair value of plan assets at the end of the period)	0	-
Net liability / (asset) at the end of the period	861.16	953.20
Interest cost	60.72	63.35
(Interest Income)	0	-
Net interest cost for next year	**60.72**	**63.35**

j) Expenses recognized in the statement of profit or loss for next year

(₹ in Millions)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Current service cost	68.75	59.20
Net interest cost	60.72	63.35
(Expected contributions by the employees)	-	-
Expenses recognized	**129.47**	**122.54**

k) Maturity analysis of the benefit payments

Projected benefits payable in future years from the date of reporting **(₹ in Millions)**

Particulars	As at March 31, 2023	As at March 31, 2022
1st following year	159.28	199.72
2nd following year	95.61	80.33
3rd following year	128.78	133.63
4th following year	137.06	127.17
5th following year	116.13	138.03
Sum of years 6 to10	335.76	405.87

l) Sensitivity analysis:increase/(decrease)

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation on current assumptions	**861.16**	**953.20**
Delta effect of +1% change in rate of discounting	(32.87)	(39.86)
Delta effect of -1% change in rate of discounting	36.11	44.00
Delta effect of +1% change in rate of salary increase	34.81	43.11
Delta effect of -1% change in rate of salary increase	(32.77)	(40.02)
Delta effect of +1% change in rate of employee turnover	2.60	2.52
Delta effect of -1% change in rate of employee turnover	(2.95)	(2.84)

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 Defined 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 Defined 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 Defined Benefit Obligation as recognised 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. Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees. Maturity Analysis of Benefit payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above for forseeable future of next 10 years. Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation. Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value. Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

ii) 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

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
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	April 01,2022	April 01,2021
Date of reporting	March 31,2023	March 31,2022
Period of reporting	12 Months	12 Months

a) Assumptions (previous year)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Expected return on plan assets	N.A.	N.A.
Rate of discounting	6.91%	6.91%
Medical cost inflation	4.00%	4.00%
Rate of employee curnover	2.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality rate after employment	Indian Individual AMT (2012-15)	Indian Individual AMT (2012-15)

b) Assumptions (current year)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Expected return on plan assets	N.A.	N.A.
Rate of discounting	7.40%	6.91%
Medical cost inflation	4.00%	4.00%
Rate of employee turnover	2.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Mortality rate after employment	Indian Individual AMT (2012-15)	Indian Individual AMT (2012-15)

c) Change in the present value of defined benefit obligation

(₹ in Millions)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Present value of benefit obligation at the beginning of the period	1,411.45	1553.51
Interest cost	-	107.35
Current service cost	-	12.18
Past service cost	-	-
Liability transferred in/acquisitions	-	-

Particulars	As at March 31, 2023	As at March 31, 2022
(Liability transferred out/divestments)	-	-
(Gains) / losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	-
(Benefit paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial(gains)/losses on obligations - due to change in demographic assumptions	-	(0.15)
Actuarial(gains)/losses on obligations - due to change in financial assumptions	-	(78.45)
Actuarial (gains) / losses on obligations - due to experience	-	(182.99)
Present value of benefit obligation at the end of the period	**1411.45**	**1411.45**

d) Change in the fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the period	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected contributions by the employees	-	-
Assets transferred	-	-
(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	-	-

e) Amount recognized in the balance sheet

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the beginning of the period	(1411.45)	(1411.45)
Fair value of plan assets at the end of the period	-	-
Net (liability) / asset recognized in the balance sheet	(1411.45)	(1411.45)

f) Net interest cost for current year

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the beginning of the period	1,411.45	1553.51
Fair value of plan assets at the end of the period	-	-
Net liability / (asset) at the beginning	1,411.45	1553.51
Interest cost	-	107.35
(Interest income)	-	-
Net interest cost for current period	-	107.35

g) Expenses recognized in the statement of profit or loss for current year

(₹ in Millions)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Current service cost	-	12.17
Net interest cost	-	107.35
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains) / losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognized	-	**119.52**

h) Expenses recognized in the other comprehensive income (OCI) for current

(₹ in Millions)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Actuarial (gains) / losses on obligation for the period	-	(261.59)
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income) / expense for the period recognized in OCI	-	(261.59)

i) Balance sheet reconciliation

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening net liability	1,411.45	1553.52
Expenses recognized in statement of profit or loss	-	119.52
Expenses recognized in OCI	-	(261.59)
Net liability / (asset) transfer in	-	-
Net (liability) /asset transfer out	-	-
(Benefit paid directly by the employer)	-	-
(Employer's contribution)	-	-
Net liability / (asset) recognized in the balance sheet	**1411.45**	**1411.45**

j) Other details

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
No of active members	-	869
No.of retired employees	-	1303
Weighted average duration of the projected benefit obligation	-	12
Average future term	-	30
Projected benefit obligation	1411.45	1411.45
Prescribed contribution for next year (12 Months)	-	-

k) Maturity analysis of the benefit payments: from the employer

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Projected benefits payable in future years from the date of reporting		
1st following year	64.63	64.63
2nd following year	64.54	64.54
3rd following year	71.59	71.59
4th following year	79.09	79.09
5th following year	88.26	88.26
Sum of years 6 to 10	431.80	431.80

Sensitivity analysis: increase / (decrease)

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Projected benefit obligation on current assumptions	1411.45	1411.45
Delta effect of + 1% change in rate of discounting	-	(138.99)
Delta effect of - 1 % change in rate of discounting	-	168.66
Delta effect of +1 % change in medical cost inflation	-	172.90
Delta Effect of - 1% Change in Medical Cost inflation	-	144.38

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

The company was providing the medical expenses payable to retired employees of Air India on the basis of Acturial valuation made by the Acturial Valuer, however after the disinvestment of Air India, it was decided by AIAHL being a holding company of the AIASL that all retired employees will contribute the amount to CGHS and accordingly they will avail the medical benefits directly from CGHS and therefore company has not done the acturial valuation during the year.

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.

Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above for forseeable future of next 10 years.

Average Future Term represents Estimated Term of Post - Employment Benefit Obligation.

Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

There was curtailment in the scheme where in liability of the majority of the employees were taken over by the government resulting in curtailment.
The payments made doesn't commensurate witht the scheme valued at the start of the year.

(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 emloyment 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.

46. Income taxes

(a) Income tax recognised in Statement of Profit and loss **(₹ in Millions)**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current tax expense (A)		
Current year	235.77	-
Short/(excess) provision of earlier years (B)		
Short provision for tax for earlier years	-	24.62
Deferred tax expense (C)		
Origination and reversal of temporary differences	45.94	(197.30)
Tax expense recognised in the income statement (A+B+C)	**281.71**	**(172.68)**

(b) Income tax recognised in other comprehensive income **(₹ in Millions)**

Particulars	Year Ended March 31, 2023			Year Ended March 31, 2022		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of employee benefits obligations	(3.92)	-	(3.92)	305.92	77.00	228.92
	(3.92)	**-**	**(3.92)**	**305.92**	**77.00**	**228.92**

(c) Reconcilation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows

(₹ in Millions)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit before tax	972.97	(112.73)
Enacted tax rate in India	25.168%	25.168%
Expected income tax expense at statutory rate (A)	235.77	-
Tax effect of		

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Expenses not deductible in determining taxable profits	-	-
Excess provision of tax for earlier years	-	24.62
Income tax recognized in the statement of profit and loss	235.77	24.62
Impact of deferred tax	45.94	(197.30)
Income tax recognized in the statement of profit and loss (including deferred tax)	**281.71**	**(172.68)**

(d) Deferred tax assets/(liabilities)

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

(₹ in Millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	(189.84)	(166.59)
Deferred tax assets	1,320.19	1,251.00
Total	**1,130.35**	**1,084.41**

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

(₹ in Millions)

Particulars	As at March 31, 2022	For the year ended March 31, 2022		As at March 31, 2023
		Recognized through P&L	Recognized through OCI	
Deferred tax balance in relation to				
Deferred tax asset of earlier years	-	-	-	-
Property, plant & equipment	(166.59)	(23.25)	-	(189.84)
Provision for employee benefits	710.96	(11.19)	-	699.77
Provision for inventories	-	8.34	-	8.34
Expected credit loss	262.04	186.32	-	448.36
Disallowance under section 43B and 40(a)(ia) of Income tax Act, 1961	-	-	-	-
Lease balances	-	-	-	-
Unabsorbed losses	278.00	(114.29)	-	163.72
Total	**1,084.41**	**45.94**	**-**	**1,130.35**

(₹ in Millions)

Particulars	As at April 1, 2021	For the year ended March 31, 2022		As at March 31, 2022
		Recognized through P&L	Recognized through OCI	
Deferred tax balance in relation to				
Deferred tax asset of earlier years	939.37	(939.37)	-	-
Property, plant & equipment	(151.69)	(14.90)	-	(166.59)
Provision for employee benefits	(193.29)	981.25	(77.00)	710.96
Expected credit loss	241.30	20.74	-	262.04
Disallowance under section 43B and 40(a)(ia) of Income tax Act, 1961	127.56	(127.56)	-	-
Lease balances	0.86	(0.86)	-	-
Unabsorbed losses	-	278.00	-	278.00
Total	**964.11**	**197.30**	**(77.00)**	**1,084.41**

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.

47. Related party disclosures

Disclosure of the names and designations of the related parties as required by the Ind AS 24 "Related Party Disclosures", during the year 2022-23:

A. List of related parties : (As identified by the management), unless otherwise stated

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 the company	Relationship
1	AI Assets Holding Limited (w.e.f. January 13, 2022)	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	Alliance Air Aviation Limited (AAAL)	Fellow subsidiary company

B. Key Managerial Personnel

Sr. No.	Name of key managerial personnel	Designation
1	Shri. Vikram Dev Dutt	Chairman (ceased as CMD effective February 28, 2023
2	Shri. Satyendra Kumar Mishra	Chairman (appointed as CMD effective March 01, 2023
3	Shri. Rambabu Ch.	Chief Executive Officer
4	Shri Satya Narayan Panda	Chief Financial Officer (ceased as CFO & KMP w.e.f. December 31, 2022)
5	Wing Cdr. Sandeep Malhotra (retd)	Chief Financial Officer (Appointed as CFO w.e.f. December 28, 2022 & KMP w.e.f. on February 09, 2023)
6	Smt.Shashi Bhadoola	Company Secretary

C. Transaction during the year ended and balance outstanding with related parties are as follows -

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:

(i) Disclosure in respect of transaction with related parties: **(₹ in Millions)**

Particulars	Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
Air India Engineering Services Limited	**Revenue from operations**		
	Manpower services/ cabin cleaning	204.08	238.16
	Interest on outstanding recoverable	21.87	68.33
	Expenditure		
	Headset services	12.42	0.06

(₹ in Millions)

Particulars	Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
Airline Allied Service Limited (Alliance Air)	**Revenue from operations**		
	Ground handling revenue	281.49	191.05
	Supply of manpower services	0.59	0.24
	Interest on outstanding recoverable	94.80	70.18
	Expenditure		
	Staff on duty expenditure	1.25	0.77
Hotel Corporation of India Limited (HCIL-Centaur)	**Expenditure**		
	Staff hotel expenses	7.52	2.19
	Festive expenses	2.27	-
	Event expenses	1.93	-
AI Assets holding Limited (AIAHL)	**Revenue from operations**		
	Manpower services	1.52	-
	Expenditure		
	Reimbursement of cost	6.38	
	Interest on outstanding payable	35.69	6.09

(ii) Outstanding balances (₹ in Millions)

Name of the party	Receivable/payable	As at March 31, 2023	As at March 31, 2022
AI Assets Holding Limited	Payable	(434.86)	(392.65)
Air India Engineering Services Limited	Payable	(6.62)	514.54
Alliance Air Aviation Limited	Receivable	1,290.47	911.13
Hotel Corporation of India Limited (HCIL-Centaur)	Payable	(5.58)	(2.61)

D. Compensation to key management personnel: (₹ in Millions)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	7.48	6.19
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total compensation to key management personnel	**7.48**	**6.19**

As the future liability for post-employment, other long-term and termination benefits are provided on actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

48. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Millions)

Financial assets and liabilities as at March 31, 2023	Note no.	Non-current	Current	Total	Routed through profit & loss				Routed through OCI				Carried at amortised cost	Total amount
					Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets														
Trade receivables	8	-	4,071.44	**4,071.44**	-	-	-	-	-	-	-	-	**4,071.44**	**4,071.44**
Other financial assets	3 & 11	1,299.16	100.96	**1,400.12**	-	-	-	-	-	-	-	-	**1,400.12**	**1,400.12**
Cash and cash equivalents	9	-	520.43	**520.43**	-	-	-	-	-	-	-	-	**520.43**	**520.43**
Bank balances other than cash and cash equivalents	10	-	1.73	**1.73**	-	-	-	-	-	-	-	-	**1.73**	**1.73**
Total financial assets		**1,299.16**	**4,694.56**	**5,993.72**									**5,993.72**	**5,993.72**
Financial liabilities														
Lease liabilities	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables	22	-	1,621.64	**1,621.64**	-	-	-	-	-	-	-	-	**1,621.64**	**1,621.64**
Other financial liabilities	16 & 19	72.48	1,185.56	**1,258.04**	-	-	-	-	-	-	-	-	**1,258.04**	**1,258.04**
Total financial liabilities		**72.48**	**2,807.20**	**2,879.68**	-	-	-	-	-	-	-	-	**2,879.68**	**2,879.68**
Financial assets and liabilities as at March 31, 2022	**Note no.**	**Non-current**	**Current**	**Total**	**Routed through profit & loss**				**Routed through OCI**				**Carried at amortised cost**	**Total amount**
					Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**		
Financial assets														
Trade receivables	8	-	3,499.33	3,499.33	-	-	-	-	-	-	-	-	3,499.33	3,499.33
Other financial assets	3 & 11	9.17	1.13	10.30	-	-	-	-	-	-	-	-	10.30	10.30
Cash and cash equivalents	9	-	776.18	776.18	-	-	-	-	-	-	-	-	776.18	776.18
Bank balances other than cash and cash equivalents	10	-	61.66	61.66	-	-	-	-	-	-	-	-	61.66	61.66
Total financial assets		**9.17**	**4,338.30**	**4,347.47**	-	-	-	-	-	-	-	-	**4,347.47**	**4,347.47**
Financial liabilities														
Lease liabilities	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables	22	-	1,458.24	1,458.24	-	-	-	-	-	-	-	-	1,458.24	1,458.24
Other financial liabilities	16 & 19	64.51	990.53	1,055.04	-	-	-	-	-	-	-	-	1,055.04	1,055.04
Total financial liabilities		**64.51**	**2,448.77**	**2,513.28**	-	-	-	-	-	-	-	-	**2,513.28**	**2,513.28**
Financial assets and liabilities as at April 1, 2021	**Note no.**	**Non-current**	**Current**	**Total**	**Routed through profit & loss**				**Routed through OCI**				**Carried at amortised cost**	**Total amount**
					Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**		
Financial assets														
Trade receivables	8	-	3,730.34	3,730.34	-	-	-	-	-	-	-	-	3,730.34	3,730.34
Other financial assets	3 & 11	12.71	95.74	108.45	-	-	-	-	-	-	-	-	108.45	108.45
Cash and cash equivalents	9	-	43.46	43.46	-	-	-	-	-	-	-	-	43.46	43.46
Bank balances other than cash and cash equivalents	10	-	1.59	1.59	-	-	-	-	-	-	-	-	1.59	1.59
Total financial assets		**12.71**	**3,871.13**	**3,883.84**	-	-	-	-	-	-	-	-	**3,883.84**	**3,883.84**
Financial liabilities														
Lease liabilities	15	-	35.19	35.19	-	-	-	-	-	-	-	-	35.19	35.19
Trade payables	22	-	983.48	983.48	-	-	-	-	-	-	-	-	983.48	983.48
Other financial liabilities	16 & 19	52.17	897.70	949.87	-	-	-	-	-	-	-	-	949.87	949.87
Total financial liabilities		**52.17**	**1,916.37**	**1,968.54**	-	-	-	-	-	-	-	-	**1,968.54**	**1,968.54**

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.

B. 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. A 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 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, 2023**	**As at March 31, 2022**	**As at April 1, 2021**
All parties including government company and group company			
(a) Past due not exceeding 6 months	4.73%	3.40%	NA
(b) Past due exceeding 6 months but not exceeding 1 year	9.46%	6.80%	NA
(c) Past due exceeding 1 year but not exceeding 3 years	18.93%	13.60%	NA
(d) Past due exceeding 3 years	100%	100%	NA

Government company	NA	NA	27.19%
Group company	NA	NA	0.00%
Other parties past due upto three years	NA	NA	27.19%
Other parties past due more than three years	NA	NA	100.00%
Specific credit risk impairment on individual basis	100%	100%	100.00%

The movement in allowance for Expected credit loss is as follows:

(₹ in Millions)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**	**As at April 1, 2021**
Balance at the beginning of the year	1,009.37	958.75	521.93
Add :Allowance for trade receivable which have significant increase in credit risk	750.06	231.72	436.82
Less :Specific credit risk impairment on individual basis	-	(181.10)	-
Balance as at the end of the year	**1,759.43**	**1,009.37**	**958.75**

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, 2023 applying simplified approach for trade and other contractual receivables from the parties amounting to ₹ 1,759.43 million (previous year ₹ 1009.37 million).

48. Financial instruments – Fair values and risk management (continued..)

(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 (March 31, 2022: Nil; April 1, 2021: 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, 2023

(₹ in Millions)

Particulars	Carrying amount	Contractual cash flows			
		Upto 1 year	1-5 years	More than 5 years	Total
Financial assets					
Non-current					
Other financial assets	1,299.16	1,299.16	-	-	1,299.16
Current					
Trade receivable	4,071.44	4,071.44	-	-	4,071.44
Cash & cash equivalents and other bank balances	522.17	522.17	-	-	522.17
Other financial assets	100.96	100.96	-	-	100.96

As at March 31, 2022

(₹ in Millions)

Particulars	Carrying amount	Contractual cash flows			
		Upto 1 year	1-5 years	More than 5 years	Total
Financial assets					
Non-current					
Other financial assets	9.17	9.17	-	-	9.17
Current					
Trade receivable	3,499.33	3,499.33	-	-	3,499.33
Cash & cash equivalents and other bank balances	837.84	837.84	-	-	837.84
Other financial assets	1.13	1.13	-	-	1.13

As at April 1, 2021

(₹ in Millions)

Particulars	Carrying amount	Contractual cash flows			
		Upto 1 year	1-5 years	More than 5 years	Total
Financial assets					
Non-current					
Other financial assets	12.71	12.71	-	-	12.71
Current					
Trade receivable	3,730.34	3,730.34	-	-	3,730.34
Cash & cash equivalents and other bank balances	45.05	45.05	-	-	45.05
Other financial assets	0.14	95.74	-	-	95.74
Financial liabilities					
Non-current					
Lease liabilities	-	-	-	-	-
Other financial liabilities	52.17	52.17	-	-	52.17
Current					
Lease liabilities	35.19	35.19	-	-	35.19
Trade payables	983.48	983.48	-	-	983.48
Other financial liabilities	897.70	897.70	-	-	897.70

48. Financial instruments – Fair values and risk management (continued..)

(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 31,2023; as at March 31, 2022; are as below:

(USD and ₹ in Millions)

Particulars	As at March 31, 2023		As at March 31, 2022		As at April 1, 2021	
	USD	INR	USD	INR	USD	INR
Financial assets						
Current						
Trade receivable	3.94	323.50	1.65	125.37	6.23	455.25
Cash & cash equivalents and bank balances		0.00	-	0.01	0.17	12.59
Total financial assets	**3.94**	**323.50**	**1.65**	**125.38**	**6.40**	**467.84**
Financial liabilities						
Current						
Trade payables	0.02	1.84	0.02	1.71	-	-
Other financial liabilities	-	-	-	-	0.61	44.70
Total financial liabilities	**0.02**	**1.84**	**0.02**	**1.71**	**0.61**	**44.70**

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 Millions)

Particulars	Increase			(Decrease)		
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Receivable						
USD/INR	16.17	6.27	23.39	(16.17)	(6.27)	(23.39)
Payable						
USD/INR	(0.09)	(0.09)	(2.24)	0.09	0.09	2.24

49. Ratios

Current ratio (₹ in Millions)

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
Total current assets	4,862.28	4,436.01
Total current liabilities	4,023.12	3,223.13
Ratio	1.21	1.38
% change	**-12.19%**	**-14.91%**

Debt equity ratio (₹ in Millions)

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
Total debt	-	-
Shareholder’s equity	4,230.70	3,451.40
Ratio	-	-
% change	**-**	**-**

Debt service coverage ratio (₹ in Millions)

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
EBIT	-	-
Total debt	-	-
Ratio	-	-
% change	-	-

Return on equity ratio (₹ in Millions)

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
Net profit for the year	783.14	59.96
Average stakeholders’ equity	4,230.70	3,451.40
Ratio	18.51%	1.74%
% change	**965.61%**	**-102.79%**
Reason	**Due to net profit earned during the year as compared to net loss during the previous year**	

Inventory turnover ratio (₹ in Millions)

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
Cost of goods sold	172.29	74.72
Average inventory	41.06	60.71
Ratio	419.66	123.09
% change	**240.94%**	**94.73%**
Reason	**Due to increase in consumption of spares of during the year as compared to previous year**	

Trade receivable turnover ratio **(₹ in Millions)**

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
Revenue from operations	8,944.73	6,988.51
Average trade receivables	3,785.38	3,614.83
Ratio	2.36	1.93
% change	**22.23%**	**213.93%**

Net capital turnover ratio **(₹ in Millions)**

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
Revenue from operations	8,944.73	6,988.51
Working capital	839.16	1,212.88
Ratio	10.66	5.76
% change	**85.00%**	**197.18%**
Reason	**Due to increase in revenue as compared to previous year**	

Net profit ratio **(₹ in Millions)**

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
Profit for the year	783.14	59.96
Revenue from operation	8,944.73	6,988.51
Ratio	8.76%	0.86%
% change	**920.54%**	**-101.27%**
Reason	**Due to increase in profit earned as compared to previous year**	

Return on capital employed **(₹ in Millions)**

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
Profit before exceptional item, finance cost & tax	1,122.18	260.80
Capital employed	6,716.72	5,945.00
Ratio	16.71%	4.39%
% change	**280.85%**	**-112.09%**
Reason	**Due to increase in profit earned as compared to previous year**	

Return on investment **(₹ in Millions)**

Particular	**As at MArch 31, 2023**	**As at March 31, 2022**
Income from investment	Nil	Nil
Closing balance of investment	Nil	Nil
Ratio	Nil	Nil
% change	**Nil**	**Nil**
Reason	**No investment made by company**	

1. **Total debt** = Non-current borrowings + Current borrowings
2. **Earnings before interest & tax (EBIT)** = Profit before exceptional item & tax + Finance costs
3. **Cost of goods sold** = Cost of materials consumed + Purchases of stock-in-trade + Changes In inventories of finished goods and work-in-progress
4. **Working capital** = Total current assets - Total current liabilities
5. **Capital employed** = Total equity + Total non current liabilities
6. **Total equity** = Total equity excluding non controlling Interest (less) / add (deferred tax assets) / deferred tax liability (net)

50. Following are the details of foreign currency earned and expended by the company during the financial year

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Foreign exchange earnings	1,960.48	1,023.57
Foreign exchange expended (for import payments)	(3.03)	(156.64)
Net foreign exchange earnings	**1,957.45**	**866.93**

51. Corporate social responsibility

Pursuant to the requirement of Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The primary function of the CSR Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR Policy focuses on making positive contribution to the society through high impact, sustainable programmes.

(₹ in Millions)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the company during the year	-	-
Amount of expenditure incurred	-	23.66
Nature of CSR activities		
a) Construction / acquisition of any assets	-	-
b) On purpose other than 1 above	-	23.66
Shortfall at the end of the year / period	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities : Contribution to PM care fund		

52. 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 handling services" 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".

Disclosure of customer with more than 10% of revenue:

(₹ in Millions)

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Air India Limited	2,845.63	1,696.43

53. Penalties under Dispute

During the year 2022-23, M/s Air India Limited (AI) and M/s Alliance Air Aviation Limited (AAAL) has raised an invoice for an amount of Rs.121.41 million and Rs 1.61 million respectively towards penalty. However, AIASL is of the strong opinion that the penalties imposed by Air India and Alliance Air are unilateral as they have not provided jointly signed Exception Report Format (ERF) in terms of Clause 36.2 of Master Service Agreement entered with AI and AAAL. Hence, the same has not been provided in Books of accounts.

54. IND AS 116 clarificatory note on not considering airport spaces for lease liability

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.

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.

55. Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Compliance with number of layers of companies

The company is in compliance with number of layers of companies.

(iv) Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) Utilisation of borrowed funds and share premium

(1) The company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:
   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
   b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(2) The company has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:
   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
   b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Title deeds of immovable properties not held in name of the company

Company does not have any immovable property.

(ix) Transactions with stuck off companies

There are no transactions with the stuck off companies

56. Code on social security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

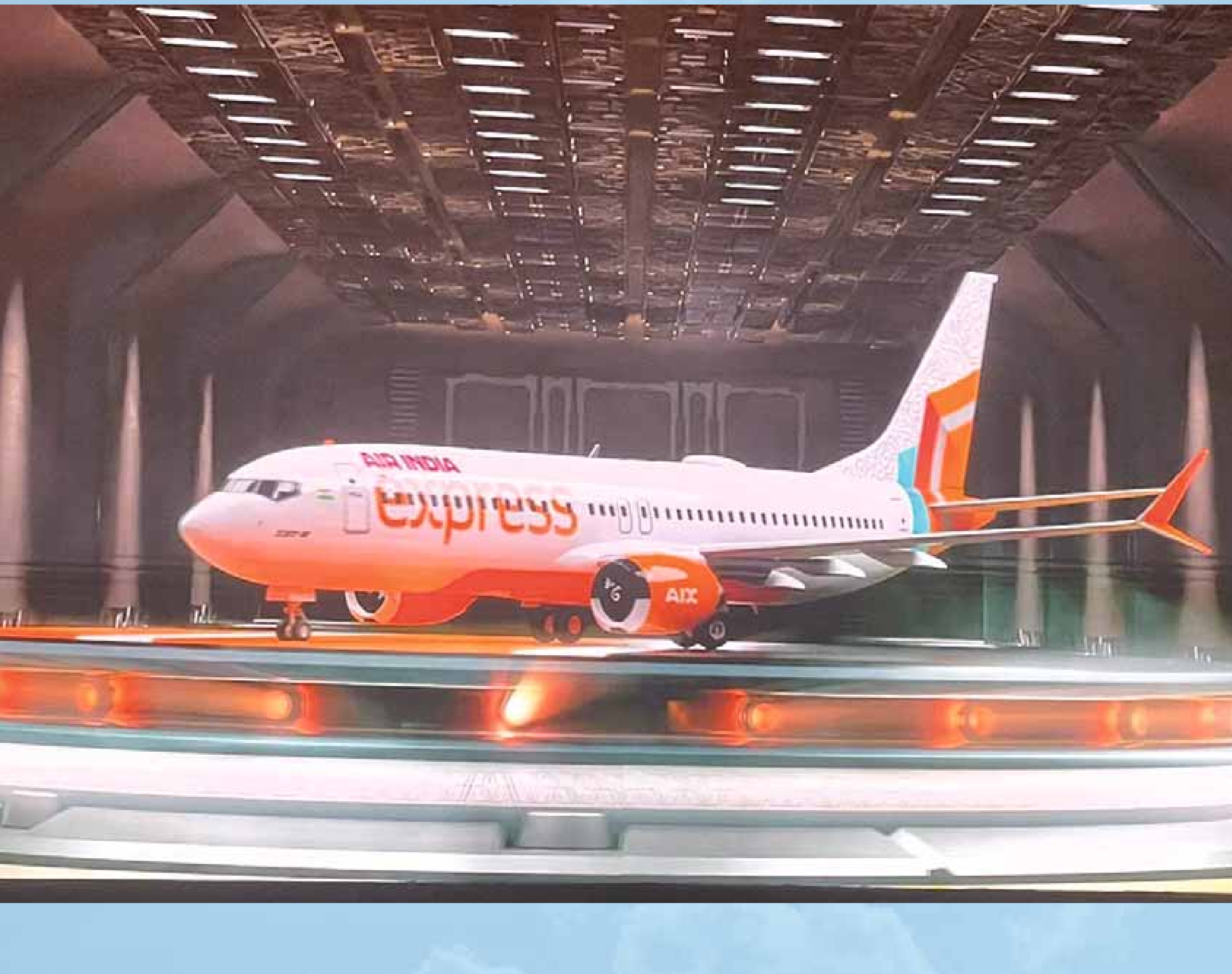
57. Previous years figures

Previous year figures have been regrouped/reclassified where necessary, to conform with current period's presentation for the purpose of comparability.

As per our report of even date attached

For S. Mann & Co **Chartered Accountants** Firm Registration No: 000075N	**For and on behalf of the Board of Directors**		
Sd/- **Subhash Chander Mann** **Partner** Membership No: 080500 UDIN: 23080500BGXRAU5748	Sd/- **Satyendra Kumar Mishra** Chairman DIN: 07728790	Sd/- **Padam Lal Negi** Director DIN: 10041387	
	Sd/- **Sandeep Malhotra** Chief Financial Officer	Sd/- **Rambabu Ch.** Chief Executive Officer	Sd/- **Smt. Shashi Bhadoola** Company Secretary

Place: New Delhi
Date : July 19, 2023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YEARS

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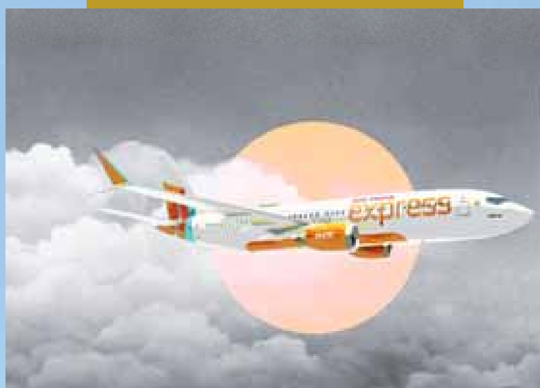

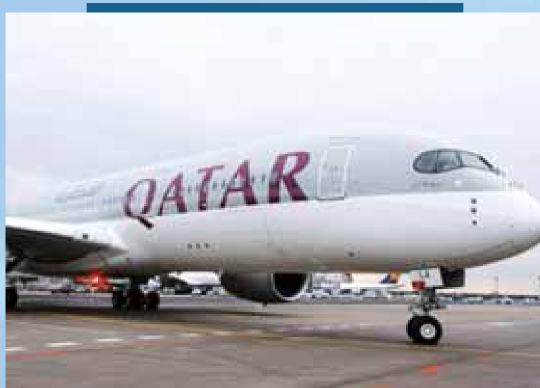

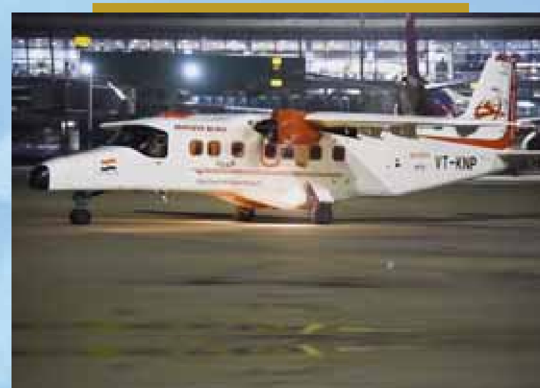

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