

**AI AIRPORT SERVICES LIMITED**



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## CHAIRMAN'S SPEECH

Dear Shareholders

It gives me great pleasure to present to you the 17<sup>th</sup> Annual Report of the Company for the year 2019-20. AI Airport Services Limited (Formerly Known as Air India Air Transport Services Limited) ("The Company") is a leading ground handling service provider and is operational PAN India.

The Company was operationalised in February 2013 and commenced its autonomous operationalisation from F.Y 2014-15, the Company since its stand-alone operationalisation has been a profitable company. During 2019-20 also, AI Airport Services Limited has earned Net Profit of Rs.662.13 million. This is a very positive and encouraging trend.

The Government of India announced National Civil Aviation Policy in June 2016 and it was expected that this would have an impact on the size and structure of India's ground handling sector which will be dramatically transformed - significantly increasing the size of the contestable market for third party handlers almost overnight. This is the first time that India has had a single document vision for the aviation sector and that is a welcome development.

### PERFORMANCE OF THE COMPANY

During 2019-20, total revenue of the Company was Rs. 7088.01 million as against total restated revenue of Rs.7050.08 million during 2018-19. The total expenses were Rs 5749.44 .million as against restated expenses of Rs.5889.19 million during 2018-19. Profit Before Tax during the year ended 31st March, 2020 was Rs. 1338.58 million against restated figure of Rs.1160.89 million during 2018-19. The Net Profit earned during the period was Rs. 662.13 million as against the restated Net Profit of Rs.Rs.524.82million during 2018-19.

Fourth quarter of the financial year 2019-20 witnessed the pandemic due to COVID-19 which affected the overall economic growth. AI Airport Services Limited which is operational at 81 Airports in India rendered and continues to render selfless service and has a very major contribution to the success of Mission Lifeline Udan of the Ministry of Civil Aviation, Government of India.

AI Airport Services Limited provided and continues to provide ground handling to Special passenger charter flights for repatriation of foreign nationals from India as well as arrival flights with Indian Nationals from various foreign countries into India. AI Airport Services Limited also provided ground handling services to cargo flights carrying medicines and relief materials during the nationwide lockdown since 25th March, 2020 catering not only for flights under "LIFELINE UDAN" but also of various Foreign carriers.

The above flights have been handled by the COVID -19 WARRIORS of AI Airport Services Limited Operational at 81 Airports in India providing Ground Handling Support by MAINTAINING SOCIAL DISTANCING for "LIFELINE UDAN " and VANDE BHARAT FLIGHTS during the WAR AGAINST Corona.

AI Airport Services Limited received appreciations from various foreign carriers such as Malaysian, Emirates, Saudia Airlines etc. whose flights were simultaneously handled. Even the Indian Air Force appreciated the exemplary services provided by AI Airport Services Limited during such testing times and more so because ground handling services were rendered at an extremely short notice.

The most encouraging moment for AI Airport Services Limited is the tweet of Ministry of Civil Aviation dated 11<sup>th</sup> April, 2020 in its Twitter handle **"AN EXAMPLE OF EXEMPLARY TEAMWORK"**, which sums up the performance of AI Airport Services Limited.

AI Airport Services Limited also arranged COVID -19 disaster Management programmes in coordination with



National Disaster Management Authority, Government of India at major airports all across the India in which various ground handling agencies actively participated.

AI Airport Services Limited is not only profitable since 2014-15 but so far the Company is a debt free company as well.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Board has constituted a CSR Committee in compliance with the provisions of the Companies Act, 2013 and laid down the CSR Policy with the objective of making positive contribution to the society through high impact, sustainable programmes. Considering the profitability of the Company, an amount of Rs. 20.74 million was required to be spent during 2019-20. It has been decided to spend the said amount for promotion of education and skill development. A detailed report on the CSR activities forms part of the Directors' Report and is annexed at Annexure I.

### **ACKNOWLEDGEMENT**

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

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

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

**Sd/-**  
**Rajiv Bansal**  
Chairman



**VISION:**

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

**MISSION :**

**- Customer**

- Provide safe, reliable and on-time services
- Deliver the highest quality of service at all Indian Airports
- Provide State-of-the-Art Ramp Equipment
- Be the epitome of Indian Hospitality

**-Processes**

- Continuously improve standards of safety and efficiency
- Continuous upgradation and modernisation of ramp equipment

**-People**

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





## DIRECTORS' REPORT

The Directors take pleasure in presenting the Seventeenth Annual Report of the Company, together with the Audited Accounts, Auditors' Report and Comments by the Comptroller and Auditor General of India, for the year ended 31<sup>st</sup> March, 2020.

### FINANCIAL PERFORMANCE

(Rupees in Millions)

Particulars	2019-20	2018-19(Restated)
Total Revenue	7088.01	7050.08
Total Expenses	5749.44	5889.19
<b>Profit(Loss) before Exceptional Items and Tax</b>	<b>1338.58</b>	<b>1160.89</b>
<b>Profit(Loss) before Tax</b>	<b>1338.58</b>	<b>1160.89</b>
Current Tax	393.60	600.00
Short Provision of Tax	(27.16)	186.62
Deferred Tax Asset	310.01	(150.55)
<b>Net Profit(Loss) after Tax</b>	<b>662.13</b>	<b>524.82</b>

During 2019-20, total revenue of the Company was Rs. 7088.01 million as against total restated revenue of Rs.7050.08 million during 2018-19. The total expenses were Rs 5749.44 .million as against restated expenses of Rs.5889.19 million during 2018-19. Profit Before Tax during the year ended 31st March, 2020 was Rs. 1338.58 million against restated figure of Rs.1160.89 million during 2018-19. The Net Profit earned during the period was Rs. 662.13 million as against the restated Net Profit of Rs.Rs.524.82 million during 2018-19.

### OTHER FINANCIAL INFORMATION

#### Share Capital:

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

### CHANGES IN SHARE CAPITAL, IF ANY

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

### STAFF STRENGTH

Based on the requirements for handling of Air India, Air India Express, Customer airline flights at various Indian stations, the number of staff inducted under various categories as on 31<sup>st</sup> March, 2020 is given below:

Chief Executive Officer	01
Company Secretary	01
Dy.Terminal Manager/Asst.Terminal Manager/Terminal Manager/Duty Manager/Duty Officer/ Temp Chief Security Officer/Account Asst./Aircraft Technician/Dy.RamMgr/Executive	67
Officer Comm./Officer HR/Officer Accounts/Officer B&D/Asst Officer Comm/officer admin	26



Mgr. - Costing/Mgr. Finance	2
Jr. Executive - Technical	90
Jr. Executive - Pax Handling/Jr. Executive - Customer Services/JEHR	130
Customer Agent	2871
Jr. Customer Agent	592
Sr. Customer Agent	105
RSA/RSA-I/RSA(LG)	577
Sr. RSA/Sr.RSA-I/Sup RSA	128
Security Agent	1507
Sr. Security Agent/Sup.SA	880
Temp FFP Staff/Sup.FFP	13
Utility Agent	23
Utility Agent Cum Ramp Driver	831
HandyMan/SafaiKamgar	5362
Utility Service Agent (Absorbed as per MoU)	39
<b>Total</b>	<b>13245</b>

#### 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 2020

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
13245	2756	20.81	574	4.33	3056	23.07

#### ACTIVITIES OF AI AIRPORT SERVICES LIMITED

As per MOCA's direction that outsourcing will not be permitted at airports due to security reasons effective 31 December 2016, AI Airport Services Limited takes pride in implementing Government's decision at all the 81 Airports in India where Ground Handling Services are provided by AI Airport Services Limited. There is NIL outsourcing of manpower as of date in AI Airport Services Limited.

#### IMPLEMENTATION OF OFFICIAL LANGUAGE

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

#### SEXUAL HARASSMENT

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

6 complaints of sexual harassment were received during the year 2019-20. Out of 6 complaints 3 complaints



were resolved and reports & findings of rest 3 complaints were submitted for final action to appropriate authority.

**COMPLIANCE WITH THE RTI ACT, 2005**

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

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

During 2019-20, 77 Requests / 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**

With a view to expand the business operations of the Company, no dividend is recommended by the Board of Directors.

**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 Directors have decided / proposed to carry Rs 655.69. million for the year 2019-20 to Reserves.

**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 31<sup>st</sup> March, 2020 and the date of the Board's Report affecting the financial position of the Company.

**MEETINGS OF THE BOARD OF DIRECTORS**

Three Meetings of the Board of Directors of the Company were held during the Financial Year 2019-20 as detailed below. However, the meeting for the last quarter was supposed to be held on 27<sup>th</sup> March, 2020 and the notice of which had been circulated to all directors on 19<sup>th</sup> March, 2020, although it couldn't convened consequent upon effects of COVID-19 outbreak and official announcement of lockdown by Government of India.

Sr. No.	Date of Meeting	Board Strength	No.of Directors Present
1	20 <sup>th</sup> June, 2019	4	4
2	6 <sup>th</sup> September 2019	4	4
3	3 <sup>rd</sup> December, 2019	4	4



Sr. No.	Date of Meeting	Board Strength	No.of Directors Present
4	27 <sup>th</sup> March, 2020 (cancelled consequent upon effects of COVID-19)		

### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

1. that in the preparation of the Annual Accounts, the applicable Ind AS have been followed and there has been no material departure;
2. that the selected accounting policies were applied consistently and the Directors made judgements 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 2020 and of the profit or loss of the Company for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Company being an unlisted Company, provisions of Section 134(3)(e) are not applicable;
5. that the annual accounts have been prepared on a going concern basis; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable Laws and that such systems were adequate and operating effectively.

### AUDIT COMMITTEE

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

Name of the Director	Position Held in the Committee	Category of the Director
Jt. Secretary & Financial Advisor, MOCA	Chairperson	Government Nominee Director
Jt Secretary, MOCA	Member	Government Nominee Director
Chairman & Managing Director, Air India Limited	Member	Chairman (Nominee Director)
Air India Nominee Director	Member	Nominee Director

The Board has accepted the recommendations of the Audit Committee.

### AUDITORS

M/s Shah Gupta & Co., Chartered Accountants, Mumbai, were appointed as Statutory Auditors for the year 2019-20 by the Comptroller & Auditor General of India.

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

**LOANS, GUARANTEES AND INVESTMENTS**

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

**SECRETARIAL AUDIT REPORT**

The Board has appointed M/s Hussain Wagh & Co., Company Secretaries, Mumbai to conduct the Secretarial Audit for Financial Year 2019-20. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2020 is annexed at Annexure IV to this Report.

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

<b>Secretarial Auditor's Observation</b>	<b>Management's Reply</b>
The Notice convening the 76th Meeting of the Board of Director was sent to the entire Director on 19th March, 2020 but the said meeting could not be held due to lock down imposed by the Government to India with effect from 25th March, 2020. Consequently only 3 Board Meeting were held during the Audit Period.	Best possible efforts were made for holding a Board meeting in the month of March, for which notice was also issued on 19 <sup>th</sup> March, 2020. However, due to nationwide lockdown implemented across the country consequent upon COVID-19 and further due to lethal effects of the pandemic the same could not be held. The Company ensures to comply with the provisions of Companies Act in this regard, in future.
The Company has not appointed Woman Director as required under the second proviso to Section 149(1) read with Rule 3 of the Companies (Appointment and Qualification of directors) Rules, 2014.	This is a statement of fact.  The Matter was taken up with Ministry of Civil Aviation for necessary action in the matter and accordingly Smt. Amrita Sharan Women Director, AI nominee has been appointed on the Board of company w.e.f 11.09.2020.

**COST AUDIT**

During the financial year 2019-20, the Cost Audit Report has been filed with the Ministry of Corporate Affairs on 13 May 2019. This Cost Audit Report pertains to the year 2017-18 and the Cost Auditors were M/s Meena Gupta & Associates, Cost Accountants, and Mumbai. The same Cost Auditors were appointed for the Financial Year 2018-19 and 2019-20.

**SIGNIFICANT & MATERIAL ORDERS**

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

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****(A) Conservation of Energy and Technology Absorbtion**

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

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



average and it, is performing well.

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

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

	<b>USD in Millions</b>
Earnings	USD 20.42
Outgo	USD 3.98

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted Corporate Social Responsibility (CSR) Committee as under, in compliance with the provisions of Section 135 of the Companies Act, 2013, the Rules made thereunder and the guidelines formulated by the Department of Public Enterprises. As on 31<sup>st</sup> March, 2020, the CSR Committee comprises of

Shri Rajiv Bansal	Chairman
Shri Vimlendra Anand Patwardhan	Member
Shri Satyendra Kumar Mishra	Member
Shri Vinod Shanker Hejmadi	Member

Shri Rajiv Bansal has been appointed as Chairman of the Company with effect from 14<sup>th</sup> February, 2020 vice Shri Ashwani Lohani and accordingly, Shri Rajiv Bansal replaced Shri Ashwani Lohani on the CSR Committee effective that date.

The Board in its Meeting held on 23 May 2016 approved the CSR Policy and further revised the CSR Policy in its meeting held on 11<sup>th</sup> June, 2020. The Board has also approved an expenditure of Rs.20.74 (million) towards CSR activities during the financial year 2019-20 after considering the profitability of the Company.

It has been decided that with the said amount, the company will make contribution toward promotion of education and skill development.

**CORPORATE GOVERNANCE**

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

**EXTRACT OF ANNUAL REPORT**

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

**PARTICULARS OF EMPLOYEES**

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

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

Similarly, Section 197 shall not apply to a Government Company. Consequently, statement showing the names and other particulars of every employee of the Company, who if employed throughout / part of the



Financial Year, was in receipt of remuneration in excess of the limits set out in the Rules, is not provided in terms of Section 197(12) read with Rule 5(1) / (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

## **DEPOSITS**

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

## **ANNUAL EVALUATION**

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

## **INDEPENDENT DIRECTORS AND DECLARATION**

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

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

## **NOMINATION & REMUNERATION COMMITTEE**

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

## **REMUNERATION POLICY**

### **Remuneration to Executive Directors and Non-Executive Directors**

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

## **RISK MANAGEMENT**

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

- Provide an overview of the principles of Risk Management
- Explain approach adopted by the Company for Risk Management
- Define the Organisational Structure for effective Risk Management
- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions
- Identify, assess and manage existing and new risks in a planned and co-ordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets.



**DIRECTORS**

During the Financial Year 2019-20, the following changes have occurred in the constitution of Directors of the Company:

Sr. No.	Name	Designation	Date of Appointment	Date of Cessation	Mode of Cessation
1	Shri Arun Kumar	Nominee Director	24.01.2019	10.07.2019	Ceased to be Nominee Director
2	Shri Praveen Garg	Nominee Director	21.08.2019	18.02.2020	Ceased to be Nominee Director
3	Shri Ashwani Lohani	Chairman	14.02.2019	14.02.2020	Ceased to be Chairman
4.	Shri Rajiv Bansal	Chairman	14.02.2020		
5	Shri Vimlendra Anand Patwardhan	Nominee Director	20.03.2020		

**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 74<sup>th</sup> Meeting held on 6<sup>th</sup> September 2019 to enter into contracts / arrangements with Air India Limited and its subsidiary companies (Government Companies) for an estimated amount of approximately Rs.490 Crores during 2019-20.

**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 2020 will be annexed to this Report.

**ACKNOWLEDGEMENTS**

The Board gratefully acknowledges the support and guidance received from Air India Limited, the Ministry of Civil Aviation, Airport Authority of India, Bureau of Civil Aviation Security. The Board expresses its grateful thanks to the Comptroller and Auditor General of India, the Ministry of Corporate Affairs, the Statutory Auditors and various other Government Departments.

**For & on behalf of the Board**

Sd/-  
**Rajiv Bansal**  
Chairman

**Place : New Delhi**

**Date : 18.12.2020**





## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. ANALYSIS OF FINANCIAL PERFORMANCE

#### Revenue

- Total revenue earned during the year was Rs. 7088.01 million as against restated Rs. 7050.08 million during 2019-20.

#### Expenditure

- The total expenditure incurred during the year was Rs. 5749.44 million as compared to the restated previous year's figure of Rs.5889.19 million.

### 2. FUTURE OUTLOOK

AI Airport Services Limited, a wholly owned subsidiary of Air India Limited was operationalised on 1<sup>st</sup> February, 2013 and started its independent operations effective April 2014. Presently, it provides ground handling services at 81 Airports in India. Apart from handling the flights of Air India and its Subsidiary Companies, ground handling is also provided to 36 Foreign Scheduled Airlines, 3 Domestic Scheduled Airlines, 3 Regional Airlines, 9 Seasonal Charter Airlines, 23 Foreign Airlines availing Perishable Cargo handling. Additionally AI Airport Services Limited also provides cabin cleaning & cabin dressing services besides undertaking repairs of aircraft Unit Load Device (ULD) and meal carts. Ground Handling was provided for 1,33,668 flights (Air India and Subsidiaries) and 25,020 flights of scheduled and non-scheduled customer airlines during 2019-20.

AI Airport Services Limited operations along with financials will continue to achieve higher trajectory growth in the coming years. The major earnings are from handling international flights thereby the foreign exchange inflow will be available towards foreign procurement as well as possibly deriving foreign exchange gains in revenue earnings to the Company. AI Airport Services Limited with Pan India presence is to be the market leader in the country and with its capability should be able to venture into few of the foreign countries wherever Air India is operating.

During the ongoing strategic sale process, entire equity stake in AI Airport Services Limited is proposed to be sold by Air India Limited. The strong profitability track record of AI Airport Services Limited should be able to attract more investors in the current aviation scenario in India.

### 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 662.13 million during 2019-20.

With the National Civil Aviation Policy-2016 coming into effect, India's ground handling sector has been dramatically transformed.

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



#### **4. HUMAN RESOURCES**

##### **Staff Strength**

The number of staff inducted on Contract under various categories as on 31 March 2020 was 13245. The number of employees deputed and transferred from Air India to AI Airport Services Limited was 14 and 1190 respectively.

#### **5. RISK MITIGATION STRATEGIES**

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

#### **6. INTERNAL CONTROL SYSTEMS**

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



## REPORT ON CORPORATE GOVERNANCE

### Board of Directors

As per Articles of Association of the Company, the number of Directors shall not be less than three and not more than fifteen.

### BOARD OF DIRECTORS AS ON 31 MARCH 2020

Shri Rajiv Bansal, Chairman	Chairman & Managing Director Air India Limited
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Shri Vinod Shanker Hejmadi Director(Finance), Air India Limited	Air India, Nominee Director
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Shri Vimlendra Anand Patwardhan Jt. Secretary & Financial Advisor Ministry of Civil Aviation	Government Nominee Director
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Shri Satyendra Kumar Mishra Joint Secretary Ministry of Civil Aviation	Government Nominee Director
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Shri Ashwani Lohani, who was appointed as Chairman effective 14<sup>th</sup> February, 2019 *vice* Shri Pradeep Singh Kharola, ceased to be Chairman Effective 14<sup>th</sup> February, 2020 and Shri Rajiv Bansal was appointed Chairman of the Company effective that date.

The Board places on record its appreciation of the valuable services rendered by Shri Ashwani Lohani as Chairman of the Company.

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

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

### Board Meetings

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

20<sup>th</sup> June, 2019 (73<sup>rd</sup> Meeting)

06<sup>th</sup> September, 2019 (74<sup>th</sup> Meeting)

03<sup>rd</sup> December, 2019 (75<sup>th</sup> Meeting)

27<sup>th</sup> March, 2020 (76<sup>th</sup> Meeting cancelled consequent upon nationwide Lockdown)

Three Meetings of the Board of Directors of the Company were held during the Financial Year 2019-20 as detailed above. However, the meeting for the last quarter was supposed to be held on 27<sup>th</sup> March, 2020 and the notice of which had been circulated to all directors on 19<sup>th</sup> March, 2020, although it couldn't convened due to nationwide lockdown implemented by Government of India consequent upon COVID-19 outbreak.

Particulars of Directors including their attendance at the Board / Shareholders' Meetings during the financial year 2019-20:



<b>Name of the Director</b>	<b>Academic Qualifications</b>	<b>Attendance out of 3 Board Meetings held during the year</b>	<b>Details of Directorships held in other Companies</b>	<b>Memberships held in Committees</b>
<b>Shri Ashwani Lohani</b> Chairman (from 14 <sup>th</sup> February, 2019 to 14 <sup>th</sup> February, 2020)	Mechanical Engineer & Fellow of Chartered Institute of Logistic & Transport	3	<u>Chairman</u> Air India Limited, Air India Express Limited, AI Airport Services Limited, AI Engineering Services Limited, Alliance Air Aviation Limited, Hotel Corporation of India Limited, Air India Asset Holding Limited <u>Director</u> Air India SATS Airport Services Pvt Ltd, Air Mauritius Ltd, Air Mauritius Holdings Ltd	<u>Chairman</u> Corporate Social Responsibility Committee-AI Airport Services Limited  <u>Member</u> Nomination & Remuneration Committee-Air India Limited; Audit Committee - Hotel Corporation of India Limited and AI Airport Services Limited  <u>Permanent Invitee</u> Audit Committee-Air India Limited, Alliance Air Aviation Limited and AI Engineering Services Limited
<b>Shri Rajiv Bansal</b> Chairman (from 14 <sup>th</sup> February, 2020)	Civil Engineer from IIT Delhi, Diploma in Finance, ICFAI, Hyderabad Exe Masters in International Business, IIFT, Delhi	0	<u>Chairman</u> Air India Limited, Air India Express Limited, AI Airport Services Limited , AI Engineering Services Limited, Alliance Air Aviation Limited, Hotel Corporation of India Limited, Air India Asset Holding Limited, Air India SATS Airport.	<u>Chairman</u> Corporate Social Responsibility Committee-AI Airport Services Limited  <u>Member</u> Nomination & Remuneration Committee- Air India Limited; Audit Committee-Hotel Corporation of India Limited and AI Airport Services Limited



<b>Name of the Director</b>	<b>Academic Qualifications</b>	<b>Attendance out of 3 Board Meetings held during the year</b>	<b>Details of Directorships held in other Companies</b>	<b>Memberships held in Committees</b>
			<u>Director</u> Air Mauritius Ltd, Air Mauritius Holdings Ltd, Bharat Yantra Nigam Limited	<u>Permanent Invitee</u> Audit Committee-Air India Limited, AI Engineering Services Limited ,Alliance Air Aviation Limited
Shri Arun Kumar Addl Secretary & Financial Advisor, Ministry of Civil Aviation-Government Nominee Director (From 24 <sup>th</sup> January, 2019 to 10 <sup>th</sup> July, 2019)	B.A.(Hons.)	1	<u>Director</u> Air India Limited, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Limited, Pawan Hans Ltd., Indian Renewable Energy Development Agency Limited (IREDA), Solar Energy Corporation of India Ltd. (SECI), Air India Assets Holding Limited	<u>Chairman</u> Audit Committee- AI Airport Services Limited and Hotel Corporation of India Limited; AI Engineering Services Limited. Share Allotment Committee- Air India Limited  <u>Member</u> Audit Committee-Air India Limited CSR Committee-AI Airport Services Limited
Shri Satyendra Kumar Mishra  Jt. Secretary, Ministry of Civil Aviation -Government Nominee Director (From 2 <sup>nd</sup> February, 2017)	M.Tech (Applied Geology)  M.A. (Public Policy)	3	<u>Director</u> Air India Limited, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Ltd, Air India Assets Holding Limited	<u>Member</u> Nomination & Remuneration Committee- Air India Limited;  HR Committee- Air India Limited; Audit Committee- AI Airport Services Limited, AI Engineering Services Limited and Hotel Corporation of India Limited; Air India Asset Holding Limited



Name of the Director	Academic Qualifications	Attendance out of 3 Board Meetings held during the year	Details of Directorships held in other Companies	Memberships held in Committees
				<p>CSR Committee- AI Airport Services Limited, Air India Limited.</p> <p>Strategic Committee-Air India Limited.</p>
<p>Shri Vinod Shanker Hejmadi</p> <p>Air India Nominee Director</p> <p>(From 7<sup>th</sup> December, 2015)</p>	B.Com., ACA	3	<p><u>Director</u></p> <p>Air India Ltd,</p> <p>Air India Express Ltd, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Ltd,</p> <p>Alliance Air Aviation Limited ,Air India SATS Airport Services Pvt Ltd, Air India Assets Holding Limited</p>	<p><u>Chairman</u></p> <p>HR Committee- Air India Limited;</p> <p>Corporate Social Responsibility Committee- Air India Express Limited</p> <p><u>Member</u></p> <p>Nomination &amp; Remuneration Committee- Air India Limited; Corporate Social Responsibility &amp; Sustainability Development Committee- Air India Limited;</p> <p>Corporate Social Responsibility Committee- AI Airport Services Limited,</p> <p>Share Allotment Committee- Air India Limited;</p> <p>Audit Committee- Hotel Corporation of India Limited, AI Airport Services Limited, Air India Express Limited, AI Engineering Services Limited and Alliance Air Aviation Limited.</p> <p>Finance Committee- Air India Limited.</p> <p><u>Special Invitee:</u></p> <p>Audit Committee-Air India Limited.</p>



<b>Name of the Director</b>	<b>Academic Qualifications</b>	<b>Attendance out of 3 Board Meetings held during the year</b>	<b>Details of Directorships held in other Companies</b>	<b>Memberships held in Committees</b>
				<u>Co-Opted Member</u> <u>Strategic Committee-Air India Limited</u>
Shri Praveen Garg Addl Secretary & Financial Advisor, Ministry of Civil Aviation-Government Nominee Director (From 21 <sup>st</sup> August, 2019 to 18 <sup>th</sup> February, 2020)	Chartered Accountant	2	<u>Director</u> Air India Limited, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Limited, Pawan Hans Ltd., Indian Renewable Energy Development Agency Limited (IREDA), Solar Energy Corporation of India Ltd. (SECI),	<u>Chairman</u> Audit Committee- AI Airport Services Limited and Hotel Corporation of India Limited;  <u>Member</u> Audit Committee-Air India Limited CSR Committee-AI Airport Services Limited
Shri Vimlendra Anand Patwardhan, Joint Secretary & Financial Advisor, Ministry of Civil Aviation-Government Nominee Director (From 20 <sup>th</sup> March, 2020)	B.Com	0	<u>Director</u> Air India Limited, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Limited, Air India Asset Holding Limited, Pawan Hans Ltd., Indian Renewable Energy Development Agency Limited (IREDA), Solar Energy Corporation of India Ltd. (SECI).	<u>Chairman</u> Audit Committee- AI Airport Services Limited and Hotel Corporation of India Limited; AI Engineering Services Limited, Share Allotment Committee- Air India Limited <u>Member</u> Audit Committee-Air India Limited, , Solar Energy Corporation of India Ltd (SECI) CSR Committee-AI Airport Services Limited Remuneration Committee-, Solar Energy Corporation of India Ltd

**Board Committees****Audit Committee**

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

As on 31 March 2020, the following were the Members of the Audit Committee:

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

The terms of reference of this Committee are:

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

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

AGM Number	Date and time of the Meeting	Venue	Special Resolution
14 <sup>th</sup>	7 <sup>th</sup> December 2017 at 1745hrs	Airlines House, 113 Gurudwara Rakabganj Road, New Delhi 110 001	NIL
14 <sup>th</sup> (Adjourned)	20 <sup>th</sup> February, 2018 at 1100hrs	Airlines House, 113 Gurudwara Rakabganj Road, New Delhi 110 001	NIL





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



## **CODE OF CONDUCT**

### **DECLARATION**

I hereby declare that all the Board Members & Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors for the year ended 31 March 2020.

Sd/-  
**(Ashvini Sharma)**  
CEO

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

Place : Delhi

Date : 18.12.2020



## 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 than Rs.10 lakhs against approved allocated budget

III. CSR Focus Area Projects / Programs / Activities

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

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

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

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

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

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



- The area in the proximity to AI APS's operation area / locations
  - In Backward Region Grant Fund (BRGF) districts as identified by Planning Commission
  - Where there is a strategic connect for AI APS
- (f) CSR projects / programs / activities will be implemented through implementing partners / specialized agencies. The minimum eligibility criteria for an implementing partner are as follows :
- It must be a registered society, trust, company or any specialized agency having minimum of three years of experience post registration in handling activities of similar nature.
  - Experience of working with any government body or public sector enterprise will be preferred.

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

**IV. CSR Budget / CSR Spend**

- (i) As provided under the Companies Act, 2013 AI APS shall earmark as CSR Budget at least 2% of the average net profits of the Company during the three immediately preceding financial years.
- (ii) Budgetary allocation :
- (a) Not less than 60% of the budget will be allocated for activities in a project mode.
  - (b) Not more than 5% of the budget will be allocated for capacity building and communications.
  - (c) Balance budget could be for one time and other social activities.
  - (d) In case the Company fails to spend the budget in any particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which shall be reported by the Board in the Directors' Report for that particular financial year. Any surplus arising out of the CSR projects / programs/ activities shall not form part of the business profit of the Company.

**V. Monitoring Mechanism**

- (i) Monitoring process will be a two tier mechanism through
- (a) CSR Committee on quarterly basis
  - (b) CSR Working Committee and Representatives of entities with which the Company decides to collaborate together would ensure effective implementation and monitoring of the projects / programs/ activities approved by the CSR Committee. They will submit periodic reports to the CSR Committee on the progress of various projects / programs / activities approved by the Committee.
- (ii) In addition to the above, at the end of the year third party impact assessment of major projects will be carried out.

**VI. Publication of CSR Policy and Programs**

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

**VII. Policy Review and Future Amendment**

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

**AI AIRPORT SERVICES LIMITED**

(FORMERLY KNOWN AS AIR INDIA AIR TRANSPORT SERVICES LIMITED)

Project Report on CSR Activities

Financial Year 2019-20

Sr No.	Particulars								
1	<p><b>A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs</b></p> <ul style="list-style-type: none"> <li>■ The Board of Directors of the Company have adopted a CSR Policy, which includes implementation of CSR activities in the areas of Education, Skill Development, Women Empowerment, Environment, Rural Development, Child and Women Health, etc. The Company's Policy is to focus on making positive contribution to the society through high impact, sustainable programs. At least 60% of the CSR budget would be allocated for CSR activities in a project mode. The Company will implement CSR activities to empower weaker, less privileged and marginalised sections of the society to create social capital.</li> <li>■ The CSR focus area projects / programs / activities are inspired by the National Development Policies and would cover various areas as detailed in the CSR Policy. These activities could be undertaken in the proximity of the Company's operation area, BRGF districts as identified by Planning Commission and where there was a strategic connect for the Company.</li> <li>■ The CSR projects / programmes / activities would be implemented through implementing partners / specialized agencies, the selection of whom would be based on the laid down criteria.</li> </ul>								
2	<p><b>The Composition of the CSR Committee</b></p> <p>We have a Board Committee (CSR Committee) that inter alia formulates the CSR Policy, recommends CSR Budget for approval of the Board, approves CSR projects with a monetary value of Rs.50 lakhs and above and monitor CSR Policy to ensure that the CSR objectives are met. The CSR Committee comprises of</p> <table> <tr> <td>Shri Rajiv Bansal</td><td>Chairman</td></tr> <tr> <td>Shri Vimlendra Anand Patwardhan</td><td>Member</td></tr> <tr> <td>Shri Satyendra Kumar Mishra</td><td>Member</td></tr> <tr> <td>Shri Vinod Shanker Hejmadi</td><td>Member</td></tr> </table>	Shri Rajiv Bansal	Chairman	Shri Vimlendra Anand Patwardhan	Member	Shri Satyendra Kumar Mishra	Member	Shri Vinod Shanker Hejmadi	Member
Shri Rajiv Bansal	Chairman								
Shri Vimlendra Anand Patwardhan	Member								
Shri Satyendra Kumar Mishra	Member								
Shri Vinod Shanker Hejmadi	Member								
3	<p><b>Average Net Profit of the Company for last three financial years</b></p> <p>Rs.1,037,440,680/- (Rupees One Hundred and Three Crores Seventy Four Lakhs Forty Thousand Six Hundred &amp; Eighty Only.)</p>								



4	<p><b>Prescribed CSR Expenditure (Two Per Cent of the amount as in Item 3 above)</b></p> <p>Rs.2,07,48, 814/- (Rupees Two Crore Seven Lakhs Forty Eight Thousand Eight Hundred and Fourteen Only). However, as during previous years, an amount of Rs.4,35,08,569 /- remained unspent out of which Rs. 5,00,000/- and Rs. 98,67,000 has already been contributed in Bee Hive Junior School/Bee Hive Educational Society and Prayas-Juvenile Aid Centre respectively in Financial Year 2019-20. Hence, the amount of Rs. 3,31,41,569/- remained unspent, it was proposed to spend Rs.5,38,90,383/- (Rupees Five Crores Thirty Eight Lakhs Ninety Thousand Three Hundred and Eighty Three Only) during 2019-20.</p>
5	<p><b>Details of CSR spent during the Financial Year</b></p> <p><b>(a) Total amount to be spent for the Financial Year</b></p> <p>Rs.5,38,90,383/- (Rupees Five Crores Thirty Eight Lakhs Ninety Thousand Three Hundred and Eighty Three Only)</p> <p>(Rs.2,07,48, 814/- of 2019-20 and Rs. 3,31,41,569/- unspent from last few years)</p> <p><b>(b) Amount unspent, if any</b></p> <p>Rs.5,38,90,383/- (Rupees Five Crores Thirty Eight Lakhs Ninety Thousand Three Hundred and Eighty Three Only)</p> <p><b>(c) Manner in which the amount spent during the Financial Year</b></p> <p>See Annexure attached</p>
6	<p><b>In case Company has failed to spend the Two Per Cent of the average Net Profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report</b></p> <p>The company was required to spend Rs.5,38,90,383/- on CSR activities during Financial Year 2019-20 (Rs.2,07,48, 814/- of 2019-20 and Rs. 3,31,41,569/- unspent from last few years) . The Company has contributed during 2019-20 Rs. 5,00,000 in Bee Hive Junior School/Bee Hive Educational Society and Rs.98,67,000/- Prayas-Juvine aid Centre. However considering that the desired level of CSR spending could not be carried out. The matter was placed before the board along with CSR budget approval for FY 2019-20 in a meeting dated 03rd December 2019. Management now has decided to carry forward the entire unspent amount in F.Y 2020-21.</p>
7	<p><b>A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company</b></p> <p>We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR project sand activities in compliance with our CSR Objectives.</p>

For AI Airport Services Limited

(Formerly Known as Air India Air Transport Services Limited)

Sd/-  
Rajiv Bansal  
Chairman of CSR Committee

Sd/-  
Ashvini Sharma  
Chief Executive Officer



**ANNEXURE**

<b>Sr No. (1)</b>	<b>CSR Project or activity (2)</b>	<b>Sector in which the Project is covered (3)</b>	<b>Location of the Project or Programme (4)</b>	<b>Amount Outlay (Budget) (5)</b>	<b>Amount spent on the Projects or Programs (6)</b>
<b>(i) Expenditure on Projects / Programs</b>					
<b>(a)</b>	Summer Camp organized by Bee Hive Junior School, 2019 for differently abled children and slum children.	School/ Education	Delhi	Rs. 2,07,48,814/- (2019-20) plus Rs. 3,31,41,569 /- (Unspent from last few years)	Rs. 5,00,000/-
<b>(b)</b>	Integrated Programme on education and skills building for school drop outs, out of school children and for vulnerable youth for livelihood empowerment in the project of Prayas JAC Society	School/ Education		Total - Rs.5,38,90,383/-	Rs. 98,67000/-
<b>(ii) Overhead</b>					
-					

**For AI Airport Services Limited**

**(Formerly Known as Air India Air Transport Services Limited)**

**Sd/-  
Rajiv Bansal  
Chairman of CSR Committee**

**Sd/-  
Ashvini Sharma  
Chief Executive Officer**





## Annexure III

**ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR 2019-20****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	9 <sup>th</sup> June 2003
3.	Name of the Company	AI AIRPORT SERVICES LIMITED (FORMERLY KNOWN AS AIR INDIA AIR TRANSPORT SERVICES LIMITED)
4.	Category/Sub-category of the Company	Government Company
5.	Address of the Registered office & contact details	2nd Floor, GSD Building, Air India Complex, Terminal-2, IGI Airport, New Delhi South West Delhi DL 110037 IN
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg Vikhroli (West) Mumbai – 400083 +91 22 49186000

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:**

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

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



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2019]				No. of Shares held at the end of the year [As on 31-03-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	-	138424200	138424200	100	138424191	9	138424200	100	
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>		138424200	138424200	100	138424191	9	138424200	100	
<b>B. Public Shareholding</b>	Not Applicable								
<b>1. Institutions</b>									
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									
<b>Sub-total (B)(1):-</b>									

### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2019]				No. of Shares held at the end of the year [As on 31-03-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions	Not Applicable								
a) Bodies Corp. (Market Maker + LLP)									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2019]				No. of Shares held at the end of the year [As on 31-03-2020]				% Change during the year
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
c) Others (specify)									
i) Non Resident Indians									
ii) Non Resident Indians - Non Repatriable									
iii) Office Bearers									
iv) Directors									
v) HUF									
vi) Overseas Corporate Bodies									
vi) Foreign Nationals									
vii) Clearing Members									
viii) Trusts									
ix) Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		138424200	138424200	100	138424191	9	138424200	100	

### B) Shareholding of Promoter-

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

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

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



Sr No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding at end of the year	
	<b>At the end of the year</b>				
	Air India Limited	138424200	100	138424200	100

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

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NOT APPLICABLE				
2					
3					
4					
5					
6					
7					
8					
9					
10					

**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding at the end of year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Ashwani Lohani (As Nominee of Air India Limited)	1	0	1	0
2	Shri Vinod Hejmadi (As Nominee of Air India Limited)	1	0	1	0
	<b>Total</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>

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



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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Figures in Rs.)

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

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



## B. Remuneration to other directors

Sr No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors						
	Fee for attending board committee meetings						
	Commission	-	-	-	-	-	-
	Others, please specify (Fees for attending Board Sub Committee Meetings)	-	-	-	-	-	-
	<b>Total(1)</b>	-	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-
		-	-	-	-	-	-

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

(figures in million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
					Total
1	Gross salary	0.967	*	*	0.967
	(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		-	-	

\* Not applicable to Government Companies. Only CFO and CS are KMPs during F.Y 2019-20.



The Chief Financial Officer is holding the position in addition to his responsibility as General Manager-Finance in Air India Ltd..

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



**FORM NO. MR.3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.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)  
CIN-U63090DL2003PLC120790  
2<sup>nd</sup>Floor, GSD Building, Air India Complex,  
Terminal-2, IGI Airport, New Delhi South West  
Delhi-110037

I 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) [CIN-U63090DL2003PLC120790] (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and as per the explanations given to me and the representation made by the Management, I hereby report that in my opinion, the Company has, during the Audit Period covering the financial year ended on 31<sup>st</sup> March, 2020('Audit Period')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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (Not applicable to the Company during the Audit Period);
- (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);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(Not applicable to the Company during the Audit Period);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the Audit Period);





- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - (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); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- (vi) Having regard to the compliance system prevailing in the Company and on the basis of the Compliance Certificates/Management Representation Letters issued by the designated officers of the Company, the Company has complied with the following laws applicable specifically to the Company:
- (a) The Payment of Gratuity Act, 1972;
  - (b) The Payment of Bonus Act, 1965;
  - (c) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - (d) The Regulations, Circulars, Requirements, Orders, Notifications, issued by Ministry of Civil Aviation, Bureau of Civil Aviation Security and the Directorate General of Civil Aviation.
  - (e) Guidelines on Corporate Governance for Central Public Sector Enterprises.

I further report that, based on the information provided and the representation made by the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws including labour laws.

I 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 and other designated professionals.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) Equity Listing Agreement and Debt Listing Agreement entered with National Stock Exchange of India Limited and BSE Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Not applicable to the Company);

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

- i. *The Notice convening the 76<sup>th</sup> Meeting of the Board of Directors was sent to all the Directors*



*on 19<sup>th</sup> March, 2020 but the said meeting could not be held due to lock down imposed by the Government of India with effect from 25<sup>th</sup> March, 2020. Consequently only 3 Board Meeting were held during the Audit Period.*

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

I/we further report that:-

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

Adequate Notice is given to all Directors as regards the schedule of the Board Meetings and Committee Meetings, agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

Decisions at the Board Meetings, as represented by the Management, were taken unanimously.

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

I further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Sd/-

**Husain Y. Wagh**

Practicing Company Secretary

(ICSI Unique Code S2013MH227200)

ACS No: 32996

Certificate of Practice No-12153

UDIN: A032996B001561963

Place : Mumbai

Date : 19<sup>th</sup> December, 2020

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



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

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

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

Sd/-

**Husain Y. Wagh**

Practicing Company Secretary  
(ICSI Unique Code S2013MH227200)  
ACS No: 32996  
Certificate of Practice No-12153  
UDIN: A032996B001561963

Place : Mumbai  
Date : 19<sup>th</sup> December, 2020



**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 2020**

The preparation of financial statements of **AI AIRPORT SERVICES LIMITED** for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 December 2020.

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 2020 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 Financial Position**

**Current liabilities**

**Trade Payable - ₹ 84.62 crore (Note 17)**

The above does not include ₹ 0.88 crore towards bills of M/s Accelya Kale for use of their Software by the Company to carry out the International Air Transport Association (IATA) billing in respect of third-party Airlines handled by the company. The company is showing the above amount {notes forming part of financial statements, para 22 A 2 (ii)} as contingent liability instead of recognising the same as a liability.

Thus, the above has resulted in understatement of Trade Payable and Expenses by ₹ 0.88 crore and overstatement of Profit as well as Contingent Liabilities to the same extent.

**B. Comments on Cash Flow Statement**

1. The Company is having a bank balance of USD 589877.22. However, in compliance with Ind AS 7, the effect of exchange rate changes on the bank balance held in foreign currency amounting to ₹0.14 crore has not been shown separately in the cash flow statement.
2. Cash and Cash Equivalents includes three term deposits amounting to ₹0.17 crore which are under lien and hence not available for use by the Company. However, in compliance with Ind AS 7, this fact has not been disclosed in the Cash Flow Statement.
3. Fixed Assets amounting to ₹135.82 crore have been purchased, however, payment of ₹47.97 crore only has been made to the vendor and ₹87.85 crore is being shown under Financial Liabilities. The Company has taken the impact of ₹87.85 crore under 'Increase/decrease in Trade Payables' while calculating Cash Flow from Operating Activities and has shown total purchase amount of Rs.135.82 crore under 'Purchases of Property, Plant & Equipment' while calculating Cash Flow from Investing Activities. Since, this is not an operating activity, its impact should not have been taken under Cash Flow from Operating



Activities and also, the purchase of fixed assets should have been shown on net cash outflow basis i.e. ₹47.97 crore instead of showing full purchase price of ₹135.82 crore.

Thus, the above treatment has resulted in overstatement of Cash generated from Operations and understatement of Cash Flow from investing activities by ₹87.85 crore and has also resulted in non-compliance of Ind AS 7 relating to Statements of Cash Flow.

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

Sd/-  
**(Rina Akoijam)**  
**Principal Director of Audit (Infrastructure)**  
**New Delhi**

Place: New Delhi

Dated: 19 February 2021



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF AI AIRPORT SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

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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 Financial Position**

**Current liabilities**

**Trade Payable – ₹ 84.62 crore (Note 17)**

The above does not include ₹0.88crore towards bills of M/s Accelya Kale for useof their Software by the Company to carry out the International Air Transport Association (IATA) billing in respect of third-party Airlines handled by the company. The company is showing the above amount {notes forming part of financial statements, para 22 A 2 (ii)} as contingent liability instead of recognising the same as a liability.

Thus, the above has resulted in understatement of Trade Payable and Expenses by ₹0.88 crore and overstatement of Profit as well as Contingent Liabilities to the same extent.

**Management Reply:**

At the time of operationalisation of the Ground Handling Subsidiary, AI Airports Services, in October 2004, it was proposed by M/s. Kale that the Company will be billed @ Rs. 100/- per flight processed and this proposal was specific only for a period of 1 year. The agreement was not formalised and no concrete agreement / contract was entered and the arrangement continues to exist and the services are being availed by the Company.

As there was no formal agreement, the company has shown the same under Contingent Liability and has not booked the invoices. In the absence of the signed understanding between the parties since 2015, AI Airport Services Limited started reflecting the amounts billed by M/s. Kale under Contingent Liability effective 31st March 2019.

The total amount outstanding as per the claim submitted by the party and the bill wise details of the same are as attached.



Bills raised in name of AIATSL	103,69,540
<b>Less: Payments taken on account</b>	<b>16,00,000</b>
	-----
Balance as Contingent Liability	87,69,540
	-----

We have noted the observations made by the Government audit team about adopting a conservative approach and booking the same should have been adopted instead of providing the same under Contingent Liability.

The Company is making efforts to resolve the long pending issue of entering into agreement during 2020-21 and arrange to account the same as well, as replied to the HMs and PC raised by the CAG.

## B. Comments on Cash Flow Statement

1. The Company is having a bank balance of USD 589877.22. However, in compliance with Ind AS 7, the effect of exchange rate changes on the bank balance held in foreign currency amounting to ₹0.14 crore has not been shown separately in the cash flow statement.

### Management Reply

The effect on exchange rates on cash and cash equivalent of USD 589877.22 is Rs. 431,87,700.10, However the exchange rate whilst converting at FEDAI rate the conversion of USD 589877.22 works out to Rs. 446,33,059.85 which leads to a difference of Rs. 14,45,359.75 which is also included in the total unrealised gain of Rs. 275.07 Million accounted under Other Income of Profit & Loss Account.

As decided by the Audit Team the amount of exchange gain on the cash and cash equivalent of USD 589877.22 is Rs. 14,45,359.75 was not reported separately.

2. Cash and Cash Equivalents includes three term deposits amounting to ₹0.17 crore which are under lien and hence not available for use by the Company. However, in compliance with Ind AS 7, this fact has not been disclosed in the Cash Flow Statement.

### Management Reply

The details of lien on Fixed Deposit have been indicated in the Notes (No 9 and No 10) forming part of the Balance Sheet. The same however has not been disclosed separately as a note in the Cash Flow Statement. Sufficient disclosures will be made effective FY 2020-21.

3. Fixed Assets amounting to ₹135.82 crore have been purchased, however, payment of ₹47.97 crore only has been made to the vendor and ₹87.85 crore is being shown under Financial Liabilities. The Company has taken the impact of ₹87.85 crore under 'Increase/decrease in Trade Payables' while calculating Cash Flow from Operating Activities and has shown total purchase amount of Rs. 135.82 crore under 'Purchases of Property, Plant & Equipment' while calculating Cash Flow from Investing Activities. Since, this is not an operating activity, its impact should not have been taken under Cash Flow from Operating Activities and also, the purchase of fixed assets should have been shown on net cash outflow basis i.e. ₹47.97 crore instead of showing full purchase price of ₹135.82 crore.

Thus, the above treatment has resulted in overstatement of Cash generated from Operations and understatement of Cash Flow from investing activities by ₹87.85 crore and has also resulted in non-compliance of Ind AS 7 relating to Statements of Cash Flow.

### Management Reply

The statement of cash flows is required to report cash flows classified by operating, investing and financing





activities along with the components of cash and cash equivalents at the beginning and end of the reporting period. An entity shall report cash flows from operating activities using either the 'direct method' or the 'indirect method'.

Under direct method, major classes of gross cash receipts and payments are presented. However, under indirect method, profit or loss is adjusted for the effects of transactions of a non-cash nature; deferrals or accruals of past or future operating cash receipts or payments; and items of income or expenses associated with investing or financing cash flows. In line with that adjustments have been made to arrive at cash inflow and/or outflow from the operations. Any change in account receivable or payable from one accounting period to the next accounting period must be reflected in cash flow. In any account if the receivable decreases it means more cash has entered the company or any if account payable increases it will be assumed that the company did not pay for all of the expenses that were included in the current period's income statement. As a result, the company's cash balance should have increased by more than the reported amount of net income.

Many investing and financing activities do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The exclusion of noncash transactions from the statement of cash flows is consistent with the objective of a statement of cash flows as these items do not involve cash flows in the current period. Examples of non-cash transactions are: (a) the acquisition of assets either by assuming directly related liabilities or by means of a finance lease; (b) the acquisition of an entity by means of an equity issue; and 12 (c) the conversion of debt to equity.

Operating activities are the activities that constitute the primary or main activities of an enterprise. Cash Outflows from operating activities includes Cash payments to suppliers for goods and services, Cash payments to and on behalf of the employees, Cash payments to an insurance enterprise for premiums and claims, annuities, and other policy benefits.

Further Indirect method of ascertaining cash flow from operating activities begins with the amount of net profit/loss. This is so because the statement of profit and loss incorporates the effects of all operating activities of an enterprise. However, Statement of Profit and Loss is prepared on an accrual basis (and not on cash basis). Moreover, it also includes certain non operating items such as interest paid, profit/loss on sale of fixed assets, etc.) and non-cash items (such as depreciation, goodwill to be written-off, etc. Therefore, it becomes necessary to adjust the amount of net profit/loss as shown by Statement of Profit and Loss for arriving at cash flows from operating activities

1. The amount of Rs.135.82 Cr has been reflected towards purchase of fixed assets against which an amount of Rs 47.97 Cr has been paid to the vendor. The balance of Rs. 87.85 Cr disclosed under Other financial liabilities as payable to capital creditors. While preparing the cash flow statement, the same has inadvertently been considered under increase / decrease of trade payables and reflected as cash flow from operating activity as against cash generation from investing activity.
2. There is no impact on overall cash generated from operation and net cash from operating activities.

We assure you that any deviation in presentation or disclosure, if any, will be corrected in 2020-21.





## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF AI AIRPORT SERVICES LIMITED (FORMERLY KNOWN AS AIR INDIA AIR TRANSPORT SERVICES LIMITED)

Report on the Audit of the Financial statements

#### Qualified Opinion

We have audited the accompanying Financial statements of **AI Airport Services Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the Financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

1. The Company has carried forward following account balances which are pending reconciliation / adjustments (if any) as at March 31, 2020:
  - a. The Company has accounted for ground handling service revenue from IATA platform based on physical service documents received from the stations and booked through the Miscellaneous Billing System Platform. This revenue is subject to rejections/adjustments by the Customer. All such rejections up to FY 2016-17 have been provided for. The Company is in the process of rebilling the customers and is in correspondence for recovery of the outstanding amount. Balance outstanding in respect thereof as at March 31, 2020 is Rs.504.69 million against which the Company has made expected credit loss allowance of Rs.233.08 million. We have relied on the management contention for realisation of such balances equivalent to the value reported and hence, no further adjustments are required to be made.
  - b. Recording and accounting of expenses relating to Employee Benefits is not automated. During the course of verification various statutory delay in compliances regarding provident fund, ESIC, Professional tax, Tax Deducted at Sources have also been observed. Further, we report that Employee Benefits related accounts have reported adverse balances which are under reconciliation and are reported on net basis. We are unable to ascertain impact of such balances on the financial statements. Balances of Goods and Service Tax, Income Tax assets and Tax Deducted at source are under reconciliation with the respective statutory returns. The Company is in the process of reconciling the said balances and assessing the impact on financial statements. We are unable to ascertain impact of such balances on the financial statements. We have relied on the management contention that reconciliation of such balances will not result in material impact on the financial statements and hence, no further adjustments are required for the current year.
  - c. The Company has collected airport authority levy in respect of ground handling services provided to parties other than Air India Limited and its group companies. As at March 31, 2020, such levy



for the past five years is classified under other financial liability. This amount is under reconciliation with the Airport Authority of India. Pending adjustments of such levy, the management does not expect material impact on the financial statements.

- d. (i) (i) The Company has entered into leases for various commercial premises/vehicles etc. (with option to purchase/renew but title of the same may or may not eventually be transferred) which are scattered at various locations/stations/regions, the Company is in the process of collating the necessary information for evaluating the applicability of the Ind AS 116 – Leases.
- (ii) The Company is in the process of entering into a comprehensive arrangement outlining the details of all the services including lease services, electricity, insurance, staff travel, material management services, IT services etc provided by the Holding Company. In the absence of approved master service agreement, the Company unable to identify lease obligations to comply with the requirements of IND AS 116 – Lease Accounting.

Pending evaluation, these leases have not been considered as Right-of-Use asset under Ind AS 116 and rent of the same has been charged systematically to the Statement of Profit & Loss for the current year. We have relied on the management contention that the impact of the same will not be material.

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

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

### **Emphasis of Matter**

1. We draw attention to Note 51 to the financial statements which explains the management assessment for the impact of COVID-19 pandemic on the financial statements. In view of the highly uncertain future economic conditions associated with the pandemic, the actual impact on the financial statements in the subsequent periods is highly dependent upon the circumstances as they evolve.
2. We draw attention to Note 48 (i) of the financial statements, the Company has not provided for impairments of financial assets (Trade and Other Contractual Receivables) using provision matrix in accordance with the requirements of Ind AS – 109 "Financial Instruments". During the year, the Company has computed cumulative effect of Expected Credit Loss as on March 31, 2020 applying simplified approach for trade and other contractual receivables from the parties other than the group companies amounting to Rs.521.93 million. The Company has considered Rs. Nil towards expected credit loss in respect of receivable from the group companies.
3. We draw attention to Note 25 to the financial statements, the Company has restated its Financial Statements for the year ended March 31, 2019 in accordance with Ind AS – 8, "Accounting Policies, Changes in Accounting Estimates and Errors". Prior Period adjustments consists of errors/omissions on account of recording of revenue & expenses and effect of receivable/payable reconciliations. Accordingly,



net effect amounting to Rs.133.31 million has been considered in the Statement of Profit and Loss of the previous year with corresponding effect in related assets/liabilities. This has resulted into decrease in profit before tax and other comprehensive income by Rs.133.31 million and Rs.Nil respectively with corresponding reduction of other equity by Rs.133.31 million for the previous year.

4. The Company earns majority of its revenue by providing services to Air India Limited (the Holding Company). As explained to us, the Company is in the process of entering into a comprehensive arrangement outlining the details of all the services to be provided by both, *inter-se*. In the absence of approved master service agreement, the Company has recorded its transactions based on rate chart approved by both the parties. We have relied on the management contention that effect of master service agreement would not be material and will be considered in the year in which it will be signed.
5. We draw attention to Note 31 to the financial statements, the Company is charging interest at the rate of 9% p.a. on overdue balances of receivables in respect of group companies, namely, Air India Limited, Air India Express, Air India Engineering Services Limited and Alliance Airlines Private Limited. During the current year, interest on overdue payments amounting to Rs.269.41 million (previous year Rs.148.19 million) has been booked as Other Income. We have relied on the management contention that such amount will be fully recovered and hence, no further adjustments are required for the current year.
6. We draw attention to Note 29 to the financial statements, the Company has inventories consisting of stores and spares amounting to Rs.86.77 million. 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 is at-least equal to the carrying value in the books and hence, no further adjustments are required for the current year.
7. We draw attention to Note 27 to the financial statements, the balances of trade payable and trade receivable are subject to balance confirmation (except in case of group companies) and reconciliation. Pending such reconciliation trade payable has been reported net of debit balance amounting to Rs.38.86 million and trade receivable net of credit balance amounting to Rs.100.48 million. In the absence of adequate reconciliation, we are unable to ascertain impact of such reconciliation on the financial statements. The Company is in the process of evaluating recoverability of receivables considering COVID-19 pandemic. Pending such analysis, impact of COVID-19 on the Company's financial statements cannot be determinable as at the date of approval of these financial statements.

Our opinion is not modified in respect of these matters.

### **Information Other than the Financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of the Management for the Financial statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial statements**

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

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

- Identify and assess the risks of material misstatement of the Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.



If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial statements, including the disclosures, and whether the Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 (ii) to evaluate the effect of any identified misstatements in the Financial statements.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.
  - d. Except for the indeterminate effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e. The outcome of the matter described in the Basis for Qualified Opinion paragraph above in our opinion, may have an adverse effect on the functioning of the Company.
  - f. In pursuance to the Notification No. G.S.R. 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, sub-section (2) of section 164 of the Act pertaining to disqualification of directors, is not applicable to the Government Company.
  - g. With respect to the adequacy of the internal financial controls over financial reporting with reference to Financial statements of the Company and the operating effectiveness of such controls, refer to





our separate Report in “Annexure B” to this report.

- h. In term of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Act relating to managerial remuneration are not applicable to the Company.
- i. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by sub-section (5) of Section 143 of the Act and in terms of directions issued by the Comptroller and Auditor General of India during the course of audit of annual accounts of AI Airport Services Ltd, we report that:

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

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

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

The Company does not have any borrowings during the year.

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

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

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

Sd/-  
**Vipul K Choksi**  
Partner

M. No. 037606  
UDIN: 20037606AAAADM6320

Place: Mumbai  
Date: December 18, 2020



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AI Airport Services Limited of even date)**

- (i) (a) The Company has maintained Property, Plant and Equipment (PPE) register based on available details in the books of account. However, fixed assets register showing full particulars, including quantitative details and situation of fixed assets is not maintained.
- (b) The Physical verification of the assets had been carried out by the third party during the year 2018 and the report had been submitted by them during August 2019. The necessary accounting action as regards shortages and excess have been given effect during the current year. The shortages amounting to Rs.20.08 million identified by the agency have been fully depreciated during the current year. Also, 1427 numbers of surplus assets identified during the physical verification have been capitalised at Re.1 each in the books of account in the current year.

As per the policy of the Company, the physical verification of PPE has to be carried out once in two years. As per the said policy Physical verification was due for FY 2020, however, the same could not be carried out in during the year. Effectiveness of Physical verification of the fixed assets by the management, cannot be commented upon, in absence of physical verification.
- (c) The Company does not own any immovable properties and, hence, reporting under paragraph 3 (i)(c) of the order is not applicable to the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification needs to be further strengthened. The discrepancies noticed on verification between the physical stocks and the book records are appropriately accounted for except that the inventories held by the Company on behalf of its Group Companies are under reconciliation and will be given effect to upon final reconciliation.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us, and the records of the company examined by us, in our opinion, the Company is not regular in depositing with the appropriate authorities undisputed



statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. Non-compliances have been noticed regarding payment of dues in respect of provident fund, employees' state insurance, Professional tax, income tax, Tax Deducted at Sources, goods and service tax. Further, balances of Goods and Service Tax and Tax Deducted at source are under reconciliation with the respective statutory returns. In the absence of adequate information, we are unable to opine on the same.

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

Name of the Statute	Nature of dues	Amount (Rs in million)	Period to which the amount relates
Employees Provident Fund Act, 1952	Provident Fund	14.40	Under Reconciliation
Employees State Insurance, 1948	ESIC Dues	13.80	Under Reconciliation
Professional Tax	Professional Tax	7.60	Under Reconciliation
Income Tax Act, 1961	Tax Deducted at source	0.91	Under Reconciliation
Goods and Service Tax	TDS on GST (Section 51)	Cannot be ascertained	Under Reconciliation

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

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

- (viii) Based on our examination of documents and records, the Company has not taken any loan from a financial institution, a bank, the government or issued debentures. Accordingly, reporting under paragraph 3 (viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, reporting under paragraph 3 (ix) of the Order is not applicable.
- (x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer or employees has been noticed or reported during the year.
- (xi) In term of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Act relating to managerial remuneration are not applicable to the Company. Accordingly, reporting under paragraph 3 (xi) of the Order is not applicable.





- (xii) The Company is not a Nidhi Company. Accordingly, reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records, the Company being a government company, transactions with other government companies are exempt for the compliance of Section 188 of the Act, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs. Details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 of the Act, to the extent applicable, for transactions with the related parties, except in respect of following transactions wherein the transaction was ratified at a subsequent audit committee.

Nature of Related Party relationship	Underlying transaction	Amount involved (Rs in million)	Remarks (details of non-compliance)
Holding Company	Expense transaction such as Information Technology (IT) charges, Material Management Services, Lease/Rent expenses, Recovery of Insurance expenses/ electricity charges, Staff Travel and welfare expenses	205.73	Approval from Audit Committee not taken for such expense transactions entered for the FY 2019-20
Fellow Subsidiary	Handling Charges	13.91	
Fellow Subsidiary	Staff Travelling Expenses	1.08	

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

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Sd/-  
**Vipul K Choksi**  
Partner

M. No. 037606  
UDIN: 20037606AAAADM6320

Place: Mumbai  
Date: December 18, 2020



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **AI Airport Services Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Financial statements.

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

A Company's internal financial control over financial reporting with reference to these Financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these Financial



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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial statements**

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

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020:

- (a) Deficiencies in the design of internal control over the preparation of the financial statements being audited:
  - (i) Documented Standard Operating Procedures as required by the guidance note on Internal Financial Controls over Financial Reporting for critical processes are not in place.
  - (ii) Authorisation controls such as maker/checker controls in accounting software needs further strengthening.
  - (iii) Absence or inadequate segregation of duties (including responsibility chart and job descriptions) within a significant accounting process.
  - (iv) Inadequate utilization of information technology (IT) general and application controls preventing the information system from providing complete and accurate information consistent with financial reporting objectives and current needs.
  - (v) The absence of an internal process to report deficiencies in internal control to management on a timely basis.
  - (vi) Payroll is a significant process considering the size of Company's Operations. However, it has been observed that various processes such as attendance, leave records, details of new joiners and resigned employees, payment of statutory dues, etc. are not fully automated and maintained manually.
- (b) Inadequacy of controls designed to safeguard assets from loss, damage, or misappropriation. The Company did not have appropriate internal controls for reconciliation of physical inventory and fixed assets with the books of account.
- (c) Timely reconciliations of certain significant accounts such as accounts receivables, accounts payables, statutory dues with returns and payroll balances are not reconciled in an accurate manner.



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

- (i) Restatement of previously issued financial statements to reflect the correction of a material misstatement. This indicates that cut-off procedures while closing of books is not working efficiently.
- (ii) Non-compliances in complying with the laws and regulations by the entity as referred in Point vii of Annexure A to the Independent Auditors' Report has been observed. This indicates an ineffective regulatory compliance function.

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

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on financial statements.

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

Sd/-  
**Vipul K Choksi**  
Partner

M. No. 037606  
UDIN: 20037606AAAADM6320

Place: Mumbai  
Date: December 18, 2020



## Pending Litigation cases against the company as at 31-Mar-2020. Estimated Financial Impact INR 13.9647Million

Sr. No.	Stn	Classification of petition	Case No	Petitioner	Petition filed against	Respondent	Petition filed before	Date of filing	Name of Lawyer	Brief Description	Amount in Millions	Present Status	Financial Impact
1	BOM	Criminal	WP - 4295 of 2015	Sr.Executives of AIATSL	Mr.K.J.Dhoke	Sr. Police Inspector, Sahar Police Station	Bombay High Court	03.03.2015	M/s Kini & company (1 & 2 - petition has been clubbed)	Against FIR filed by Sr.AGM (GS) Mr.Dhoke against the executives of AIATSL in 2015 on account of termination of his services for disobeying instructions relating to his transfer from BOM to ATQ. The present petition is for quashing the said FIR filed by Mr.Dhoke under Atrocities Act 1969.	0.450	Pending hearing	The fees for appearance in respect of M/S Kini & Company along with the association of senior council for hearing before the High Court. The Implication may be 4 & half Lakhs
2	BOM	Criminal	WP-4772 of 2015	Sr.Executives of AIATSL	Mr.M.D.Mokal	Sr. Police Inspector, Sahar Police Station	Bombay High Court	03.03.2015		The High Court while interim order dated 07.03.2017 directed assistant commissioner of police and others that no coversteps be taken against the petitioner and the investigation officer has to submit the investigation report in the next date of hearing			
3	BOM	Civil	Contempt petition - 25 of 2018 in W.P.No. 1730 of 2015	Mr.K.J.Dhoke	AIR INDIA & OTHERS	AIATSL - Respondent - 5,6,7	Bombay High Court	09.03.2018	M/s Kini & company	This is against the Management of AIR INDIA and others for not implementing the recommendation of National Commission of SC/ST orders dated 24th October 2017 relating to reengagement in respect of Mr.Dhoke.	0.200	Pending hearing	The fees for appearance in respect of M/S Kini & Company along with the association of senior council for hearing before the High Court. The Implication may be 2 & Lakhs
4	BOM	Civil	W.P 2018	Mr.S.S.Holkar	AIR INDIA & OTHERS	AIATSL - Respondent - 2,3,5,6	Bombay High Court	11.04.2018	M. L. Lancy D'souza	This petition is for not releasing retirement benefits as the petitioner has failed to get his Tribe certificate verified by the caste scrutiny committee	0.100	Pending hearing	No impact but the impact is 1 Lakh in respect of Adv Lancy D'Souza
5	BOM	W.P	W.P. - 2018	Air Employees Guild	AIR INDIA & OTHERS	AIATSL - Respondent - 5,6,7	Bombay High Court	06.12.2018	M/s Kini & company	AIEG have filed the petition in respect of absorption of Security Agents and Sr.Security Agents in Air India who are engaged by AIATSL.	0.200	Pending hearing	Nil except the appearance of M/S Kini & Co. of Rs.2Lakhs
6	BOM	Ref-CGIT	Ref. CGIT 1/15 of 2007	Bahujan Kamgar Union	AIRINDIA	AIATSL Respondent-2	Industrial Tribunal	11.06.2007	Adv.Mr.Lancy D'souza	For regularization of casual labours. The matter is between the Bahujan Kamgar union and M/s Air India however AIATSL has also been made a party in the said reference.	0.050	Pending hearing	Nil except the fees of appearance of Adv Lancy D'Souza i.e Rs.50,000/-
7	BOM	Ref-CGIT	Ref. CGIT - 2/12-2016	M.L.Shetty	AIATSL	AIATSL	Industrial Tribunal	22.12.2016	Adv.Mr.Lancy D'souza	It is against the punishment of removal from services for misconduct relating to loss of business to the company.He has asked for Re-instatement with back wages in services till his normal retirement i.e.31.12.2016.	0.225	Pending hearing	2 Lakhs apart from the fees for appearance of Adv Lancy D'Souza of Rs 25,000/-
8	BOM	Ref-CGIT	Ref.CGIT-2/13 of 2017	Mr.M.D.Mokal	AIR INDIA	AIATSL - Respondent - 2	CGIT No.2, Mumbai	13.01.2017	Adv.Mr.Lancy D'souza	It is against the punishment of lowering down increment by 3 stages in timescale of pay for willful subordination or disobedience of any lawful or reasonable order of superior, neglect of work, quarrelling with an officer of the company in connection with the working of the company and threatening the co-workers and officers of the company.	0.050	Pending hearing	Nil except the fees of appearance of Adv Lancy D'Souza i.e Rs.50,000/-
9	BOM	Ref-CGIT	Ref.CGIT 2/13-2016	Mr.S.T.Katkar	AIATSL	AIR INDIA Respondent - 2	Industrial Tribunal	23.02.2017	Adv.Mr.Lancy D'souza	The workman is challenging the order dated 01.03.2016 regarding his removal from the services for misconduct relating to defamation of AIATSL Executives. He is demanding continuity in services with full back wages.	1.450	Pending hearing	14 Lakhs Approximately apart from the fees of appearance of Adv Lancy D'Souza i.e Rs.50,000/-
10	BOM	Ref-CGIT	Ref.CGIT 2 / 3 of 2017	Mr.P.N.Powar	AIATSL	AIATSL	Industrial Tribunal	13.07.2017	Adv.Mr.Lancy D'souza	It is against the punishment of removal from the services relating to willful insubordination or disobedience of any lawful and reasonable order of his superior and neglect of work. He is asking for Re-insitment in service with full back wages and other benefits.	1.450	Pending hearing	14 Lakhs Approximately apart from the fees of appearance of Adv Lancy D'Souza i.e Rs.50,000/-
11	BOM	Ref-CGIT	Ref. CGIT - 2/15-2017	Mr.S.V.Adhav	AIATSL	AIATSL	Industrial Tribunal	26.11.2017	Adv.Mr.Lancy D'souza	This reference is against the termination of contract for misconduct. He has claimed Reinstatement with full back wages w.e.f 17/10/2017 - date of termination of contract	0.250	Adjoined 07.08.2019 to filing documents	2Lakhs apart from the fees of appearance of Adv Lancy D'Souza i.e Rs.50,000/-
12	BOM	Ref-CGIT	Ref.No. CGIT-2 / 27 of 2018	BKS (Bhartiya Kamgar sena) Mr.Kiran Shelar & Amol Kadam	AIATSL	AIATSL	Industrial Tribunal	01.08.2018	Adv.Mr.Lancy D'souza	Termination of Services of Mr.Kiran Shelar & Amol Kadam eff. 30.01.2018 for instigating FTC employees and participating in the illegal morcha organised by BKS on 19.01.2018 thereby posing a threat to law and order situation in AIATSL premises thereby tarnishing the image of company.	0.050	Pending hearing	Nil except the payment in respect of Adv Lancy D'Souza Rs.50,000/-
13	BOM	Payment of Gratuity Claim	A P P L N C / 1 / 3 6 ( 2 9 ) of 2014	Mr.P.Muthu	AIR INDIA	AIATSL - Respondent - 2	Controlling Authority under PG Act 1972	11.03.2014	Adv.Mr.Lancy D'souza	AIATSL has already made the payment of gratuity for his service in AIATSL. However he is claiming the gratuity for his service through the contractor in Air India. The matter is related to Air India, however AIATSL has been made a party in the said matter,adjoined to 26.07.2018 for evidence of Management. This employee retired 02.05.2014 and not in service. AIATSL came into existence from 01/10/2014 and hence no liability for AIATSL/AIASL.	0.015	Pending hearing	Nil except the payment in respect of Adv Lancy D'Souza Rs.15,000/-
14	BOM	Payment of Gratuity Claim	A P P L N C / 1 / 3 6 ( 2 3 ) of 2014	Mr.S.G.Ghawali	AIR INDIA	AIATSL - Respondent - 2	Controlling Authority under PG Act 1972	23.09.2014	Adv.Mr.Lancy D'souza	AIATSL has already made the payment of gratuity for his service in AIATSL. However he is claiming the gratuity for his service through the contractor in Air India. The matter is related to Air India, however AIATSL has been made a party in the said matter. The matter is adjourned to 26.07.2018 for arguments. This employees was not an AIATSL Employee and no gratuity payment made by AIATSL For this employee hence no liability	0.015	Pending hearing	Nil except the payment in respect of Adv Lancy D'Souza Rs.15,000/-
15	AMD	Ref-CGIT	Ref (CGIT) No. 62 of 2018	Mr.Aznan Khan Pathan, Customer Agent (Temp)	AIATSL	AIATSL	CGIT cum labour court, Ahmedabad	18.07.2018	Adv. Kini & Co	Termination from service for illegal participation in strike held on 04.06.2018 thereby affecting smooth functioning of flight handling activity at Ahmedabad	0.020	pending hearing	Nil except the payment in respect of M/S Kini & Co. of Rs.20,000/-
16	AMD	Ref-CGIT	Ref (CGIT) No. 63 of 2018	Ms.Shalu Bhatiya, Customer Agent (temp)	AIATSL	AIATSL	CGIT cum labour court, Ahmedabad	18.07.2018	Adv. Kini & Co	Termination from service for illegal participation in strike held on 04.06.2018 thereby affecting smooth functioning of flight handling activity at Ahmedabad	0.020	pending hearing	Nil except the payment in respect of M/S Kini & Co. of Rs.20,000/-



17	Mumbai	Gratuity Matter	2018	S.T.Katkar	AIATSL	AIATSL	Controlling Authority under PG Act 1972	Mar-18	Adv.Mr.Lancy D'souza	He has been paid with gratuity of Rs.3,62,200/-. He is claiming more to the tune of Rs.6,37,800/-. This employee is a deputed employee to AIATSL and retired on 28/02/206 and final settlement made by Air India for Rs 6,37,800 in May 2018 hence no liability towards the employee.	0.300	Pending hearing	for	Impact is of 3Lakhs including the charges of Adv Lancy D'Souza
18	Mumbai	WP	968/2019	Air India Karmachari Sangh	AIR INDIA	AIATSL	High Court	Mar-19	Adv. Kini & Co	Regularisation of Services of Casual Labours engaged by Air India whose contracts+K28 have been terminated. AIATSL has been made a party	0.015	Pending hearing	for	Nil except the appearance charges of M/S Kini & Co. of Rs. 15000/-
19	Mumbai	Ref-CGIT	REF-2/13-2019	S.K.Yadav	AIATSL	AIATSL	Labour Court	Apr-19	Adv.Mr.Lancy D'souza	Against the non renewal of the contract due to non qualifying avsec examination in 5 attempts	0.015	Pending hearing	for	Nil except the appearance charges of Adv Lancy D'souza of Rs. 15000/-
20	Mumbai	Ref-CGIT	REF-2/14-2019	S.J.Rathod	AIATSL	AIATSL	Labour Court	Apr-19	Adv.Mr.Lancy D'souza	Against the non renewal of the contract due to non qualifying avsec examination in 5 attempts	0.015	Pending hearing	for	Nil except the appearance charges of Adv Lancy D'souza of Rs. 15000/-
21	Mumbai	Ref-CGIT	REF-2/15-2019	V.A.Lokhande	AIATSL	AIATSL	Labour Court	Apr-19	Adv.Mr.Lancy D'souza	Against the non renewal of the contract due to non qualifying avsec examination in 5 attempts	0.015	Pending hearing	for	Nil except the appearance charges of Adv Lancy D'souza of Rs. 15000/-
22	Mumbai	W.P	986 of 2019	Air India Karmachari Sangh	AIR INDIA	AIATSL	High Court	Mar-19	Adv. Kini & Co	Regularisation of Services of Casual Labours engaged in earstwhile Indian Airlines.	0.020	Pending hearing	for	Nil except the appearance charges of M/S Kini & Co. of Rs.20,000/-
23	Mumbai	Contempt Petition	C.P of 2018 in W.P 369/18	AIATSL	BKS	BKS	High Court	Apr-19	Adv.Mr.Lancy D'souza	Contempt of the High Court Order dated 01.02.2018 in W.P 369 of 2018 by BKS deliberating the contempt order	0.050	Pending hearing	for	Nil except the appearance charges of Adv Lancy D'souza of Rs. 50000/-
24	AMD	Ref	Ref.181 of 2018	Mr.A.Paisaniya	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
25	AMD	Ref	Ref.112 of 2018	Mr.S.Masoori	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
26	AMD	Ref	Ref.109 of 2018	Mr.T.Parmar	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
27	AMD	Ref	Ref 162 of 2018	Mr.S.Waghela	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
28	AMD	Ref	Ref 153 of 2018	Mr.M.Rawal	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
29	AMD	Ref	Ref 142 of 2018	Mr.G.Patni	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
30	AMD	Ref	Ref 114 of 2018	Ms.Shamila Singh	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
31	AMD	Ref	Ref 97 of 2018	Mr.S.Janavade	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
32	AMD	Ref	Ref 110 of 2018	Mr.N.Dagar	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
33	AMD	Ref	Ref 143 of 2018	Mr.Imran Saiyed	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
34	AMD	Ref	Ref 107 of 2018	Mr.Shanukh Ansari	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
35	AMD	Ref	Ref 96/2018	Mr.M.Mullani	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
36	AMD	Ref	Ref 113 OF 2018	Mr.A. Desai	AIATSL	AIATSL	Industrial Tribunal - AMD	02.04.2019	Adv. Kini & Co	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
37	Mumbai	Ref	CGIT-2/11 of 2019	Mr.Ajit Salunke	AIATSL	AIATSL	Industrial Tribunal - MUM	02.05.2019	Adv.Mr.Lancy D'souza	Against termination of contractual engagement	0.000	Pending hearing	for	Nil
38	Mumbai	Civil	WP 2940 of 2019	Aviation Industry Employees Guild	AIR INDIA & OTHERS	AIATSL - Respondent -5,6,7	Bombay High Court	25.10.2019	M/s Kini & company	This is against the Management of AIR INDIA and others for renewing 6 month engagement instead 3 yrs (FTC).	0.300	next hearing is on 16.02.2020	for	The fees for appearance in respect of M/S Kini & Company along with the association of senior council for hearing before the High Court. The Implication RS 60000 for each appearance in court



39	CCU	Mr. Surajit Das, Handyman, Staff No.52338.	Mr. Surajit Das signed on the Attendance Register for 16 days from 1st November, 2018 till 13th May, 2019, whereas it was revealed from the Deployment Roster that he had remained absent from duties on the said days. A show cause notice was issued to him calling for his explanation for the above act of fraudulent activity on his part. As his explanation was not found satisfactory, his contract engagement was terminated w.e.f. 7th June, 2019, as per the terms of the Contract.	13.08.2019	The next joint discussion/conciliation is fixed for 20th November, 2019, before ALG(Central), Kolkata	13th August, 2019 & 22nd October, 2019	Nil estimate cost				□ 0.000		
40	RAIPUR		Reference No-RP-26(53)/2018-LEO-II	L a b o u r Enforcement Officer, Raipur Shri Prashant J. Tirpude on 09th July 2018 with reference to notice no. RP-26(53)/2018-LEO-II.	Prashant J. Tirpude			09th July 2018	AIATSL is a contractor hence contract labour licence of AIATSL as per form V(a) is to be submitted. The principal employer registration details / documents of Air India to be submitted.	PENDING	□ 0.100	13.09.19	Nil except the payment in respect of Legal orbit appearing for each hearing for Rs.20,000/-
41	DEL	Civil	COMP148/24/13	LEO, NEW Delhi	AIATSL	AIATSL	B e f o r e Patiyala House, Delhi	01.07.2018	Relating to the regularities under Contract Labour (R & A) 1970	Pending for hearing	□ 0.100		Nil except the payment in respect of Kini & Sons appearing for each hearing for Rs.20,000/-
42	LUCKNOW	Writ Petition	Writ Petition No.13064/2018 (S/S)	Sunil Kumar Pandey	1. Union of India Secretary Civil Aviation 2. Chief Managing Director Air India 3. Chief Executive Officer, AIATSL 4. GMPGH(NR), AIATSL / Executive_HH, AIATSL 5. Sr.AGM-GH, AIATSL, L K O 6. Officer IR/Legal, AIATSL	1. Union of India Secretary Civil Aviation 2. Chief Managing Director Air India 3. Chief Executive Officer, AIATSL 4. GMPGH(NR), AIATSL / Executive_HH, AIATSL 5. Sr.AGM-GH, AIATSL, L K O 6. Officer IR/Legal, AIATSL	Dy.Registrar, High Court, Allahabad, Lucknow Bench, Lucknow	2.5.2018	Has challenged the termination issued vide letter No. AIATSL/LKO/9003/614 dated 10.4.2018	Hearing to be held on 15.7.2019 was Listed for hearing Ref Lawyer awaiting For hearing date.	□ 0.100	Not communicated yet	Nil except the payment in respect of Kini & Sons appearing for each hearing for Rs.20,000/-
43	Srinagar	Writ Petition		Mr. Shakira Nazir Khan	Air India Ltd. AIATSL	AIATSL	High Court of J & K		Interim order pass by Court for reinstate her terminated services	Pending for hearing	□ 0.100	After hearing of 30.08.2019. Next hearing date intimations awaited	Nil except the payment in respect of Legal orbit appearing for each hearing for Rs.20,000/-
44	Amritsar	Reinstate		Sonu Singh	AIATSL	AIATSL	Amritsar High Court		Hon court of LD. Ms Sunita Kumari Sharma (Addl District and session judge). Since his performance was not satisfactory during probationary period He was not absorbed in AIATSL as FTC staff. He filed a case with RLC amritsar	Mr Sonu who was working as engagement as Handymen in AIATSL in FTC subjected to successful completion of 6 months probation period . Since his performance was not satisfactory during probationary period He was not absorbed in AIATSL as FTC staff. He filed a case with RLC amritsar	□ 0.100		Nil except the payment in respect of Legal orbit appearing for each hearing for Rs.20,000/-
45	Jaipur			L a b o u r Enforcement Officer, Jaipur	AIATSL	AIATSL	Jaipur Labour Court				□ 0.100		Nil except the payment in respect of Legal orbit appearing for each hearing for Rs.20,000/-
46	Delhi	Writ Petition		Mansi Kaushik	AIATSL	AIATSL	Delhi				□ 0.075		Nil except the payment in respect of Legal orbit appearing for each hearing for Rs.15,000/-
47	COK	WP	WPC 15734 of 2011	CS Ravindran & Ors. v. Union of India & Ors.,	AIR INDIA & OTHERS	A I A T S L Respondent 2	High Court Cochin	10.06.2011	M/s Menen & Pai	Regularisation Case, Claim for regularisation/ absorption into service and same benefits. Counter Affidavit filed. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- plus applicable GST per case
48	COK	WP	WPC 23157 of 2011	KG Suresh Kumar & Ors. v. Union of India & Ors.,	AIR INDIA & OTHERS	A I A T S L Respondent 4	High Court Cochin	24.08.2011	M/s Menen & Pai	Regularisation Case, Allegation that some in the same situation as the Petitioners were absorbed. Prayer for regularisation/ absorption into service and same benefits. Counter Affidavit filed on 22.02.2017. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Last Hearing on 01.03.19. Pending for hearing.	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- Plus applicable GST per case





49	COK	WP	WPC 27989 of 2011	Narayanan Radhakrishna Pillai & 109 others v. Union of India & Ors.,	AIR INDIA & OTHERS	AIATS L Respondent 5	High Court	20.10.2011	M/s Menen & Pai	Claim for regularisation/absorption into service and same benefits. Counter Affidavit filed on 22.02.2017. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs. 45,500/- PLUS Applicable GST per case
50	COK	WP	WPC 15186 of 2012	Binesh Thalappilly & Ors. v. Union of India & Ors.	AIR INDIA & OTHERS	AIATS L Respondent 6	High Court	28.06.2012	M/s Menen & Pai	Claim for regularisation/absorption into service and same benefits. Counter Affidavit filed on 22.02.2017. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Last Hearing on 01.03.19. Pending for hearing.	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- plus applicable GST per case per case
51	COK	WP	WPC 12501 of 2013	VP Sony & Ors vs Union of India	AIATS L	AIATS L	High Court	20.05.2013	M/s Menen & Pai	Recruitment of Sr. RSA. Statement filed. Interim order that appointments will be subject to outcome of the writ petition. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Last Hearing on 01.03.19. Pending for hearing.	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- per case
52	COK	WP	WPC 23727 of 2016	Alimuthe v. Union of India & Ors.,	AIATS L	AIATS L	High Court	15.07.2016	M/s Menen & Pai	Non-renewal of contract of the Petitioner Alimuthe as Ramp Service Agent. Statement filed on 09.08.2016. Interim order to reinstate. Reinstated. After that not come for works for 6 months and his contract expired on 27.06.18. Thereafter his contract was not renewed by AIATS L. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Last Hearing on 01.03.19. Pending for hearing.	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- per case
53	COK	WP	WPC 32923 of 2016	VP Sony v. Union of India & Ors.	AIATS L	AIATS L	High Court	13.10.2016	M/s Menen & Pai	Non-renewal of contract August 2016 of the Petitioner as Ramp Service Agent. Counter Affidavit filed on 22.03.2017. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs. 45,500/- PLUS Applicable GST per case
54	COK	WP	WPC 32450 of 2016	Rajeev S. v. Union of India & Ors.	AIATS L	AIATS L	High Court	05.10.2016	M/s Menen & Pai	Counter Affidavit filed on 22.02.2017. Interim order to reinstate. Reinstated effective 28.12.2016. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- plus applicable GST per case
55	COK	WP	WPC 38381 of 2016	Nishanth TG v. Union of India & Ors.	AIATS L	AIATS L	High Court	30.11.2016	M/s Menen & Pai	Challenge to the Ramp Service Agent contract and posting in Vizag on grounds of victimisation. Counter Affidavit filed on 13.12.2016. No interim order. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- per case
56	COK	WP	WPC 37068 of 2016	Nishanth TG V. Union of India & Ors.	AIATS L	AIATS L	High Court	17.11.2016	M/s Menen & Pai	Challenging the recruitment of Sr. Ramp Service Agents. Counter Affidavit filed on 01.07.2017. Interim order that final appointments to be made after taking permission of the court. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- per case
57	COK	WP	WPC 36627 of 2016	VP Sony v. Union of India & Ors.	AIATS L	AIATS L	High Court	14.11.2016	M/s Menen & Pai	Challenging to the appointment of Handyman. Counter affidavit not filed yet. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- per case
58	COK	WP	WPC 41351 of 2017	Sanu A.V & 16 others V. Union of India & others.	AIATS L	AIATS L	High Court	20.12.2017	M/s Menen & Pai	Engaging into AIATS L. Counter affidavit filed. After that Petitioners filed a petition for interim direction to AIATS L to consider their engagement as on a provisional basis in view of ongoing Haj flight handling. We informed the court that AIATS L is not considered their request. Last Hearing on 23.01.19. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs. 45,500/-plus applicable GST per case
59	COK	WP	WPC 6766 of 2018	Airline Casual Employees Association & 54 others V Union of India & 6 others.	AIR INDIA	AIATS L	High Court	27.02.2018	M/s Menen & Pai	Interim order passed directing not to terminate the services of Petitioners in case they accept transfer to AIATS L. They joined in AIATS L. Vakalatnama was signed. Advocate informed that the case is between AI and casuals and AIATS L role is very limited in this case. Last date of hearing 28.03.2018. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- plus applicable GST per case





60	COK	Ref	ID No. 37/2014	Aviation Industry contractul employees Association	AIATSL	AIATSL	Industrial Tribunal - Cochin	2014	M/s Menen & Pai	Whether the action of the AIATSL Management in inducing 7 ramp supervisors at CIAL through an outsourcing agency and thereby denying promotion to the existing qualified and experienced senior Ramp Agents of the company correct? To what relief the concerned workmen are entitled to? Last date of hearing 11.10.2019 to file rejoinder by union.	□ 0.268	15.11.2019	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- plus applicable GST per case
61	COK	Ref	ID NO. 8/2016	Aviation Industry contractul employees Association	AIATSL	AIATSL	Industrial Tribunal - Cochin	2016	M/s Menen & Pai	Whether AIATSL Management has denied the entitled benefits of their contractual employees as alleged by the Union? To what benefit they are entitled to get? Case is adjourned to 10.12.19 for rejoinder.	□ 0.268	10.12.2019	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/-plus applicable GST per case
62	COK	Ref	ID NO. 9/2016	Aviation Industry contractul employees Association	AIATSL	AIATSL	Industrial Tribunal - Cochin	2016	M/s Menen & Pai	Whether the action of ACIL Management in denying the opportunity to the members of the AICEA to participate in the interview for Station Coordinators in AICL as they were possessing requisite qualification and experience is justifiable? To what relief the Union/workman is entitled to? On 20.05.19 union filed claim statement. Case is adjourned for 12.07.19 for submission of counter statement from AIATSL.	□ 0.268	6.11.2019	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- plus applicable GST per case
63	COK	Ref	ID NO. 10/2016	Aviation Industry contractul employees Association	AIATSL	AIATSL	Industrial Tribunal - Cochin	2016	M/s Menen & Pai	Whether the action of the AIATSL Management unilaterally curtailing existing rules and regulations pertaining to the various benefits extended to the contractual employees is justifiable? To what relief the Union/Workmen are entitled to? Case is adjourned to 10.12.19 for rejoinder.	□ 0.268	10.12.2019	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- per case
64	COK	Ref	ID No. 23/2016	Aviation Industry contractul employees Association	AIATSL	AIATSL	Industrial Tribunal - Cochin	2016	M/s Menen & Pai	Whether the action of management of AIATSL, Mumbai in implementing the six days shift pattern is justified? If not, what relief the Workmen concerned are entitled to? Last date of hearing 30.08.2017. Next date of hearing awaited - for filing claim statement by union	□ 0.268	22.11.2019	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- per case
65	COK	Criminal	Case.No 269 / 2017	Case.No 269 / 2017 Kerala Police Official Vs M/s. Khullar Hospitality and AIATSL	M/s.Khullar Hospitality	A I A T S L Respondent 2	JM - Court	2017	M/s Menen & Pai	Default of payment of PF & ESI contribution for the employees of Khullar Hospitality. M/s.Menen & Pai, COK is not dealing this case . COK station has no update about this case. Check with EX ED- P's office for further details.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- plus applicable GST per case
66	CCJ	WP	WPC 22317 of 2017	Mohd. Sageer A & 3 others	AIATSL	AIR INDIA & OTHERS	High Court Cochin	05.07.2017	M/s Menen & Pai	WP filed for praying to declare that the proposed termination of petitioners is illegal & violation of section 25-F of ID Act - 1947. Counter affidavit filed on 24.08.17 Last Hearing on 14.12.18. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/- plus applicable GST per case
67	COK	WP	WPC 3474 of 2018	Nishanth T.G & 4 others	AIATSL	AIATSL	High Court Cochin	31.01.2018	M/s Menen & Pai	Asking copy of enquiry report was provided to the petitioner and directing the AIATSL management to disburse 4 days pending salary. Prayed to stay the 4 day suspension order and consequences. Last Hearing on 01.03.19. Pending for hearing.	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/-plus applicable GST per case
68	COK	WP	WPC 41871 of 2018	S ree man i - kandasdas K	AIATSL	AIATSL	High Court Cochin	19.12.2018	M/s Menen & Pai	Due to non availability of Police Clearance Certificate his engagement as handyman could not be effected for which he had filed a petition for his engagement in AIATSL. The High Court order at 21.01.2019 directed respondents not to take coercive action against the petitioner. Counter affidavit filed on 05.03.2019 Interim order extended by two months from 09.04.2019	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/-plus applicable GST per case
69	COK	WP	WPC 9421 of 2019	Anulal Vs Union of India	AIATSL	AIATSL	High Court Cochin	26.03.2019	M/s Menen & Pai	He was De-rostered wef 01.02.19 for misconduct against which petition has been filed by him. Counter affidavit filed on 08.04.2019 Hearing date 27.05.2019	□ 0.268	Next hearing date 27.05.2019	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/-plus applicable GST per case



70	COK	Ref	ID NO. 11/2018	Aviation Industry contractual employees Association	AIATSL	AIATSL	Industrial Tribunal - Cochin	19.02.2019	M/s Menen & Pai	Seeking regularisation of services of contractual workers engaged on AIATSL Case is adjourned to 12.07.19 for steps by the union.	□ 0.268	13.11.2019	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/-plus applicable GST per case
71	CCJ	Section 438 of 91(i)CRPC	CMC 269/2017	Case filed by .Mr. Vijesh .S/o Vijayan . At Karipur Police station . 3 KHPL officials as R1 – R3 & Mr. Abdu Samad Babu DGM-GS as R-4	AIATSL	AIATSL	Sessions Court Manjeri , Kerala	2017	M/s Menen & Pai	A FIR is filed on the basis of complaint by a dismissed employee of a the then GHA M/s KHPL. at Karipur Police Station. case filed, 3 KHPL officials as R1 to R3 & Mr.Abu Samad Babu DGM-GS as R4 for non payment of ESI & EPF Date of next hearing not yet fixed	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs.45,500/-plus applicable GST per case
72	COK	WP	WPC 10844 of 2019	Shrinath Travel Agency Pvt Ltd Vs State of Kerala & 5 others	State of Kerala	A I A T S L Respondent 6	High Court Cochin	03.04.2019	M/s Menen & Pai	Restraining Joint RTO from demanding motor vehicle tax for the vehicles operating (owned by Shrinath) inside the CIAL premises. Last Hearing on 03.05.19. Pending for hearing. An amount of Rs 22,900 was paid during 2020-21 date 19.08.2020	□ 0.268	Date of next hearing not yet fixed	The fees for appearance in respect of M/S Menen and Pai along with the association of senior council for the case will be approx. Rs. 45,500/- PLUS applicable GST per case
73	CNN	WP	WPC 33350 OF 2019	STATE OF KERALA ,KIAL AND OTHERS	KIAL by AIATSL	KIAL	HIGH COURT OF KERALA	2019	M/s Menen & Pai	Challenging the steps initiated by KIAL to award Cargo handling to 3rd party violating the minutes they signed with AIATSL Case is adjourned and will be heard after the vacation	□ 0.150	After the vacation	Legal implication approx.1,50,000
74	MAA	WP	WP 29563 of 2012	Mr.D.Sundar raj	AIATSL	AIATSL	High Court M a d r a s	2012	N G R Prasad	Arising out of the disciplinary proceedings, Mr.D.Sounder Raj, SLNo.21651 was awarded the punishment of reduction to a lower post. Against this he filed a WP 29563/2012 and the High Court of Madras disposed off the matter with a direction to modify the order within two weeks with a liberty to the petitioner to prefer an appeal provided under Clause 24 of the Certified Standing Orders before the Appellate Authority. A modified order vide letter No.GSD/GH/06-01/2/46 dated 31 Aug 2012 against which Mr.D.Sounder Raj filed a WP 29563/2012 calling for the records passed by RMA-GS and quash the same and confer all consequential benefits.	□ 0.295	Date of next hearing not yet fixed	The fees for appearance in respect of N G R Prasad along with the association of senior council for the case will be approx. Rs.50,000/- plus applicable GST per case
75	MAA	WP	WP 14022 of 2017	Mr.D.Sundar raj	AIATSL	AIATSL	High Court M a d r a s	May-17	N G R Prasad	The employee was awarded the punishment "dismissed without retirement benefits in full" vide order dated 29.04.2017. The Petitioner has called for the records pertaining to the said order and quash the same, and direct the Respondents to confer all consequential benefits to the Petitioner. Date of next hearing not yet fixed. The Gratuity payment has been made by AirIndia on 25.05.2017 of Rs. 900,880 plus differential RS 32796 AS well hence no amount due to be paid by AIATSL	□ 0.295	Date of next hearing not yet fixed	The fees for appearance in respect of N G R Prasad along with the association of senior council for the case will be approx. Rs.50,000/- plus applicable GST per case
76	MAA	WP	WP 2901 of 2019	C.Udayasankar Air Corporations Employees vs Air India Ltd	AIR INDIA	AIATSL	High Court Madras	2018	N G R Prasad	The issue pertain to promotion of AEO in SR region. Date of next hearing not yet fixed	□ 0.295	Date of next hearing not yet fixed	The fees for appearance in respect of N G R Prasad along with the association of senior council for the case will be approx. Rs.50,000/- plus applicable GST per case
											□ 13.965		



**MANAGEMENT REPLIES TO THE INDEPENDENT AUDITOR'S REPORT ON THE  
FINANCIAL STATEMENT OF AI AIRPORT SERVICES LIMITED  
FOR THE FINANCIAL YEAR 2019-20**

Sr. No.	Independent Auditor's Comments	Management's Comment
	<b>INDEPENDENT AUDITORS' REPORT</b>  <b>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</b>	
	<p><b>Qualified Opinion</b></p> <p>We have audited the accompanying Financial statements of <b>AI Airport Services Limited</b> ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the Financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial statements").</p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31st 2020 its profit including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.</p>	
	<b>Basis for Qualified Opinion :</b>	
1.	The Company has carried forward the following account balances which are pending reconciliation / adjustment ( if any) as at March, 31 2020	
a.	The company has accounted for ground handling service revenue from IATA platform based on physical service document received from stations and booked through miscellaneous billing system platform. This revenue is subject to rejections/adjustments by the customers all such rejections upto FY 2016-17 have been provided for. The company is in the process of re billing the customers and is in correspondence for recovery of the outstanding amount. Balance outstanding in respect thereof as at March 31, 2020 is rs.504.69 million against which the company has made expected credit loss allowance of rs.233.08 million. We have relied on the management contention for realisation of such balances equivalent to the value reported and hence, no further adjustments are required to be made.	The billing on other airlines through IATA Clearing House (ICH) is done through automated system (MBS) However the basis of billing as per Ramp Assistance Form which are serially controlled and proper record are maintained on manual basis.



		<p>Billing through ICH is a well-established laid down procedure followed by most of the airlines world over. As per procedure laid down by ICH, the airlines reserve the right to recharge after following a protocol which is the normal practise. Based on the merit of the cases the company reviews the recharge and either accept the recharge or decides to re-bill the airline.</p> <p>As required by INDAS 109 a provision for doubtful recoveries has been made under ECL Model. A provision of Rs 233.08 million which represents 100% of the due amounts upto the F.Y. 2016-17 and 8.73% for the F.Y. 2017-18 and 2018-19 has been made.</p> <p>We are following up for the outstanding dues from the Airlines and are confident of reconciling and realisation of dues as they were for services provided.</p>
b	<p>Recording and accounting of expenses relating to Employee Benefits is not automated .During the course of verification various statutory delay in compliances regarding provident fund, ESIC, Professional tax, Tax Deducted at Sources have also been observed. Further, we report that Employee Benefits related accounts have reported adverse balances which are under reconciliation and are reported on net basis. We are unable to ascertain impact of such balances on the financial statements. Balances of Goods and Service tax, Income tax assets and tax deducted at source are under reconciliation with the respective statutory returns. The company is in process of reconciling the set balances and assessing the impact on financial statements.</p> <p>We are unable to ascertain the impact of such balances on the financial statements. We have relied on the management contention that reconciliation of such balances will not result in material impact on the financial statement and hence no further adjustment are required that for the current year</p>	<p>While the payroll is drawn based on the inputs in HR Module of SAP.</p> <p>The attendance is maintained manually and SAP records are updated accordingly,</p> <p>The statutory deduction of PF, PT, ESIC,TDS have been paid. However there are a few instances (non- availability of PAN/ Aadhar card and mismatch in the name of the KYC documentation of employees. In case of Employees whose UAN data is not generated no payment can be effected in the absence of</p>



		UAN number). We also have Cash flow issues due to non-receipt of funds from Holding / Group Companies and other customers. We are trying to address the issue and steps are being taken to make the payments promptly.
c	The Company has collected Airport Authority levy in respect of ground handling services provided to parties other than AirIndia Limited and its group companies .As at March 31,2020, cumulative collection towards such levy for the past five years is classified under other financial liability. This amount is under reconciliation with the Airport Authority of India. Pending adjustments of such levy, the management does not expect material impact on the financial statements.	<p>The Company has provided for the Liability in its books, however there is a difference in the amount shown as liability and the actual invoices booked which is under reconciliation with AAI and we are expecting to complete the same in 2020-21 as we have started the process by contacting the local AAI office, obtaining the invoices and accounting for the same.</p> <p>We have completed the reconciliation for few airports during 2020-21 and balance in progress and expected to be completed shortly. Any shortfall / excess will be adjusted in the coming years.</p>
d(I)	The Company has entered into leases for various commercial premises/vehicles etc.(with option to purchase /renew but title of the same may or may not eventually be transferred) which areas catered at various locations/ stations/regions, the Company is in the process of collating the necessary information for evaluating the applicability of the Ind AS 116 –Leases.	<p>The Company has provided the necessary information as per INDAS 116 in respect of the vehicles taken on lease and accounted for the same.</p> <p>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 stations/ regions, the management is in the process of collating the necessary information for evaluating the applicability of the Lease standard. Pending evaluation these have not been considered as ROU under Ind AS 116 and rent of</p>



		the same has been charged systematically to the Statement of Profit & Loss within the lease period. The management is of the view that the impact of this is not expected to be material in terms of percentage of Revenue.
d(ii)	The Company is in the process of entering into a comprehensive arrangement outlining the details of all the services including lease services, electricity, insurance, staff travel, material management services, IT services etc., provided by the Holding Company. In the absence of approved master service agreement, the Company has not complied with the requirements of IND AS 116 – Lease Accounting.	<p>The Company has agreed to make the payment in respect of shared services as per terms of the MSA.</p> <p>The execution of the MSA is in progress.</p>
	<b>Emphasis of Matter :</b>	
1.	We draw attention to Note no.51 to the financial statements which explain the management assessment for the impact of COVID-19 pandemic on the financial statements. In view of the highly uncertain future economic conditions associated with the pandemic, the actual impact on the financial statements in the subsequent periods is highly dependent upon the circumstances as they evolve.	<p>This Covid pandemic has impacted all the industries and majorly the Aviation industry.</p> <p>The actual impact on the financial statements in subsequent periods is highly dependent upon the evolving situation and circumstances and we are hopeful that the situation will improve once the vaccine is available.</p>
2.	We draw attention to Note 48 (i) of the financial statements, the Company has not provided for impairments of financial assets (Trade and Other Contractual Receivables) using provision matrix in accordance with the requirements of Ind AS – 109 “Financial Instruments”. During the year, the Company has computed cumulative effect of Expected Credit Loss as on March 31, 2020 applying simplified approach for trade and other contractual receivables from the parties other than the group companies amounting to Rs.521.93 million. The Company has considered Rs.Nil towards expected credit loss in respect of receivable from the group companies.	<p>The Company has continued to use the Simplified approach during the current year as well.</p> <p>The Company does not expect any credit Loss in respect of Group Companies outstanding and hence no provision has been made.</p>
3.	We draw attention to Note 25 to the financial statements; the Company has restated its Financial Statements for the year ended March 31, 2019 in accordance with IndAS–8, “Accounting Policies, Changes in Accounting Estimates and Errors”. Prior Period adjustments consist of errors/omissions on account of recording of revenue & expenses and effect of receivable/payable reconciliations. Accordingly, net effect amounting to Rs.133.31 million has been considered in the Statement of Profit and Loss of the previous year with corresponding effect in related assets/ liabilities. This has resulted into decrease in profit before tax and other comprehensive income by Rs.133.31	The Company had initially proposed to set threshold limits to account for the expenditure pertaining to the past year in the current year at Rs 1 million per transaction with an overall limit of 1% of turnover. However as the prior period income and expenditure exceeded the proposed threshold limit the





	million and Rs.Nil respectively with corresponding reduction of other equity by Rs.133.31 million for the previous year.	Company had to restate the books as required by IND AS -8 and the same has been reflected in the financial statements accordingly.
4.	The Company earns majority of its revenue by providing services to Air India Limited (the Holding Company).As explained to us, the Company is in the process of entering into a comprehensive arrangement outlining the details of all the services to be provided by both,inter-se. In the absence of approved master service agreement, the Company has recorded its transactions based on rate chart approved by both the parties. We have relied on the management contention that effect of master service agreement would not be material and will be considered in the year in which it will be signed.	The Company is providing services to Air India, the Holding Company on the basis of agreed upon terms which had been set out in the Master Service Agreement although the same is pending execution. The Company earns major portion of its revenue from providing ground handling services to Air India Flights and the same has been acknowledged and confirmed by Air India.
5	We draw attention to Note 31 to the financial statements, the Company is charging interest at the rate of 9% pa on overdue balances of receivables in respect of Group Companies, namely Air India, Air India Express,Air India Engineering Services Limited and Alliance Airlines. During the current year , interest on overdue payments amounting to Rs 269.41 million (previous year Rs 148.19 million) has been booked as Other Income we have relied on the Management contention that such amount will be fully recovered and hence no further adjustments are required for the current year.	<p>The Company has charged interest @9% on all overdue balances and the same has been reflected in the note 31 of the notes to Accounts as per the terms of the MSA between the parties.</p> <p>Air India and Air India Express have paid all the balances dues inclusive of interest as on 31.03.2020 in full during 2020-21.</p> <p>Further we are hopeful of collecting the same from Air India Engineering and Alliance Air as well during 2020-21. All the Group Companies have been confirmed the balances including the interest and have reflected in their books of accounts.</p>
6	We draw attention to Note 29 to the financial statements, the Company has inventories consisting of stores and spares amounting to Rs 86.77 million the inventories are transferred from Air India Limited and Air India Engineering Limited which were not used for more than 3 years. We have relied on the Management that such inventories have value in use atleast equal to the carrying value in the books and hence no further adjustments are required for the current year.	The Company has confirmed the details of the stores and spares amounting to Rs 86.77 million on hand as on 31.03.2020. There are some items pertaining to Air India Engineering inventory as well which has been identified in



		this inventory and the necessary action will be taken during F.Y. 2020-21
7	<p>Balances of trade payable and trade receivable subject are to balance confirmation and reconciliation. pending such reconciliation trade payable has been reported net of debit balance amounting to Rs.38.86 million and trade receivable net of credit balance amounting to Rs.100.48 million. In the absence of adequate reconciliation, we are unable to ascertain impact of such reconciliation on the financial statements.</p>	<p>The total trade receivables include Rs.3,855.08 Million from Group Companies which have been confirmed by the respective Group Company, which constitutes about 70 % of the Trade receivables.</p> <p>As regards the third party the balance confirmations have been sent and we have received some confirmations as well. There are some unlinked debits and credits due to clerical errors committed in data entries which are being looked into and action has been initiated to reconcile the same in full.</p> <p>As regards to trade payables, we have sent balance confirmation letter to all creditors and same is being reconciled.</p>
	Our opinion is not modified in respect of these matters.	
	<p><b>Information Other than the Financial statements and Auditor's Report Thereon</b></p> <p>The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.</p> <p>Our opinion on the Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p>	<p>The Directors Report will be submitted to auditors after same is approved by the Board.</p>
	<p>In connection with our audit of the Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.</p>	





	<p><b>Responsibilities of the Management for the financial statements</b></p> <p>The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cashflows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the Financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p> <p>Those Board of Directors are also responsible for overseeing the Company's financial reporting process.</p>	
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	<p><b>Auditor's Responsibilities for the Audit of the financial statements</b></p>	<p><b>Management Replies</b></p>
	<p>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.</p> <p>As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p>	



	<ul style="list-style-type: none"> <li>■ 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.</li> <li>■ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial statements in place and the operating effectiveness of such controls.</li> <li>■ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.</li> <li>■ 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.</li> <li>■ 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.</li> </ul> <p>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 knowledge able 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</p> <p>(ii) to evaluate the effect to any identified misstatements in the</p>	
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	<p>Financial statements.</p> <p>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.</p> <p>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.</p>	
	<b>Report on Other Legal and Regulatory Requirements</b>	
	<ol style="list-style-type: none"> <li>1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.</li> <li>2. As required by sub-section (3) of Section 143 of the Act, we report that: <ol style="list-style-type: none"> <li>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.</li> <li>b) In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.</li> <li>c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.</li> <li>d) Except for the indeterminate effects of the matters described in the Basis for Qualified Opinion paragraph above, In our opinion, the aforesaid Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.</li> <li>e) The outcome of the matter described in the Basis or Qualified Opinion paragraph above in our opinion, may have an adverse effect on the functioning of the Company.</li> <li>f) In pursuance to the Notification No.G.S.R.463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs,</li> </ol> </li> </ol>	<p>This is a statement of fact.</p> <p>This is a statement of fact.</p> <p>This is a statement of fact.</p>



	<p>sub-section(2) of section 164 of the Act pertaining to disqualification of directors ,is not applicable to the Government Company.</p> <p>g) With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to thisreport.</p> <p>h) In term of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Act relating to managerial remuneration are not applicable to the Company.</p> <p>i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule (11) of the Companies (Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanations given to us:</p> <p>i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note to the financialstatements;</p> <p>ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;and</p> <p>iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.</p>	<p>This is statement of facts.</p> <p>This is a statement of fact</p>
3.	As required by sub-section(5) of Section 143 of the Act and in terms of directions issued by the Comptroller and Auditor General of India during the course of audit of annual accounts of AI Airport Services Ltd, we report that:	
	<p>a) Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</p> <p>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.</p>	<p>The company maintains the Accounts in SAP platform and the financial information and Reports are derived from the same consistently</p>



	<p>b) Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.</p> <p>The Company does not have any borrowings during the year.</p>	<p>The company has no borrowings, hence no restructuring</p>
	<p>c) Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.</p> <p>The Company has not received funds from specific schemes from central/ state agencies during the year.</p>	<p>The Company is not covered under any specific scheme of central/ state Agencies and therefore did not receive any funds during the current financial year.</p>
	<p>APPENDIX A TO THE INDEPENDENT AUDITORS' REPORT (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of AI Airport Services Limited of even date)</p>	
	<p>(a) The Company has maintained Property, Plant and Equipment (PPE) register based on available details in the books of account. However, fixed assets registers owing full particulars, including quantitative details and situation of fixed assets is not maintained.</p>	
	<p>The Physical verification of the assets had been carried out by the third party during the year 2018 and there port had been submitted by them during August 2019. The necessary accounting action as regards shortages and excess have been given effect during the current year. The shortages amounting to Rs.20.08 million identified by the agency have been fully depreciated during the current year. Also, 1427 numbers of surplus assets identified during the physical verification have been capitalised at Rs.1 each in the books of account in the current year.</p>	<p>The necessary accounting action in respect of shortages and excess pertaining to assets identified by the third party in the Report of 2019 have been taken by the Company. The surplus Assets have been brought into the books to keep track of the assets.</p>
(i)	<p>As per the policy of the Company, the physical verification of PPE has to be carried out once in two years. As per the said policy Physical verification was due for FY 2020, however, the same could not be carried out in during the year. Effectiveness of Physical verification of the fixed assets by the management cannot be commented upon, in absence of physical verification.</p>	<p>The Company has bi-annual policy of physical verification of Assets. In view of the Covid situation the physical verification of Assets could not be carried out during FY. 2019-20.</p>
	<p>The Company does not own any immovable properties and, hence, reporting under paragraph 3 (i)(c) of the order is not applicable to the Company.</p>	<p>Statement of fact</p>
(ii)	<p>Subject to our comment in Basis for qualification above, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification needs to be further strengthened. The discrepancies noticed on verification between the physical stocks and the book records are appropriately accounted for except that the inventories held by the Company on behalf of its Group Companies are under reconciliation and will be given effect to upon final reconciliation.</p>	<p>Observation made by the Auditor is Noted</p>



(iii)	According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.	Statement of fact
(iv)	In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.	Statement of fact
(v)	According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company.	Statement of fact
(vi)	The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.	Statement of fact
(vii) (a)	<p>According to the information and explanations given to us, and the records of the company examined by us, in our opinion, the Company is not regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales- tax, goods and service tax, cess and other material statutory dues applicable to it. Non-compliances have been noticed regarding payment of dues in respect of provident fund, employees' state insurance, Professional tax, income tax, Tax Deducted at Sources, goods and service tax. Further, balances of Goods and Service Tax and Tax Deducted at source are under reconciliation with the respective statutory returns. In the absence of adequate information, we are unable to opine on the same.</p> <p>According to information and explanations given to us, we have noticed following undisputed amounts payable (pending reconciliation) which were outstanding, at the year end, for a period of more than six months from the date they became payable.</p>	





	<table><tr><th>Name of the Statue</th><th>Nature of Dues</th><th>Amount (Rs in Millions)</th><th>Period to which the amount relates</th></tr><tr><td>Employees Provident Fund Act, 1952</td><td>Provident Fund</td><td>14.40</td><td>Under Reconciliation</td></tr><tr><td>Employees State Insurance, 1948</td><td>ESIC Dues</td><td>13.80</td><td>Under Reconciliation</td></tr><tr><td>Professional Tax</td><td>Professional Tax</td><td>7.60</td><td>Under Reconciliation</td></tr><tr><td>Income Tax Act, 1961</td><td>Tax Deducted at source</td><td>0.91</td><td>Under Reconciliation</td></tr><tr><td>Goods and Service Tax</td><td>TDS on GST (Section 51)</td><td>Cannot be ascertained</td><td>Under Reconciliation</td></tr></table> <p>According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except the following:</p> <table><tr><th>Name of the Statue</th><th>Nature of Dues</th><th>Amt (Rs in millions)</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr><tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>0.15</td><td>AY 2013-14</td><td>Income Tax Appellate Tribunal (ITAT)</td></tr><tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>13.34</td><td>AY 2013-14</td><td>Commissioners (Appeals)</td></tr><tr><td>Income Tax Act, 1961</td><td>Income tax</td><td>6.60</td><td>AY 2017-18</td><td>Commissioners (Appeals)</td></tr></table>	Name of the Statue	Nature of Dues	Amount (Rs in Millions)	Period to which the amount relates	Employees Provident Fund Act, 1952	Provident Fund	14.40	Under Reconciliation	Employees State Insurance, 1948	ESIC Dues	13.80	Under Reconciliation	Professional Tax	Professional Tax	7.60	Under Reconciliation	Income Tax Act, 1961	Tax Deducted at source	0.91	Under Reconciliation	Goods and Service Tax	TDS on GST (Section 51)	Cannot be ascertained	Under Reconciliation	Name of the Statue	Nature of Dues	Amt (Rs in millions)	Period to which the amount relates	Forum where dispute is pending	Income Tax Act, 1961	Income tax	0.15	AY 2013-14	Income Tax Appellate Tribunal (ITAT)	Income Tax Act, 1961	Income tax	13.34	AY 2013-14	Commissioners (Appeals)	Income Tax Act, 1961	Income tax	6.60	AY 2017-18	Commissioners (Appeals)	<p>The company has been by and large depositing the statutory dues in a timely manner except some non compliances which have been quantified for which necessary action is being initiated to redress the issue which have been noticed during the period of audit and necessary steps are being taken to complete the same in an expeditious manner.</p> <p>Statement of fact</p>
Name of the Statue	Nature of Dues	Amount (Rs in Millions)	Period to which the amount relates																																											
Employees Provident Fund Act, 1952	Provident Fund	14.40	Under Reconciliation																																											
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Income Tax Act, 1961	Income tax	6.60	AY 2017-18	Commissioners (Appeals)																																										
(viii)	Based on our examination of documents and records, the Company has not taken any loan from a financial institution, a bank, the government or issued debentures. Accordingly, reporting under paragraph 3 (viii) of the Order is not applicable.	Statement of fact																																												
(ix)	In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, reporting under paragraph 3 (ix) of the Order is not applicable.	Statement of fact																																												



(x)	Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company by its officer or employees has been noticed or reported during the year.	This is a statement of fact
(xi)	In term of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Act relating to managerial remuneration are not applicable to the Company. Accordingly, reporting under paragraph 3 (xi) of the Order is not applicable.	This is a statement of fact
(xii)	The Company is not a Nidhi Company. Accordingly, reporting under paragraph 3 (xii) of the Order is not applicable.	This is a statement of fact
(xiii)	<p>According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and Company being a government company, transactions with other government companies are exempt for the compliance of Section 188 of the Act, in terms of notification no. G.S.R 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs. Details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.</p> <p>In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties, except in respect of following transactions wherein the transaction was ratified at a subsequent audit committee.</p>	<p>The details of Related Parties have been suitably disclosed.</p> <p>The point is noted and earlier we had obtained approval for the Revenue related transactions. We are in the process of getting the expenditure related transactions duly ratified from Audit Committee.</p>





	Nature of Related Party relationship	Underlying transaction	Amount involved	Remarks (details of non-compliance)	
			(Rs in million)		
	Holding Company	Expense transaction such as Information Technology (IT) charges, Material Management Services, Lease/Rent expenses, Recovery of Insurance expenses / electricity charge, Staff Travel and welfare expenses	205.73	Approval from Audit Committee not taken for such expense transactions for the FY 2019-20	
	Fellow Subsidiary	Handling Charges	13.91		
	Fellow Subsidiary	Staff Travelling Expenses	1.08		
	In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.				
(xiv)	During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.				This is a statement of fact
(xv)	Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.				This is a statement of fact
(xvi)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under paragraph 3 (xvi) of the Order is not applicable to the Company.				This is a statement of fact

**ANNEXURE B TO THE INDEPENDENT AUDITORS REPORT**

	Report on the internal financial controls with reference to the aforesaid Financial statements under clause (1) of subsection (3) of the Section 143 of the Act	
	We have audited the internal financial controls over financial reporting of AI Airport Services Limited ('The Company' ) as of March 31,2020 in conjunction with our audit of the Financial Statements of the Company of the year ended on that date	
	<p><b>Management's Responsibility for Internal Financial Controls</b></p> <p>The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company's considering the essential components of internal control state in the Guidance Note on Audit of Internal Financial Control over financial reporting ('The Guidance Note') issued by the Institute of Chartered Accountants of India , These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business , including adherence to Company's policies , 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 the reliable financial information as required under the Act</p>	
	<p><b>Auditors Responsibility</b></p> <p>Our responsibility is to express and opinion on the Company's internal financial controls over financial reporting with reference to theses financial statement of the company based on our audit.We have conducted the audit in accordance with the guidance note issued by the Institute of Chartered Accountants of India and the Standards on auditing prescribed under sub section (10) of section 143 of the Act to the extent applicable to an audit of internal financial controls both applicable to an audit of the Internal Financial Control and both issued by the Institute of Chartered Accountants of India , Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal controls over financial reporting with reference to these Financial Statements was established and maintained and if such controls operated effectively in all material respects</p>	
	Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their opening effectiveness .Our audit of internal financial controls over financial reporting included obtaining an	



	<p>understanding of internal financial controls over financial reporting with reference to these financial statement , assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk .The procedure selected depend on the auditors judgement , including the assessment of risks of material misstatements of the Financial statements whether due to fraud or error.</p>	
	<p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.</p>	
	<p>Meaning of Internal Financial Controls Over financial Reporting with reference to these Financial Statements</p>	
	<p>A Company's internal financial control over financial reporting with reference to these Financial statements is a process designed for provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with the generally accepted accounting principles . A Company' internal controls over financial reporting with reference to these financial statements includes those policies and procedure that</p> <ol style="list-style-type: none"> <li>1) Pertaining to the maintenance of records that in reasonable detail, accurately reflect the transactions and dispositions of the assets of the Company</li> <li>2)Provide reasonable assurances that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and the receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company</li> <li>3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition use or dispositions of the Company's assets that could have a material effect on the Financial statements</li> </ol>	
	<p>Inherent limitation of internal financial Controls over Financial Reporting with reference to these financial statements</p> <p>Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including possibility of collusion or improper management override of control misstatements due error or fraud may occur and not be deducted. Also projections of any evaluation of internal financial controls over financial reporting with reference to these financial statements to future period are subject to the risk that the internal control over financial reporting may become inadequate because of change in</p>	



	conditions, or that the degree of compliance with the policies and procedures may deteriorate.	
	<p>Qualified Opinion:</p> <p>According to the information and explanations given to us and based on our audit , the following material weakness have been identified as at March 31,2020</p>	
	Deficiencies in the design of internal control over the preparation of the financial statement being audited.	
	Documented Standard Operating Procedure as required by the Guidance Note on Internal Financial Control over financial reporting for critical process are not in place.	The Standard Operating Procedure for critical processes are not documented, however the SOP's process which were laid down by the Parent Company in past have been followed and the basic principles have been adhered to. We have also process notes for important processes as well which are being adhered to.
	ii) Authorisation controls of maker and checker controls in accounting software need further strengthening	In the absence of the adequate manpower, the same could not be fully implemented in the desired form, however we have noted the observations and steps have been taken to have Maker Checker controls in the System as also to augment the workforce.
	iii) Absence and inadequate segregation of duties (including responsibility chart within a significant accounting process).	In the absence of the adequate supervisory and operational staff in departments, the segregation of duties and job descriptions within a significant Accounting process could not be effectively implemented. However the point has been noted and necessary steps in this regard will be taken.
	iv) Inadequate utilisation of Information Technology(IT) general and application controls preventing the information system from providing complete and accurate information consistent with financial reporting objectives and current needs.	The Company has SAP system and some of the modules have not been implemented due to which complete and consistent information cannot be obtained directly from the system and requires manual intervention and presentation of information.
	v The absence of an internal process to report deficiencies in internal control to management on a timely basis.	The point has been noted



	<p>vi) Payroll is a significant process considering the size of company's operations. However, it has been observed that various processes such as attendance leave records details of the new joiners and resigned employees, payment of statutory dues are not fully automated and maintained manually</p>	<p>The payroll is processed in SAP, however only the attendance is not automated and fed in manually based on authorised data received from 70 stations.</p> <p>Steps have been taken to update the data in HR Module in SAP to update the HR data of new joiner's and resigned employees on real time basis to ensure accurate processing of payroll.</p> <p>The Company has noted the observations of the auditor and is working on remedying the situation in respect of the areas pointed out.</p>
	<p>(b) Inadequacy of controls designed to safeguard assets from loss, damage or misappropriation. The Company did not have any appropriate internal controls for reconciliation of physical inventory and fixed assets with the books of accounts</p>	<p>The Company's assets are mainly Ground Support Equipment and are based in a secure environment on the tarmac side of the airport and are issued with specific passes to operate within the airport area. Only in the event of any maintenance related activity the movement of same is recorded. Hence the assets are secured from Loss or misappropriation.</p> <p>The assets have been physically verified in 2018 and subsequently during the current year based on the third party report accounting action in the books have been taken by the Management and the same have been duly verified as well.</p> <p>The physical inventory of stores and spares has been carried out internally at the end of each year and duly signed statements are provided.</p>
	<p>(c) Timely reconciliation of certain significant accounts such as accounts receivables, account payables; statutory dues with returns and payroll balances are not reconciled in an accurate manner.</p>	<p>The reconciliations are continuous in nature. As regards receivables the outstanding of Group Companies duly signed have been shared with the auditors. The letters have been</p>



		<p>sent to all the customers for balance confirmation on multiple occasions to ensure the reconciliation of the Trade Receivables and a constant follow-up is being maintained as adjustment in the books of the invoices and receipts is hampered in the absence of full details from Customers.</p> <p>The accounts payables we have sent balance confirmation letters to vendors on multiple occasions and are reconciling the same, the relevant facts have been disclosed in the notes to accounts,</p> <p>The payroll accounts are under reconciliation and we will complete the same in 2020-21 .It was observed that the same</p>
	<p>d) Following are indicator of control deficiency and a strong indicator of a material weakness in internal control:</p> <p>i) Restatement of previously issued financial statement to reflect the correction of material misstatement. This indicates cutoff procedures while closing of booking is not working efficiently</p> <p>ii) Non compliances in complying with the laws and and regulations by the entity as referred in point vii of Annexure A to the Independent Auditors Report has been observed. This indicates an ineffective Regulatory Compliance function..</p>	<p>We had proposed threshold limits during 19-20 for accounting of prior period transaction s in the current year of Rs 1 million per transaction and an overall limit of 1% of the turnover.</p> <p>However since we have been billed for previous years expenses in the current year by the Holding Company and also the account was opened in the name of the new Company ie AI Airport Services which came to light during the intercompany reconciliation. We had to restate the previous year's figures accordingly.</p> <p>.As has been observed there has been some delay in compliance due to cash flow problems experienced by the Company we have noted the observation of the statutory auditor and the Company is in the process of recruiting and strengthening the Compliance Department to</p>



		ensure that regulatory compliances are completed in full.
	A material weakness is a deficiency or a combination of deficiencies in the internal financial control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual and interim financial statement will not be prevented or detected on a timely basis	
	In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has not maintained adequate and effective internal financial controls over financial reporting as of 31st March 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note.	
	We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of March 31,2020 financial statement of the Company and these material weaknesses have effected our opinion on the financial statements of the company and we have issued a Qualified Opinion on financial statements.	





# BALANCE SHEET AS AT MARCH 31, 2020

Rs. in Millions

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019(Restated)*
<b>I ASSETS :</b>			
<b>1 Non-current Assets</b>			
(i) Property, Plant & Equipment	2	3,564.54	2,541.66
(ii) Right of Use Assets	3	160.37	-
(iii) Income Tax Assets (net)	4	261.46	150.75
(iv) Deferred Tax Assets (net)	5	769.82	1,077.65
(v) Other Non-Current Assets	6	0.65	0.52
<b>Total Non-Current Assets</b>		<b>4,756.84</b>	<b>3,770.58</b>
<b>2 Current Assets</b>			
(i) Inventories	7	86.77	89.81
(ii) Financial assets:			
a) Trade Receivables	8	5,713.96	3,987.15
b) Cash and Cash equivalents	9	161.02	139.37
c) Bank balances other than (b) above	10	1.50	0.17
d) Other Financial Assets	11	76.85	118.03
(iii) Current Tax Assets		-	-
(iv) Other Current Assets	6	138.73	111.50
<b>Total Current Assets</b>		<b>6,178.82</b>	<b>4,446.04</b>
<b>Total Assets</b>		<b>10,935.66</b>	<b>8,216.63</b>
<b>II EQUITY AND LIABILITIES :</b>			
<b>1 Equity</b>			
a) Equity Share Capital	12	1,384.24	1,384.24
b) Other Equity	13	2,647.53	1,991.84
<b>Total Equity</b>		<b>4,031.77</b>	<b>3,376.08</b>
<b>2 Liabilities :</b>			
(i) <b>Non-current Liabilities</b>			
a) Financial Liabilities			
i) Lease Liabilities	3	34.78	-
ii) Other Financial Liabilities	14	0.11	1.44
b) Provisions	15	2,568.00	2,480.13
c) Other non Current Liabilities	16	20.88	9.42
<b>Total Non-Current Liabilities</b>		<b>2,623.76</b>	<b>2,490.99</b>
(ii) <b>Current Liabilities</b>			
a) Financial Liabilities			
i) Lease Liabilities	3	131.46	-
ii) Trade Payables	17		
(a) Total outstanding, dues of micro and small enterprises		0.26	0.10
(b) Total outstanding, dues of creditors other than micro and small enterprises		845.94	526.50
iii) Other Financial Liabilities	14	2,153.82	1,147.85
b) Provisions	15	526.29	296.81
c) Other Current Liabilities	18	622.35	378.30
<b>Total Current Liabilities</b>		<b>4,280.13</b>	<b>2,349.56</b>
<b>Total Equity &amp; Liabilities</b>		<b>10,935.66</b>	<b>8,216.63</b>

See accompanying notes to the financials statements

\* Refer Note.25. For detail regarding the re statement as a result of error or omission

As Per Our Report Of Even Date Attached

For Shah Gupta &amp; Co.

Chartered Accountants

Firm Registration No. 109574W

For and on behalf of the Board of Directors

Sd/-

Rajiv Bansal

Chairman

DIN 00245460

Sd/-

J.V.Ravikumar

Chief Financial Officer

Sd/-

Smt. Shashi Bhadoola

Company Secretary

Sd/-

Vimlendra Anand Patwardhan

Director

DIN 08701559

Sd/-

Capt. A.K.Sharma

Chief Executive Officer

Sd/-

Vipul K. Choksi

Partner

M.No. 37606

UDIN : 20037606AAAADM6320

Place: Delhi / Mumbai

Date: 18th December 2020





# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Rs in Millions

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019(Restated)*
<b>I</b> Revenue from Operations :	<b>19</b>	<b>6,221.30</b>	6,607.58
<b>II</b> Other Income:	<b>20</b>	<b>866.71</b>	442.50
<b>III Total Revenue (I + II )</b>		<b>7,088.01</b>	7,050.08
<b>IV</b> Expenses:			
<b>a</b> Employee Benefit Expenses	<b>20A</b>	<b>4,396.35</b>	4,162.32
<b>b</b> Finance Cost	<b>20B</b>	<b>62.93</b>	-
<b>c</b> Depreciation Expense	<b>2&amp;3</b>	<b>383.28</b>	305.81
<b>d</b> Other Expenses	<b>20C</b>	<b>906.88</b>	1,421.06
<b>V Total Expenses</b>		<b>5,749.44</b>	5,889.19
<b>VI Profit Before Tax (III-IV)</b>		<b>1338.58</b>	1,160.89
<b>VII</b> Tax Expense			
1. Current Tax		<b>393.60</b>	600.00
2. Short/ (Excess) Provision of Tax		<b>(27.16)</b>	186.62
3. Deferred Tax Liability / (asset)		<b>310.01</b>	-150.55
<b>VIII Profit For the Year (IX-X)</b>		<b>662.13</b>	524.82
<b>IX Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
a. Re-measurement of the defined benefits plan		<b>(8.61)</b>	51.64
(ii) Income tax relating to the items that will not be reclassified to profit or loss		<b>2.17</b>	(18.04)
<b>Total Other Comprehensive Income</b>		<b>(6.45)</b>	33.60
<b>X Total Comprehensive Income for the year</b>		<b>655.69</b>	558.42
<b>XI Earning per Equity Share of Rs. 10 each</b>	<b>20D/38</b>		
Basic (Rs.)		<b>4.78</b>	3.79
Diluted (Rs.)		<b>4.78</b>	3.79

See accompanying notes to the financials statements

\* Refer Note.25 For detail regarding the re statement as a result of error or omission

## As Per Our Report Of Even Date Attached

For Shah Gupta & Co.  
Chartered Accountants  
Firm Registration No. 109574W

Sd/-  
**Vipul K. Choksi**  
Partner  
M.No. 37606  
UDIN : 20037606AAAADM6320

Place: Delhi / Mumbai  
Date: 18th December 2020

## For and on behalf of the Board of Directors

Sd/-  
**Rajiv Bansal**  
Chairman  
DIN 00245460

Sd/-  
**J.V.Ravikumar**  
Chief Financial Officer  
Sd/-  
**Smt. Shashi Bhadoola**  
Company Secretary

Sd/-  
**Vimlendra Anand Patwardhan**  
Director  
DIN 08701559

Sd/-  
**Capt. A.K.Sharma**  
Chief Executive Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020****Rs in Millions**

<b>A. Equity Share Capital</b>	<b>As at March 31, 2020 Amount</b>	<b>As at March 31, 2019 Amount</b>
<b>Balance at the beginning of the reporting year</b>	<b>1,384,242,000</b>	<b>1,384,242,000</b>
Movement during the year	-	-
<b>Balance at the end of reporting year</b>	<b>1,384,242,000</b>	<b>1,384,242,000</b>

**B. Other Equity****Rs in Millions**

<b>Particulars</b>	<b>Reserves and Surplus Retained Earnings</b>	<b>Total equity attributable to equity Holders of the company</b>
<b>Opening Balance as at 1 April 2018</b>	<b>494.05</b>	<b>494.05</b>
Effect of Deferred Tax Asset of earlier years	<b>939.39</b>	<b>939.39</b>
Profit for the year	<b>638.11</b>	<b>638.11</b>
Correction of errors/omissions (refer note 25 )	<b>(113.31)</b>	<b>(113.31)</b>
Other Comprehensive Income/(loss)	<b>33.60</b>	<b>33.60</b>
<b>Balance as at 31 March 2019</b>	<b>1,991.84</b>	<b>1,991.84</b>
Effect of Deferred Tax Asset of earlier years	-	-
Profit/(Loss) for the year	<b>662.13</b>	<b>662.13</b>
Other Comprehensive Income/(loss)	<b>(6.45)</b>	<b>(6.45)</b>
<b>Balance as at 31 March 2020</b>	<b>2,647.53</b>	<b>2,647.53</b>

**As Per Our Report Of Even Date Attached**

For Shah Gupta & Co.  
Chartered Accountants  
Firm Registration No. 109574W

Sd/-

**Vipul K. Choksi**  
Partner

M.No. 37606  
UDIN : 20037606AAAADM6320

Place: Delhi / Mumbai  
Date: 18th December 2020

**For and on behalf of the Board of Directors**

Sd/-

**Rajiv Bansal**  
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Chief Financial Officer

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**Smt. Shashi Bhadoola**  
Company Secretary

Sd/-

**Vimlendra Anand Patwardhan**  
Director  
DIN 08701559

Sd/-

**Capt. A.K.Sharma**  
Chief Executive Officer



# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

Rs in Millions

Particulars		For the year ended March 31, 2020		For the year ended March 31, 2019	
<b>A</b>	<b>Cash Flow From Operating Activities</b>				
	Net Profit Before tax		1,338.58		1,160.89
	Adjustments for:				
	Depreciation	383.28		305.81	
	Interest on overdue payments	(275.30)		(148.19)	
	Interest on Fixed deposits	(0.41)		(0.91)	
	Profit Sharing of HAL - JWG	(9.10)		(9.35)	
	Interest on Income Tax	49.05		-	
	Interest on MSME	0.03		-	
	Interest on lease liabilities	13.88		-	
	Profit & Loss on sale of Property, Plant & Equipment	21.15		6.99	
	Expected Credit loss allowance	85.67		436.26	
	Reversal of Duty Entitlements under SFIS	-		96.98	
	Provision No Longer Required	(101.03)		(10.66)	
	Recovery of Gratuity and other Recoveries	(86.47)		-	
	Unrealised exchange gain/loss	(275.07)	(194.33)	(134.29)	542.64
	<b>Operating profit before working capital changes</b>		<b>1,144.25</b>		<b>1,703.53</b>
	Adjustments for:				
	Decrease in inventory	3.04		35.28	
	(Increase) / Decrease in Trade Receivables	(1,726.81)		(919.78)	
	(Increase) / Decrease in short term and Long term provision	(317.35)		(45.34)	
	(Increase) / Decrease in Other Current & Non Current Assets	257.04		23.58	
	Increase / (Decrease) in Trade Payables	2,024.02		124.91	
	Increase / (Decrease) in other Current & Non current Liability	132.77	372.72	(291.36)	(1,072.70)
	<b>Cash Generated from Operations</b>		<b>1,516.97</b>		<b>630.83</b>
	Rent Paid		(93.45)		
	Income Tax Paid (net of refund)		(64.52)	-	(551.53)
	<b>Net Cash from Operating Activities</b>		<b>1,359.00</b>		<b>79.30</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>				
	Interest on Fixed deposits		0.41		0.91
	Fixed deposits		(1.50)		
	Sale of Property Plant & Equipment (net)		23.30		20.29
	Purchase of Property Plant & Equipment		(1,358.24)		(189.20)
	<b>Net Cash From Investing Activities</b>		<b>(1,336.02)</b>		<b>(168.00)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>				
	<b>Net Cash From From Financing Activities</b>		-		-
	<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<b>22.98</b>		<b>(88.70)</b>
	Add: Cash and Cash Equivalents at the begning of the Year		139.55		228.25
			162.52		139.55
	<b>Cash and Cash Equivalents at the end of the Year</b>		<b>162.52</b>		<b>139.55</b>
	<b>Component of Cash and Cash Equivalents</b>				
	Cash on hand		0.07		0.07
	Balance in Current Account		160.95		139.31
	Other Deposit Account		1.50		0.17
			162.52		139.55

See accompanying notes to the financials statements

As Per Our Report Of Even Date Attached

For Shah Gupta &amp; Co.

Chartered Accountants

Firm Registration No. 109574W

For and on behalf of the Board of Directors

Sd/-

Rajiv Bansal

Chairman

DIN 00245460

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Vipul K. Choksi

Partner

M.No. 37606

UDIN : 20037606AAAADM6320

Place: Delhi / Mumbai

Date: 18th December 2020



**Notes forming part of the financial statements for the year ended March 31, 2020**

**Note 1**

**A. Corporate Information:**

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

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

**B. Basis of preparation of Financial Statements:**

The Company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

**i) Basis of preparation and presentation:**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

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

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



a whole) at the end of each reporting period.

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

**ii) Functional Currency:**

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

**iii) Current and non-current classification:**

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

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

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

**C. Standards issued but not yet effective:**

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

**D. Use of estimates and judgments:**

Inherent in the application of many of the accounting policies used in preparing the IND AS Financial Statements is the need for Management to make judgments, estimates and assumptions that affect



the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

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

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

## **E. Significant Accounting Policies:**

### **i) Property, Plant & Equipments (PPE):**

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

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

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

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

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

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

At the end of each reporting year, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not



possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

## **F. Inventories**

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

## **G. Revenue Recognition**

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

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

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

### **Rendering of Services**

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

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

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





Revenue.

- b) Income from Interest is recognized on a time proportion basis.
- c) Other Operating Revenue is recognized when services rendered during the year.

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

### **Contract balances**

#### **i) Contract Assets**

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

#### **ii) Contract Liabilities**

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

#### **iii) Refund Liabilities**

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

### **H. Foreign currency transactions**

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

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

- a) Interline settlement on account of IATA Clearing House (ICH) bills settlement is carried out at the exchange rate published by International Air Transport Association (IATA) for respective month.
- b) At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at exchange rate circulated by Foreign Exchange Dealers Association of India (FEDAI) and the gains / losses arising out of fluctuations in exchange rates are recognized in the statement of Profit and Loss.
- c) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### **I. Leases**

The Company has adopted Ind AS 116 Leases from 1<sup>st</sup> April, 2019. Ind AS 116 “Leases” introduced





a single, on-balance sheet accounting model for lessees. As a result, the company, as a lessee, has recognised right-to-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. On initial application, the company elected to adopt the modified retrospective approach, by recognizing the cumulative effect of initially applying the new standards as an adjustment to the opening balance of retained earnings as at 1<sup>st</sup> April, 2019, without restating the comparative information.

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



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

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

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

#### **J. Government Grant**

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

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

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

#### **K. Employee Benefits:**

##### **Retirement benefit costs and termination benefits**

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

##### **a) Defined contribution plans**

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

##### **b) Defined benefit plans**

The Company's defined benefit plans, which are not funded, consist of Gratuity, Post-Retirement Medical Benefits and other benefits. For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year.



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

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

### **Other Long-Term Employee Benefits**

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

### **Short Term Benefits**

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

### **Short-term and other long-term employee benefit**

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

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

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

## **L. Taxes on Income**

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

### **Current tax**

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

### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable



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

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

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

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

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

### **Current and deferred tax for the year**

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

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

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

- a) Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that there will be an outflow of resources. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the statement of profit and loss
- b) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
- c) When some or all of the economic benefits required to settle a provision are expected to be



recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

- d) Contingent liabilities are disclosed by way of a note in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- e) Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent asset is disclosed, when an inflow of economic benefits is probable.

#### **Onerous contracts**

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

### **N. Cash & Cash Equivalents**

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

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

### **O. Earnings per share**

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

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

### **P. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

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



liabilities at fair value through profit and loss are recognized immediately in Statement of Profit and Loss.

**i) Financial Assets**

**a) Classification of Financial Assets**

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

**b) Recognition and initial measurement**

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

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

**c) Subsequent measurement**

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

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

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

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

**d) Derecognition of financial assets**

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

**e) Impairment of other financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables,





trade receivables, other contractual rights to receive cash or other financial asset

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

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

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

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

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

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

**f) Effective interest method**

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

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

**g) Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the



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

**(ii) Financial Liabilities**

**a) Classification**

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

**b) Initial recognition and measurement**

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

**c) Subsequent measurement**

**Other financial liabilities:**

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

**d) De-recognition**

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

**e) Offsetting of financial instruments**

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

**Q. Key sources of estimation uncertainty**

**Useful lives of property, plant and equipment:**

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

**Contingencies:**

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





recognized. The cases which have been determined as remote by the Company are not disclosed.

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

**Fair value measurements:**

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

**Taxes:**

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

**R. CRITICAL ACCOUNTING JUDGEMENTS**

**Determining the lease term of contracts with renewal and termination options – Company as lessee**

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.

**S. NEW AND AMENDED ACCOUNTING STANDARDS:**

**Ind AS 116 – Leases**

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-



balance sheet model. Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor. The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Effective 1 April 2019, the Company has adopted Ind AS 116 “Leases’ and applied the standard to all lease contracts existing on the date of initial application i.e. 01 April 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1 (IV) Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

#### **Leases previously accounted for as operating leases**

The right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it :

- › Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- › Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- › Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- › Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- › Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Most of the contracts that contains extension terms are on mutual agreement between both the parties and hence the potential future rentals cannot be assessed. Certain contracts where the extension terms are unilateral are with unrelated parties and hence there is no certainty about the extension being exercised. The weighted average incremental borrowing rate applied to the newly recognized lease liabilities pursuant to Ind AS 116 adoption as at 1 April 2019 is 8.96%. Based on the above, Right-of-use asset of 252.74 million and a lease liability of 100.38 million on the date of entering the lease agreements during the current year has been recognized and right-of-use asset amounting to 160.37 million and lease liability amounting to 166.24 million recognized as at 31 March 2020.



## Note No. 2

### Plant, Property and Equipment as at March 31, 2020

in Millions

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

\*Refer note no.28

### Plant, Property and Equipment as at March 31, 2019

in Millions

Particular	Office Equipment	Ramp Equipments	Furniture & Fixtures	Electrical Fittings	Computers	Workshop Equipment & Instruments	Plant & Machinery	Vehicles	Total
As at 1st April 2018	2.03	4,741.20	1.17	8.75	6.88	2.07	0.07	25.41	4,787.57
Additions	-	188.68	-	0.15	0.37	-	-	-	189.20
Disposals/Adjustments	-	39.19	-	-	-	-	-	-	39.19
<b>As at 31st March 2019</b>	<b>2.03</b>	<b>4,890.68</b>	<b>1.17</b>	<b>8.89</b>	<b>7.26</b>	<b>2.07</b>	<b>0.07</b>	<b>25.41</b>	<b>4,937.57</b>
<b>Depreciation</b>									
As at 1st April 2018	0.85	2,110.92	0.18	2.32	4.24	0.28	0.07	3.46	2,122.31
Disposals/Adjustments	-	32.21	-	-	-	-	-	-	32.21
Charge for the Year	0.46	299.17	0.10	0.84	2.03	0.19	-0.00	3.02	305.81
<b>As at 31st March 2019</b>	<b>1.31</b>	<b>2,377.88</b>	<b>0.28</b>	<b>3.16</b>	<b>6.27</b>	<b>0.47</b>	<b>0.06</b>	<b>6.47</b>	<b>2,395.91</b>
<b>Net Block</b>									
As at 31st March 2018	1.18	2,630.28	0.99	6.42	2.65	1.79	0.01	21.95	2,664.26
<b>As at 31st March 2019</b>	<b>0.72</b>	<b>2,512.80</b>	<b>0.89</b>	<b>5.73</b>	<b>0.99</b>	<b>1.60</b>	<b>0.01</b>	<b>18.93</b>	<b>2,541.66</b>

**Note No. 3****Right of Use Assets and Lease Liabilities as at March 31, 2020****Rs. in Millions**

<b>Particulars</b>	<b>Buses</b>	<b>Total</b>
<b>Gross Block</b>	-	-
Accumulated Depreciation	-	-
Additions during the year	252.74	252.74
Balance at the end of the year	<b>252.74</b>	<b>252.74</b>
<b>Right-of-use assets on initial recognition as on 1 April 2019</b>		
Additions	252.74	252.74
Deductions	-	-
Depreciation expense	92.37	92.37
Net carrying value as at 31 March 2020	<b>160.37</b>	<b>160.37</b>

**LEASE LIABILITIES**

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Lease liabilities on initial recognition as on 1 April 2019		
Additions	<b>252.74</b>	-
Interest accrued	<b>13.88</b>	-
Lease principal payments	<b>86.50</b>	-
Lease interest payments	<b>13.88</b>	-
Reversal	<b>100.38</b>	-
At 31 March 2020		
Current	<b>131.46</b>	-
Non-current	<b>34.78</b>	-

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis :

<b>Particulars</b>	<b>Amount</b>
Less than 1 year	140.60
1- 5 Years	35.15
More than 5	-
At 31 March 2020	175.76

**Notes**

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



3.2 The Company has recognised 246.93 Millions as rent expenses during the year which pertains to short-term lease which was not recognised as part of right of use asset entered during the year. (Refer note no.36)

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

#### 4 INCOME TAX ASSETS

Rs. in Millions

Particulars	Non - Current		Current	
	As at March 31, 2020	As at March 31, 2019 (Restated)	As at March 31, 2020	As at March 31, 2019 (Restated)
<b>Income Tax - net of provisions</b>				
Advance Tax and Tax Deducted at source (Net of provision for Tax)	261.46	150.75		
	261.46	150.75	-	-

Refer Note No.27

#### 5. Deferred Tax Assets (Net)\*

Rs. in Millions

Particulars	As at March 31, 2020		As at March 31, 2019 (Restated)	
	(Rs)	(Rs)	(Rs)	(Rs)
<b>Deferred Tax Liability on account of (DTL)</b>				
Depreciation	(125.54)		(124.76)	(124.76)
Total Deferred Tax Liability		(125.54)		
<b>Deferred Tax Asset on account of (DTA)</b>				
Unabsorbed Depreciation			-	
Other Tax disallowances	895.36	895.36	1,202.41	1,202.41
<b>Net Deferred Tax Asset</b>	769.82	769.82	1,077.65	1,077.65

\*Refer note no. 39



## 6. Other Assets

Rs. in Millions

Particulars	Non - Current		Current	
	As at March 31, 2020	As at March 31, 2019 (Restated)	As at March 31, 2020	As at March 31, 2019 (Restated)
Advance to Vendors (Refer Note No.27)	-	-	34.22	23.11
Security Deposit with Govt. Authorities	0.15	0.15	-	-
Staff Claim Recovries	0.13	-	-	-
Entilement of "Service Export from India Scheme" (Refer Note No. 33)	-	-	104.51	88.39
Advance For Capital Purchase	0.37	0.37	-	-
<b>Total</b>	<b>0.65</b>	<b>0.52</b>	<b>138.73</b>	<b>111.50</b>

## 7. Inventories

Rs. in Millions

Particulars	As at March 31, 2020	As at March 31, 2019 (Restated)
Stores and Spares (At Cost)*	86.77	89.81

\*Refer note no. 29

## 8. Trade receivables (Net)\*

Rs. in Millions

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019 (Restated)
Considered good - Secured		
Considered good - Unsecured	1,858.88	1,578.21
Trade Receivables having significant increase in Credit Risk	521.93	436.26
Trade Receivables - Credit Impaired	-	-
	<b>2,380.81</b>	<b>2,014.47</b>
Less : Allowance for Doubtful (Refer note no.48(i))	521.93	436.26
	<b>1,858.88</b>	<b>1,578.21</b>
Dues from Group Companies	3,855.08	2,408.94
<b>Total</b>	<b>5,713.96</b>	<b>3,987.15</b>

\*Refer note 27

**AGEING OF RECEIVABLES AS ON :**

Rs. in Millions		
Particulars	As at March 31, 2020	As at March 31, 2019 (Restated)
<b>Dues from Group Companies</b>		
Up to 1 Years	1,989.28	884.85
1 to 3 Years	1,865.80	1,524.09
3 Years and above	-	-
	3,855.08	2,408.94
<b>Dues from other Companies</b>		
Up to 1 Years	838.87	727.72
1 to 3 Years	684.17	615.47
3 Years and above	335.85	160.43
	1,858.88	1,503.62

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(i)

Trade receivables from related parties' details has been described in note 42.

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

**9 Cash and Cash Equivalents**

Rs. in Millions		
Particulars	As at March 31, 2020	As at March 31, 2019 (Restated)
<b>Cash and Cash Equivalents</b>		
Cash on hand	0.07	0.07
Balance with Bank :		
- In Current Account	160.77	139.31
- Fixed Deposit having original maturity less than 3 month*	0.18	-
<b>Total</b>	<b>161.02</b>	<b>139.37</b>

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





## 10. Bank balances other than Cash and Cash equivalents

Rs. in Millions

Particulars	As at March 31, 2020	As at March 31, 2019 (Restated)
Earmarked balances - in Fixed Deposit**	1.50	0.17
<b>Total</b>	<b>1.50</b>	<b>0.17</b>

Earmarked balance represents Fixed deposits with Dy. Commissioner Good and Service Tax).\*\*

## 11. Other Financial Assets

Rs. in Millions

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019 (Restated)
<b>Unsecured, considered good</b>		
Recoverable from Staff (Refer note no.27)	57.79	99.70
Others Recoverables	19.06	18.33
<b>Total</b>	<b>76.85</b>	<b>118.03</b>

## 12. Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares (In Millions)	Amount (In Millions)	Number of Shares (In Millions)	Amount (In Millions)
Authorised Capital				
Equity Shares of Rs 10/- each	1,000	10,000	1,000	10,000
Issued and Subscribed				
Equity Shares of Rs 10/- each	138.42	1,384.24	138.42	1,384.24
	<b>138.42</b>	<b>1,384.24</b>	<b>138.42</b>	<b>1,384.24</b>

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

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of Share	Number of shares held	% of Share
Air India Ltd. - Holding Company	138.42	100.00	138.42	100.00

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


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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares (In Millions)	Amount (In Millions)	Number of Shares (In Millions)	Amount (In Millions)
At the beginning of the year	138.42	1,384.24	138.42	1,384.24
Issued during the period	-	-	-	-
Outstanding at the end of the year	138.42	1,384.24	138.42	1,384.24

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

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

**13. Other Equity**
**Rs. in Millions**

Particulars	As at March 31, 2020 (Rs.)		As at March 31, 2019 (Rs.)	
<b>Surplus in Profit and Loss Account:</b>				
Balance as per last Balance Sheet		1,991.84		494.05
Add : Effect of Deferred Tax Asset of earlier years		-		939.37
		1,991.84		1,433.42
Profit for the year	655.69		558.42	
Less:				
Remeasurement of Defined Benefit Plans	-		-	
Transfer to General Reserve	-		-	
Add: Prior Period Adjustments				
Less: Prior Period Adjustments				
Interim Dividend	-		-	
Tax on Interim Dividend	-		-	
Proposed Dividend	-		-	
Tax on Proposed Dividend	-		-	
Sub Total		-		-
Net Surplus		655.69		558.42
Total Reserves & Surplus		2,647.53		1,991.84



Rs. in Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Retained earnings	2,647.53	1,991.84
<b>Total</b>	<b>2,647.53</b>	<b>1,991.84</b>

#### Retained Earnings:

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

#### 14. Other Financial Liabilities

Rs. in Millions

Particulars	Non - Current		Current	
	As at March 31, 2020	As at March 31, 2019 (Restated)	As at March 31, 2020	As at March 31, 2019 (Restated)
Payables to Employees (Refer Note No.27)	0.11	1.44	352.30	74.18
Payable towards Airport Authority of India Levy (Refer Note No.27)	-	-	922.99	1,073.67
Payable for Capital Purchases	-	-	878.53	-
<b>Total</b>	<b>0.11</b>	<b>1.44</b>	<b>2,153.82</b>	<b>1,147.85</b>

#### 15. Provisions

Rs. in Millions

Particulars	Non - Current		Current	
	As at March 31, 2020	As at March 31, 2019 (Restated)	As at March 31, 2020	As at March 31, 2019 (Restated)
Provisions for Employees Benefits*				
Provision for Leave encashment	347.23	351.34	92.10	85.75
Provision for Gratuity	836.94	812.63	177.29	153.59
Provision for Medical	1,383.83	1,316.16	56.39	57.48
Other Provision				
Provision for Tax Including Interest (Net)			200.49	
Provision for MSME**			0.03	
<b>Total</b>	<b>2,568.00</b>	<b>2,480.13</b>	<b>526.29</b>	<b>296.81</b>

\*Refer Note No.37

\*\* Refer Note No.41



## 16 Other Non Current Liabilities

Rs. in Millions

Particulars	Non - Current	
	As at March 31, 2020	As at March 31, 2019 (Restated)
Security Deposit From Customer	20.88	9.07
Advance from customers (Refer Note no.49)	-	0.35
<b>Total</b>	<b>20.88</b>	<b>9.42</b>

## 17. Trade Payables (Net)\*

Rs. in Millions

Particulars	As at March 31, 2020	As at March 31, 2019 (Restated)
Trade Payables		
- Micro Small and Medium Enterprises	0.26	0.10
- Other Payables	845.94	526.50
<b>Total</b>	<b>846.20</b>	<b>526.61</b>

Payable are normally settled within 30-60 days

Trade payables from related parties' details has been described in note 41

## 18 . Other Current Liabilities

Rs. in Millions

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019 (Restated)
Statutory Laibilities (Refer Note No.27)	590.45	335.84
Deposits from Vendors	30.55	31.18
Security Deposit From Customer	0.61	11.04
Advance from customers (Refer Note No.49)	0.57	0.09
Other Current Liabilities	0.16	0.15
<b>Total</b>	<b>622.35</b>	<b>378.30</b>



## 19. Revenue from Operations (Gross)\*

Rs. in Millions			
	Particulars	For the Year ended March 31, 2020	For the year ended March 31, 2019 (Restated)
<b>A</b>	<b>Revenue from Handling Services :</b>		
	Revenue from Group Companies	3,837.76	3,775.80
	Revenue from 3rd Party Handling	1,712.45	1,976.05
	Rev from Govt Parties	46.08	41.18
	Security Handling Revenue	0.00	0.00
	RevFrmCasualHandling	112.86	257.94
		5,709.16	6,050.97
	Less : Revenue Sharing with Holding Company	342.49	406.78
	<b>Total (A)</b>	<b>5,366.67</b>	<b>5,644.19</b>
<b>B</b>	<b>Cargo Handling Revenue</b>		
	- APEDA Revenue	85.59	147.92
	- Others	510.98	551.99
	<b>Total (B)</b>	<b>596.57</b>	<b>699.91</b>
<b>C</b>	<b>Equipment Loaning</b>	<b>258.06</b>	<b>263.48</b>
	<b>Total (C)</b>	<b>258.06</b>	<b>263.48</b>
	<b>Total</b>	<b>6,221.30</b>	<b>6,607.58</b>

\*Refer note no.49

## 20. Other Income

Rs. in Millions		
Particulars	For the Year ended March 31, 2020	For the year ended March 31, 2019 (Restated)
Recruitment Application Money	1.93	5.63
Interest on overdue payments on group companies (refer note no.31)	269.42	148.19
Interest on overdue payments on other than group companies	5.89	0.00
Interest on Fixed Deposit	0.41	0.91
Foreign Exchange Gain (Net)	258.19	149.65
Profit Sharing of HAL - JWG (Refer note no.26)	9.10	9.35
Manpower cost recovery	97.60	89.29
Recovery of Gratuity (refer note no.35)	86.47	0.00
Provision no longer required written back (refer note no.34)	101.03	10.66
Duty Credit Entitlement under SFIS (Refer note no. 33)	25.32	0.00
Other Income	11.34	28.83
<b>Total</b>	<b>866.71</b>	<b>442.50</b>



## 20A. Employee Benefit Expenses

Rs. in Millions

Particulars	For the Year ended March 31, 2020	For the year ended March 31, 2019 (Restated)
Salaries, Wages and Bonus	3,589.12	3,620.45
Contribution to Provident and Other Funds (refer note no.37)	359.37	399.68
Staff Welfare Expenses	68.27	9.34
Gratuity (refer note no.37)	203.92	-22.73
Leave Encashment (refer note no.37)	52.88	39.17
Medical Benefit Expenses (refer note no.37)	122.79	116.39
<b>Total</b>	<b>4,396.35</b>	<b>4,162.32</b>

## 20B. Finance Cost

Rs. in Millions

Particulars	For the Year ended March 31, 2020	For the year ended March 31, 2019 (Restated)
Interest on lease liabilities	13.88	0.00
Interest on Income Tax	49.05	0.00
<b>Total</b>	<b>62.93</b>	<b>0.00</b>

## 20C. Other Expenses

Rs. in Millions

Particulars	For the Year ended March 31, 2020	For the year ended March 31, 2019 (Restated)
Handling Charges	47.67	127.82
Recruitment Expenses	0.07	1.51
Insurance	35.72	43.12
Telephone Charges	0.71	0.94
Repairs & Maintenance - Others	53.40	51.47
Electricity, Heating & Fuel	223.82	280.37
Water Charges	3.38	4.72
Stores & Spares Consumption	59.48	75.06
Hire of Transport & Equipments	9.07	24.33
Loss on sale of Property Plant and Equipment	21.15	6.99
Printing & Stationary	4.46	3.27
Reversal of duty credit entitlement under SFIS (refer note no.33)	0.00	96.98
General Office Expense	13.81	22.91
Expected credit loss allowance (refer note no.48(i))	85.67	436.26



Particulars	For the Year ended March 31, 2020	For the year ended March 31, 2019 (Restated)
Rent expenses (Refer note 36)	246.93	145.59
Rates And Taxes	4.09	4.92
Travelling And Conveyance Expenses	43.23	35.12
Legal And Professional Expenses	14.48	14.33
Bank Charges	1.21	0.76
Pax Baggage Claims Expenditure	0.77	0.56
Interest Charges	4.46	0.06
Corporate social responsibility (refer note no.43)	10.37	19.24
<b>Remuneration To Statutory Auditor</b>		
- Audit fees	1.00	0.40
- Out of Pocket Expenses	0.10	0.06
Miscellaneous Expenses	21.82	24.29
<b>Total</b>	<b>906.88</b>	<b>1,421.06</b>

## 20D. Earning Per Share

Rs. in Millions

Particulars	March 31, 2020	March 31, 2019
Profit after tax	662.13	524.82
Weighted Average no. of shares outstanding (Nos.)	138.42	138.42
Nominal value of equity share (Rs.)	10.00	10.00
Earnings per share (Rs.) - Basic	4.78	3.79
Earnings per share (Rs.) - Diluted	4.78	3.79

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

Particulars	March 31, 2020	March 31, 2019
Total number of equity shares outstanding at the beginning of the year	138.42	138.42
Add: Issue of Shares through Right Issue (Date of Allotment 15th Dec 2011)	0.00	0.00
Total number of equity shares outstanding at the end of year	138.42	138.42
Weighted average number of equity shares at the end of the year	138.42	138.42

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





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

### 21. Disinvestment Process:

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

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

- i) AI Airport Services Ltd(AIASL)
- ii) Alliance Air Aviation Limited
- iii) AI Engineering Services Limited (AIESL)
- iv) Hotel Corporation of India Limited

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 artefacts and other non operational assets of Air India. Accordingly the SPV, Air India Assets Holding Ltd (AIAHL) was formed.

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

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

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

AIAHL had issued PIM on 12<sup>th</sup> 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 27<sup>th</sup> December 2019. However it was informed that the strategic sale of AIATSL stood cancelled and AIAHL will reinstate the process of proposed strategic sale of AIATSL in due course.

### 22. Contingent Liabilities:

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

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



Rs. in Millions

Sr no	Description	Balance as on March 31, 2020	Balance as on March 31, 2019
(i)	Income Tax Demand Notices received by the Company which are under Appeal (*)	20.10	23.29
(ii)	Claims of Airport Operators/Others (**)	30.57	30.57
(iii)	Service tax demand by Tax Authorities	-	1.10
(iv)	Other Claims on account of Staff/Civil/Arbitration Cases pending in Courts	13.96	4.10
	<b>Total</b>	<b>64.63</b>	<b>59.06</b>

**Explanatory Statement in respect of Other Contingent Liabilities****1. Income Tax Demand Notices received by the Company which are under Appeal (\*)**

- a. **Gratuity disallowance:** The learned Dy. Commissioner of Income Tax (DCIT) erred in disregarding the Revised Return of Income filed by the appellant for A.Y. 2013-14 on 07-01-2015 and further erred in disallowing u/s. 40A(7) of Rs.16.67 Million instead of correct amount determined as disallowable u/s.40A(7) of Rs. 2.60 million in accordance with Tax Audit Report and Revised Return filed on 07-01-2015.
- b. **Employees contribution to provident fund:** The learned D.C.I.T. erred in making addition of Rs. 9.06 million to total Income of the appellant in respect of Employees Contribution towards P.F. u/s.36(i)(va) r.w.s. 2(24) (x) of the I.T. Act,1961 pertaining to A.Y. 2013-14.

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

- (i) Qatar Airways had raised a demand of Rs. 14.2 Million against the damage to their aircraft without having any supporting evidence regarding the evidence of the damage/claim. However, company has forwarded the claim to Insurers who have forwarded the same to the Reinsurer for settlement of the claim. The reinsurer has requested for forwarding the supporting in respect of the claim made. The matter is still pending with Qatar Airways to provide the evidence/supporting of claim or damage. Hence the said claim has been shown as Contingent Liability. The matter has still not been settled.
- (ii) M/s. Accelya Kale had raised bills for amounting to Rs.8.77 Million claiming uses of their Software by the Company to carry out the International Air Transport Association(IATA) billing in respect of the third-party Airlines handled by the company. In absence of any formal contract for the same, provision against the same has not been made and the same has been shown as contingent liability.
- (iii) Neha Aviation Management Pvt. Ltd. had raised a demand of Rs. 9.9 Million (including penal interest and GST thereon) for providing baggage ,cargo handling, miscellaneous services at Jaipur Airport. The Company has reviewed all their outstanding bills and found that the bills raised by the vendor was not correct and even for a single service, billing for double services has been made. Hence the claim has not been acknowledged as debt and has been shown as contingent liability.

**23. Equity infusion by Air India**

As per Memorandum of Understanding (MOU) signed on 19<sup>th</sup> April 2013 between the Company and Air India Limited, Air India, based on the equity support received from Government of India as part



of Financial Restructuring Plan (FRP), provide to AIASL equity required for capital expenditure to the extent of Rs. 393 crores up to F.Y. 2023. And as per MOU, out of total equity of Rs. 393 crores, Rs. 150 crores shall be infused in FY 2013-14 by AI for capital requirement of AIASL. The balance amount of Rs. 243 crores as equity shall be provided by AI to AIASL during the period until FY 2023 depending upon the capital requirement of AIASL.

Against the above, Air India has infused Rs. 138.42 Crores only till date.

## 24. Capital & Other Long-Term Commitments

Capital Contract Commitments & Long term Commitments is Rs.83.75cores as on 31<sup>st</sup> March 2020 (Previous Year Nil)

## 25. 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 as follows:

Rs. in Millions			
Balance Sheet (Extract)	As at March 31, 2019 (as previously reported)	Increase / (Decrease)	As at March 31, 2019 (Restated)
Other Current Asset (Refer Note 5)	111.87	(0.37)	111.50
Bank Balances Other than Cash & Cash Equivalent (Refer note. 10)	0.17	0.01	0.18
Trade Receivables (Refer Note7)	4,008.71	(21.56)	3,987.15
Inventories (Refer Note 6)	89.81	-	89.81
Trade Payable (Refer Note 15)	434.85	91.75	526.60
Other Current Financial Liabilities (Refer Note 13)	1,148.30	-	1,148.30
Other Current Liabilities (Refer Note 16)	378.30	-	378.30
<b>Net Assets</b>	<b>2249.11</b>	<b>(113.67)</b>	<b>2135.44</b>
Retained Earnings (refer note 12)	2105.13	(113.31)	1991.84
<b>Total Equity</b>	<b>3489.37</b>	<b>(113.31)</b>	<b>3,376.08</b>
Statement of Profit and loss (Extract)	As at March 31, 2019 (as previously reported)	Increase / (Decrease)	As at March 31, 2019 (Restated)
Revenue from Operations (Refer Note 17)	6,629.13	(21.55)	6607.58
Other Income (Net) (Refer Note 18)	442.51	(0.01)	442.50
<b>Total Revenue</b>	<b>7,071.64</b>	<b>(21.56)</b>	<b>7050.08</b>
<b>Expenses</b>			



Balance Sheet (Extract)	As at March 31, 2019 (as previously reported)	Increase / (Decrease)	As at March 31, 2019 (Restated)
Employee Benefits Expense (Refer Note 19)	4,164.88	(2.56)	4162.32
Other Expenses (Refer Note 20)	1,326.77	94.31	1421.06
<b>Statement of Profit and loss (Extract)</b>	<b>5,797.46</b>	<b>91.75</b>	<b>5889.19</b>
<b>Profit Before Tax</b>	<b>1,274.18</b>	<b>(113.31)</b>	<b>1160.89</b>
<b>Profit for the year</b>	<b>638.11</b>	<b>(113.31)</b>	<b>524.82</b>
<b>Other Comprehensive Income</b>			
Re-measurement of the defined benefits plan	51.64	0	51.64
<b>Total Comprehensive Income for the year</b>	<b>671.71</b>	<b>(113.31)</b>	<b>558.42</b>

Basic Earnings per share for the year have also been restated. The Amount of the correction for the basic earnings per share was reduction of Rs. 0.82 per share.

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

## 26. 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 HAL 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 Rs. 9.10 Million has been accounted for as Other Income.

Rs. in Millions

Name of the Joint Working Group	AIJWG	
	As at March 31, 2020	As at March 31, 2019
Share of Company / Ownership Interest	50%	50%
Income - Company's Share	22.25	24.70
Expenditure - Company's Share	4.05	6.00
Profit / (Loss) - Company's Share	18.20	18.80
Share of income from Joint Working Groups of the Company with HAL:	9.10	9.35
Contingent Liability	-	-

## 27. Reconciliation/Confirmation

- The Company has sought for the confirmation of balances for all the major trade receivables and the company has obtained the balance confirmation of balances receivables from the holding



company, sister concern of the holding company and from some private parties which consist of reasonable amount of receivables of the company and reconciliation has been completed and balance confirmations have been obtained.

- b) 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.
- c) The Royalties recovered from clients and payable to Airport Authority of India and MIAL are under reconciliation. Impact, if any, of the consequential adjustments arising out of the reconciliation will be dealt with in the year of completion of the reconciliation and approvals from appropriate authority.
- d) Good & Service Tax (GST) and other statutory dues are in the process of reconciliation with the returns filed and statutory records maintained by the company. Impact, if any, of the consequential adjustments arising out of the reconciliation will be dealt with in the year of completion of the reconciliation and approvals from appropriate authority.
- e) 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.

## **28. Property, Plant and Equipment (PPE)**

The physical verification had been conducted by an Independent agency appointed by the Company and the Physical verification report dated August 13, 2019, was completed and all accounting impacts of the same were also given in the books of accounts in respect of Assets in excess the company has taken the same in the books @1 for the surplus assets No. of 1427 assets. As regards shortage of 1203 assets of value of Rs. 20.08 million as on 31<sup>st</sup> March, 2019 the same has been depreciated in full to matched with physical balance of assets on hand.

However, as per policy of the company, the biennial exercise of physical verification of PPE for the period 2018-20 which was due to be completed in the financial year 2019-20 could not be completed due to Global pandemic of COVID-19. The necessary action will be taken in 2020-21.

## **29. Inventory**

The Ground support Equipment spares were transferred by Air India in June 2017, these spares are required in respect of old equipment currently in use. The spares referred to are not easily available in the market and are also expensive. The stock movement of these inventories are slow as company is in process of phasing out old and obsolete equipment due to procurement of new Ground support equipment. There is no replenishment and company is in process of reviewing and putting up the same for sale.

Due to Covid-19 the Physical Verification of Inventory 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 31<sup>st</sup> March 2020 and in One location in the month of September, 2020 due to locked down. The utilisation of inventories has not been there due reduction in operation. There are certain inventories items pertaining to Engineering and Container spares to the tune of Rs 14.99 million of AI/ AIESL identified by the committee vide report dated June 14 2019. which will be returned to AI/ AIESL during 2020-2021

**30. Cash and Bank Balances**

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

**31. Interest on Overdue Payments on Air India Group:**

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

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

	Rs in Million
Air India Limited	105.04
Air India Express Limited	18.73
Air India Engineering Service limited	90.78
Allied Airlines Services Limited	54.86
	-----
<b>Total</b>	<b>269.41</b>
	-----

**32. 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 management time to time so as to ensure to implement the effective internal controls at stations, regional offices and user departments and system for uniform and timely accounting entries of transactions in SAP.

**33. Entitlement of “Service Export from India Scheme” (SFIS):**

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

During the current year, the Company has been granted scrips of FY 2016-17 and FY 2017-18 by DGFT, accordingly an amount of Rs.25.32 million has been recognized as other income.

**34. Provision No longer Required written back:**

The company has operated the account of Provision no longer required is Rs.101.03 million of which the major portion of Rs 96.98millions is in respect of SFIS provision of FY 2016-17 made earlier now reversed as scrips relating to the FY 2016-17 were allotted to the Company during the FY 2019-20.

**35. Recovery of Gratuity and other employee’s recoveries:**

In respect of employees deputed by Air India, the salary cost incurred by Air India is debited to AI Airport Services Limited (AI APS) on a monthly basis. While processing the payroll the gratuity payments are processed by Air India through payroll and accordingly had been debited to AI APS in the FY 2018-19.





As the responsibility of settlement of gratuity will be rest upon principal employer i.e., Air India, this recovery amounting to Rs.77.57 millions of gratuity debited last year in the books of AI APS was not payable to Air India and hence, considered as Other Income in the FY 2019-20.

**36. IND AS 116 Clarificatory note on not considering Airport Spaces for Lease liability:**

- a) (a) ***Following the recognition exemption available under Ind AS 116, regarding short term leases, low value assets and those assets which were not covered under the previous Ind AS 17, the Company has availed the same exemptions for the implementation of the new Ind AS 116.***
- b) In respect of other leases for various commercial premises. (with option to purchase/renew but title of the same may or may not eventually be transferred) which are scattered at various locations/stations/regions, the management is in the process of collating the necessary information for evaluating the applicability of the Lease standard. These leases are cancellable by providing notice period of 90 days by either side.

Pending evaluation these the company have not considered as ROU under In AS 116 and rent of the same has been charged systematically to the Statement of Profit & Loss within the lease period. The management is of the view that the impact of this is not expected to be material.

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.

**37. Employee Benefits Plan:**

**(A) Defined Contribution Plan**

**Employees Provident Fund:** The Company has Employees Provident Fund Trusts under the Provident Fund Act, 1925 for Permanent employees. Also, the Company subscribes to EPFO under Employees' Provident Fund Scheme, 1952 which governs the Provident Fund Plans in respect on employees on contract. The Company as well as the employees contributes at applicable rates to the Provident Fund out of which Provident Fund is paid to the employees.

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of average interest rate guarantee on exempted provident fund in respect of employees of the Company for the financial year 2018-19 is 9.35% and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates.

Company's contribution to provident fund recognized in the Statement of profit and loss is Rs. 298.99 Million (Previous year: Rs. 302.31 Million) (Refer note no.20A)

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. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

**(B) Defined Benefit Plans :**

- a) **Gratuity:** Gratuity is payable to all 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





company as and when it becomes due and is paid as per company scheme for Gratuity.

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

**i) Disclosure Statement as per Ind AS of Gratuity**

**Rs. in Millions**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded	Unfunded
Starting Period	01-04-19	01-04-18
Date of Reporting	31-03-20	31-03-19
Period of Reporting	12 Months	12 Months
<b>Assumptions (Previous period)</b>		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.64%	7.80%
Rate of Salary Increase	5.50%	5.50%
Rate of Employee Turnover	10% & 2% as Applicable	10% & 2% as Applicable
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
<b>Assumptions (Current Period)</b>		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.56%	7.64%
Rate of Salary Increase	5.50%	5.50%
Rate of Employee Turnover	10% & 2% as Applicable	10% & 2% as Applicable
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
Present Value of Benefit Obligation at the Beginning of the Period	966.11	1,124.19
Interest Cost	73.81	75.58
Current Service Cost	60.08	56.88
Past Service Cost	-	(155.18)
(Benefit Paid Directly by the Employer)	(109.88)	(122.09)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	46.66	6.83



	As at March 31, 2020	As at March 31, 2019
Actuarial (Gains)/Losses on Obligations - Due to Experience	(22.66)	(20.10)
Present Value of Benefit Obligation at the End of the Period	1014.12	966.11
<b>Amount recognised in the Balance sheet</b>		
(Present Value of Benefit Obligation at the end of the Period)	(1014.12)	(966.11)
Funded Status (Surplus/ (Deficit))	(1014.12)	(966.11 )
Net (Liability)/Asset Recognized in the Balance Sheet	(1014.12)	(966.1)
<b>Net Interest Cost for Current Year</b>		
Present Value of Benefit Obligation at the Beginning of the Period	966.11	1124.19
Net Liability/(Asset) at the Beginning	966.11	1124.19
Interest Cost	73.81	75.58
Net Interest Cost for Current Period	73.81	75.58
<b>Expenses Recognized in the Statement of Profit or Loss for Current Year</b>		
Current Service Cost	60.08	56.88
Net Interest Cost	73.81	75.58
Past Service Cost	-	(155.18)
(Expected Contributions by the Employees)		-
(Gains)/Losses on Curtailments and Settlements		-
Net Effect of Changes in Foreign Exchange Rates		-
Expenses Recognized	133.89	(22.72)
<b>Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year</b>		
Actuarial (Gains)/Losses on Obligation for the Period	23.99	(13.27)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense for the Period Recognized in OCI	23.99	(13.27)
<b>Balance Sheet Reconciliation</b>		
Opening Net Liability	966.11	1124.19
Expenses Recognized in Statement of Profit or Loss	133.89	(22.72)
Expenses Recognized in OCI	23.99	(13.27)
Net Liability/(Asset) Transfer In		-
Net (Liability)/Asset Transfer Out		-
(Benefit Paid Directly by the Employer)	(109.88)	(122.09)
(Employer's Contribution)		-



	As at March 31, 2020	As at March 31, 2019
Net Liability/(Asset) Recognized in the Balance Sheet	1014.12	966.11
<b>Other Details</b>		
No of Active Members	14,278	13,370
Per Month Salary for Active Members	153.27	154.64
Weighted Average Duration of the Projected Benefit Obligation	6	8
Average Expected Future Service	8	8
Projected Benefit Obligation	1014.12	966.11
Prescribed Contribution for Next Year (12 Months)		-
<b>Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	1014.12	966.11
(Fair Value of Plan Assets at the End of the Period)		-
Net Liability/(Asset) at the End of the Period	1014.12	966.11
Interest Cost	66.53	73.81
(Interest Income)	-	-
Net Interest Cost for Next Year	66.53	73.81
<b>Expenses Recognized in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	63.89	60.08
Net Interest Cost	66.53	73.81
(Expected Contributions by the Employees)		-
Expenses Recognized	130.42	133.89
<b>Maturity Analysis of the Benefit Payments: From the Employer</b>		
Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	177.29	153.59
2nd Following Year	75.47	93.14
3rd Following Year	148.92	123.24
4th Following Year	122.51	145.17
5th Following Year	122.92	113.30
Sum of Years 6 To 10	483.57	491.98
<b>Sensitivity Analysis:</b>		<b>Increase / (Decrease)</b>
Projected Benefit Obligation on Current Assumptions	1014.12	966.11
Delta Effect of +1% Change in Rate of Discounting	(43.36)	(41.09)
Delta Effect of -1% Change in Rate of Discounting	47.71	45.09
Delta Effect of +1% Change in Rate of Salary Increase	46.55	44.38
Delta Effect of -1% Change in Rate of Salary Increase	(43.12)	(41.17)



	As at March 31, 2020	As at March 31, 2019
Delta Effect of +1% Change in Rate of Employee Turnover	1.72	4.20
Delta Effect of -1% Change in Rate of Employee Turnover	(1.96)	(4.64)
<p>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.</p> <p>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.</p> <p>There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.</p>		
<b>Notes:</b>		
Gratuity is payable as per company's scheme as detailed in the report.		
Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.		
Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above for foreseeable future of next 10 years.		
Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.		

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

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

Rs. in Millions

	As at March 31, 2020	As at March 31, 2019
Type of Benefit	Medical	Medical
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded	Unfunded
Starting Period	01-04-19	01-04-18
Date of Reporting	31-03-20	31-03-19
Period of Reporting	12 Months	12 Months
<b>Assumptions (Previous Year)</b>		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.78%	7.76%



	As at March 31, 2020	As at March 31, 2019
Medical Cost Inflation	4.00%	4.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
<b>Assumptions (Current Year)</b>		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.81%	7.78%
Medical cost inflation	4.00%	4.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Present Value of Benefit Obligation at the Beginning of the Period	1373.64	1,343.50
Interest Cost	106.87	104.26
Current Service Cost	12.75	14.70
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(37.66)	(50.43)
(Benefit Paid from the Fund)	-	-
The Effect of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions		-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	147.83	(3.04)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(163.21)	(35.33)
Present Value of Benefit Obligation at the End of the Period	1440.22	1,373.64
<b>Table Showing Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the Beginning of the Period	-	-



	As at March 31, 2020	As at March 31, 2019
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes in Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-
<b>Amount Recognized in the Balance Sheet</b>		
(Present Value of Benefit Obligation at the end of the Period)	(1440.22)	(1373.64)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(1440.22)	(1373.64)
Net (Liability)/Asset Recognized in the Balance Sheet	(1440.22)	(1373.64)
<b>Net Interest Cost for Current Year</b>		
Present Value of Benefit Obligation at the Beginning of the Period	1373.64	1,343.50
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	1373.64	1,343.50
Interest Cost	106.87	104.26
(Interest Income)	-	-
Net Interest Cost for Current Period	106.87	104.26
<b>Expenses Recognized in the Statement of Profit or Loss for Current Year</b>		
Current Service Cost	12.75	14.70
Net Interest Cost	106.87	104.26
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	119.62	118.95
<b>Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year</b>		
Actuarial (Gains)/Losses on Obligation for the Period	(15.83)	(38.38)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense for the Period Recognized in OCI	(15.83)	(38.38)



	As at March 31, 2020	As at March 31, 2019
<b>Balance Sheet Reconciliation</b>		
Opening Net Liability	1373.68	1,343.50
Expenses Recognized in Statement of Profit or Loss	119.62	118.95
Expenses Recognized in OCI	(15.38)	(38.38)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(37.65)	(50.43)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	1440.21	1,373.64

Other Details		
No of Active Members	1190	1,327
Weighted Average Duration of the Projected Benefit Obligation	30	30
Average Future Term	30	30
Projected Benefit Obligation	1440.22	1,373.64
Prescribed Contribution for Next Year (12 Months)		-
<b>Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	1440.21	1,373.64
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	1449.21	1,373.64
Interest Cost	98.07	106.87
(Interest Income)	-	-
Net Interest Cost for Next Year	98.07	106.87
<b>Expenses Recognized in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	13.18	12.75
Net Interest Cost	98.08	106.87
(Expected Contributions by the Employees)	-	-
Expenses Recognized	111.07	119.62
<b>Maturity Analysis of the Benefit Payments: From the Employer</b>		
Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	53.67	53.73
2nd Following Year	70.35	70.42
3rd Following Year	89.32	89.39
4th Following Year	110.34	110.43
5th Following Year	130.69	130.79
Sum of Years 6 To 10	729.89	730.40





Sensitivity Analysis: Increase / (Decrease)		
Projected Benefit Obligation on Current Assumptions	1440.21	1373.64
Delta Effect of +1% Change in Rate of Discounting	(151.97)	(138.10)
Delta Effect of -1% Change in Rate of Discounting	186.25	167.95
Delta Effect of +1% Change in Medical Cost inflation	189.82	172.87
Delta Effect of -1% Change in Medical Cost inflation	(157.04)	(143.90)
<p>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.</p>		
<b>Notes</b>		
<p>Medical is payable as per Company Scheme as detailed in the report.</p> <p>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.</p> <p>Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition &amp; death in respective year for members as mentioned above for foreseeable future of next 10 years.</p> <p>Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.</p>		

### (C) Other Long Term Employee Benefits

#### i. Compensated Absence

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

#### ii. Bonus

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

### 38. Earnings Per Share (EPS)

Rs. in Millions

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019 (Restated)
Profit After Tax attributable to equity Holders of the company	662.13	524.82
Weighted Average No. of Equity Shares	138.42	138.42



Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019 (Restated)
EPS After Tax (Rs. per share)	4.78	3.79
- Basic EPS		
- Diluted EPS	4.78	3.79

### 39. Income taxes

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on 1 April and ending on 31 March. For each fiscal year, the company's profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 22% plus a surcharge and education cess. MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2018-19 is 21.549%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

Company off sets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and relates to income taxes levied by the same tax authority.

#### a) Income tax expense

Rs. in Millions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current tax</b>		
Current tax	393.60	600.00
Short provision of tax of earlier years*	-27.16	186.62
<b>Total</b>	<b>366.44</b>	<b>786.62</b>
<b>Deferred tax</b>		
Deferred tax	310.01	(132.51)
<b>Total</b>	<b>674.27</b>	<b>654.11</b>

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

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



Rs. in Millions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019 (Restated)
Profit before tax	1,338.58	1,160.89
Enacted tax rate in India	25.16%	34.94%
Expected income tax expense at statutory tax rate (A)	336.89	405.61
Tax effect of:		
Expenses not deductible in determining taxable profits	16.08	132.51
Short provision of tax for earlier years*	(27.16)	186.62
Others	40.74	22.23
Others – pending reconciliation	(0.11)	39.65
Income tax recognized in the statement of profit and loss	366.44	786.62

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

b) **Deferred tax assets/ (liabilities)**

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

Rs. in Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	(125.54)	(124.75)
Deferred tax assets	895.36	1202.41
<b>Total</b>	<b>769.82</b>	<b>1077.65</b>

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

Rs. in Millions

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



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

Particulars	As at March 31, 2018	For the year ended March 31, 2020			As at March 31, 2019
		Recognized through P&L	Recognized through OCI	Recognized through Retained Earnings	
<b>Deferred tax balance in relation to</b>					
Deferred tax asset of earlier years	-	-	-	939.37	939.37
Property, plant and equipment	(97.52)	(27.23)	-	-	(124.75)
Provision for employee benefits	103.30	5.41	(18.04)	-	90.67
Expected credit loss	-	152.45	-	-	152.45
Disallowance under Section 43B and 40(a) (ia) of Income tax Act, 1961	-	19.92	-	-	19.92
<b>Total</b>	<b>(5.78)</b>	<b>150.55</b>	<b>18.04</b>	<b>939.37</b>	<b>1,077.66</b>

It is impracticable to determine the period-specific effects of this error on comparative financial information for reported prior period and hence, the company has given cumulative effect of the error prospectively by restating the opening balances of assets and other equity as at April 01, 2018 and hence, reported financial information of the previous year is strictly not comparable.

#### **40. Claims from Jet Airways (India) Ltd:**

The Company has submitted its claims of Rs. 25.018 crores (including interest) from M/s Jet Airways (India) Ltd to the Interim Resolution Professional / Resolution Professional of M/s Jet Airways (India) Ltd out of which claims of Rs. 16.61 crores has been admitted. However 100% provision of ECL of the receivables from M/s Jet Airways (India) Ltd has been provided.

#### **41. The Micro and Small Enterprises Development Act, 2006:**

The SAP system 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.



Rs. in Millions

Particulars	As at 31 March 2020	As at 31 March 2019
Principal amount due outstanding as at end of year	0.25	0.10
Principal amount overdue more than 45 days	0.25	0.10
Interest due on (1) above and unpaid as at end of year	0.02	0.00
Interest paid to the supplier	0.00	0.00
Payments made to the supplier beyond the appointed day during the year	0.24	0.00
Interest due and payable for the year of delay	0.00	0.00
Interest accrued and remaining unpaid as at end of year	0.02	0.00
Amount of further interest remaining due and payable in succeeding year	0.02	0.00

**42. Related Party Disclosures**

Disclosure of the names and designations of the Related Parties as required by Indian Accounting Standard (Ind AS24) during the year 2019-20.

**A. List of Related parties:**

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

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

**ii. List of Fellow Subsidiary Companies:**

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

**iii. Others:**

Sr. No	Name of Company	Relationship
1	Airport Authority of India	Entity under same control by the Government
2	Ministry of Defense	



## B. Key Managerial Personnel

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Shri. Rajiv Bansal	Chairman (Appointed as CMD effective February 14, 2020)
2.	Shri A.Lohani	Chairman (Appointed as CMD upto February 14, 2019)
2.	Shri Pradeep Singh Kharola	Chairman (ceased to be CMD effective February 14, 2019)
3.	Capt. A.K. Sharma	Chief Executive Officer
4.	Shri J V Ravi Kumar	Chief Financial Officer
5.	Smt.Shashi Bhadooia	Company Secretary (w.e.f. February 25, 2020)
6.	Smt. Vandana Batra	Company Secretary (upto. February 25, 2020)

## C. Related Party Transactions

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

Rs. in Millions

Sr. No	Name of the Entity & Nature of Transaction	As at and for the year ended	
		March 31, 2020	March 31, 2019
1	<b><u>Air India Limited (Holding Company)</u></b>		
	<b>Revenue from Operations:</b>		
	Ground Handling Revenue	3463.81	3,215.87
	Supply of Manpower Services	1029.07	824.62
	Interest on Outstanding recoverable	105.04	20.54
	Other services	102.91	82.46
		<b>4700.83</b>	<b>4,143.49</b>
	<b>Expenditure</b>		
	Rent on Premises	31.99	70.82
	IT Charges	11.80	25.62
	Insurance Charges	35.69	42.95
	Recovery of Electricity Charges	37.79	96.14
	Staff Travel Expenses	10.57	9.09
	Staff Welfare Expenses	33.87	4.64
	Medical Expenses	40.39	42.59
	Material Management Services	00.00	00.00
	<b>Revenue Sharing with Holding Company</b>	<b>342.91</b>	<b>406.78</b>
	<b>Closing Balance of Trade receivable [Debit / (Credit)]</b>	<b>1833.03</b>	<b>606.18</b>
2	<b><u>Air India Express Limited</u></b>		



	<b>Revenue</b>		
	Ground Handling Revenue	364.31	329.12
	Manpower Service	1.46	1.83
	APEDA/Carting Revenue	0.55	1.10
	Interest on outstanding recoverable	18.73	14.44
	<b>Closing Balance of Trade receivable (Debit)</b>	<b>156.25</b>	<b>278.67</b>
<b>3</b>	<b><u>Air India Engineering Services Limited</u></b>		
	<b>Revenue</b>		
	Manpower Services / Cabin Cleaning	85.71	33.13
	Interest on outstanding recoverable	90.78	86.28
	<b>Expenditure</b>		
	Headset Services	13.91	77.48
	<b>Closing Balance of Trade receivable (Debit)</b>	<b>1014.70</b>	<b>1,002.77</b>
<b>4</b>	<b><u>Airline Allied Service Limited (Alliance Air)</u></b>		
	<b>Revenue from Operations</b>		
	Ground Handling Revenue	243.60	219.87
	Supply of Manpower Services	0.15	1.46
	Interest on Outstanding recoverable	54.86	26.91
	<b>Expenditure</b>		
	Staff on Duty Expenditure	1.08	0.99
	<b>Closing Balance of Trade receivable (Debit)</b>	<b>851.10</b>	<b>521.32</b>
<b>5</b>	<b><u>Hotel Corporation of India Limited (HCIL-Centaur)</u></b>		
	<b>Expenditure</b>		
	Staff Hotel Expenses	1.03	00.95
	<b>Closing Balance of Trade payable (Credit)</b>	<b>1.03</b>	<b>(00.95)</b>
<b>6</b>	<b><u>Air India Singapore Airlines Transport Services (AISATS)</u></b>		
	<b>Closing Balance of trade receivable (Debit)</b>	<b>02.58</b>	<b>02.58</b>

**Compensation to Key Management Personnel**
**Rs. in Millions**

<b>Nature of Transactions</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Short-term employee benefits	0.81	3.01
Post-employment benefits	Nil	Nil
Other long-term benefits	Nil	Nil
Termination benefits	Nil	Nil
<b>Total compensation to Key Management Personnel</b>	<b>0.81</b>	<b>3.01</b>

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



**Major Transactions with Government Related Entities****Rs. in Millions**

<b>Name of Entity</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Expenditure: Airports Authority of India levy	128.10	238.41
Revenue: Indian Air Force/Border Security Force/Indian Navy for Ground Handling Services	46.18	41.18

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

**43. Corporate Social Responsibility (CSR)****Rs. in Millions**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
(a) Gross amount required to be spend by the Company during the year	20.74	19.24
(b) Amount spend on:		
(i) Construction / acquisition of assets	nil	Nil
(ii) On purposes other than (i) above (for CSR projects)	10.37	Nil

**44. Following are the details of Foreign Currency earned and expended by the Company during the Financial Year 2019-20****Rs. in Millions**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Foreign Exchange Earnings	1,275.50	1,686.09
Foreign Exchange expended (for Import Payments)	(1,179.02)	-
<b>Net Foreign Exchange Earnings</b>	<b>96.48</b>	<b>1,686.09</b>

**45. 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".

**a. Disclosure of Customer with more than 10% of Revenue:****Rs. in Millions**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Air India Ltd. And its group companies	3837.76	3775.79



#### 46. Remuneration to Auditors

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

Rs. in Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit Fees - For the Year	1.00	0.56
Out of Pocket Expenses	0.10	0.06
<b>Total</b>	<b>1.10</b>	<b>0.62</b>

#### 47. Fair value measurement and financial instruments

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

- (i) **As at March 31, 2020**

Rs. in Millions

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>							
<b>Current</b>							
Trade Receivable*			5,713.95	5,713.95			
Cash & Cash Equivalents and other bank balances			162.52	162.52			
Others Financial Assets			76.85	76.85			
<b>Total</b>			<b>5,953.32</b>	<b>5,953.32</b>			
<b>Financial liabilities</b>							
<b>Non-Current</b>							
Other Financial Liabilities			0.11	0.11			
<b>Current</b>							
Trade Payables*			846.20	846.20			
Other Financial Liabilities			2,153.82	2,153.82			
<b>Total</b>			<b>3,000.13</b>	<b>3,000.13</b>			

- (ii) **As at March 31, 2019 as per restated.**



Rs. in Millions

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>							
<b>Current</b>							
Trade Receivable*	-	-	3,987.15	3,987.15	-	-	-
Cash & Cash Equivalents and other bank balances	-	-	139.55	139.55	-	-	-
Others Financial Assets	-	-	118.03	118.03	-	-	-
<b>Total</b>			<b>4,244.73</b>	<b>4,244.73</b>	-	-	-
<b>Financial liabilities</b>							
<b>Non-Current</b>							
Other Financial Liabilities	-	-	1.44	1.44	-	-	-
<b>Current</b>							
Trade Payables*	-	-	526.61	526.61	-	-	-
Other Financial Liabilities	-	-	1,147.85	1,147.85			
<b>Total</b>	-	-	<b>1,675.89</b>	<b>1,675.89</b>	-	-	-

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

#### b. Fair Value Hierarchy

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

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs are not based on observable market data unobservable inputs. Fair value are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### 48. Financial Risk Management Objective and Policies:

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

- i. Credit Risk



## ii. Liquidity Risk

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

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

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

(i) **Credit Risk Management**

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

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

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

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

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

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

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

Bucket	As at March 31, 2020	As at March 31, 2019
Government Company	0.00%	0.00 %



Bucket	As at March 31, 2020	As at March 31, 2019
Group Company	0.00 %	0.00 %
Other Parties past due up to three years	8.73%	8.81 %
Other Parties past due more than three years	100.00 %	100.00 %
Specific Credit Risk impairment on individual basis	100.00 %	100.00 %

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

Particular	As at March 31, 2020	As at March 31, 2019
<b>Balance at the beginning of the year</b>	<b>436.26</b>	<b>-</b>
Allowance for trade receivable which have significant increase in credit risk	85.67	191.58
Specific Credit Risk impairment on individual basis	-	244.68
<b>Balance as at the end of the year</b>	<b>521.93</b>	<b>436.26</b>

## 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, 2020 applying simplified approach for trade and other contractual receivables from the parties other than the group companies amounting to Rs.521.93 million. The Company has considered Rs. Nil towards expected credit loss in respect of receivable from the group companies.

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

## (ii) Liquidity Risk Management

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

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

The Company believes that its liquidity position, including total cash (including bank deposit lien and excluding interest accrued but not due) anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility of Rs. NIL (31 March 2019: Rs.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, 2020

Rs. in Millions

Particulars	Carrying amount	Contractual Cash Flows			
		Up to 1 year	1-5 Years	More than 5 years	Total
<b>Financial Assets</b>					
<b>Current</b>					
Trade Receivable	5,713.96	2,828.14	2,885.82	-	5,713.96
Cash & Cash Equivalents and other bank balances	162.52	162.52	-	-	<b>162.52</b>
Others Financial Assets	76.85	76.85	-	-	<b>76.85</b>
<b>Financial Liabilities</b>					
<b>Non-Current</b>					
Other Financial Liabilities	0.11	-	0.11	-	<b>0.11</b>
<b>Current</b>					
Trade Payables	846.20	846.20	-	-	<b>846.20</b>
Other Financial Liabilities	2,153.82	2,153.82	-	-	<b>2,153.82</b>

As at March 31, 2019 as per restated

Rs. in Millions

Particulars	Carrying amount	Contractual Cash Flows			
		Up to 1 year	1-5 Years	More than 5 years	Total
<b>Financial Assets</b>					
<b>Current</b>					
Trade Receivable	3,987.15	1,612.58	2,999.98	-	3,987.15
Cash & Cash Equivalents and other bank balances	139.55	139.55	-	-	139.55
Others Financial Assets	118.03	118.03	-	-	118.03
<b>Financial Liabilities</b>					
<b>Non-Current</b>					
Other Financial Liabilities	1.44	-	1.44	-	1.44



Particulars	Carrying amount	Contractual Cash Flows			
		Up to 1 year	1-5 Years	More than 5 years	Total
<b>Current</b>					
Trade Payables	526.61	526.61	-	-	526.61
Other Financial Liabilities	1,147.85	1,147.85	-	-	1,147.85

(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, 2020 and March 31, 2019 are as below:

**Figure in Millions**

Particulars	As at March 31, 2020			As at March 31, 2019		
	USD	INR	Total	USD	INR	Total
<b>Financial Assets</b>				-	-	-
Trade Receivable	0.59	5,713.37	5,713.96	129.48	3,857.67	3,987.15
Cash & Cash Equivalents and bank balances	-	162.52	162.52	-	139.55	139.55
Other Financial Assets	-	76.85	76.85	-	118.02	118.02
<b>Total Financial Assets</b>	<b>0.59</b>	<b>5,952.74</b>	<b>5,953.33</b>	<b>129.48</b>	<b>4,115.24</b>	<b>4,244.73</b>
<b>Financial Liabilities</b>						
Non-Current						
Other Financial Liabilities	-	0.11	0.11	-	1.44	1.44
Current						
Trade Payables	-	846.20	846.20	-	526.61	526.61
Other Financial Liabilities	-	2,153.82	2,153.82	-	1,147.85	1,147.85
<b>Total Financial Liabilities</b>		<b>3,000.13</b>	<b>3,000.13</b>	-	<b>1,675.89</b>	<b>1,675.89</b>





## 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.

Rs. in Millions

Particulars	Increase		(Decrease)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Receivable</b>				
USD/INR	5.91	6.71	(5.91)	(6.71)

## 49. IndAS115- Revenue from Contracts with Customers

Particulars	For the year ended 31 March 2020 (in millions)	For the year ended 31 March 2019 (in millions)
Revenue from contracts with customer	6,221.30	6,607.58
Other operating revenue	0	0
<b>Total revenue from operations</b>	6,221.30	6,607.58
<b>Timing of revenue recognition</b>		
At a point in time	6,221.30	6,607.58
<b>Total revenue from operations</b>	6,221.30	6,607.58

Particulars	As at 31 March 2020	As at 31 March 2019
Trade Receivables (refer note 8)	5,713.96	3,987.15
<b>Contract liabilities</b>		
<u>Advance from customers</u>		
Opening	0.44	0.090
Revenue Recognised During the Year		
Additions during the Year	0.13	0.35
Closing Balance (Refer Note no.16 and 18)	0.57	0.44

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



**51. Impact of COVID on financials**

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

*As major outstanding are from Air India Group the company has been successful in recovering the dues outstanding as on 31.03.2020 inclusive of interest from Ai India and Airindia Express during 2020-21. The company is making sustained efforts and follow up is with other Group Companies, Alliance Ai, and Air India Engineering and we are hopeful of recovery of outstanding dues. Similarly we are making all out efforts to follow-up with all the third party customer as well for recovery of the outstanding dues.*

Further On the expenditure front we have also implement cost cutting in terms of reduction in allowances of salaries and also in the process of working our various strategies.

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

**As Per Our Report Of Even Date Attached**

For Shah Gupta & Co.  
Chartered Accountants  
Firm Registration No. 109574W

Sd/-  
**Vipul K. Choksi**  
Partner  
M.No. 37606  
UDIN : 20037606AAAADM6320

Place: Delhi / Mumbai  
Date: 18th December 2020

**For and on behalf of the Board of Directors**

Sd/-  
**Rajiv Bansal**  
Chairman  
DIN 00245460  
Sd/-  
**J.V.Ravikumar**  
Chief Financial Officer  
Sd/-  
**Smt. Shashi Bhadoola**  
Company Secretary

Sd/-  
**Vimlendra Anand Patwardhan**  
Director  
DIN 08701559  
Sd/-  
**Capt. A.K.Sharma**  
Chief Executive Officer