

**3<sup>RD</sup> ANNUAL REPORT**

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**OF**

**AI ASSETS HOLDING LIMITED**  
*(Formerly AIR INDIA ASSETS HOLDING LIMITED)*

**FOR**

**FINANCIAL YEAR**

**2020-21**

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AI ASSETS HOLDING LIMITED  
Regd. Office: Indian Airlines Building, 113 Gurudwara Rakabganj Road, New  
Delhi-110001,  
CIN: U74999DL2018GOI328865, Tel: 2342 2093,  
Email id: company.secretary@aiahl.in

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## **CORPORATE INFORMATION**

(as on 15.12.2021)

### **BOARD OF DIRECTORS**

1. Shri Rajiv Bansal
2. Shri Vimalendra Anand Patwardhan
3. Shri Satyendra Kumar Mishra
4. Smt Parama Sen
5. Shri Peeyush Kumar
6. Shri Vinod Hejmadi

### **CHIEF FINANCIAL OFFICER**

Shri Rajiv Kapoor

### **STATUTORY AUDITORS**

Ashwani Sood & Associates  
Chartered Accountants  
New Delhi

### **COMPANY SECRETARY**

Ms. Shilpi Singh

### **NCD BONDS LISTED ON**

BSE Limited

### **REGISTRAR AND SHARE TRANSFER AGENT**

1. Link Intime India Pvt. Ltd,
2. KFin Technologies Private Limited

### **BANKER**

State Bank of India, New Delhi

### **REGISTERED OFFICE**

Airlines House  
113 Gurudwara Rakabganj Road,  
New Delhi -110001  
Telephone No. 011-23422093  
Email: [company.secretary@aiahl.in](mailto:company.secretary@aiahl.in)  
[www.aiahl.in](http://www.aiahl.in)

## DIRECTOR'S REPORT

To  
The Members,  
AI Assets Holding Limited  
(Formerly known as Air India Assets Holding Limited)

The Directors of your Company have the pleasure in presenting the 3<sup>rd</sup> Annual Report together with the Audited Financial Statements, the Statutory Auditor's Report and the Comments of Comptroller and Auditor General of India on the Annual Accounts for the year ended 31<sup>st</sup> March, 2021.

### 1. FINANCIAL RESULTS

(Rs. In Crore)

S.No.	Particulars	FY 2020-21	FY 2019-20
<b>I.</b>	<b>Total Revenue</b>	<b>2336.82</b>	<b>3824.28</b>
	(a) Revenue Grant for interest servicing	2183.01	3625.30
	(b) Identified Incomes credited by AI -Revenue from Operations-Rental AI Building Nariman Point Building - Revenue share-AIASL (20% of 3rd party revenue shared)	146.61	197.07
	(c) Interest on FDRs including Income transfer from AI	7.20	1.91
<b>II.</b>	<b>Total Expenses (before prov. for Income Tax)</b>	<b>2274.10</b>	<b>3636.61</b>
	(a) Finance Costs comprising of :	2265.11	3620.96
	i. Interest debited by AI for debts		
	ii. Interest for AIAHL NCDs		
	(b) Legal expenses debited by AI for identified debts	-	4.34
	(c) Maintenance, Utilities and upkeep expenses debited by AI for Rental Building	7.76	6.45
	(d) NCDs- issuance & handling expenses incurred & debited	0.76	4.11
	(e) Other expenses	0.47	0.75
<b>III.</b>	<b>Profit before tax provision (I-II)</b>	<b>62.72</b>	<b>187.67</b>
<b>IV.</b>	<b>Provision for Income Tax</b> including Interest provided (Tax provided at lower 22% rate, effective tax Rate @25.17%) <sup>5</sup> Includes Rs.2.11 crores Short Provision of Income Tax of FY 2019-20	<b>19.03<sup>5</sup></b>	<b>53.65</b>
<b>V.</b>	<b>Profit after Tax (III-IV)</b>	<b>43.69</b>	<b>134.02</b>

In addition to the period effect, the decrease in profits is due lower Grant revenue considered vis-à-vis interest expenses serviced as monetization proceeds funds of about Rs.83 crores utilized towards interest payments.

### 2. STATE OF COMPANY AFFAIRS:

- i. The Company was incorporated on 22<sup>nd</sup> day of January, 2018 vide Ministry of Civil Aviation (MOCA) order for creation of a new SPV. The Company was formed with an object to warehouse accumulated working Capital Loans not backed by any asset along with four Subsidiaries AIASL (AI Air Transport Services Ltd., formerly, AIATSL), AAASL (Alliance Air Aviation Ltd. formerly AASL), AIESL (AI Engineering Services Ltd formerly Air India Engineering Services Ltd.) and HCI (Hotel Corporation Ltd.), non-core assets, paintings and artefacts and other non-operational assets of Air India Ltd.

- ii. As the Company is a Special Purpose Vehicle, formed for a specific object, it does not have any business operations of its own.
- iii. Transfer of the identified unsold properties, transfer/novation of the ownership/right to use for other assets, transfer of shareholding of the identified subsidiaries is ongoing activity and expected to be completed likely in the FY 2021-22, as part of the ongoing process of the disinvestment of Air India Ltd.
- iv. The transactions in this regard to be completed and accounted in terms of the Government of India approvals as also the terms of the contractual understanding between AI and AIAHL documented in the Framework Agreement dated 23<sup>rd</sup> Nov 2020.

### **3. RESERVES**

The Profits for the period under review amounting to Rs.43.69 crores (Previous Year Rs.134.02 crores) has been transferred to the Reserves and Surplus account of the Balance sheet, with the Balance of Retained Earnings as on 31<sup>st</sup> March 2021 at Rs.177.72 crores (Previous Year Rs.134.02 crores).

### **4. DIVIDEND**

The Board of Directors does not recommend any dividend for the period under review.

The Company being a SPV constituted for disinvestment of AI, dependent upon Government grants for funding support, had requested Government of India (GOI) vide its letter dated 25<sup>th</sup> March, 2021 to consider exemption to AIAHL from the applicability of extant guidelines indicated vide Office Memorandum No. F.No. 3(3)-B(S)/2015, Ministry of Finance, dated 5th January, 2016 and the guidelines issued by DIPAM vide OM No.F.No.PP/14 (005)/2016 dated 20<sup>th</sup> June 2016.

As informed by Ministry of Civil Aviation vide their letter No.17046/19/2021-AI dated 12<sup>th</sup> Nov 2021, the Department of Investment and Public Assets Management (DIPAM) placed the aforesaid matter before the Committee for Monitoring of Capital Management and Dividend in CPSEs (CMCDC), which in its meeting held on 21.10.2021 has decided to exempt the Company from the requirement of paying dividend for this year and till its dissolution.

### **5. CORPORATE SOCIAL RESPONSIBILITY-CSR**

Section 135 (1) of the Companies Act 2013 applies to a Company having threshold Net worth of Rs.500 crores or Rs. 1,000 crores Turnover or Rs.5 crores Net profit during the immediately preceding financial year. AIAHL had recorded a profit higher than Rs.5crores in the previous financial year 2019-20, due to which the CSR provisions apply to the Company in the financial year 2020-21.

However, the Company being a SPV specifically incorporated for the limited purposes of enabling specified transactions for Disinvestment of Air India and is not a commercial business entity.

The Company is dependent upon the Government of India grant funds for servicing debts and meeting its day-to-day expenses, for ensuring compliances to the CSR for expenditure incurred for the specified CSR activities, the Company would be requiring additional budgetary support grants from the Government of India.

In view of the above, the Company has sent a request to the Ministry of Corporate Affairs, Government of India vide AIAHL letter dated 25<sup>th</sup> March 2021, which was further recommended by Ministry of Civil Aviation, Govt of India to the Ministry of Corporate Affairs, Govt. of India vide letter No. No.17046/19/2021-AI dated 16<sup>th</sup> April 2021 for exempting AIAHL from the applicability of provisions of CSR followed by another letter dated 28<sup>th</sup> Sep 2021 reiterating the rationale for Government of India to consider the exemption request from provisions of the CSR applicability.

In view of the aforesaid application of the company pending for consideration of the Govt. and the status of the company as SPV dependent upon the grant funds from Govt. of India, the company has not incurred any expenditure on the specified CSR activities.

## 6. SHARE CAPITAL

### 6.1 Authorized Share Capital

The Authorized share capital of the Company as of March 31, 2021 is Rs. 5,00,000/- comprising of 50,000 equity shares of Rs. 10/- each.

#### Changes after the Balance sheet Date

The Authorized Share Capital of the Company was increased in the 22<sup>nd</sup> Board Meeting of the Company held on 20<sup>th</sup> November, 2021 from Rs.5,00,000 to Rs.70,000,000,000.

### 6.2 Issued, Subscribed & Paid up Share Capital

The issued, subscribed and paid up share capital of the Company as on March 31, 2021 was Rs. 5, 00,000/- comprising of 50,000 equity shares of Rs. 10/- each.

#### Changes after the Balance sheet Date

The Company further issued 3067,80,00,000 equity shares for Rs.10/-each by way of Right Issue of shares to Government of India on 4<sup>th</sup> December, 2021. Hence, the paid up equity share capital of the Company is Rs.30678,05,00,000 as on the date of approval to the Board Report.

### 6.3 Debentures

The Company has issued three series of Non-Convertible Debentures aggregating to Rs.21,985 crores which are serviced from the budgetary support/grant funds received. The details of NCDs are as given below:

S.No.	Particulars	Series 1	Series 2	Series 3
1.	Object of the Issue	To Refinance the Debts of AIL		
2.	Allotted debentures	Rs.7,000 Crores	Rs.7,000 Crores	Rs.7,985 Crores
3.	Tenor	3years 3 month	10years	10years
4.	Instrument Description	Government of India Fully Serviced, Unsecured, Redeemable, Taxable, Non-Convertible Debentures	Government of India guaranteed, unsecured, redeemable, taxable, non-convertible debentures	
5.	Face Value per Security	Rs.10,00,000		
6.	Yield %	6.99%	7.39%	7.39%

7.	Date of Issue	16-09-19	10-10-19	17-10-19
8.	Listing on Stock Exchange	BSE	BSE	BSE
9.	Registrar and Share Transfer Agent	Link Intime India Private Limited, Mumbai	KFin Technologies Private Limited, Hyderabad	

Debenture Redemption Reserve, has not been created as the Company is exempted by virtue of Rule 18 sub rule (7)(b) (iii) of the Companies (Share Capital and Debentures) Amendment Rules, 2019, which exempt listed companies

## 7. COMPOSITION OF BOARD OF DIRECTORS:

### a. Composition of Board of Director:

Sr. No.	As on 31st March, 2021
1.	Shri Rajiv Bansal, CMD-AI, (DIN: 00245460)
2.	Shri Vimlendra Anand Patwardhan, JS &FA, MOCA (DIN:08701559 )
3.	Shri. Satyendra Kumar Mishra , JS, MOCA(DIN: 07728790)
4.	Shri Baldeo Purushartha, Jt. Secretary (IPF), DEA, Min.of Finance, DIN: 07570116
5.	Shri Vinod Shanker Hejmadi (Director-Fin- Air India) (DIN: 07346490)
<b>As on the date of Board's Report</b>	
1	Shri Rajiv Bansal , CMD Air India, DIN: 00245460
2	Shri Vimlendra Anand Patwardhan, JS &FA, MOCA,DIN : 08701559
3	Shri Satyendra Kumar Mishra , Jt. Secretary, MOCA, DIN: 07728790
4	Shri Peeyush Kumar, Jt. Secretary, IPPD, DEA, DIN: 08292856
5	Smt. Parma Sen, Jt.Secretary, DIPAM, Min. of Finance, DIN 09276997
6	Shri Vinod Shanker Hejmadi, (Director) , DIN: 07346490

### b. Changes in Board of Director during F.Y.2020-21

Sr. No.	Name, Designation and DIN	Date of Appointment	Date of Cessation
1.	Smt. Anuradha Thakur , Jt. Secretary –DIPAM, DIN:07293445	26.10.2018	Office of Director ceased due to assumption of new position vide office memorandum No. F.No.9/6/2017-Admn. Dated 18 <sup>th</sup> May, 2020
2.	Shri Venudhar Reddy Jt. Secretary- DIPAM DIN: 08894436	21.08.2020	Office of Director ceased due to promotion to higher grade with effect from 1 <sup>st</sup> February, 2021
3	Shri Baldeo Purushartha, Jt. Secretary (IPF), Min.of Finance, DIN: 07570116	11.01.2021	Nominated as Department of Economic Affairs, Min. of Finance representative Director on the AIAHL Board vide OM No.Av.17046/56/2019-AI dated 11 <sup>th</sup> Jan 2021/

### c. Changes in the composition of Board of Directors after the Balance Sheet date:

Sr. No.	Name, Designation and DIN	Date of Appointment	Date of Cessation
1.	Smt. Parma Sen, Jt. Secretary, DIPAM, Min. of Finance, DIN 09276997	10.06.2021	Nominated as DIPAM representative Director on the AIAHL Board vide OM No.Av.17046/56/2019-AI dated 10 <sup>th</sup> June 2021

2.	Sh. Baldeo Purushartha, Jt. Secretary, DEA, Ministry of Finance, DIN: 07570116	11.01.2021	18.11.2021
3.	Sh. Peeyush Kumar, Jt. Secretary, IPPD, DEA, Ministry of Finance, DIN:08292856	18.11.2021	Nil.

## 8. KEY MANAGERIAL PERSONNEL(KMP)

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

Sr No.	Name	Designation	Date of Appointment	Date of Cessation
1.	Sh. Vijay Jadhav	CFO	25.07.2019	17.08.2020
2.	Sh. K.C.Anand	CFO	17.08.2020	19.11.2021*
3.	Ms. Shilpi Singh	CS	03.06.2019	Nil

Shri Rajiv Kapoor appointed as CFO with effect from 12<sup>th</sup> November, 2021, however, Sh.KC Anand contractual services continued till 22<sup>nd</sup> November, 2021 for enabling transition for the joining incumbent CFO.

## 9. INDEPENDENT DIRECTORS AND DECLARATION

The Company has requested Ministry of Civil Aviation to appoint Independent Directors in the Company vide its request letter dated 4<sup>th</sup> October, 2019 and 27<sup>th</sup> May, 2021.

## 10. MEETINGS OF THE BOARD HELD DURING THE PERIOD UNDER REVIEW.

Due to COVID pandemic, the Government of India imposed the first nationwide lockdown in the last week of March 2020 till May 2020. The Companies requested the Ministry of Corporate Affairs (MCA) to provide ease in compliances due to the COVID-19 pandemic. Thus, the MCA vide its General Circular No. 11 /2020 dated 24<sup>th</sup> March, 2020 issued Special Measures under Companies Act, 2013 and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak. As per the said circular, the mandatory requirement of holding meetings of the Board of the companies within the intervals provided in Section 173 of the Companies Act, 2013 (CA13) (120 days) was extended by a period of 60 days till next two quarters i.e., till 30<sup>th</sup> September. Accordingly, as a onetime relaxation the gap between two consecutive meetings of the Board extended to 180 days till the next two quarters, instead of 120 days as required in the Companies Act 2013.

Hence, only 3 Board Meetings could be held in the financial year 2020-21. The details of the 3 Board meetings held during FY 2020-21 at company's registered office at Delhi during the period under review:-

Board Meeting Number	Date of Board Meeting
17	28 <sup>th</sup> August 2020
18	21 <sup>st</sup> December 2020
19	16 <sup>th</sup> March 2021

However, the Company passed two Resolutions by Circulation during the period under review on 20<sup>th</sup> July, 2020 for reconstitution of the Audit Committee and another on 19<sup>th</sup> November, 2020 for approval of frameworks agreement between AI and AIAHL.

#### **11. SUBSIDIARY / JOINT VENTURES/ ASSOCIATES**

During the year under review, there are no subsidiary, joint ventures and associates of the Company.

#### **12. DEPOSITS**

The Company has not invited, accepted or renewed any deposits from the public falling under the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### **13. EXTRACTS OF ANNUAL RETURN**

The extract of the Annual Return of the Company for the financial period ended March 31, 2021 in Form MGT-9 is annexed herewith as an Annexure-1 and forms part of this Report.

#### **14. COMPOSITION OF THE AUDIT COMMITTEE**

The Audit Committee of the Company was constituted on 20<sup>th</sup> March, 2019 by the Board as per Section 177 of the Companies Act, 2013, Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014. Composition of the Committee as on 31<sup>st</sup> March, 2021 is provided herein below:

Sh.Vimlendra Anand Patwardhan	JS& FA, MOCA	Member & Chairman
Sh. S.K. Mishra	Jt. Secretary, MOCA	Member
Sh.Vinod Hejmadi	Director-Fin. Air India	Member

The Board has accepted the recommendations of the Audit Committee.

#### **15. NOMINATION & REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company was constituted on 15<sup>th</sup> September, 2021 by the Board as per Section 178 of the Companies Act, 2013. The Composition of the Committee is provided herein below:

Sh. S.K. Mishra	Jt. Secretary, MOCA	Chairperson & Member
Sh. Rajiv Bansal	CMD-AI	Member
Smt. Parama Sen	Jt. Secretary, DIPAM	Member

#### **16. 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. All the Directors on the Board are GOI appointed nominee Directors and none are in the Executive capacity.

## **17. RISK MANAGEMENT**

AIAHL is a wholly owned Government of India undertaking, formed as a SPV for the disinvestment purposes for Air India Ltd. The Company as such doesn't have any business or operational activities of its own. For meeting all its funding requirements, the SPV is dependent upon the Grant funds/budgetary support from the Government of India. The NCDs issued by the Company are fully assured by the Government of India for payment of Principle and Interest. Hence, there is no associated risks to the Company as applicable for a Company having business activities.

## **18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, the Company has not given any loans, guarantees under Section 186 of the Companies Act, 2013.

The Company has not taken any loans from Banks and Financial Institution except that for the NCDs issued in 2019-20, accounted as borrowings, wherein some banks and FIs are the bondholders.

## **19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## **20. RELATED PARTY TRANSACTIONS:**

- i. During the year under review, the Company entered into transaction with Air India Ltd., which is disclosed in the Note No. 31 of the Notes to the Annual Accounts FY 2020-21.
- ii. There are no materially significant related party transactions made by the Company with its Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.
- iii. 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.
- iv. The Company has placed the key transactions details made with Air India Ltd. during FY 2020-21, before its Audit Committee Meeting and the Board Meeting for their perusal and approvals.

## **21. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

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

During the year under review, there was only one female employee in the Company.

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

## **22. AUDIT, STATUTORY AUDITORS AND AUDITORS' REPORT**

The Company was formed as a Special Purpose Vehicle by the Government of India and is subjected to audit by C & AG. Accordingly, as per the order of the C & AG offices, the Company was mandated to engage the service of M/s Ashwani Sood and Associates, Chartered Accountants, New Delhi for a period beginning from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March 2021.

The Financial Statement for the period ended on 31<sup>st</sup> March, 2021 were approved by the Board of Directors in its 21<sup>st</sup> Board meeting held on 15<sup>th</sup> September, 2021.

## **23. AUDITORS' REPORT**

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors of the Company in their report for the financial year ended March 31, 2021. Hence, they do not call for any further explanation or comment u/s 134 (3) (f) of the Companies Act, 2013.

## **24. COMMENTS FROM THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

The Company received **Nil** comments from the Principal Director of Audit (Infrastructure), Comptroller and Auditor General of India New Delhi vide letter dated 7<sup>th</sup> December, 2021 annexed to this report as Annexure-2, under Section 143 (6) of the Companies Act, 2013 on the accounts of the Company for the year ended 31<sup>st</sup> March, 2021.

## **25. SECRETARIAL AUDITORS**

The Board appointed Amit Agrawal & Associates, Practicing Company Secretary, New Delhi to conduct the Secretarial audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2021 and the Management Replies is annexed to this Report at Annexure-3.

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

Secretarial Auditor's Observation	Management's Reply
The Company does not have any independent director as required under section 149 of the Companies Act, 2013	The entire Board of Directors of the Company consist of Govt. nominated Directors, who are independent from the executive functioning of the company. However, for the appointment of Independent Directors, the Company has taken up the matter with the Government vide its letter 4 <sup>th</sup> October, 2019 and letter dated 27 <sup>th</sup> May, 2021.

Establishment of a vigil mechanism for directors and employees to report genuine concerns or grievances as required under section 177 (9) of the Companies Act, 2013.	The Board took note of the same in its Meeting held on 18 <sup>th</sup> July, 2019.  During the year under review i.e., FY 2020-21, the Company had only three employees in the Company. As such there are no multiple levels of Company Management requiring such mechanism, during the year under review.
Constitution of Nomination and Remuneration Committee as required under section 178 of the Companies Act, 2013	The Board in its 21 <sup>st</sup> Board Meeting held on 15 <sup>th</sup> September, 2021 constituted Nomination and Remuneration Committee.
The Company has not appointed any women director after 19 <sup>th</sup> May, 2020	The entire Board of Directors of the Company consist of Govt. nominated Directors, appointed by Government of India. Smt. Anuradha Thakur, Jt. Secretary, DIPAM was on the Board of the Company till 19 <sup>th</sup> May, 2020.  Ms. Parama Sen, Jt. Secretary, DIPAM was appointed with effect from 10 <sup>th</sup> June, 2021, is a woman director on the Board of the Company.

## **26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

Considering the nature of company being a SPV which is not engaged in business activities during the year under review, there is no information on the particulars in respect of Conservation of Energy and Technology Absorption as required under the provisions of Section 134(3)(m) of the Companies Act, 2013. Hence, the details have not been furnished.

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

Considering the nature of company being a SPV which is not engaged in business activities during the year under review, there was no foreign exchange earnings and outgo during the year under review.

## **27. SECRETARIAL STANDARDS**

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

## **28. 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.

## **29. 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, Govt. of India.

## **30. CORPORATE GOVERNANCE**

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

## **31. DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them and also based on the representations received from the Operating Management, your Directors make the following statement in terms of Section 134 (3) (c) of the Companies Act, 2013 that:

- a. in the preparation of the annual accounts for the financial period ended March 31, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b. such Accounting Policies as mentioned in the Notes to the Financial Statements have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for the financial period ended March 31, 2021;
- c. proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts for the financial period ended March 31, 2021 have been prepared on a going concern basis;
- e. proper Internal financial controls have been followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. Proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **32. MATERIAL CHANGES AFTER THE DATE OF BALANCE SHEET**

The name of the Company is changed from Air India Assets Holding Limited to AI Assets Holding Limited with effect from 25<sup>th</sup> November 2021.

### **33. ACKNOWLEDGEMENT**

Your Directors express their gratitude to Government of India, Banks, Financial Institution, and various other agencies for the co-operation extended to the Company. The Directors also take this opportunity to thank the shareholders and other stakeholders for the confidence reposed by them in the Company. The employees of the Company contributed significantly in achieving the results.

The Directors take this opportunity of thanking them and hope that they will maintain their commitment to excellence in the years to come.

**For and on behalf of the Board of  
AI Assets Holding Limited**

**Director  
DIN:00245460**

**Director  
DIN: 07728790**

Place: New Delhi  
Date: 15.12.2021

# **ANNEXURE -1**

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	U74999DL2018GOI328865
2	Registration Date (date of Incorporation)	22-01-18
3	Name of the Company	AIR INDIA ASSETS HOLDING LIMITED
4	Category/Sub-category of the Company	Union Govt company Limited by Shares
5	Address of the Registered office & contact details	INDIAN AIRLINES BLDG, 113, GURUDWARA RAKABGANJ ROAD, NEW DELHI North East DL 110001 IN
6	Whether listed company (equity)	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	1. Link Intime India Private Limited (for equity and AIAHL series-1 NCDs of Rs7000crore) and 2. KFin Technologies Private Limited (for AIAHL Series -2 and Series-3 NCDs of Rs.7000crore and Rs.7985crore)

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Real estate activities with own or leased property	6810	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NA				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the time of Incorporation)				No. of Shares held at the end of the year					% 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/POI		50,000	50,000	100.00%		50,000	50,000	100.00%		
c) State Govt(s)										

d) Bodies Corp.										
e) Banks / FI										
f) Any other										
<b>Sub Total (A) (1)</b>	-	50,000	50,000	100.00%	-	50,000		50,000	100.00%	
<b>(2) Foreign</b>										
a) NRI Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Any other										
<b>Sub Total (A) (2)</b>	-									
<b>TOTAL (A)</b>	-									
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds										
b) Banks / FI										
c) Central Govt										
d) State Govt(s)										
e) Venture Capital Funds										
f) Insurance Companies										
g) FII's										
h) Foreign Venture Capital Funds										
i) Others (specify)										
<b>Sub-total (B)(1):-</b>	-									
<b>2. Non-Institutions</b>										
a) Bodies Corp.										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh										

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh										
c) Others (specify)										
Non Resident Indians										
Overseas Corporate Bodies										
Foreign Nationals										
Clearing Members										
Trusts										
Foreign Bodies - D R										
<b>Sub-total (B)(2):-</b>	-									
<b>Total Public (B)</b>	-									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>	-	50,000	50,000	100.00%	-	50,000		50,000	100.00%	
<b>(ii) Shareholding of Promoter</b>										
SN	Shareholder's Name		Shareholding at the time of			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	President of INDIA and its Nominees		50,000	50,000		50,000		100.00%	0	
	total		50,000	50,000		50,000		100.00%	0	
<b>(iii) Change in Promoters' Shareholding (please specify, if there is no change)</b>										
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year				
				No. of shares	% of total shares			No. of shares	% of total shares	
	At the beginning of the period			NO CHANGE						
	Changes during the year									

	At the end of the year								
<b>(iv) Shareholding Pattern of top ten Shareholders</b>									
<i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i>									
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year			
				No. of shares	% of total shares	No. of shares		% of total shares	
1									
	At the beginning of the			NA					
	Changes during the year								
	At the end of the year								
2									
	At the beginning of the			NA					
	Changes during the year								
	At the end of the year								
<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>									
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year			
				No. of shares	% of total shares	No. of shares		% of total shares	
	At the beginning of the			NIL					
	Changes during the year								
	At the end of the year								
<b>V. INDEBTEDNESS</b>									
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>									(Amt. Rs. In cr.)
Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits			Total Indebtedness		
<b>Indebtedness at the beginning of the financial year</b>									
i) Principal Amount		-	21,985.00	-					
ii) Interest due but not paid		-	-	-			-		
iii) Interest accrued but not due		-	518.57	-			518.57		
<b>Total (i+ii+iii)</b>		-	22,503.57	-			518.57		
<b>Change in Indebtedness during the financial year</b>									

* Addition	-	21,985.00		21,985.00	
* Reduction	-	-	-	-	
Net Change	-	21,985.00	-	21,985.00	
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	-	21,985.00	-	21,985.00	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	518.57		518.57	
Total (i+ii+iii)	-	22,503.57	-	22,503.57	
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>					
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			<b>NIL</b>		
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Name			(Rs)
		Designation			
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, please specify				-
	Total (A)	-		-	-
	Ceiling as per the Act				
B. Remuneration to other Directors			<b>NIL</b>		
SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(Rs)
1	Independent Directors				
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-

	Fee for attending board committee						-
	Commission						-
	Others, please specify						-
	Total (2)	-	-			-	-
	Total (B)=(1+2)	-	-			-	-
	Total Managerial Remuneration						-
	Overall Ceiling as per the Act						
<b>C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD</b>							
SN.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount	
	Name	Shri Vijay Jadhav (upto 17.08.2020)	Shri K.C.Anand (w.e.f.17.08.2020)	Ms. Shilpi Singh (w.e.f. 03.06.2019)	(Rs)		
	Designation	CEO	CFO*	CFO	CS		
1	Gross salary	-	-	1,422,580.65	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				687,500		
	(b) Value of perquisites u/s 17(2) Income-					-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					-	
2	Stock Option					-	
3	Sweat Equity					-	
4	Commission						
	- as % of profit					-	
	- others, specify					-	
5	Others, please specify					-	
	Total	-	-	1,422,580.65	687,500.00	2,110,080.65	
*CFO Salary paid by AI as CFO on deputation							
<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>							
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					
There is no penalty /punishment on the company					
<b>For AI ASSETS HOLDING LIMITED(Formerly AIR INDIA ASSETS HOLDING LIMITED)</b>					
<p><b>Rajiv Bansal</b>                      <b>Satyendra Kumar Mishra</b>  <b>Director</b>                              <b>Director</b>  <b>DIN:00245460</b>                      <b>DIN:07728790</b>  <b>Date: 15-12-21</b>  <b>Place: New Delhi</b></p>					

# **ANNEXURE -2**



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Trust in Public Interest

गोपनीय

संख्या/No. GAP/AI-HQ [AIA HL] AICAudit/4-181  
/2021-22/252  
भारतीय लेखापरीक्षा और लेखा विभाग,  
कार्यालय, महानिदेशक लेखापरीक्षा (इन्फ्रास्ट्रक्चर), दिल्ली  
INDIAN AUDIT & ACCOUNTS DEPARTMENT,  
OFFICE OF THE DIRECTOR GENERAL OF AUDIT  
(INFRASTRUCTURE), DELHI

दिनांक/Dated 7/12/21

सेवा मे,

अध्यक्ष,  
एयर इंडिया एसेट्स होल्डिंग लिमिटेड,  
इंडियन एयरलाइन्स बिल्डिंग, 113,  
गुरुद्वारा रकाबगंज रोड,  
नई दिल्ली-110001

विषय: कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अन्तर्गत 31 मार्च 2021 को समाप्त वर्ष हेतु  
एयर इंडिया एसेट्स होल्डिंग लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं  
महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं इस पत्र के साथ 31 मार्च 2021 को समाप्त वर्ष के लिए एयर इंडिया एसेट्स होल्डिंग लिमिटेड  
के वार्षिक लेखों पर कम्पनी अधिनियम 2013 की धारा 143 (6) (b) के अन्तर्गत भारत के नियंत्रक एवं  
महालेखापरीक्षक की 'शून्य टिप्पणियाँ' अग्रेषित करती हूँ। इन शून्य टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट  
में प्रकाशित किया जाए और कंपनी की आमसभा में उसी प्रकार रखा जाए जिस प्रकार वैधानिक लेखा  
परीक्षकों की लेखा परीक्षा रिपोर्ट रखी जाती है।

माधुर

भवदीया,

संलग्न: शून्य टिप्पणियाँ

(विधु सूद)  
प्रधान निदेशक

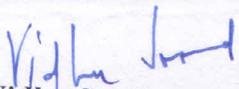
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF AIR INDIA ASSETS HOLDING LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of **AIR INDIA ASSETS HOLDING LIMITED** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 15 September 2021.

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

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

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

  
(Vidhu Sood)

**Principal Director of Audit (Infrastructure)  
New Delhi**

**Place: New Delhi**

**Dated: 7 December 2021**

# **ANNEXURE -3**



# Amit Agrawal & Associates Company Secretaries

Office : H-63, Vijay Chowk, Laxmi Nagar, Delhi-110092, INDIA  
Ph. : +91-11-49423788, 43019279, Mob.: +91-9811272307  
E-mail : amitagcs@gmail.com, amit2kas@yahoo.com

## ANNEXURE- A

To,  
The Members,  
**AI Assets Holding Limited**  
(Formerly known as Air India Assets Holding Limited)  
Indian Airlines Bldg, 113, Gurudwara Rakabganj Road,  
New Delhi-110001  
CIN: U74999DL2018GOI328865

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

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

For Amit Agrawal & Associates  
(Company Secretaries)



CS Amit Agrawal  
Proprietor

CP No. 3647, MNo.5311

UDIN: F005311C001757699

Date : 14.12.2021  
Place: New Delhi



# Amit Agrawal & Associates Company Secretaries

Office : H-63, Vijay Chowk, Laxmi Nagar, Delhi-110092, INDIA

Ph. : +91-11-49423788, 43019279, Mob.: +91-9811272307

E-mail : amitagcs@gmail.com, amit2kas@yahoo.com

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
For The Financial Year Ended March 31, 2021

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

To,  
The Members,  
**AI Assets Holding Limited**  
(Formerly known as Air India Assets Holding Limited)  
Indian Airlines Bldg, 113, Gurudwara Rakabganj Road,  
New Delhi-110001  
CIN: U74999DL2018GOI328865

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AI Assets Holding Limited (Formerly known as Air India Assets Holding Limited)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on **March 31, 2021**, 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 March 31, 2021 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [Not applicable to the company during the Audit Period];
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable to the company during the Audit Period];
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client [Not applicable to the company during the Audit Period];
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable to the company during the Audit Period];
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable to the company during the Audit Period]; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws applicable specifically to the Company namely:
- a) The DPE Guidelines;
  - b) The Competition Act, 2002;
  - c) The Right to Information Act, 2005;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to conducting board and general meetings.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- a. *The Company does not have any independent director as required under section 149 of the Companies Act, 2013;*
- b. *Establishment of a vigil mechanism for directors and employees to report genuine concerns or grievances as required under section 177 (9) of the Companies Act, 2013.*
- c. *Constitution of Nomination and Remuneration Committee as required under section 178 of the Companies Act, 2013;*



*d. The Company has not appointed any women director after 19<sup>th</sup> May, 2020.*

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except above. 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. However, the Composition of the Board of Directors of the company was not having such number of Independent Directors including at least one independent woman director as required under SEBI (LODR) Regulations and/or the DPE guidelines for which company has regularly written to its administrative ministry for appointment of appropriate number of Independent Directors on the board.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

Date : 14.12.2021

Place: New Delhi

For Amit Agarwal & Associates  
(Company Secretaries)



CP No. 3647, MNo.5311

UDIN: F005311C001757699

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

## REPORT ON CORPORATE GOVERNANCE

### **1. BOARD OF DIRECTORS**

AI Assets Holding Limited is a public sector undertaking, the entire share capital of the Company is held by Government of India. Its Directors are appointed by administrative ministry (Ministry of Civil Aviation). As per Articles of Association of the Company, the number of Directors shall not be less than three and not more than fifteen all of whom shall be appointed by MOCA. Accordingly, the composition of Board of AI Assets Holding Limited has been prescribed by MOCA vide its order dated 26- 10-2018.

#### **Board of Directors as on 31 March 2021**

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Designation</b>
1.	Shri Rajiv Bansal, CMD-AI, (DIN: 00245460)	Chairman of the Board
2.	Shri Vimlendra Anand Patwardhan, JS &FA, MOCA (DIN:08701559 )	Member of the Board
3.	Shri. Satyendra Kumar Mishra , JS, MOCA(DIN: 07728790)	Member of the Board
4.	Shri Baldeo Purushartha, Jt. Secretary (IPF), DEA, Min.of Finance, DIN: 07570116	Member of the Board
5.	Shri Vinod Shanker Hejmadi (Director-Fin- Air India) (DIN: 07346490)	Member of the Board

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

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

### **2. BOARD MEETINGS**

Due to the impact of COVID -19, only three Board Meetings were held during the financial year on the following dates:

<b>Board Meeting Number</b>	<b>Date of Board Meeting</b>
17	28 <sup>th</sup> August 2020
18	21 <sup>st</sup> December 2020
19	16 <sup>th</sup> March 2021

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

Name of the Director	Academic Qualifications	Attendance out of 3 Board Meetings held during the year	Details of Directorships held in other Companies	Memberships held in Committees
Shri Rajiv Bansal 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	3	<p><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, AI Assets Holding Limited (formerly Air India Assets Holding Limited), Air India SATS Airport.</p> <p><u>Director</u> Air Mauritius Ltd, Air Mauritius Holdings Ltd, Bharat Yantra Nigam Limited</p>	<p><u>Chairman</u> Corporate Social Responsibility Committee- AI Airport Services Limited</p> <p><u>Member</u> Nomination &amp; Remuneration Committee- Air India Limited, AI Assets Holding Limited (formerly Air India Assets Holding Limited); Audit Committee- Hotel Corporation of India Limited and AI Airport Services Limited</p> <p><u>Permanent Invitee</u> Audit Committee- Air India Limited, AI Engineering Services Limited ,Alliance Air Aviation Limited, AI Assets Holding Limited (formerly Air India Assets Holding Limited),</p>

<p>Shri S. K. Mishra Jt. Secretary, Ministry of Civil Aviation - Government Nominee Director (From 22th January, 2018)</p>	<p>M.Tech (Applied Geology) M.A. (Public Policy)</p>	<p>3</p>	<p><u>Director</u> Air India Limited, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Ltd, AI Assets Holding Limited (formerly Air India Assets Holding Limited),</p>	<p><u>Member</u> Nomination &amp; Remuneration Committee- Air India Limited, AI Assets Holding Limited (formerly Air India Asset Holding Limited),;  CSR Committee- AI Airport Services Limited, Air India Limited. Strategic Committee-Air India Limited.</p>
<p>Shri Vinod Shanker Hejmadi Air India Nominee Director (22th January, 2018)</p>	<p>B.Com., ACA</p>	<p>3</p>	<p><u>Director</u> Air India Ltd, Air India Express Ltd, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Ltd, Alliance Air Aviation Limited ,Air India SATS Airport Services Pvt Ltd, AI Assets Holding Limited (formerly Air India Assets Holding Limited),</p>	<p><u>Chairman</u> HR Committee- Air India Limited; Corporate Social Responsibility Committee- Air India Express Limited  <u>Member</u> Nomination &amp; Remuneration Committee- Air India Limited; Corporate Social Responsibility Committee-AI Airport Services Limited, Audit Committee- Hotel Corporation of India Limited, AI Airport Services Limited , Air India Express Limited, AI Engineering Services Limited and Alliance Air Aviation</p>

				Limited, AI Assets Holding Limited (formerly Air India Assets Holding Limited),
Shri V.A Patwardhan, Joint Secretary & Financial Advisor, Ministry of Civil Aviation- Government Nominee Director (28 <sup>th</sup> January, 2020)	B.Com	2	<u>Director</u> Air India Limited, AI Airport Services Limited, AI Engineering Services Limited, Hotel Corporation of India Limited, AI Assets Holding Limited (formerly Air India Assets 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, AI Assets Holding Limited (formerly Air India Assets Holding 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
Shri Baldeo Purushartha, Joint Secretary,(IPF), DEA, Min.of Finance (11 <sup>th</sup> January, 2021)	M.A.	1	<u>Director</u> Indian Railway Finance Corporation Limited, ONGC Videsh Limited, Indian Railway Stations Development Corporation Limited,	Nil

			National Investment and Infrastructure Fund Trustee Limited, India Infrastructure Finance Company Limited, Asian Infrastructure Investment Bank, International Fund for Agriculture Development, New Development Bank	
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### **3. BOARD PROCEDURE**

The meetings of the Board of Directors are generally held at the registered office of the Company in New Delhi. The meetings are scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The agenda for the meetings is prepared by the officials concerned and approved by the Chairman of the Board. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Experts are invited to attend the Board meetings and provide clarification as and when required.

### **4. CODE OF CONDUCT**

During the year under review, the Company had only three employees consisting of CFO, CS and one Manager-Fin. & Admin. Further, in terms of requirements of DPE guidelines on Corporate Governance for CPSEs, Board is in process to adopt Code of Conduct for the Directors and Senior Management.

### **5. BOARD COMMITTEES**

#### **AUDIT COMMITTEE**

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

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

Joint Secretary & Financial Advisor, MOCA  
 Joint Secretary, MOCA  
 Air India Nominee Director (fin)

Chairman  
 Member  
 Member

**The terms of reference of this Committee are:**

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

**Meetings of the Audit Committee**

The Audit Committee had met 2times during the year to review various issues including inter alia Financial Statement of the Company for the year before submission to the Board, as per details given below:

Audit Committee Meeting number	Date of Meeting
07	21 <sup>st</sup> December 2020
08	16 <sup>th</sup> March 2021

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

AGM Number	Date and time of the Meeting	Venue	Special Resolution
1 <sup>st</sup>	31 <sup>st</sup> December, 2019	Airlines House,113 Gurudwara Rakabganj Road, New Delhi 110 001	Yes
2 <sup>nd</sup>	30 <sup>th</sup> December, 2020	Airlines House,113 Gurudwara Rakabganj Road, New Delhi 110 001	Yes



## ***Independent Auditor's Report***

To the Members of Air India Assets Holding Limited  
(CIN: U74999DL2018GO1328865)

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **1. Opinion**

We have audited the accompanying Standalone Ind AS financial statements of Air India Assets Holding Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the statement of Profit and Loss, the statement of changes in equity and statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and its profit, the changes in equity and its cash flows for the year ended on that date.

#### **2. Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **3. Information other than the financial statements and auditors' report thereon**

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS 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.

#### 4. Emphasis of matter:

a) **Impact of COVID 19:-** Covid 19 has not impaired the creditworthiness of the company for serving the interest on Bonds issued by the company during the year under audit as these bonds are assured for service of interest through the periodic budgetary support/grants received from the Government of India.

#### b) **Statutory Compliances:-**

(1) Note no. 36 to the Ind AS financial statements regarding:-

No provision towards dividend is made in the accounts of FY 2020-21 in terms of the extant guidelines issued by Ministry of Finance/DIPAM, as company's request for exemption is informed to be under consideration of DIPAM/ Department of Economic Affairs, Ministry of Finance.

(2) Note no. 32 to the Ind AS financial statements regarding: -

Non-compliance of Sec 135(1) read with Sec 135(5) of the Companies Act 2013 with respect to Corporate Social Responsibility requirements, CSR policy, CSR Board Committee & requirement for incurrence in FY 2020-21 of CSR expenditure of Rs.1.87 crores computed in terms of the provisions of Sec 198(5) of the Companies Act 2013 based on the average pre-tax profits of the preceding two years.

No such expenditure is incurred by the company and the fact is adequately disclosed by company (Refer Note 32 to the Ind AS financial statements) stating that SPV specifically incorporated for limited purposes of Disinvestment of Air India Limited and thus not being a commercial organization, sought an exemption from the Ministry of Corporate Affairs from the applicability of provisions of Sec 135 of the Companies Act, 2013.

#### c) **Air India Reconciliation Account**

*(refer Note 2 and 25(g) to the Ind AS financial statements)*

An amount of Rs.587.95 crores is shown under "**Current Assets**" as recoverable from Air India on account of current account transactions. The amount recoverable from Air India as on 31<sup>st</sup> March, 2020 was Rs.502.62 crores which stands increased to Rs.587.95 crores as on 31<sup>st</sup> March, 2021 and is subject to reconciliation/settlement.

**Our opinion is not qualified in respect of matters stated above.**

#### 5. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit report of the Standalone Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2021. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters	How Our Audit addressed the key audit matters
a) Total Grant in aid received from Govt. of India of Rs.2,183.62 crores towards servicing of interest for the 3 NCDs series of Rs.21,985 crores issued by the company and for the 1 outstanding NCD of Rs.7400 crores under Novation to the company Identified Debts/loans of Air India Limited and as described in note no 25 of the financial statements.	

<p>i. Transfer of Identified debts from Air India Limited to company:</p> <p>ii. GOI Grant in aid of Rs.2,183.01 crores towards serving of interest on the identified debts and treatment of receipts of grant and its utilization in the financial statements.</p>	<p>The note no 25 of the notes to financial statements of the company describe the purpose of formation of the company as “SPV” for transfer of identified debts of Air India Limited to “SPV” duly approved by the Government of India and Board of Directors of both the companies.</p> <p>The Budgetary support / grant received during the year is accounted as “other income” aggregating to Rs.2,183.01 crores to the extent of the equivalent amount expensed off during the year as the Debt servicing expenses and other expenses (including Interest expenses, surveillance fees and credit rating agency expenses for servicing of the Identified debts).</p>
<p>b) Finance costs towards reimbursement of interest of the Identified debts of Air India limited</p>	<p>A sum of Rs.670.70 crores is incurred as Finance cost towards serving interest cost of Identified debts of AI for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.</p> <p>Another sum of Rs.1,594.41 crores is charged as Finance costs during the year towards interest paid and accrued for the 3 Series NCDs (Bonds) aggregating to Rs.21,985 crores issued by the Company.</p>
<p><b>c) Utilization of Grant from GOI</b> (refer note no 25 to the Ind AS financial statements)</p>	
<p>Out of the total grant of Rs.2,183.62 crores received from Ministry of Civil Aviation, Gol during the years 2020-21, grant utilized as on 31.3.2021 stands at Rs.2,183.01 crores towards service of debt and other expenses, which are expensed out and equivalent amount accounted as other income leaving behind the unutilized grant of Rs. 245.14 crores disclosed as Current Liabilities, pending utilization.</p>	<p>Obtained an understanding for the purpose of formation of company by Government of India for disinvestment of Air India Limited and discharge of its Identified debts outstanding as on 1<sup>st</sup> Oct 2018 in the books of Air India Limited for Rs.29,464 crores and servicing of such debts from the funds received through Gol budgetary receipts/grants, and funds received in Company’s Escrow bank account from Air India Limited towards monetization of non-core assets and other Identified Incomes.</p>
<p><b>d) Recognition of revenue and expenditure</b> (refer note no 25 &amp; 26 to the Ind AS financial statements)</p>	
<p>Operating income of a sum of Rs.125.25 crores has been accounted towards Rent of Air India Nariman Point Building, the ownership of such property remains vested with Air India.</p> <p>Other Income includes an income of Rs.21.36 crores credited by Air India Limited towards revenue share of a subsidiary company.</p> <p>Expenses towards Reimbursement of interest costs, surveillance &amp; other fees, maintenance expenses, salaries amounting to Rs.679.26 crores have also been debited by Air India Limited to the company.</p>	<p>We have wholly relied on the debit/credit notes received from Air India Limited w.r.t to such income and expenses as the necessary evidences in the form of supporting bills and the vouchers are not in the possession of the company. Thereby, company had relied on the transactional details provided w.r.t said transactions by Air India Limited and accordingly accounted for in the books of accounts of the Company.</p> <p>The compliance of the statutory provisions to above transaction under various statutes such as withholding of tax/ TDS under Income Tax Act, 1961 and discharge of liabilities under</p>

	Goods & Service Tax lies with Air India Limited, as such we are not able to comment on such statutory compliances.
<b>e) Novation of Rs.7,400 crores NCD's from Air India Limited</b> (refer Note 23 to the Ind AS financial statements)	
Novation of Rs.7,400 crores NCD's from Air India Limited	Novation of Rs.7,400 crores NCD's from Air India Limited could not take place during the year as the company is awaiting approval of one bondholder - EPFO which holds Rs.4,000 crores NCD's, though the amount have been duly disclosed as capital commitment.
<b>f) Independent Director under Companies Act, 2013</b> (refer Note 37 to the Ind AS financial statements)	
Appointment of independent Directors as the company being as listed one on Bombay Stock Exchange	In terms of section 149 of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to appoint at least 2 independent directors on their Board of Directors. The Company does not have any independent director since the date of its listing of debt on stock exchange.

## **6. Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **7. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 Standalone IND AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

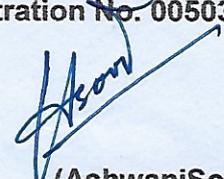
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit read with matters as reported in "Emphasis of matter" paragraph above.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss, the statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) Disqualification of Directors stated in Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463E of the Ministry of Corporate Affairs dated 05.06.2015.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, as amended. In our opinion and according to the information and explanations given to us, the said provision is not applicable to the company as no remuneration is paid to the Directors.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations as on 31<sup>st</sup> March 2021.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company in accordance with the relevant provisions of the act and the rules made thereunder.
- i) We are enclosing our report in terms of Section 143 (5) of the Act, on the directions / sub-directions issued by the Comptroller and Auditor General of India, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in Annexure- C.

For Ashwani Sood & Associates  
Chartered Accountants  
ICAI Firm Registration No. 005036N



  
(Ashwani Sood)  
Partner  
M. No. 084242

UDIN:

2108A242AAPAAU246A

Place: New Delhi  
Date : 15<sup>th</sup> September, 2021

## **Annexure 'A' to the Independent Auditor's Report:**

**Referred to in paragraph 8 (1) of the Independent Auditors' Report of the even date to the members of Air India Assets Holding Limited for the year ending 31<sup>st</sup> March, 2021**

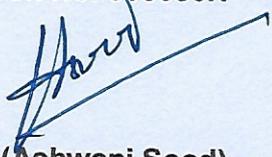
We report that:

- i. Based on the examination of books and records of the Company, the said clause related with maintenance of fixed assets records is not applicable to the company as company owns no fixed assets.
- ii. Based on the examination of books and records of the Company, there is no inventories with the Company, hence this clause is not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. According to the information and explanation given to us, the Company has not given any loan to any person or other body corporate, any guarantee or provided security in connection with a loan to any other body corporate or person and the company has not acquired by way of subscription, purchase or otherwise, the securities of any body corporate. Therefore, the provisions of Section 185 and Section 186 are not applicable.
- v. According to the information and explanation given to us, the company has not accepted any deposits from the public. Therefore, the provision of the Clause (v) of paragraph 3 of the order are not applicable.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii. According to the information and explanations given to us and on the basis of our examination of the books of account of the company, undisputed statutory dues including "Goods and Service Tax" (GST), TDS and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2021 for a period of more than six months from the date they became payable.
- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix. Based on our audit procedures and according to the information given by the management, the money raised by way of initial public offer or further public offer (including debt instruments) have been applied for the purpose for which they were obtained.
- x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

- xi. According to the information and explanations given to us, and according to the audit procedures performed, we report that no managerial remuneration has been paid in accordance with the mandated provisions of Section 197 read with Schedule V to the Companies Act, though as informed, the provisions of Section 197 of the Companies Act 2013 relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of MCA Notification no. G.S.R. 463 (E) dated 5th June 2015.
- xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Companies (Auditor's Report) Order 2013 is not applicable.
- xvi. The company is not a Non-Banking Financial Company, Hence Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Ashwani Sood & Associates  
Chartered Accountants  
ICAI Firm Registration No. 005036N



  
(Ashwani Sood)  
Partner  
M. No. 084242

UDIN:

21084242AAAAAL246A

Place: New Delhi  
Date : 15<sup>th</sup> September, 2021

## **Annexure 'B' to the Independent Auditor's Report**

Referred to in Paragraph 8 under "Report on Other Legal and Regulatory Requirements" section of our report of even date.

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

We have audited the Internal Financial Controls over financial reporting of Air India Assets Holding Limited ("the Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

#### **1. 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 Companies Act, 2013.

#### **2. Auditors' Responsibility**

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

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

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

#### **3. Meaning of Internal Financial Controls over financial reporting**

A company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's Internal Financial Control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.
4. **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

5. **Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company, has in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ashwani Sood & Associates  
Chartered Accountants  
ICAI Firm Registration No. 005036N



*Ashwani Sood*  
(Ashwani Sood)  
Partner  
M. No. 084242

UDIN:

21084242AA AAAU 246

Place: New Delhi  
Date : 15<sup>th</sup> September, 2021

**Annexure – C to the Independent Auditor’s Report**

Sl. No.	Directions under Section 143(5) of the Companies Act,2013	Auditor’s Comments
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	The Company is maintaining the Books of Accounts on Tally Accounting Software and all accounting transactions are processed through the said accounting software., the job of which is outsourced to a professional firm, however, all transactions so entered in Tally are cross checked by the staff of company
2.	Whether there is any restructuring of any existing loan or cases of waiver/ write off of debts/loans/interest etc. made by lender to the Company due to the Company’s inability to repay the loan? If yes, the financial impact may be stated.	There is no case of restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by the lender to the Company due to the Company’s inability to repay the loan.
3.	Whether funds received/ receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its terms and conditions? List the case of deviation.	Yes, funds received/ receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as intended by the company

**For Ashwani Sood & Associates  
Chartered Accountants  
ICAI Firm Registration No. 005036N**



*(Signature)*  
**(Ashwani Sood)  
Partner  
M. No. 084242**

**UDIN:**

*21084242AAAAAU246A*

**Place: New Delhi  
Date : 15<sup>th</sup> September, 2021**



**ASHWANI SOOD & ASSOCIATES  
CHARTERED ACCOUNTANTS**

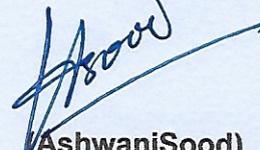
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Ph: 49147321 Telefax: 25768010  
Mobile: 9810010721  
E- mail: asa.ca1985@gmail.com  
sood\_ca@rediffmail.com

### COMPLIANCE CERTIFICATE

We have conducted our audit of accounts of M/s Air India Assets Holding Limited for the year ending 31st March, 2021 in accordance with the Directions/ Sub Directions issued by C&AG of India u/s 143(5) of the Companies Act, 2003 and certify that we have complied with all the Directions/ Sub Directions issued to us.

**For Ashwani Sood & Associates  
Chartered Accountants  
ICAI Firm Registration No. 005036N**



  
**(Ashwani Sood)  
Partner  
M. No. 084242**

**UDIN:**

**21084242AAAAU246A**

**Place: New Delhi  
Date : 15<sup>th</sup> September, 2021**

**MANAGEMENT REPLIES TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF AIR INDIA ASSETS HOLDING LTD (AIAHL) FOR THE FINANCIAL YEAR 2020-21**

STATUTORY AUDITOR'S OBSERVATIONS	STATUTORY AUDITOR'S OBSERVATIONS	MANAGEMENT COMMENTS
<p><b><u>1.Opinion</u></b>            We have audited the accompanying Standalone Ind AS financial statements of Air India Assets Holding Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2021, the statement of Profit and Loss, the statement of changes in equity and statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.</p> <p>In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and its profit, the changes in equity and its cash flows for the year ended on that date.</p> <p><b><u>2.Basis for Opinion</u></b>            We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Ind AS 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 Standalone Ind AS financial statements under the provisions of the</p>		

<p>Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.</p> <p><b><u>3.Information other than the financial statements and auditors' report thereon</u></b></p> <p>The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the standalone Ind AS financial statements and our auditor's report thereon.</p> <p>Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.</p> <p>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><u>4.Emphasis of matter:</u></b></p>		
<p><b>a) Impact of COVID 19:-</b> Covid 19 has not impaired the creditworthiness of the company for serving the interest on Bonds issued by the company during the year under audit as these bonds are assured for service of interest through the periodic budgetary support/grants received from the Government of India.</p>		<p><i>This is statement of fact, reference disclosure at para 2.v) of the Note no. 20 and Note 25</i></p>

<p><b>b) Statutory Compliances:-</b></p> <p>(1) Note no. 36 to the Ind AS financial statements regarding: - No provision towards dividend is made in the accounts of FY 2020-21 in terms of the extant guidelines issued by Ministry of Finance/DIPAM, as company's request for exemption is informed to be under consideration of DIPAM/ Department of Economic Affairs, Ministry of Finance.</p> <p>(2) Note no. 32 to the Ind AS financial statements regarding: - Non-compliance of Sec 135(1) read with Sec 135(5) of the Companies Act 2013 with respect to Corporate Social Responsibility requirements, CSR policy, CSR Board Committee &amp; requirement for incurrence in FY 2020-21 of CSR expenditure of Rs.1.87 crores computed in terms of the provisions of Sec 198(5) of the Companies Act 2013 based on the average pre-tax profits of the preceding two years. No such expenditure is incurred by the company and the fact is adequately disclosed by company (Refer Note 32 to the Ind AS financial statements) stating that SPV specifically incorporated for limited purposes of Disinvestment of Air India Limited and thus not being a commercial organization, sought an exemption from the Ministry of Corporate Affairs from the applicability of provisions of Sec 135 of the Companies Act, 2013.</p> <p><b>(c) Air India Reconciliation Account</b> (refer Note 2 and 25(g) to the Ind AS financial statements)</p> <p>An amount of Rs.587.95 crores is shown under "Current Assets" as recoverable from Air India on account of current account transactions. The amount recoverable from Air India as on 31st March, 2020 was Rs.502.62 crores which stands increased to Rs.587.95 crores as on 31st March, 2021 and is subject to reconciliation/settlement.</p> <p><b>Our opinion is not qualified in respect of matters stated above.</b></p>		<p><i>b)1.Reference disclosures at Note 36. The company is a SPV incorporated for the limited purposes of enabling specified transactions of Disinvestment of Air India, as such the company does not have of its own any commercial/business activities and dependent upon GOI grant funds, hence exemption sought.</i></p> <p><i>b)2.Reference Note 32, being a SPV incorporated for the limited purposes of enabling specified transactions for Disinvestment of Air India and not being a commercial business entity, dependent upon the Govt. of India grant funds, hence, exemption pursued with Govt. of India.</i></p> <p><i>(c) Reference disclosures at Note 25(f) and (g). The above Recoverable amounts from Air India are reconciled and confirmed with AI, to be settled after adjustment/Novation of debts, Identified properties transfer, related charges, and impact of receivable/(payables) from/(to) of the identified Subsidiaries</i></p>
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<b><u>5.Key Audit Matters</u></b>	<b>How Our Audit addressed the key audit matters</b>	
Total Grant in aid received from Govt. of India of Rs.2,183.62 crores towards servicing of interest for the 3 NCDs series of Rs.21,985 crores issued by the company and for the 1 outstanding NCD of Rs.7400 crores under Novation to the company Identified Debts/loans of Air India Limited and as described in note no 25 of the financial statements.		<i>This is statement of fact, reference disclosure at Note 25 (c)</i>
i.Transfer of Identified debts from Air India Limited to company: ii.GOI Grant in aid of Rs.2,183.01 crores towards serving of interest on the identified debts and treatment of receipts of grant and its utilization in the financial statements.	The note no 25 of the notes to financial statements of the company describe the purpose of formation of the company as “SPV” for transfer of identified debts of Air India Limited to “SPV” duly approved by the Government of India and Board of Directors of both the companies. The Budgetary support / grant received during the year is accounted as “other income” aggregating to Rs.2,183.01 crores to the extent of the equivalent amount expensed off during the year as the Debt servicing expenses and other expenses (including Interest expenses, surveillance fees and credit rating agency expenses for servicing of the Identified debts).	<i>This is statement of fact, reference disclosure at Note 25 (c)</i>
b) Finance costs towards reimbursement of interest of the Identified debts of Air India limited	A sum of Rs.670.70 crores is incurred as Finance cost towards serving interest cost of Identified debts of AI for the period 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021. Another sum of Rs.1,594.41 crores is charged as Finance costs during the year towards interest paid and accrued for the 3 Series NCDs (Bonds) aggregating to	Reference is invited to Note 18 and Note 26.a. for the details of the Interest expense accounted.

	Rs.21,985 crores issued by the Company.	
<b>c) Utilization of Grant from GOI</b> (refer note no 25 to the Ind AS financial statements)		
Out of the total grant of Rs.2,183.62 crores received from Ministry of Civil Aviation, GoI during the year 2020-21, grant utilized as on 31.3.2021 stands at Rs.2,183.01 crores towards service of debt and other expenses, which are expensed out and equivalent amount accounted as other income leaving behind the unutilized grant of Rs. 245.14 crores disclosed as Current Liabilities, pending utilization.	Obtained an understanding for the purpose of formation of company by Government of India for disinvestment of Air India Limited and discharge of its Identified debts outstanding as on 1 <sup>st</sup> Oct 2018 in the books of Air India Limited for Rs.29,464 crores and servicing of such debts from the funds received through GoI budgetary receipts/grants, and funds received in Company's Escrow bank account from Air India Limited towards monetization of non-core assets and other Identified Incomes.	Reference is invited to Note 14 and details given at Note 25 (c ) for these Unspent grants representing amounts payable towards interest servicing for AI Identified debts and the Company's NCDs.
<b>d) Recognition of revenue and expenditure</b> (refer note no 25 & 26 to the Ind AS financial statements)		
Operating income of a sum of Rs.125.25 crores has been accounted towards Rent of Air India Nariman Point Building, the ownership of such property remains vested with Air India.  Other Income includes an income of Rs.21.36 crores credited by Air India Limited towards revenue share of a subsidiary company.  Expenses towards Reimbursement of interest costs, surveillance & other fees, maintenance expenses, salaries amounting to Rs.679.26 crores have also been debited by Air India Limited to the company.	We have wholly relied on the debit/credit notes received from Air India Limited w.r.t to such income and expenses as the necessary evidences in the form of supporting bills and the vouchers are not in the possession of the company. Thereby, company had relied on the transactional details provided w.r.t said transactions by Air India Limited and accordingly accounted for in the books of accounts of the Company.  The compliance of the statutory provisions to above transaction under various statutes such as withholding of tax/ TDS under Income Tax Act, 1961 and discharge of liabilities under Goods &	Reference disclosures at Note 25 (e), the supporting certified details have been received from Air India with the debit and credit notes

	Service Tax lies with Air India Limited, as such we are not able to comment on such statutory compliances.	
<b>e) Novation of Rs. 7,400 crores NCD's from Air India Limited</b> (refer Note 23 to the Ind AS financial statements)		
Novation of Rs.7,400 crores NCD's from Air India Limited	Novation of Rs.7,400 crores NCD's from Air India Limited could not take place during the year as the company is awaiting approval of one bondholder - EPFO which holds Rs.4,000 crores NCD's, though the amount have been duly disclosed as capital commitment.	Reference disclosures at Note 25 (b)(6)
<b>f) Independent Director under Companies Act, 2013</b> (refer Note 37 to the Ind AS financial statements)		
Appointment of independent Directors as the company being as listed one on Bombay Stock Exchange	In terms of section 149 of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to appoint at least 2 independent directors on their Board of Directors. The Company does not have any independent director since the date of its listing of debt on stock exchange.	Reference disclosures at Note 37
<b><u>6. Management's Responsibility for the Standalone Ind AS Financial Statements</u></b>		
The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in		This is a statement of fact.

<p>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 Standalone Ind AS 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 Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p> <p>Those Board of Directors are also responsible for overseeing the Company's financial reporting process.</p>		
<p><b><u>7.Auditor's Responsibilities for the Audit of the Financial Statements</u></b></p> <p>Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standalone Ind AS financial statements.</p>		<p>This is a statement of fact.</p>

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 Standalone IND AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to

<p>outweigh the public interest benefits of such communication.</p>		
<p><b><u>8.Report on Other Legal and Regulatory Requirements</u></b></p> <p>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 Companies Act, 2013, we give in the ‘Annexure A’, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.</p> <p>2.As required by Section 143 (3) of the Act, we report that:</p> <p>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 read with matters as reported in “Emphasis of matter” paragraph above.</p> <p>b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.</p> <p>c)The balance sheet, the statement of profit and loss, the statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account.</p> <p>d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.</p> <p>e)Disqualification of Directors stated in Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463E of the Ministry of Corporate Affairs dated 05.06.2015.</p> <p>f)With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in ‘Annexure B’. Our report expresses an unmodified</p>		<p>This is a statement of fact.</p>

<p>opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.</p> <p>g) With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, as amended. In our opinion and according to the information and explanations given to us, the said provision is not applicable to the company as no remuneration is paid to the Directors.</p> <p>h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p> <p>i. The Company does not have any pending litigations as on 31<sup>st</sup> March 2021.</p> <p>ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.</p> <p>iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company in accordance with the relevant provisions of the act and the rules made thereunder.</p> <p>i) We are enclosing our report in terms of Section 143 (5) of the Act, on the directions / sub-directions issued by the Comptroller and Auditor General of India, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in Annexure- C.</p>		
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**Annexure ‘A’ to the Independent Auditor’s Report:  
Referred to in paragraph 8 (1) of the Independent Auditors’ Report of the even date to the  
members of Air India Assets Holding Limited for the year ending 31<sup>st</sup> March, 2021**

We report that:

- i. Based on the examination of books and records of the Company, the said clause related with maintenance of fixed assets records is not applicable to the company as company owns no fixed assets.
- ii. Based on the examination of books and records of the Company, there is no inventories with the Company, hence this clause is not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. According to the information and explanation given to us, the Company has not given any loan to any person or other body corporate, any guarantee or provided security in connection with a loan to any other body corporate or person and the company has not acquired by way of subscription, purchase or otherwise, the securities of any body corporate. Therefore, the provisions of Section 185 and Section 186 are not applicable.
- v. According to the information and explanation given to us, the company has not accepted any deposits from the public. Therefore, the provision of the Clause (v) of paragraph 3 of the order are not applicable.
- vi. As per information & explanation given by the management, maintenance of cost records has not

(i) to (xvi) :These are statements of fact

<p>been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.</p> <p>vii. According to the information and explanations given to us and on the basis of our examination of the books of account of the company, undisputed statutory dues including “Goods and Service Tax” (GST), TDS and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2021 for a period of more than six months from the date they became payable.</p> <p>viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.</p> <p>ix. Based on our audit procedures and according to the information given by the management, the money raised by way of initial public offer or further public offer (including debt instruments) have been applied for the purpose for which they were obtained.</p> <p>x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.</p> <p>xi. According to the information and explanations given to us, and according to the audit procedures performed, we</p>		
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<p>report that no managerial remuneration has been paid in accordance with the mandated provisions of Section 197 read with Schedule V to the Companies Act, though as informed, the provisions of Section 197 of the Companies Act 2013 relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of MCA Notification no. G.S.R. 463 (E) dated 5th June 2015.</p> <p>xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.</p> <p>xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.</p> <p>xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.</p> <p>xv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Companies (Auditor's Report) Order 2013 is not applicable.</p> <p>xvi. The company is not a Non-Banking Financial Company, Hence Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.</p>		
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**Annexure ‘B’ to the Independent Auditor’s Report Referred to in Paragraph 8 under “Report on Other Legal and Regulatory Requirements” section of report of even date. Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) on the Standalone Financial Statements of Air India Assets Holding Limited (AIAHL) for the Year ended 31.3.2021**

**1.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 Companies Act, 2013.

This is a statement of fact.

**2. Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we

This is a statement of fact.

<p>comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.</p> <p>Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</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 Company's Internal Financial Controls system over financial reporting.</p>		
<p><b><u>3.Meaning of Internal Financial Controls over financial reporting</u></b></p> <p>A company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's Internal Financial Control over financial reporting includes those policies and procedures that</p> <ol style="list-style-type: none"> <li>1.pertain to the maintenance of records</li> </ol>		

<p>that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;</p> <p>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 authorizations of management and directors of the company; and</p> <p>3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.</p>		
<p><b><u>4. Inherent Limitations of Internal Financial Controls over Financial Reporting</u></b></p> <p>Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>		
<p><b><u>5. Opinion</u></b></p> <p>In our opinion, to the best of our information and according to the explanations given to us the Company, has in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal</p>		<p>This is a statement of fact.</p>

<p>Financial Controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.</p>		
<p><b>ANNEXURE ‘C’ Report on the Directions under Section 143(5) of the Companies Act,2013 REFERRED TO AT PARAGRAPH 8. OF REPORT ON “OTHER LEGAL AND REGULATORY REQUIREMENTS” OF INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AIR INDIA ASSETS HOLDING LIMITED (AIAHL) FOR THE YEAR ENDED 31.03.2021.</b></p>		
<p><b>Directions under Section 143(5) of the Companies Act,2013</b></p>	<p><b>Auditor’s Comments</b></p>	
<p>1.Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.</p>	<p>The Company is maintaining the Books of Accounts on Tally Accounting Software and all accounting transactions are processed through the said accounting software., the job of which is outsourced to a professional firm, however, all transactions so entered in Tally are cross checked by the staff of company</p>	<p>This is a statement of fact.</p>
<p>2.Whether there is any restructuring of any existing loan or cases of waiver/ write off of debts/loans/interest etc. made by lender to the Company due to the Company’s inability to repay the loan? If yes, the financial impact may be stated.</p>	<p>There is no case of restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by the lender to the Company due to the Company’s inability to repay the loan.</p>	<p>This is a statement of fact.</p>
<p>3.Whether funds received/ receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its terms and conditions? List the case of deviation.</p>	<p>Yes, funds received/ receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as intended by the company</p>	<p>This is a statement of fact.</p>

**AIR INDIA ASSETS HOLDING LIMITED**

CIN : U74999DL2018GOI328865

Balance Sheet as at March 31, 2021

( All figures in Indian Rupees )

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS :</b>			
<b>1 Non-current Assets</b>			
<b>(i) Financial assets:</b>			
Recoverable from Air India Limited/Govt. of India	2	217,549,508,483	218,434,842,062
<b>Total Non-Current Assets</b>		<b>217,549,508,483</b>	<b>218,434,842,062</b>
<b>2 Current Assets</b>			
<b>(i) Financial assets:</b>			
a) Cash and Cash equivalents	6	40,335,502	5,548,412,244
b) Bank balances other than (b) above	7	5,662,880,000	348,759,956
c) Other Financial Assets	3	4,863,456	160,796
d) Air India Limited Reconciliation A/c	2	5,879,518,073	5,026,221,194
<b>(ii) Current Tax Assets (Net)</b>	<b>4</b>	<b>121,919,095</b>	<b>-</b>
<b>(iii) Other Current Assets</b>	<b>5</b>	<b>7,837,531</b>	<b>7,567,914</b>
<b>Total Current Assets</b>		<b>11,717,353,657</b>	<b>10,931,122,104</b>
<b>Total Assets</b>		<b>229,266,862,140</b>	<b>229,365,964,166</b>
<b>II EQUITY AND LIABILITIES :</b>			
<b>1 Equity</b>			
a) Equity Share Capital	8	500,000	500,000
b) Other Equity	9	1,777,167,721	1,340,206,761
<b>Total Equity</b>		<b>1,777,667,721</b>	<b>1,340,706,761</b>
<b>2 Liabilities :</b>			
<b>(i) Non-current Liabilities</b>			
<b>a) Financial Liabilities</b>			
i) Borrowings	10	219,850,000,000	219,850,000,000
ii) Other Financial Liabilities	11	-	-
b) Provisions	13	-	-
<b>Total Non-Current Liabilities</b>		<b>219,850,000,000</b>	<b>219,850,000,000</b>
<b>(ii) Current Liabilities</b>			
<b>a) Financial Liabilities</b>			
i) Borrowings	10	-	-
ii) Trade Payables	12	-	-
(a) Total outstanding, dues of micro and small enterprises		-	-
(b) Total outstanding, dues of creditors other than micro and small enterprises		1,163,538	188,379
iii) Other Financial Liabilities	11	5,185,715,932	5,203,647,525
b) Provisions	13	437,609	535,386,367
c) Unspent Grant-in-Aid from GOI	14	2,451,405,592	2,426,555,866
d) Other Current Liabilities	14	471,748	9,479,268
<b>Total Current Liabilities</b>		<b>7,639,194,419</b>	<b>8,175,257,405</b>
<b>Total Equity &amp; Liabilities</b>		<b>229,266,862,140</b>	<b>229,365,964,166</b>

See accompanying notes an integral part of the financials statements

As Per Our Report Of Even Date Attached  
**For Ashwani Sood & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 005036N

For and on behalf of the Board of Directors

Ashwani Sood  
Partner  
M.No.084242

**Rajiv Bansal**  
Chairman  
DIN 00245460

**S.K.Mishra**  
Director  
DIN 07728790

**Krishan Chander Anand**  
Chief Financial Officer

**Shilpi Singh**  
Company Secretary

Place: Delhi  
Date: 15th September 2021

**AIR INDIA ASSETS HOLDING LIMITED**

CIN : U74999DL2018GOI328865

**Statement of Profit and Loss for the year ended March 31, 2021**

(All figures in Indian Rupees)

Particulars		Note No.	2020-21	2019-20
I	Revenue from Operations : Rentals Building	15	1,252,488,700	1,424,783,003
II	Other Income :	16	22,115,717,530	36,818,082,556
III	<b>Total Revenue (I + II)</b>		<b>23,368,206,230</b>	<b>38,242,865,559</b>
IV	Expenses:			
	Employee Benefit Expenses	17	3,308,385	1,953,077
	Finance Cost	18	22,651,061,757	36,209,643,106
	Other Expenses	19	86,613,162	154,552,647
V	<b>Total Expenses</b>		<b>22,740,983,304</b>	<b>36,366,148,830</b>
VI	<b>Profit Before exceptional items and Tax (III-IV)</b>		<b>627,222,926</b>	<b>1,876,716,729</b>
VII	Exceptional Items		-	-
VI	<b>Profit Before Tax (III-V)</b>		<b>627,222,926</b>	<b>1,876,716,729</b>
VII	Tax Expense			
	1. Current Tax		169,157,000	536,513,801
	2. Short/ (Excess) Provision of Tax		21,104,966	-
	3. Deferred Tax Liability / (asset)		-	-
VIII	<b>Profit For the Year (IX-X)</b>		<b>436,960,960</b>	<b>1,340,202,928</b>
XI	Other Comprehensive Income		-	-
	<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
X	<b>Total Comprehensive Income for the year</b>		<b>436,960,960</b>	<b>1,340,202,928</b>
XI	<b>Earning per Equity Share of Rs. 10 each</b>			
	Basic (Rs.)		<b>8,739.22</b>	<b>26,804.06</b>
	Diluted (Rs.)		<b>8,739.22</b>	<b>26,804.06</b>

See accompanying notes an integral part of the financials statements

As Per Our Report Of Even Date Attached  
**For Ashwani Sood & Associates**  
Chartered Accountants  
**ICAI Firm Registration No. 005036N**

For and on behalf of the Board of Directors

**Rajiv Bansal**  
Chairman  
DIN 00245460

**S.K.Mishra**  
Director  
DIN 07728790

Ashwani Sood  
Partner  
M.No.084242

**Krishan Chander Anand**  
Chief Financial Officer

**Shilpi Singh**  
Company Secretary

Place: Delhi  
Date:15 September 2021

**AIR INDIA AIR ASSETS HOLDING LIMITED**  
**CIN : U74999DL2018GOI328865**  
**Cash Flow Statement for the year ended 31st March, 2021**

(All figures in Indian Rupees)

Particulars	2020-21	2019-20
<b>A Cash Flow From Operating Activities</b>		
Net Profit Before tax	627,222,926	1,876,716,729
Adjustments for:		
Depreciation / Amortisation	-	-
Finance Cost	22,651,061,757	36,209,643,106
<b>Operating profit before working capital changes</b>	<b>23,278,284,683</b>	<b>38,086,359,835</b>
(Increase) / Decrease in Trade Receivables	-	-
(Increase) / Decrease in Other Current & Non Current Assets	27,064,423	(224,006,234,299)
Increase / (Decrease) in Trade Payables	975,159	(14,431)
Increase / (Decrease) in other Current & Non current Liability	(537,038,145)	8,176,421,613
<b>Cash Generated from Operations</b>	<b>22,769,286,120</b>	<b>(177,743,467,282)</b>
Income Tax Paid (net of refund)	(312,181,061)	-
<b>Net Cash from Operating Activities</b>	<b>22,457,105,059</b>	<b>(177,743,467,282)</b>
<b>B Cash Flow From Investing Activities</b>		
<b>Net Cash From Investing Activities</b>	-	-
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Borrowings	-	219,850,000,000
Proceeds from issue of Share Capital	-	-
Proceeds from Government Budgetary Support	21,836,200,000	25,680,500,000
Reimbursement of interest/expenses*	(22,651,061,757)	(36,209,643,106)
Preliminary Expenses	-	-
Payment for Reimbursement of interest Debt servicing/expenses*	(21,836,200,000)	(25,680,500,000)
<b>Net Cash From Investing Activities</b>	<b>(22,651,061,757)</b>	<b>183,640,356,894</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(193,956,698)</b>	<b>5,896,889,612</b>
Add: Cash and Cash Equivalents at the begning of the Year	5,897,172,200	282,588
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>5,703,215,502</b>	<b>5,897,172,200</b>
<b>Component of Cash and Cash Equivalents</b>		
Cash on hand	-	-
Balance in Current Account	40,335,502	5,548,196,244
D.D. in Transit	-	216,000
Other Deposit Account	5,662,880,000	348,759,956
	<b>5,703,215,502</b>	<b>5,897,172,200</b>

The above Cash Flow Statement has been prepared under the Indirect method as set out under IndAS-7 Statement of Cash flow

\*During the financial year 2020-21 for the payment of interest/expenses, Rs. 82.81 crores of monetisation/rental proceeds have been used.

**Significant Accounting Policies and Explanatory Notes form an integral part of the Financial Statements.**

As Per Our Report Of Even Date Attached  
**For Ashwani Sood & Associates**  
Chartered Accountants  
**ICAI Firm Registration No. 005036N**

For and on behalf of the Board of Directors

**Rajiv Bansal**  
Chairman  
DIN 00245460

**S.K.Mishra**  
Director  
DIN 07728790

Ashwani Sood  
Partner  
M.No.084242

**Krishan Chander Anand** **Shilpi Singh**  
Chief Financial Officer Company Secretary

Place: Delhi  
Date: 15th September 2021

**AIR INDIA ASSETS HOLDING LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

A. Equity Share Capital	As at 31 MARCH 2021	As at 31 MARCH 2020
	Amount	Amount
Balance at the beginning of the reporting year	500,000	-
Changes in equity share capital during the year		
Add: Equity Shares allotted during the year	-	500,000
Less: Buybacks	-	-
<b>Balance at the end of reporting year</b>	<b>500,000</b>	<b>500,000</b>

Particulars	Other Equity		Total equity attributable to equity Holders of the company
	Reserves and Surplus	Other comprehensive income - Reserve	
	Retained Earnings	Remeasurement of defined benefit plans	
<b>Balance as at 31 March 2020</b>	1,340,206,761	-	<b>1,340,206,761</b>
Effect of Deferred Tax Asset of earlier years	-	-	-
Profit for the Year	436,960,960	-	<b>436,960,960</b>
Other Comprehensive Income/(loss)	-	-	-
<b>Balance as at 31 March 2021</b>	<b>1,777,167,721</b>	-	<b>1,777,167,721</b>
<b>Balance as at 31 March 2019</b>	<b>3,833</b>	-	<b>3,833</b>
Effect of Deferred Tax Asset of earlier years	-	-	-
Profit for the Year	1,340,202,928	-	<b>1,340,202,928</b>
Other Comprehensive Income/(loss)	-	-	-
<b>Balance as at 31 March 2020</b>	<b>1,340,206,761</b>	-	<b>1,340,206,761</b>

See accompanying notes an integral part of the financials statements

As Per Our Report Of Even Date Attached  
**For Ashwani Sood & Associates**  
Chartered Accountants  
**ICAI Firm Registration No. 005036N**

For and on behalf of the Board of Directors

**Rajiv Bansal**  
Chairman  
DIN 00245460

**S.K.Mishra**  
Director  
DIN 07728790

Ashwani Sood  
Partner  
M.No.084242

**Krishan Chander Anand**  
Chief Financial Officer

**Shilpi Singh**  
Company Secretary

Place: Delhi  
Date: 15th September 2021

**AIR INDIA ASSETS HOLDING LIMITED**  
**CIN : U74999DL2018GOI328865**  
**Statement of Significant Accounting policies and Other Explanatory Notes**

**Notes to financial statements as at & for the year ended March 31, 2021**

**2 RECOVERABLE FROM AIR INDIA LIMITED/GOI**

Particulars	Rs		Rs	
	Non - Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
A Recoverable From Air India Ltd./Govt. of India**	220,640,000,000	220,640,000,000	-	-
Less:-Monetization Proceeds (Net) from AI of Identified Properties (refer notes no. 27)	3,090,491,517	2,205,157,938	-	-
Recoverable From Air India Ltd./Govt. of India**	217,549,508,483	218,434,842,062	-	-
C Air India Limited Reconciliation A/c	-	-	5,879,518,073	5,026,221,194
<b>Net Recoverable from Air India Limited/GOI</b>	<b>217,549,508,483</b>	<b>218,434,842,062</b>	<b>5,879,518,073</b>	<b>5,026,221,194</b>

\*\* refer note no. 25 (g) I.Recoverable from Air India is subject to the extent of value ascertained in future for the Identified Non-core properties, Monetization proceeds, Identified Incomes and value of the subsidiaries identified for transfer to the Company with difference of the shortfall be recoverable from GOI in terms of the GOI decision and assurance for servicing and repayment of the AIAHL bonds

**3 OTHER FINANCIAL ASSETS**

Particulars	Rs		Rs	
	Non - Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Security Deposits#	-	-	10,000	10,000
Interest Accrued but not due on FDs	-	-	4,853,368	150,796
Other-Imprest Advance	-	-	88	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,863,456</b>	<b>160,796</b>

#Security Deposit is with NSDL for 2 year A.C.F

**4 Income Tax Assets (Net)**

Particulars	Rs		Rs	
	Non - Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Tax Deducted at source	-	-	3,176,095	-
Advance Self Assessment Tax	-	-	287,900,000	-
Less Provision for Tax**	-	-	(169,157,000)	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>121,919,095</b>	<b>-</b>

\*\*Refer Note no. 33

**5 Other Current Assets**

Particulars	Rs		Rs	
	Non - Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Statutory Balance with Government#	-	-	7,837,531	7,567,914
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,837,531</b>	<b>7,567,914</b>

#include GST input credits and a GST Refund application filed of Rs.6.31 lacs in March 2020 for amount deposited as GST as against TDS-GST

**6 Cash and Cash Equivalents**

Particulars	Rs	
	31-Mar-21	31-Mar-20
<b>Cash and Cash Equivalents</b>		
Cash on hand	-	-
Balance with Bank :		
Current Account	40,335,502	5,548,196,244
D.D. in Transit	-	216,000
<b>Total</b>	<b>40,335,502</b>	<b>5,548,412,244</b>

**7 Bank balances other than Cash and Cash equivalents**

Particulars	Rs	
	31-Mar-21	31-Mar-20
<b>Cash and Cash Equivalents</b>		
Earmarked balances as Fixed Deposit*	5,521,800,000	313,512,063
Other Fixed Deposits**	141,080,000	35,247,893
<b>Total</b>	<b>5,662,880,000</b>	<b>348,759,956</b>

\* Earmarked balances as FD represents Fixed deposits with State Bank of India. Fixed Deposits in Escrow Account and otherFDs are having tenure of less than 3 months.

\* Earmarked fixed deposit represents Grant/budgetary Support received from GOI parked in fixed deposits. In terms of the NCD issuance requirements of funding 30 days before the Due date of interest payment of bonds which are as under:-

Series - II Interest due on 14<sup>th</sup> April 2021 Rs. 257.94 Crores  
Series - III Interest due on 22<sup>nd</sup> April 2021 Rs. 294.24Crores

\*\* Other Fixed Deposits represents monetisation proceeds and rentals of Air India building received in Escrow accounts parked in Fixed Deposit

**AIR INDIA ASSETS HOLDING LIMITED**  
**CIN : U74999DL2018GOI328865**  
**Statement of Significant Accounting policies and Other Explanatory Notes**

**Notes to financial statements as at & for the year ended March 31, 2021**

**8 Equity Share Capital**

Particulars	As at 31-Mar-21		As at 31-Mar-20	
	Number	(Rs)	Number	(Rs)
<b>Authorised Capital</b>				
Equity Shares of Rs 10/- each	50,000	500,000	50,000	500,000
<b>Issued, Subscribed and Fully Paid up Capital</b>				
Equity Shares of Rs 10/- each	50,000	500,000	50,000	500,000
	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>

**Details of Shareholding in excess of 5%**

Name of Shareholder	As at 31-Mar-21		As at 31-Mar-20	
	Number of shares held	%	Number of shares held	%
Min. of Civil Aviation Representatives, Govt. of India, on behalf of the President of India	49,994	99.99%	49,994	99.99%

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

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

Particulars	As at 31-Mar-21		As at 31-Mar-20	
	Number	Amount	Number	Amount
At the beginning of the year	50,000	500,000	-	-
Issued during the Year	-	-	50,000	500,000
Outstanding at the end of the year	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>

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 from incorporation date i.e. 22nd January, 2018 to the date of Balance Sheet.

**9 Other Equity**

Particulars	As at 31-Mar-21 (Rs.)		As at 31-Mar-20 (Rs.)	
	<b>Surplus in Profit and Loss Account:</b>			
Balance as per last Balance Sheet		1,340,206,761		3,833
Profit for the year	436,960,960		1,340,202,928	
Less:				
Transfer to General Reserve	-		-	
Add: Prior Period Adjustments	-		-	
Less: Prior Period Adjustments	-		-	
Net Surplus		436,960,960		1,340,202,928
<b>Total Reserves &amp; Surplus</b>		<b>1,777,167,721</b>		<b>1,340,206,761</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.

**AIR INDIA ASSETS HOLDING LIMITED**

CIN : U74999DL2018GOI328865

**Statement of Significant Accounting policies and Other Explanatory Notes**

**Notes to financial statements as at & for the year ended March 31, 2021**

**10 Borrowings**

Particulars	Non - Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
6.99% Debentures Series I-Tenure 3 Yrs 3 months-GOI fully serviced	70,000,000,000	70,000,000,000	-	-
7.39% Debentures Series II-Tenure 10 Yrs-GOI assured for servicing and repayment	70,000,000,000	70,000,000,000	-	-
7.39% Debentures Series III-Tenure 10 Yrs-GOI assured for servicing and repayment	79,850,000,000	79,850,000,000	-	-
<b>Total</b>	<b>219,850,000,000</b>	<b>219,850,000,000</b>	<b>-</b>	<b>-</b>

**11 Other Financial Liabilities**

Particulars	Non - Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Interest Accrued on Bonds but not due for payment	-	-	5,185,715,932	5,201,803,907
Debentureholder / Other Interest Payable	-	-	-	1,843,618
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,185,715,932</b>	<b>5,203,647,525</b>

**12 Trade Payables**

Particulars	31-Mar-21	31-Mar-20
	(Rs)	(Rs)
Trade Payables		
- Micro Small and Medium Enterprises	-	-
- Other Payables	1,163,538	188,379
<b>Total</b>	<b>1,163,538</b>	<b>188,379</b>

**13 Provisions**

Particulars	Non - Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Provision for Tax**				534,599,034
Provision for Expenses	-	-	437,609	787,333
<b>Total</b>	<b>-</b>	<b>-</b>	<b>437,609</b>	<b>535,386,367</b>

\*\*Refer Note no. 33-Provision for Taxes-Rs.53,65,13,801 Less TDS deducted claimed Rs.19,14,767

**14 Other Current Liabilities**

Particulars	As at 31-Mar-21	As at 31-Mar-20
Unspent Grant-in-aid from Government of India on accrual basis towards servicing of interest of AIAHL Bonds payable in April for Series-2 and 3 of AIAHL issued NCDs	408,260,999	407,264,945
Unspent Grant-in-aid received from Government of India towards servicing of interest obligation of AIAHL for the AI issued Rs.7400 cr. NCDs pending Novation to AIAHL*	2,043,144,593	2,019,290,921
Unspent Grant-in-aid (refer Note no. 25.c.)	2,451,405,592	2,426,555,866
Salary Payable	232,650	55,000
Statutory Dues	239,098	9,424,268
Other	-	-
Other Current Liabilities	471,748	9,479,268
<b>Total</b>	<b>2,451,877,340</b>	<b>2,436,035,134</b>

\* The above Unspent Grant funds with AI is included in the total Recoverable from AI of Rs.207.32 crores towards Unspent grant funds -refer Note 25 (g) but exclude Rs.3.01 crores credited by AI during the year shown as Other Income-Interest on FDRs for the Interest earned by AI and transferred to AIAHL for short term FDRs created from GOI Grant funds

**AIR INDIA ASSETS HOLDING LIMITED**

CIN : U74999DL2018GOI328865

**Notes to financial statements as at & for the year ended March 31, 2021**

**15 Revenue from Operations**

Particulars	2020-21	2019-20
	(Rs)	(Rs)
Rent from Air India Buildings	1,252,488,700	1,424,783,003
<b>Total</b>	<b>1,252,488,700</b>	<b>1,424,783,003</b>

**16 Other Income**

Particulars	2020-21	2019-20
	(Rs)	(Rs)
Grant-in-aid from GoI - Revenue (refer Note-26.a)	21,830,078,467	36,253,044,134
Revenue share of AIASL t/f from Air India	213,579,899	545,879,850
Interest Income on FDRs (refer Note-26.b)	72,000,721	19,145,528
Misc. Income	58,443	13,044
<b>Total</b>	<b>22,115,717,531</b>	<b>36,818,082,556</b>

**17 Employee Benefit Expenses**

Particulars	2020-21	2019-20
	(Rs)	(Rs)
Salaries and Wages	3,308,385	1,953,077
<b>Total</b>	<b>3,308,385</b>	<b>1,953,077</b>

**18 Finance Cost**

Particulars	2020-21	2019-20
	(Rs)	(Rs)
Interest on Bonds of AIAHL	15,944,087,658	7,634,935,055
Reimbursement of Interest of Identified Debts of AI*	6,706,974,099	28,574,685,551
Interest on Short-Term Borrowings	-	22,500
<b>Total</b>	<b>22,651,061,757</b>	<b>36,209,643,106</b>

\* Identified debts of AI represents 9.08% Non Convertible Debentures (NCDs) of Rs.7400 crores of Air India is under novation and obligation/commitment to the AIAHL for servicing and repayment and Rs.670.70 crores interest for the financial year 2020-21 serviced/reimbursed by the AIAHL.

**19 Other Expenses**

Particulars	2020-21	2019-20
	(Rs)	(Rs)
NCD's (Bond) Related Expenses	7,547,677	41,073,737
Legal And Professional Expenses	867,886	44,748,028
Board Meeting Related Expenses	-	30,250
Advertisement Expenses	10,880	3,633,357
Bank Charges	8,050	8,340
Conveyance & Fuel Expenses	24,582	35,453
Maintenance Expenses (AI Building)	77,640,743	64,578,822
Printing & Stationary	88,066	32,160
ROC Filing Fees	5,600	23,600
Misc. Expenses	102,995	103,900
<b>Remuneration To Statutory Auditor</b>		
- Audit fees	150,000	150,000
- Out of Pocket Expenses	16,682	10,000
Other audit fees (Tax Audit & Limited Review Audit Fees)	150,000	125,000
<b>Total</b>	<b>86,613,162</b>	<b>154,552,647</b>

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**NOTE NO. - 20****1. COMPANY INFORMATION / OVERVIEW:****i. Corporate Information:**

Air India Assets Holding Limited, “the Company” (a 100% Government of India Company) is a special purpose vehicle company (SPV) incorporated in India in 22<sup>nd</sup> January 2018, registered under the provisions of the Indian Companies Act, 2013. The SPV Company is incorporated for the purposes of disinvestment of Air India, formed with an object to warehouse accumulated identified Loans, identified Air India subsidiaries (*not part of Air India strategic disinvestment*), non-core assets painting and artefacts, other non-operational assets of Air India Ltd, and the funds raised through the sale proceeds from the monetization of these AI assets and the company to raise funds through GOI serviced bonds for repayments of the identified Air India loans. The Registered office and the Headquarters, the only office, of the company is situated at Airlines House, 113, Airlines house, Gurudwara Rakabganj Road, Delhi –110001.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS ON GOING CONCERN BASIS:****(i) Statement of Compliance:**

The Financial Statements of the company for the year ended 31st March 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) pursuant to the notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) ( Amended ) Rules, 2016 , Companies (Indian Accounting Standards) ( Amended ) Rules, 2017 and comply in all material aspects with the relevant provisions of the Companies Act 2013 (the Act) and Companies ( Amendment ) Act 2017.

These Standalone Financial Statements are prepared in accordance with Ind AS notified under the Companies Act 2013. Details in preparing the first financial statements prepared under Ind-AS are given in the Note No. 21.

**(ii) Basis of preparation and presentation:**

The financial statements have been prepared under the historical cost convention, except certain financial assets and liabilities which are measured

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at fair value or amortized cost at the end of each financial year.

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, 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.

**(iii) 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

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**(iv) Critical accounting estimates / judgments:**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates where necessary are recognized prospectively.

**(v) Uncertainties relating to the global health pandemic from COVID-19 (Corona Virus)**

The Company being a SPV company with no business or commercial operations has not had any significant impact of the pandemic except for the administrative inconveniences. Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of certain assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and other related information, economic forecasts etc. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**(vi) Operating cycle & Classification of Current & Non-Current:**

Presentation of assets and liabilities in the financial statement has been made based on current / non-current classification provided under the Companies Act 2013. The Company being a SPV created with specific purposes for disinvestment of Air India Ltd, 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 assets /liabilities.

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### 3. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

#### I. PROPERTY, PLANT AND EQUIPMENT

- 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.

**b. Physical Verification of Assets:**

There is no Physical Fixed Asset of the company as yet. However, the Physical Verification of Assets, once acquired, will be done biennially on rotational basis and the discrepancies, if any, observed in the course of the verification are adjusted in the year in which report is submitted and got approved from appropriate authority.

#### II. DEPRECIATION / AMORTIZATION

- a. Depreciation is provided on straight-line method over the useful life of the Property, Plant and Equipment as prescribed under Schedule II of the Companies Act 2013.

However, in the case where life of the Property, Plant and Equipment, has not been prescribed under Schedule II of the Companies Act 2013 the same have been determined by management through technically qualified persons.

#### III. REVENUE RECOGNITION

Revenue is recognized when control of services are transferred at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

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- a) Revenue grants received from Government with conditions and obligations has been accounted for as income approach showing grant as income to the extent grant fund used and matched with associated expenses, which the grant is intended to compensate. However, if the grants are in the nature of promoters' contribution, the same will be credited directly to the Shareholder's Fund as per capital approach.
  - b) Interest income is recognized on a time proportion basis as per effective interest rate.
  - c) The claim receivable from Insurance Company is accounted for on the acceptance by the Insurance Company of such claims.
  - d) Credit notes received are recognized on acceptance of claim/receipt of credit note.

#### **IV. BORROWING COST**

- a. Borrowing cost includes interest; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.
- b. Borrowing cost that are directly attributable to acquisition, construction of qualifying assets including capital work-in-progress, if any, are capitalized, as part of the cost of assets, up to the date of commencement of commercial use of the assets.

#### **V. IMPAIRMENT OF NON FINANCIAL ASSETS**

The Company assesses at each Balance Sheet date whether there is any indication that carrying amount of its non - financial asset has been impaired. If any such indication exists, the provision for impairment is made in accordance with IND AS-36.

#### **VI. TAX ON INCOME**

##### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax

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laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred Tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized in respect for carry forward tax losses, un-availed tax credit and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be adjusted. Deferred tax assets unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized. Significant management judgment is required to determine the probability of deferred tax asset.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

**Minimum alternate tax (MAT)** paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In such year the Company recognizes MAT credit as a deferred tax asset.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recoup all or part of the asset.

Deferred tax relating to items recognized outside profit or loss is recognised

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outside profit or loss (either in other comprehensive income or in equity).

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.

## **VII. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS**

- i. Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- ii. Contingent liabilities are not provided for and are stated by way of notes to accounts. Contingent liabilities are disclosed in respect of possible obligations that 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.
- iii. 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.

## **VIII. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## **IX. EARNINGS PER SHARE**

Basic earnings per equity share are computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

## **X. 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.

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**(a) Financial assets****(i) Classification**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

**(ii) Initial recognition and measurement**

All financial assets are recognized initially at fair value, plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset should be recognised.

**(iii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in below categories:

- **Financial assets carried at amortized cost**

A financial asset other than derivatives and specific investments, is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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 fair value through other comprehensive income**

A financial asset comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through Statement of Profit and Loss**

A financial asset comprising derivatives which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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**(iv) Derecognition**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset

**(v) Impairment of other financial assets**

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables etc.

**(vi) 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.

**(b) Financial Liabilities****(i) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**(ii) Classification**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

**(iii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below.

**• Financial liabilities at amortized cost**

After initial recognition, interest-bearing loans and borrowings are

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subsequently measured at amortized cost using the Effective Interest Rate (EIR) 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.

- **Financial liabilities at fair value through Statement of Profit and Loss**

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category comprises derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**(iv) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**(v) 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 settle on a net basis, to realize the assets and settle the liabilities simultaneously

## **XI. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

**XX. MATERIALITY THRESHOLD LIMITS:**

The Company has adopted following materiality threshold limits in the classification of expenses/incomes and disclosure:

<b>Threshold Items</b>	<b>Unit</b>	<b>Threshold Value (INR)</b>
Prior Period Expenditure / Revenue	Million	0.05
Fair Valuation of Financial Instruments	Million	1.00

**21. TRANSITIONSTO IND-AS:**

These standalone financial statements of Air India Assets Holding Limited for the year ended 31<sup>st</sup>March 2021 is the financial statement of the company prepared on the basis of Ind AS. The Company has adopted all applicable Ind AS in accordance with Ind AS 101- First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian GAAP as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Account) Rules, 2014 which was the previous GAAP.

**22. CONTINGENT LIABILITY**

In compliance of Ind AS 37 on “Provisions, Contingent Liabilities and Contingent Assets”, the required information is under :-

Rs.1.77 lacs (Previous year Nil) claimed by BSE on 31<sup>st</sup> July 2021 for delay in filing of Half yearly Accounts ending March for FY 2020-21 in terms of the Regulation 52(1) of the SEBI (LODR) Regulations 2015. The company has requested waiver of the penalty vide AIAHL letter dated 5<sup>th</sup> August 2021.

**23. CAPITAL AND OTHER LONG-TERM COMMITMENTS`**

Particular	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Capital and other Long-Term Commitments	Nil	Nil
Air India NCDs of Rs.7400 crores one of the Identified Debts as obligation/commitment of the Company for servicing and repayment is under Novation to the company, awaiting approval of the EPFO who hold Rs.4000 cr. NCDs as one of the 3 bondholders.	Rs.7,400 crore	Rs.7,400 crore

24. Expenditure and Income in foreign currency is Nil.

**25. TRANSACTIONS WITH AIR INDIA RELATING TO DISINVESTMENT OF AIR INDIA**

- a) In a meeting of Union Cabinet in Feb 2019 an ex-facto approval has been given for the creation of Special Purpose Vehicle (SPV) and accordingly Air India Assets Holding Limited (AIAHL) was formed for the purpose of acquiring from Air India Limited: -
- i) Its shares held in AIASL, AAAL, AIESL and HCI
  - ii) Paintings artifacts and other non-operational assets as may be decided by Air India Ltd and the Government of India
  - iii) Non-core assets as may be decided by Air India Ltd and the Government of India
  - iv) Immoveable properties whether leasehold or freehold
  - v) Accumulated working capital loans not backed by any asset and
  - vi) Other assets / liabilities or of its subsidiaries, as may be decided by Air India Ltd/ Government of India
- b) Transactions relating to the Identified Debts of Air India-Rs.29,464 crores
1. In an earlier meeting held on 7th September, 2018 under the chairmanship of Hon'ble Finance Minister, (refer Ministry of Finance, GOI, O.M. F.16(8)-B(P&A)/2018 dated 19th Sept 2018

forwarding Minutes of the Meeting) it was decided, that as per decision “Air India Specific Alternative Mechanism” (AISAM), the Air India debts amounting to Rs.29,464 crores would be transferred from Air India Limited to the SPV w.e.f. 1st October, 2018. It was also decided in the said meeting that these identified debts would be serviced by the SPV from the disinvestment proceeds from the transfer of identified subsidiaries, monetization of identified properties and non-productive assets of AI and shortfall to be met out of the budgetary support by Govt. of India through Ministry of Civil Aviation budget.

2. Pursuant to the decisions taken in the AISAM and GOI meetings as stated above, Air India began the exercise of transfer of Identified Debts aggregating to Rs 29,464.00 crores as on 1<sup>st</sup> October 2018. However, in view of lenders approval for transfer of these AI Identified debts to AIAHL not given, due to issues such as, non-transferability of Govt. guarantees, issues in transfer of mortgage as some of the identified loans were backed by Air India assets/properties, the Identified debts could not be transferred to AIAHL and thus continued to be in the books of Air India Limited.

In view of these constraints, the Ministry of Finance approved a refinancing strategy for the identified debts. Based on the meeting held on 30<sup>th</sup> May, 2019 in the Ministry of Finance, it was decided that the SPV would raise finances in the following manner to refinance the identified debts of Air India amounting to Rs 29,464.00 crores:

- i) Non-Convertible Debentures (NCD) of Rs 7,400.00 crores to be novated to AIAHL against Govt guarantee
  - ii) Issue of Govt Fully Serviced Bonds for Rs 7,000.00 crores against Letter of Authorization
  - iii) Issue of Bonds worth Rs 15,064.00 crores with full Government Guarantee for the payment of interest and principal thereof,
3. The Ministry of Finance Government of India, issued Letter of Assurance no.F.12(29)-B(SD)/2018 dated 18<sup>th</sup> June 2019 and the Ministry of Civil Aviation, GOI Letter of Authorization no.Av.17046/368/2017-AI dated 30<sup>th</sup> August 2019 to allow SPV to raise bonds from the market. The following three series of listed Non-Convertible Debentures (NCDs) were issued by the company during Sept and October of FY 2019-20 aggregating to Rs. 21,985 crores as under:
    - i. 6.99% NCD Series-1 (Govt fully serviced) of Rs.7,000 crore,
    - ii. 7.39% NCD Series-2 (Govt assured for servicing and repayment) of Rs.7,000 crore; and
    - iii. 7.39% NCD Series-3 (Govt assured for servicing and repayment) of Rs.7,985 crore.
  4. The funds equivalent to Rs.21,985 crores were thus raised by the company from the market during financial year 2019-20 and transferred to Air India for Repayment of such Identified debts. The Framework Agreement executed between AI and AIAHL dated 23<sup>rd</sup> Nov 2020 at Schedule-I list out these Identified debts as obligations of the company effective 1st Oct 2018.
  5. Air India has confirmed to AIAHL during the year 2019-20 that it has repaid all the listed Identified Debts aggregating to Rs.22,064 crores by utilizing Repayment Funds of Rs.21,985.00 crores transferred by AIAHL to AI and by adjusting the shortfall repayment funds from the Monetization proceeds payable to AIAHL for the Identified Non-Core properties equivalent to Rs.79 crores. Further approval for adjustment out of the monetization proceeds payable to AIAHL to the extent of Rs.79 Crores for the repayment by Air India of the shortfall amount of the identified loans (Rs.22,064 crores less Rs. 21,985 crores) has been accorded by the Ministry of Civil Aviation, GOI dated 18<sup>th</sup> June, 2021 via File No. 17046/19/2021-AI in terms of the Department of Economic Affairs, Ministry of Finance approval vide their OM.F.16(2)-B(P&A)/2021 dated 16 June 2021.
  6. One of the Identified Debts, Air India 9.08% Non-Convertible Debentures (NCDs) of Rs.7,400 crores, effective 1<sup>st</sup> Oct 2018 assured to the Company through budgetary support by the Govt.

of India for servicing and repayment, continue to be accounted in the books of Air India pending approval for novation of these NCDs to the Company by the majority bond holder EPFO holding Rs.4,000 crores NCDs as the unconditional consent of the EPFO for Novation to AIAHL of these NCDs is awaited as the concerns of EPFO on continuing guarantees post disinvestment of Air India are being looked into by the Govt. of India.

c) Budgetary support/Revenue grant from Govt. for servicing Identified debts

For servicing the Interest and other such debt servicing payments for the remaining outstanding Air India identified debt i.e. 9.08% NCDs of Rs.7,400 crores pending approval for novation out of the total identified debts of Rs. 29,464 crores in the previous year. These NCDs of Rs.7400 crores decided by the Govt. of India as obligation of the SPV effective 1<sup>st</sup> Oct 2018 for the Debts Identified for transfer to the Company from such effective date. Accordingly, the Government of India released to the Company budgetary support/Grants funds equivalent to Rs.671.92crores (Previous Year Rs. 2,568.05 crores including Rs.1300.00 crores of FY 2018-19) were transferred to Air India for interest servicing for the obligation of AIAHL identified debt towards the debt servicing interest payments for Rs.7400 crores NCDs under novation to AIAHL.

Overview of the Govt. of India revenue Grants/budgetary support received by the Company, transferred to Air India for identified debts interest payments and utilized by the Company for servicing the AIAHL NCDs is given below :-

(Rupees in crores)			
S.No.	Particulars	FY 2020-21	FY 2019-20
1.	Un-spent Grant-in-aid as on 31-03-2020	242.66	-
2.	Total of budgetary support/Grants received by the Company from Min. of Civil Aviation, GOI	2183.62	3868.05
3.	Grant utilized for Interest Payments of AI as on 31 <sup>st</sup> March.	(670.70)	(2861.81)
4.	Grant utilized for Interest Payments of AIAHL including accrued interest as on 31 <sup>st</sup> March.	(1511.60)	(763.49)
5.	Utilization of Fund for bond expenses debited by AI for 9.08% Rs.7400 crores NCDs obligation of AIAHL	(0.71)	-
6.	Recurring Grant of 2018-19 receivable from GOI adjusted	-	(0.09)
7.	Excess Reimbursement of Interest debited by AI in 2019-20 now Credited by AI in FY 2020-21	1.87	-
	Balance Grant in Aid	245.14	242.66
	Balance of Grant-in-Aid available with Air India Limited {(Refer Note 14 and Note 25(g) }	204.31	201.93
	Balance of Grant-in-Aid available with AIAHL	40.83	40.73

d) Monetization proceeds for the Identified Non-Core Properties

- i. As per the decision of Government of India in a meeting held on 7th September, 2018 under the chairmanship of Hon'ble Finance Minister, it was also decided that the sale of Identified Air India assets to be done and monetization proceeds received after 1st October 2018 are to be transferred to the SPV/ AIAHL monetization Escrow Account and to apply such sale proceeds for servicing the Identified Debts.

- ii. Accordingly, Air India had identified 111 such properties as non-core assets for monetization purposes. The Identified properties and the status for monetization (updated till Nov 2020) has been indicated in the Frame Work Agreement dated 23rd Nov 2020 executed between AIAHL and Air India.
- iii. Since the Identified Non-Core properties ownership/possession are in the name of Air India, Air India continue to dispose-off these properties and the sale proceeds received by Air India transferred to the AIAHL through the escrow mechanism. Details for the same are as under: -

(Rupees in Crores)

S.No.	Particulars	FY 2020-21	FY 2019-20
1.	Opening balances at the beginning of the year	189.24	-
2.	Monetization proceeds credited to AIAHL by Air India	88.53	220.51
3.	Less: Monetization proceeds funds transferred to AIAHL Escrow Bank Account	88.53	31.27
4.	Less: Monetization proceeds utilized by Air India for the payment of identified debts, monetization proceeds payable reduced <i>(Adjustment approved by MoCA, GOI vide their letter dated 18<sup>th</sup> June 2021)</i>	79.00	-
5.	Monetization proceeds Funds receivable from Air India as on 31 <sup>st</sup> March 2021 {Refer Note 25(g)}	<b>110.24</b>	<b>189.24</b>
	Add Receivable from AI for which proceeds Funds received from AI during FY 2020-21 and during FY 2019-20	119.80	31.27
	Add Receivable from AI for which Monetization proceeds utilized by AI for Repayment of loans in FY 2019-20	79.00	
6.	Monetization proceeds Total Amount Receivable from AI credited by AI for Identified properties adjustable against the identified debts <i>(Refer Note 2.A.of the Notes to the Accounts)</i>	<b>309.04</b>	<b>220.51</b>

e) Other Identified Incomes

- In terms of the decision and the Frame Work Agreement, transfer for the Rental incomes credited to the company in respect of Air India Nariman Building, which is one of the listed properties in Schedule II of the Frame Work Agreement.
- During the financial year 2020-21, total rental income of Rs. 125.25 crores including maintenance recovery of Rs.3.70 crores (Previous Year Nil) and Rs.0.44 crores towards misc. receipts (Previous Year Rs.142.48 crores) has been credited by Air India to the company which has been accounted as Revenue from Operations (considering associated Real estate activities envisaged for the Company for monetization/transfer of the Identified properties). Against such income transfers accounted as Other Income, AI debited the Maintenance and other utilities expenses for such rental building equivalent to Rs.7.76 crores (Previous Year Rs.6.46 crores), accounted as maintenance expense.
- Out of the total Rentals related Revenue income transfer of Rs.125.25 crores during the year FY 2020-21, the company has received funds in the AIAHL Escrow bank account for Rs.58.82 crores from 17<sup>th</sup> Nov 2020 onwards (Previous Year- Nil). The balance amount of Rs.58.66 crores (Rs.125.25 crores Income credit for Rentals Less Rs.58.82 crores funds

received Less Rs.7.76 crores Maintenance expensed debited) accounted as recoverable from AI under AI Reconciliation account.

4. As part of the Framework agreement for transfer of income/distribution of the subsidiaries identified for transfer to the company, Air India has credited to the company, the Revenue share under their agreement with AIASL for 20% share of their 3<sup>rd</sup> party handling revenue, amounting to Rs. 21.36 crores (Previous Year Rs.54.59 crores) for the period 1<sup>st</sup>April 2020 to 31<sup>st</sup> March 2021. This credit has been accounted as “other income” by the company during the year.
- f) The Framework Agreement executed between AI and AIAHL dated 23<sup>rd</sup> Nov 2020 also indicate obligation of Air India to transfer to the Company, investments in Subsidiary Companies and the Receivables from the Subsidiaries, such legal transfer of the Subsidiaries and the identified remaining unsold non-core Identified properties assets would follow the due process for these upon obtaining approvals by Air India of the relevant authorities.
- g) AIAHL Statement of account (summarized) recoverable from Air India Limited as on 31<sup>st</sup> March, 2021 are as under:-

<b>A Recoverable from AI towards Principal Repayments of Air India Identified Debts Rs. Crores</b>		
1	Amount Recoverable by AIAHL for Proceeds of Restructuring of Air India Identified Debts	21985.00
2	<b>Add</b> Shortfall Monetization funds used by AI for Repayment of the Identified Debts by Air India during FY 2019-20	79.00
	Total Recoverable from AI for Identified Debts Repaid by Air India, Recoverable from AI/GOI	22,064.00
3	<b>Less</b> Monetization proceeds (Net) Receivable from Air India from sale proceeds of identified properties for FY 2019-20	(189.24)
4	<b>Less</b> Monetization proceeds (Net) Funds transferred by Air India to AIAHL Escrow Bank account from sale proceeds of identified properties for FY 2019-20	(31.27)
5	Recoverable from Air India Limited/Govt. of India* Opening Balance on 1st April 20	21,843.48
6	<b>Less</b> Monetization proceeds (Net) Receivable from Air India from sale proceeds of identified properties for FY 2020-21	(88.53)
	<b>Recoverable from Air India Limited/Govt. of India* Closing Bal. as on 31st March 2021</b>	<b>21,754.95</b>
	<i>*Recoverable from Air India is subject to the extent of value ascertained in future for the Identified Non-core properties, Monetization proceeds, Identified Incomes and value of the subsidiaries identified for transfer to the Company with difference of the shortfall be recoverable from GOI in terms of the GOI decision and assurance for servicing and repayment of the AIAHL bonds</i>	
<b>B. Air India Limited Reconciliation Account -Recoverable from AI for transactions in FY 2020-21</b>		
<b>a.</b>	<b>Opening Balance as on 1st April 2020</b>	<b>502.62</b>
<b>I.a.</b>	<b>Transactions for Unspent Grant funds Recoverable from Air India-Opening Balance on 1.4.20</b>	<b>201.93</b>
1	GOI Grants funds received from MoCA transferred during FY 2020-21 to Air India for Interest payments for 3 Series of 9.08% Rs.7400 crores NCDs issued by Air India under Novation to AIAHL	671.92
2	<b>Less</b> Reimbursement of Interest debited by Air India for the NCDs on accrual basis for FY 2020-21	(670.70)
3	<b>Add</b> Air India Credit Note No.4 for Reversal of excess interest debited prior to 1.10.18 (net) of accrued interest chargeable for Nov/Dec20 till 31.3.20 -Rs.1.87 crores considered here as the Net effect on Recoverable from AI for Rs.1.22 crores for difference in Grant funds provided Rs.671.92 crores vs. Interest Reimb.Rs,670.70 crores shown above separately	1.87
4	<b>Add</b> Credit Note for transfer of Interest income earned by AI on Short term FDRs on parked GOI grant funds recd. from AIAHL	3.01
5	<b>Less</b> Debit from Air India towards Reimbursement Of Credit Rating Surveillance Fees	(0.71)

	charges (net) debited by AI for Rs.7400 cr NCDs AIAHL Obligations	
I.b.	Net Increase/(Decrease) in Recoverable from AI during FY 2020-21 towards Grant funds (1 to 5)	5.39
I.	<b>Amount Recoverable by AIAHL from AI towards Unspent Grant funds as on 31.3.2021 (I.a.+I.b.)</b>	<b>207.32</b>
II.a.	<b>Monetization Proceeds, Rentals of Identified Properties and Revenue share of AIASL Payable to AIAHL-Opening Balance as on 1.4.20</b>	110.24
1	Monetization Proceeds Credited by AI as Payable to AIAHL towards proceeds of Identified Properties	88.53
2	Less Monetization Proceeds debited for Funds directly transferred to AIAHL escrow bank account	(88.53)
II.b.	Net Increase/(Decrease) in Recoverable from AI during FY 2020-21 towards Monetization proceeds of Properties	0.00
II.	<b>Amount Recoverable by AIAHL from AI towards Monetization proceeds as on 31.3.2021 (II.a.+II.b.)</b>	<b>110.24</b>
III.a.	Recoverable by AIAHL from AI towards Rentals Income AI Nariman Point Building (Net of Maintenance expenses debits) Opening Bal. as on 1.4.2020	136.02
1	Rentals Income transferred including Misc. Rental recovery, Other charges, Auditorium Rental Receivable from Air India for AI building Nariman Point	125.25
2	Reimb. Of Maintenance, Repairs, Ground Rent, Electricity and Water Charges for AI Nariman Point Building during FY 20-21 incurred by AI debited to AIAHL-To be accounted as "Maintenance Expenses-AI Building" by AIAHL-SPV	(7.76)
3	Rental Income of AI Nariman Point Mum building received from tenants transferred directly to AIAHL-SPV Escrow bank a/c during FY 2020-21	(58.83)
III.b.	Net Increase/(Decrease) in Recoverable from AI during FY 2020-21 towards AI Nariman Point Building Rentals	58.66
III.	<b>Amount Recoverable by AIAHL from AI towards AI Nariman Point Building Revenue as on 31.3.2021 (III.a.+III.b.)</b>	<b>194.68</b>
IV.a.	Revenue Share of AIASL receivable from Air India Opening Balance as on 1.4.2020	54.59
IV.b.	Add Credit Note for Revenue share of AIASL transferred by AI to AIAHL in FY 2020-21	21.36
IV.	<b>Amount Recoverable by AIAHL from AI towards Revenue Share for AIASL s as on 31.3.2021 (IV.a.+IV.b.)</b>	<b>75.95</b>
V.a.	Salary payable to Air India for CFO on deputation- Opening Balance as on 1.4.2020	(0.16)
V.b.	Add Debit Note from AI for Salary payable to AI for salary paid by AI to CFO upto 17 Aug 2020 during FY 2020-21 (net of TDS)	(0.09)
V.	Amount Payable by AIAHL from AI towards Salary paid and debited by AI for ex-CFO as on 31.3.2021 (V.a.+V.b.)	(0.25)
C.	<b>Net Increase/(Decrease) in Recoverable from Air India Ltd. during FY 2020-21 (I.b+II.b+III.b+IV.b+V)</b>	<b>85.33</b>
D.	<b>Net Receivable Amount from Air India as on 31.3.2021 as per AIAHL -Dr. Balance per AIAHL- (C+B.a.)</b>	<b>587.95</b>

The above Recoverable amounts from Air India are subject to being reconciled and settled after adjustment of expenses incurred by Air India, such as towards Novation of 9.08% NCDs of Rs 7400.00 crores, maintenance costs of the Identified properties, transfer charges, exchange adjustments, if any, and impact of receivable/(payables)from/(to) Subsidiary Companies like AIESL, AAAL, HCI and AIASL as well as the grants/reimbursements received from AIAHL.

## 26. REVENUE RECOGNITION:

### a. Government Grant-in-aid

The Company has received Grant-in-Aid from Government of India for the purpose of servicing of interest of all three series bonds of the Company and for the servicing of interest of Air India 9.08% Non-Convertible Debentures (NCDs). Based on the income approach, the Company has recognized "Grant-in-aid Revenue" as Other Income to the extent fund used for the finance cost

recognized in the Statement Profit and Loss in the financial year 2020-21 i.e. the related cost for which the grant is intended to compensate. Details for the same are as under:-

(Rs. in Crores)

S.No.	Particulars	FY 2020-21	FY 2019-20
1.	Finance Cost for the Year	2,265.11	3,620.96
2.	Debit note - FY20-21 claiming Reimbursement of Surveillance fees and credit rating agency expenses incurred by AI towards the AIAHL obligation for debt servicing of AI issued Rs.7400 cr. NCDs under novation to AIAHL/FY2019-20 amount is debit for the Legal charges reimbursed to AI for Identified debts.	0.71	4.34
3.	Total Cost for which grant is intended to compensate (1+2)	2,265.82	3,625.30
4.	Less:- Monetization/Rental Funds (including interest) used for funding and payment of above Series-2-7.39% NCDs of Rs.7,000 crores	34.04	-
5.	Less:- Monetization/Rental Funds (including interest) used for the payment of above Series-6.99% Rs.7,000 crores NCDs (including interest)	48.77	-
6.	Grant-in-Aid Revenue recognized as other income (3-4-5)	2183.01	3,625.30

**b. Interest Income on FDRs**

During the year, the Company has earned interest income of Rs. 4.19 crores (previous year – Rs. 1.91 crores) on FDRs which have been created from Government Grant Funds on which total interest earned during is Rs.2.91 crores and Rs.1.28 crores on Monetization Proceeds/Rentals received from Air India. These funds from realized interest credited by the bank have been utilized for the servicing bond interest and recurring expenses of AIAHL hence recognized as interest income of the Company.

During the year, Air India has credited Rs.3.01 crores as the Interest on short term FDRs created by AI out of GOI grant funds received towards servicing the interest payments for Rs.7400 cr. NCDs. The amount has been shown as Income and shown as Recoverable from Air India on account of Unspent grant funds with AI {(refer Note 25 (g))} against which no funds/proceeds received by the SPV.

**27. MONETIZATION FUND**

As per the meeting held on 7th September, 2018 under the chairmanship of Hon'ble Finance Minister, (refer Ministry of Finance, GOI, O.M. F.16(8)-B(P&A)/2018 dated 19th Sept 2018 forwarding Minutes of the Meeting) It was decided that the identified debts would be serviced by the SPV from the disinvestment proceeds from the transfer of identified subsidiaries, monetization of identified properties and non-productive assets of AI and shortfall to be met out of the budgetary support by Govt. of India through Ministry of Civil Aviation budget.

In line with the above decision, Air India Limited has provided monetization proceeds of Rs

309.05 crores (Rs. 88.53 crores in the financial year 2020-21 and Rs. 220.52 crores in the financials year 2019-20). The said monetization fund thus reduced from the identified debts Rs. 22,064 crores serviced by SPV. Details for the same are as under:-

**(Rupees in Crores)**

Particulars	31-Mar-21	31-Mar-20
Recoverable From Air India Ltd./GOI (Identified debts serviced by AIAHL to AI)	22,064.00	22,064.00
Less:-Monetization Proceeds (Net) from AI of Identified Properties in the financials year 2019-20	2,20.52	2,20.52
Less:-Monetization Proceeds (Net) from AI of Identified Properties in the financials year 2020-21	88.53	-
<b>Recoverable From Air India Ltd./GOI</b>	<b>21,754.95</b>	<b>21,843.48</b>

**28.** During the year company used the available monetization fund (including rental income) of Rs.82.81 crores towards servicing the interest payments for AIAHL issued NCDs funded in Sept 2020 paid on 14<sup>th</sup> Oct 20 (Series-2 NCD) and in March 2021 (Series-1 NCD) and also utilized the available funds from monetization proceeds (including rental income and realized interest income) funds for about Rs.78.67 crores towards Corporate income tax payments for the income tax payable for FY 2019-20 and FY 2020-21. Approval for the utilization of the monetization proceeds has been accorded by the Ministry of Civil Aviation, GOI vide their letter No. 17046/19/2021-AI dated 18<sup>th</sup> June, 2021.

**29. INTERNAL CONTROL**

The company has appointed internal auditor for conducting the internal audit to provide suggestions for the improvement in the system required, if any. The scope of the internal auditor shall be reviewed by the management time to time so as to ensure to implement the effective internal controls. Further, the accounting is outsourced to a professional accounting firm as company has only three employees on its payroll with only one centralized office in Delhi. The accounting outcomes, financial transactions and accounting documents are reviewed and checked periodically by the company during the year.

**30. DUES TO MICRO, SMALL & MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:**

There has been no transaction with a MSME during the year. Hence, the information on the outstanding as at 31<sup>st</sup> March 2021 is NIL.

**(Rupees in Crores)**

	Particulars	31st March, 2021	31st March, 2020
a.	Principal amount due and remaining unpaid	-	-
b.	Interest due on above	-	-
c.	Payment made beyond the appointed day during the year	-	-
d.	Interest paid	-	-
e.	Interest due and payable for the period of delay	-	-
f.	Interest accrued and remaining unpaid	-	-
g.	Amount of further interest remaining due and payable in succeeding years	-	-

**Note:** Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company and relied upon by the Auditors.

### 31. RELATED PARTY DISCLOSURES

#### A. Related party:

- (i) In terms of Ind AS 24, following is the related parties' disclosures:-
- Government entities.** Significantly controlled and influenced entities (Government of India) (as identified by Management):

Sr. No	Name of Company	Relationship
1	Air India Limited (AIL)	Entity under same control by the Government

#### b. Key Managerial Personnel (KMP's)

Sr No	Name of Director	Designation	Date of Appointment
1	Shri Rajiv Bansal	Chairman	w.e.f. February 14, 2020
2.	Shri Vinod Shanker Hejmadi	Director	w.e.f January 22,2018
3.	Shri Satyendra Kumar Mishra	Director	w.e.f January 22,2018
6.	Shri Vimlendra Anand Patwardhan	Director	w.e.f. January 28, 2020
7.	Smt. Anuradha Thakur	Director	Ceased to be Director from 19 <sup>th</sup> May,2020
8.	Shri Venudhar Reddy Nukala	Director	Ceased to be Director from 1 Feb 2021
9.	Shri Baldeo P Baldeo Purushartha,	Director	w.e.f. 11 <sup>th</sup> Jan 2021
10.	Shri Vijay Jadhav	CFO	Ceased to be KMP w.e.f 17 <sup>th</sup> August, 2020
11.	Shri Krishan Chander Anand	CFO	w.e.f. August 17, 2020
12.	Ms. Shilpi Singh	CS	w.e.f. June 03, 2019

#### B. Related Party Transactions

- There are no transactions with Key Managerial Personnel except for the Salaries paid to the KMPs as under during the year FY 2020-21:-
  - Shri Vijay Jadhav, CFO Rs. 8 lacs (prev. year Rs.13.55 lacs) – salary debited by Air India
  - Shri Krishan Chander Anand, CFO Rs. 11.23 lacs (prev. year Nil)
  - Ms. Shilpi Singh, CS Rs. 6.87 lacs (prev. year Rs.5.46 lacs)
- There were no Loans or Credit Transactions with KMPs of the Company or their relatives during

the year.

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

Name of Entity-Air India	(Rupees in Crores)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Funds transferred from the Company's listed NCDs proceeds to Air India for Repayments of the Identified Loans	NIL	21,985
Amount of GOI grant transferred to Air India Limited towards servicing the Identified Debts	671.92	1,763.74
Reimbursement of Interest expenses including withholding taxes, Penal and default interest debited to the Company by Air India advising utilization of Grant for servicing the Identified debts –obligation of AIAHL	670.70	2857.47
Reimbursement of other charges including legal expenses to the Company by Air India advising utilization of Grant for servicing the Identified debts –obligation of AIAHL	0.71	4.34
Rental Income and Revenue Sharing credited to by AI	146.61	197.07
Interest on FDR credited to by AI on GOI grant funds	3.01	-
Monetization Proceeds received/receivable from AI	88.53	220.52
Maintenance, Utilities, taxes etc debited to the Company by AI for the AI rental building revenue credit	7.76	6.45
Salary of Deputed employee of AIL	0.09	0.16
Interest on loan from AIL of Rs.4.5 lacs taken since repaid on 9 <sup>th</sup> Jan 2020	Nil	0.002
<b>Amount Recoverable from Air India under AI Reconciliation account.</b>	<b>587.95</b>	<b>502.62</b>

### 32. CORPORATE SOCIAL RESPONSIBILITY-CSR

Section 135 (1) of the Companies Act 2013 requires provision for CSR to be made for a company having threshold Net Worth of Rs.500 crores or Rs. 1,000 crores Turnover or Rs.5 crores Net profit during the immediately preceding financial year.

However, the company, being a SPV specifically incorporated for the limited purposes of enabling specified transactions for Disinvestment of Air India and not being a commercial business entity dependent upon the Govt. of India grant funds, has sent a request to the Min. of Corp. Affairs, Govt. of India through Ministry of Civil Aviation, vide AIAHL letter dated 25<sup>th</sup> March 2021 to consider exemption for the SPV from the applicability of such provisions to the company including constitution of a Board CSR Committee and request the Govt. of India for considering whether the applicability of these requirements of CSR for commercial operational business entity, can be considered for being exempted for the SPV.

**33. PROVISION FOR TAXATION**

In terms of the provisions of Section 115 BAA of the Indian Income tax 1961, which provide for an option of lower rate of 22% plus applicable surcharge for a domestic company (as against higher rate of about 30% plus applicable surcharge) for any previous year relevant to the assessment year beginning on or after 1<sup>st</sup> April 2020, subject to no deduction or exemptions allowed under specified sections, no carry forward or set off of past year losses, or set off losses or unabsorbed depreciation in amalgamation being available to the company, and such option once exercised to continue forever.

Considering the nature of SPV, with no carry forward losses, no asset block for depreciation claim or any other exemption availed by the company in the past, provision based on lower rate u/s Sec 115BAA has been made in the books of account as on 31<sup>st</sup> March 2021:-

(Rupees in Crores)

S. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Net Taxable Profit	64.60	187.67
2	Tax Payable @ 22% plus 10 Surcharge and 4% Cess	16.26	47.23
3.	Interest u/s 234A, B and C	0.66	6.61
4.	Total Provision for Income Tax	16.92	53.65
5.	Less TDS deducted at Source	0.32	0.19
6	Less Advance Self Assessment Tax	28.79	-
7	<b>Net Tax Payable/(Refund) {4-5-6}</b>	<b>(12.19)</b>	<b>53.46</b>
8.	Short Provision of Income tax for FY2019-20 due Interest u/s 234C	-	2.11

Company deposited in March 2021, Advance tax of Rs.28.79 crores for FY 2020-21 based on the estimated taxable profit of Rs.110 crores i.e. estimated rental income to be transferred from AI, whereas the net taxable profit reduced to Rs.64.60 crores as above mainly due to the lower GOI grant revenue considered as about Rs.82.81 crores available funds from the monetization, rentals and interest on parked funds were utilized towards servicing interest payments for the debt obligations of the company. The Income tax refund would be claimed as refund in the income tax return for AY 2021-22 (FY 2020-21).

**34. EARNINGS PER SHARE:**

Details	As at March 31, 2021	As at March 31, 2020
Profit After tax	43,69,60,961	134,02,02,928
Weighted Average no. of equity shares of Rs.10 each	50,000	50,000
EPS Basic & Diluted (In ) After Tax	8,739.22	26,804.06

**35. REMUNERATION TO STATUTORY AUDITORS:**

The details of the audit fees and out of pocket expenses for the year 2020-21 are as under:

Particulars	FY 2020-21	FY 2019-20
Audit Fees for the year	1,50,000	1,50,000
Out of Pocket Expenses	10,000	10,000
Tax audit fees provision	1,00,000	1,25,000
Half Yearly Limited Review	50,000	-
<b>Total</b>	<b>3,10,000</b>	<b>2,85,000</b>

**36. DIVIDEND**

No Dividend provision made as the company has requested for Govt. of India to consider exemption from the applicability of extant guidelines indicated vide Office Memorandum No.

F.No. 3(3)-B(S)/2015, Ministry of Finance, dated 5th January, 2016, issued by Department of Economic Affairs, Ministry of Finance, Govt. of India.

The request has been made vide AIAHL letter dated 25<sup>th</sup> March 2021 as the company is a SPV specifically incorporated for the limited purposes of enabling specified transactions for Disinvestment of Air India, as the company does not have of its own any commercial, operational, business, trading or industrial activities.

Further, the entire profit of the company arising out of the impact of the accounting transactions of revenue transfer to the SPV out of the disinvestment process of Air India, belongs entirely to the Govt. of India and are used for servicing the identified debts and obligations arising out of the disinvestment process of Air India Ltd.

### 37. INDEPENDENT DIRECTOR

The appointment of the Independent Directors on the Board of AIAHL in terms of the Section 149 of the Companies Act 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 has been requested.

### 38. IMPAIRMENT

There is no PPE and its ability to generate operating profits. Hence there is no impairment of assets at the end of the year.

### 39. SEGMENT REPORTING

As the Company's business activity primarily falls within a single business and geographical segment, thus there are no additional disclosures to be provided under segment reporting.

### 40. EMPLOYEES BENEFITS

The number of employees at any time during the financial year 2020-21 being total of 2 employees, which is less than 10, hence the company has not recognized any expenditure towards defined contribution plans, in respect of Employees Provident Fund and Employee State Insurance benefits, etc. and hence actuarial valuation is not required.

### 41. 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 on 31st March 2021

(Rupees in Crore)

Particulars	Carrying Value				Fair value measurement using		
	FVT PL	FVTO CI	Amortized Cost	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>					-	-	-
<b>Non-Current</b>					-	-	-
Recoverable from AIL/Govt. of India	-	-	21,754.95	21,754.95	-	-	-
<b>Current</b>					-	-	-
Trade Receivable*	-	-	-	-	-	-	-

Cash & Cash Equivalents*	-	-	4.03	4.03	-	-	-
Bank Balances other than cash and cash equivalents*	-	-	566.29	566.29	-	-	-
AI Reconciliation Account/Recoverable from AIL	-	-	587.95	587.95			
<b>Others</b>					-	-	-
Interest Accrued on Bank Deposits	-	-	0.49	0.49	-	-	-
Security Deposit	-	-	0.001	0.001	-	-	-
<b>Total</b>	-	-	22,913.71	22,913.71	-	-	-
<b>Financial liabilities</b>					-	-	-
<b>Non-Current</b>					-	-	-
Borrowings	-	-	21,985		-	-	-
<b>Current</b>					-	-	-
Borrowing	-	-	-		-	-	-
Trade Payables	-	-	0.12		-	-	-
<b>Other Financial Liabilities</b>					-	-	-
Interest Accrued but not due on debenture	-	-	518.57		-	-	-
Others	-	-	-		-	-	-
<b>Total</b>	-	-	22,503.69		-	-	-

(ii) As on 31<sup>st</sup> March, 2020

(Rupees in Crore)

Particulars	Carrying Value				Fair value measurement using		
	FVT PL	FVT OCI	Amortized Cost	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>							
<b>Non-Current</b>							
Recoverable from AIL/Govt. of India	-	-	21,843.48	21,843.48	-	-	-
<b>Current</b>					-	-	-
Trade Receivable*	-	-	-	-	-	-	-

Recoverable from AIL/Govt. of India	-	-	502.62	502.62	-	-	-
Cash & Cash Equivalents*	-	-	554.84	554.84	-	-	-
Bank Balances other than cash and cash equivalents*	-	-	34.88	34.88	-	-	-
<b>Others</b>							
Interest Accrued on Bank Deposits	-	-	0.0151	0.0151	-	-	-
Security Deposit	-	-	0.001	0.001	-	-	-
<b>Total</b>	-	-	<b>22,935.84</b>	<b>22,935.84</b>	-	-	-
<b>Financial liabilities</b>							
<b>Non-Current</b>							
Borrowings (Bonds)	-	-	21,985	21,985	-	-	-
<b>Current</b>							
Borrowing	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-
<b>Other Financial Liabilities</b>							
Interest Accrued but not due on AIAHL debentures	-	-	520.36	520.36	-	-	-
Others	-	-	0.02	0.02	-	-	-
<b>Total</b>	-	-	<b>22,505.38</b>	<b>22,505.38</b>	-	-	-

# The Company's borrowings have been contracted at fixed rates of interest.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other current financial assets, approximates the fair values, due to their short-term nature. The other non-current financial assets represent, the carrying value of which approximates the fair values as on the reporting date.

Valuation technique where used to determine fair value using discounted cash flow method.

### 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 based on unobservable market data. 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.

#### 42. 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. Interest Rate

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance receivable, and cash and cash equivalents.

The Company is being a SPV formed for the limited purposes of disinvestment and supported through budgetary support from the GOI budget for company's borrowings bearing fixed interest rates is not exposed to credit risk, liquidity risk and market risk.

The Company's 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**

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.

Being 100% Government owned Company and the 3 Series of NCDs Borrowings for repayments and interest servicing are guaranteed by the government of India in terms of the Letter of Authorisation and Letter of Assurance issued by the GOI. There is thus no credit risk for the company.

##### **(ii) Liquidity Risk**

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 asset. The Company's approach to manage Liquidity is to have sufficient liquidity to meet its liabilities when they are due, by seeking allocation for budgetary support from GOI.

The Company believes that its liquidity position, including total cash (including bank deposits-FDRs in Escrow bank account and excluding interest accrued but not due) of Rs. 570.32 crore as at 31<sup>st</sup> March 2021 (Previous Year Rs. 589.72 crores) anticipated future internally generated funds from government and interest, and its full availability, 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 will continue to

consider various borrowing options to maximize liquidity and supplement cash requirement as necessary.

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 from budgetary support from GOI.

### Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting data.

The contractual cash flow amount is gross and undiscounted, and includes interest accrued but not due on.

(Rupees in crores)

As at 31st March 2021	Carrying amount	Contractual Cash Flows					
		Upto year	1	1-3 Year	3-5 Year	More than 5 years	Total
Non-Convertible Debentures (Series-1 AIAHL issued NCD full repayment assured by Min. of Fin, GOI vide letter No.12(29)-B(SD)/2018 dated 18.6.19 due for 100% repayment on 16 Dec 2022)	7,000	-	-	7,000	-	-	7,000
Trade Payables	0.02	-	-	-	-	-	0.02
Interest Accrued but not due on Borrowings (AIAHL issued NCDs- Series 2 & 3 Interest payable on 14 <sup>th</sup> Apr 21 and 22 Apr 21)	518.57	518.57	-	-	-	-	518.57
Others	-	-	-	-	-	-	-
<b>Totals</b>	<b>7,518.69</b>	<b>518.69</b>	<b>7,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,518.69</b>
As at 31st March 2020	Carrying amount	Contractual Cash Flows					
		Upto year	1	1-3 Year	3-5 Year	More than 5 years	Total
Non-Convertible Debentures	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-
Interest Accrued but not due on Borrowings (AIAHL issued NCDs)	520.36	520.36	-	-	-	-	520.36
Others	0.02	0.02	-	-	-	-	0.02
<b>Totals</b>	<b>520.38</b>	<b>520.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>520.38</b>

### (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 types of risks 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. Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument/commodity will fluctuate because of changes in foreign exchange.

#### **Exposure to Foreign Currency Risk**

The company is not exposed to the effects of fluctuation in the prevailing foreign currency on its financial position and cash flows as its transactions are in Indian rupee only.

#### **Foreign Currency Sensitivity Analysis**

In view of there being no foreign exchange transactions during the year with company's transactions limited to Indian Rupees, there is no foreign current exposure or risk, hence, no such sensitivity analysis done.

#### **B. 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's exposure to the risk of changes in market interest rates is nil because all the Company's borrowings are rupee denominated bearing fixed interest rates.

#### **C. Interest rate sensitivity analysis**

No possibility of change of interest rates at the reporting date or in future as the rates are fixed for the entire tenure of the NCDs.

43. Previous year figures have been re-casted/regrouped/re-arranged, wherever necessary.

**For and on behalf of**  
**Ashwani Sood & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration No. 005036N**

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

**Ashwani Sood**  
**Partner**  
 Mem. No.084242

**Rajiv Bansal**  
**Chairman**  
 DIN 00245460

**S.K.Mishra**  
**Director**  
 DIN07728790

Krishan Chander Anand  
**Chief Financial Officer**

Shilpi Singh  
**Company Secretary**

**Place: Delhi**  
**Date:15<sup>th</sup> September, 2021**