

BOARD'S REPORT

To
The Members,
Air India Assets Holding Limited

We are pleased to present the First Annual Report of your Company together with the audited financial statements of the Company for the financial period ended 31st March, 2019.

1. OPERATIONAL RESULTS:

The summary of the Financial Performance of the Company for the period from 22-01-2018 to 31-03-2019 is given below:

PARTICULAR	AMOUNT (IN RS.)
Revenue from Operations	0.00
Other Income- Recurring Grant receivable from Government of India	9,00,000
Total Expenses	882447
Profit before Exceptional Items and Tax	17553
Less: Exceptional Items	0.00
Profit before Tax	17553
Less: Current Tax	13720
Net Profit after tax	3833

2. PERFORMANCE HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS:

The Company was incorporated on 22nd day of January, 2018 vide Ministry of Civil Aviation (MOCA) issued order for creation of a new SPV. The Company was formed with an object to warehouse accumulated working Capital Loan not backed by any asset along with four Subsidiaries (Air India Air Transport Services Ltd. (AIATSL), Airline Allied Services Ltd. (AASL), Air India Engineering Services Ltd. (AIESL) and Hotel Corporation of India Ltd. (HCI), non-core assets painting and artefacts and other non-operational assets of Air India Ltd.

Further, in the Meeting taken by the Finance Minister on 7th September, 2018, to discuss the Plan for Operational & Financial Efficiency in Air India. It was decided to transfer Debts amounting to Rs.29464 Crore from AI to SPV w. e. f 1st October, 2018.

The Government has decided to transfer following to the newly-created SPV:

- i. Debt of Air India Ltd. amounting to Rs. 29,464 crore;
- ii. The subsidiaries which are not part of Air India strategic disinvestment viz. AIATSL, AIESL, AASL are to be shifted to the SPV; and
- iii. Non-core assets, painting and artifacts and other non-operational assets of Air India Ltd.

As the Company is a Special Purpose Vehicle, formed for a specific purpose and doesn't have any business operations of its own.

Though based on the grant in aids from the Government of India and expenses incurred to run the Company during the year under review, The Company's income- recurring grant from Government of India stood at Rs. 9, 00,000 against the total expenditure of Rs. 8,82,447 giving a net profit of Rs. 3833 after tax.

Period of accounts starts from the date of incorporation, 22 January 2018 to 31st March, 2019.

3. EVENT AFTER BALANCE SHEET DATE :

ISSUE OF NON-CONVERTIBLE DEBENTURES

In compliance of the decision taken by Government of India for refinancing the debt of Rs. 29464 Crore transferred from AI to AIAHL, company has issued and allotted the debentures amounting Rs. 21985 Crore through private placement. The brief detail of NCDs issued and allotted are given below:

otted are 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.7000Cr	Rs.7000Cr.	Rs.7985Cr.
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.	Utilization of Issue Proceeds	Issue Proceeds transferred to AIL on 18-09-19	Issue Proceeds transferred to AIL on 14-10-19	Issue Proceeds transferred to AIL on 22-10-19

DEBENTURE TRUSTEE TO THE NCD ISSUE

The Company appointed IDBI Trusteeship Services Limited as Debenture Trustee to the NCD Issue.

APPOINTMENT OF KMP:

Company has appointed Company Secretary and CFO w.e.f 3rd June, 2019 and 25th July, 2019.

4. ACQUISITION OF SHARES OF AIR INDIA AIR TRANSPORT SERVICES LIMITED (AIATSL) FROM AIR INDIA

Board in its meeting held on 15.11.2018 approved the taking over of 100% shareholding of AIATSL, a wholly-owned subsidiary of Air India Ltd (AIL) from AIL as per the decision of Government of India in AISAM Meeting dt. 07.09.2018 and accordingly, a draft of SPA for

taking over of AIATSL from AIL by the company was also approved. SPA was executed with AI on 03-01-2019.

On 3rd January 2019, AIAHL Board started the exercise to issue PIM for inviting expression of interest towards strategic sale of AIATSL by AIAHL and a draft PIM was considered and approved by the Board in its BMs dt. 09-01-2019 by the Board and by members of the company in EGM dt. 18-01-2019, which was further modified by the Board in its meeting 11-02-2019 as per the suggestion given the members of the company in its general meeting dt. 08-02-2019.

The Preliminary Information Memorandum (PIM) for inviting Expression of Interest was issued on 12th February, 2019 followed by eight Corrigendum which were issued by Air India Assets Holding Limited on 5th March, 2019, 26th March, 2019, 24th April, 2019 and 25th May, 2019, 26th June, 2019, 25th July, 2019 and 26th August 2019 and 24th September, 2019 respectively.

And further, in addition to the above referred corrigendum, AIAHL had published the Ninth corrigendum on 25th October 2019 on its websites regarding extension of last date for release of response to queries on PIM stating that 'the fresh date of submission of responses to queries will be intimated in due course as per the approval of MOCA'.

5. APPROVAL TO FRAMEWORK AGREEMENT WITH AIR INDIA ON TAKING OVER AIL DEBTS OF RS. 29,464 CRORES

The company was incorporated by Government of India, with its main objects inter alia as the acquisition of subsidiaries of Air India Limited ("AIL"), acquisition of accumulated working capital loans of AIL not backed by any asset, and acquisition of any other assets / liabilities of AIL or of its subsidiaries, as may be decided by Government of India ("GOI") and/or AIL.

On September 7, 2018, in the meeting of Air India Specific Alternate Mechanism under the chairmanship of the Hon'ble Finance Minister, it was decided that debt amounting to Rs. 29,464 crores will be transferred from AIL to AIAHL, with effect from October 1, 2018. As part of the 'Plan for Operational and Financial Efficiency of Air India'.

In the meeting held on October 3, 2018, under the chairmanship of the Secretary of Economic Affairs, on the transfer of debts of AIL, some more suggestions were decided that out of the total debt of Rs. 29,464 crores:

Based on the above, a draft Framework Agreement has been prepared by Legal Advisor , CAM, for the transfer of the debt of Rs. 29,464 crores of AIL to AIAHL with effect from October 1, 2018.

The above framework agreement was also approved by audit committee on 25th March. 2019 and by the members in EGM dt. 26th March, 2019 and this matter is continuously being considered by the Board as per the changes suggested by the Government of India in framework of debt to be taken over of AIL.

In last Board Meeting dt. 20th September, 2019, a draft new Framework Agreement as prepared by Legal Advisor , CAM, for the transfer of the debt of Rs. 29,464 crores of AIL to AIAHL with effect from October 1, 2018 was considered by the Board, which also requires some modification.

6. APPROVAL TO PAYMENT OF INTEREST ON LOANS SETTLED BY AIR INDIA LTD. AND RECEIPT OF GRANT FROM GOVT. OF INDIA

In the Board meeting held on 20th March 2019, board approved the payment of interest on loans to AIL by AIAHL on request of Air India to transfer Rs. 1300 Crores, as and when the same received by the Company from Government of India, on account of interest amount serviced by Air India pertaining to the loans to be transferred from Air India to the Company of Rs. 29464 crores for the period from October 1, 2018.

This matter was further approved by audit committee on 25th March. 2019

7. RESERVES

The profits for the period under review amounting to Rs. 3833/- has been transferred to the Reserves and Surplus account of the Balance sheet.

8. DIVIDEND

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

9. SHARE CAPITAL

The Authorized share capital of the Company as of March 31, 2019 is Rs. 5,00,000/- comprising of 50,000 equity shares of Rs. 10/- each. The issued, subscribed and paid up share capital of the Company as on March 31, 2019 was Rs. 5, 00,000/- comprising of 50,000 equity shares of Rs. 10/- each.

10. COMPOSITION OF BOARD OF DIRECTORS:

a. Composition of Board of Directors:

Sr. No.	As on 31st March, 2019
1.	Pradeep Singh Kharola, Secretary, MOCA (DIN: 05347746)
2.	Mr. Ashwani Lohani , CMD Air India (DIN: 01023747)
3.	Mr. Arvind Shrivastava, Jt. Secretary Budget, Department of Economic Affairs (DIN: 02340040)
4	Mr. Arun Kumar, Add. Secretary, MOCA (DIN: 03054493)
5	Mr. Satyendra Kumar Mishra , Jt. Secretary, MOCA(DIN: 07728790)
6	Mrs. Anuradha Thakur, Jt. Secretary, DIPAM(DIN: 07293445)
7	Mr. Vinod Shanker Hejmadi (Director-Fin- Air India) (DIN: 07346490)

As on the date of Board's Report
Mr. Ashwani Lohani , CMD Air India DIN: 01023747
Mr. Satyendra Kumar Mishra , Jt. Secretary, MOCA, DIN: 07728790
Mrs. Anuradha Thakur, Jt. Secretary, DIPAM DIN: 07293445
Mr. Vinod Shanker Hejmadi, (Director-Fin- Air India) DIN: 07346490

b. 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.	Mr. Arun Kumar Add. Secretary, MOCA DIN: 03054493	Appointed on 20.12.2018	Office of director ceased due to assumption of new position vide office memorandum No. 23(1)/E.Coordl2019 dated July 11,2019
2.	Mr. Arvind Shrivastava Jt. Secretary Budget, Department of Economic Affairs DIN: 02340040	Appointed on 08.01.2019	Office of director ceased due to assumption of new position vide Office Order No. 36/2019- EO(SM-1)dated August 30,2019
3.	Mr. Pradeep Singh Kharola, Secretary, MOCA DIN: 05347746	Appointed on 22.01.2018	Office of director ceased due to assumption of new office effective from 14.02.2019

11. MEETINGS OF THE BOARD HELD DURING THE PERIOD UNDER REVIEW

The details of the board meetings held during the period under review:-

Board Meeting Number	Date of Board Meeting
01	20-02-2018
02	18-06-2018
03	16-10-2018
04	15-11-2018
05	28-12-2018
06	03-01-2019
07	09-01-2019
08	11-02-2019
09	01-03-2019
10	11-03-2019
11	20-03-2019

12. SUBSIDIARY / JOINT VENTURES/ ASSOCIATES

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

13. SECRETARIAL AUDIT

During the year under review, as per the provisions of Section 204 of the Companies Act, 2013, the Company does not falls under the criteria of applicability of Secretarial Audit.

14. 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.

15. EXTRACTS OF ANNUAL RETURN

The extract of the Annual Return of the Company for the financial period ended March 31, 2019 in Form MGT-9 is annexed herewith as an Annexure and forms part of this Report.

16. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company was constituted on 20th 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 31st March, 2019 is provided herein below:

Sh. Arun Kumar	Add. Secretary, MOCA	Chairman
Sh. S.K. Mishra	Jt. Secretary, MOCA	Member
Smt. Anuradha Thakur	Jt. Secretary, DIPAM	Member

First audit committee was convened on 25th March, 2019 and approved the matter relating to the approval of Framework Agreement and taking over of the Loans of AI amounting to Rs. 29464 Crores and considered interest on loans settled by Air India Ltd. and receipt of Grant from Govt. of India.

17. 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.

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

19. RELATED PARTY TRANSACTIONS

Provisions of section 188 are not applicable during the period under review to a government company. None of the directors has any material pecuniary relationships or transactions vis-a-vis the Company.

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

During the year under review, there was only one employee. Hence, the applicability of setting up Internal Complaint Committee doesn't arise. Therefore, there is no ICC in place presently.

Though in the Meeting held on 18th July, 2019, an approval of the Board of Directors was sought to form an ICC, which will be place for prevention of sexual harassment of women at workplace.

21. AUDIT, STATUTORY AUDITORS AND AUDITORS' REPORT

The Company was formed as a Special Purpose Vehicle by the Government of India and was subjected to audit by CAG. Accordingly, as per the order of the CAG offices, the Company was mandated to engage the service of M/s Batra and Sapra, Chartered Accountants, New Delhi to be appointed as its first auditors for a period beginning from 22th January 2019 to 31st March 2019.

The Financial Statement for the period ended on 31st March, 2019 were approved by the Board of Directors in its meeting held on 18th July, 2019.

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, 2019. Hence, they do not call for any further explanation or comment u/s 134 (3) (f) of the Companies Act, 2013.

22. 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:

- in the preparation of the annual accounts for the financial period ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2019 and of the profit and loss of the Company for the financial period ended March 31, 2019;

- 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;
- the annual accounts for the financial period ended March 31, 2019 have been prepared by them on a going concern basis;
- proper Internal financial controls have been followed by the company and that such internal financial controls are adequate and were operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. ACKNOWLEDGEMENT

Your Directors express their gratitude to Banks, FIs, 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
Air India Assets Holding Limited**

**Director
DIN: 01023747**

**Director
DIN: 07346490**

Place: New Delhi
Date: 14-11-2019

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U74999DL2018GOI328865
2	Registration Date	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	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

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				

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of	No. of Shares held at the time of Incorporation)	No. of Shares held at the end of the year	% Change
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[illegible]

Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	-								
2. Non-Institutions									
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									
Sub-total (B)(2):-	-								
Total Public (B)	-								
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	50,000	50,000	100.00%	-	50,000	50,000	100.00%	

(ii) Shareholding of Promoter

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	

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

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						

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

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						

(v) Shareholding of Directors and Key Managerial Personnel:

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						

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

(Amt. Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-			
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	450,740.00	-	450,740.00
* Reduction	-	-	-	-
Net Change	-	450,740.00	-	450,740.00
Indebtedness at the end of the financial year				

i) Principal Amount	-	450,740.00	-	450,740.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	450,740.00	-	450,740.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

NIL

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

NIL

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				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs)
	Designation	CEO	CFO	CS	
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax				-
	(b) Value of perquisites u/s 17(2)				-
	(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	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

There is no penalty /punishment on the company

For AIR INDIA ASSETS HOLDING LIMITED

Sd/-
Director
DIN:01023747
Date: 14-11-19
Place: New Delhi

Sd/-
Director
DIN:07346490

Date 22/10/19

गोपनीय

सेवा में,

अध्यक्ष एवं निदेशक

एयर इंडिया ऐसेटस होल्डिंग लिमिटेड,

इंडियन एयरलाइन्स बिल्डिंग, 113 गुरुदारा रकाबगंज,

नई दिल्ली-110001

विषय: कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अधीन 22 जनवरी 2018 से 31 मार्च 2019 अवधि के लिए एयर इंडिया ऐसेटस होल्डिंग लिमिटेड के लेखाओं पर भारत के नियंत्रक महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

इस पत्र के साथ एयर इंडिया ऐसेटस होल्डिंग लिमिटेड के 22 जनवरी 2018 से 31 मार्च 2019 अवधि के लेखाओं की कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत समीक्षा नहीं किये जाने का प्रमाणपत्र संलग्न किया जाता है।

कृपया इस पत्र की पावती भेजें।

संलग्न: उपरोक्त

संख्या: POCB/ND/CHQ-II/27-14/19-20/561

दिनांक: 22.10.2019

एयर इंडिया ऐसेटस होल्डिंग लिमिटेड के 22 जनवरी 2018 से 31 मार्च 2019 अवधि के लेखाओं की समीक्षा नहीं किये जाने का प्रमाणपत्र की एक प्रतिलिपि भारत के नियंत्रक महालेखा परीक्षक, नई दिल्ली (वाणिज्यिक लेखा परीक्षा-III) को प्रेषित है।

संलग्न

1. Non-Review Certificate - P. 36
2. Annexure 'A' - P. 35
3. Report on the Performance of statutory auditors - P. 34
4. Compliance Certificate regarding of Impact of amendment in AS-II - P. 33
5. Extracts of Minutes of BOD Meeting - P. 23
6. Statutory Auditor's Report - P. 22
7. Certified Annual Accounts - P. 12

भवदीया,

(प्राची पाण्डेय)

प्रधान निदेशक

(प्राची पाण्डेय)

प्रधान निदेशक

मार्क 21/10
9/10/19

ON
AL got signed
let per?

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 PERIOD 22 JANUARY 2018 TO 31 MARCH 2019 - P. 11

The preparation of financial statements of **AIR INDIA ASSETS HOLDING LIMITED** for the period 22 January 2018 to 31 March 2019 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 & Auditor General of India under section 139(7) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 July 2019. - P. 19^c

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **AIR INDIA ASSETS HOLDING LIMITED** for the period 22 January 2018 to 31 March 2019 under section 143(6)(a) of the Act.

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

(Prachi Pandey)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
New Delhi

9/10/19

21/10/19

Why?
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also on 31.03.2018?

Place: New Delhi
Dated: October 2019

Is the
on NRC
period / B/S?

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14/11/19

BATRA SAPRA & COMPANY
Chartered Accountants

8/28, 3rd Floor, W.EA, Abdul Aziz Road,
Karol Bagh, New Delhi-110005
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9811265547

INDEPENDENT AUDITORS' REPORT

To The Members of
Air India Assets Holding Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Air India Assets Holding Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the statement of Cash Flow for the period ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2019, the profit and its cash flow for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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
Grant in aid of Rs. 1,300 crores towards the servicing of interest on identified loans of Air India Limited as described in note 21.1 to 21.5 to the financial statements.	
Transfer of identified debts from Air India Limited to Air India Assets Holding Limited. Grant in aid of Rs. 1,300 crores towards the servicing of interest on the identified debts of Rs. 29,464 crores and Treatment of receipt of grant and its reimbursement in the financial statements.	The Note Nos. 21.1 to 21.5 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 Government of India.



Key Audit Matters	How our Audit addressed the key audit matters
Grant in aid of Rs. 1,300 crores towards the servicing of interest on identified loans of Air India Limited as described in note 21.1 to 21.5 to the financial statements.	
	The process of transfer of identified debts from Air India Limited to Air India Assets Holding Limited is under process and is awaiting the lenders approval. The Company, during the period covered under audit has received a grant in aid of Rs. 1300 crores from the Government of India for servicing of the interest on identified loans of Air India Limited ought to be transferred to the company and the same has been reimbursed to Air India Limited as the transfer of the said loan could not happen due to technical problems raised by the lender banks. Since the reimbursement of Rs.1300 crore to Air India Limited is pass through transaction, so accordingly it is recorded under the head Current Liabilities in the Balance Sheet. It has also been considered necessary to disclose the grant in aid under Current Liabilities as the process of transfer of loans to the company is still under the process and needs lenders approval.
Key Audit Matters	How our Audit addressed the key audit matters
Revenue Recognition as other income as described in note 30 to the financial statements	
Revenue Recognition as other income	The Note No. 30 of the Notes to financial statements of the company states that due to no revenue, the company has requested the Government of India to provide recurring grant to meet its administrative and other expenses. Since the decision of the Government of India is awaited, an amount of Rs. 9.00 lacs has been shown as recurring grant receivable from the Government of India under the head other income and trade receivable under the head current assets.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.



Report on Other Legal and Regulatory

- 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", statement on the matters specified in the paragraphs 3 and 4 of the said order.
- 2 As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid 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. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the 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, hence the financial position of its financial statements are not impacted.
 - ii. The Company did not have any long term contracts including derivative contracts, hence no provision is made, as required under the applicable law or accounting standards, for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- 3 We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and 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.

Dated : 18.07.2019

Place: New Delhi

For Batra Sapra & Co.
Chartered Accountants
FRN : 000103N



CA Vinay Kumar
Partner
M.No.081413

UDIN : 19081413AAAAAF6284

ANNEXURE-A TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the period ended 31 March, 2019, we report that;

- 1 a. The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets.
 - b. As explained to us, the company does not have any fixed assets, hence this clause is not applicable.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no immovable property held by the company, hence this clause is not applicable to it.
- 2 There is no inventories with the company, hence this clause is not applicable to it.
- 3 According to information and explanations given to us, the company has not granted any loans secured or unsecured to the Companies, firms, limited liability partnership or other parties covered in the registered maintained under section 189 of the Companies Act, 2013.
- 4 According to information and explanations 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 other body corporate. Therefore, provisions of Section 185 and Section 186 are not applicable.
- 5 According to information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of the Clause (v) of paragraph 3 of the order are not applicable.
- 6 The central government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the services rendered by the company.
- 7 According to the information and explanations given to us and on the basis of our examination of the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amount was payable in respect of the aforesaid dues, which was outstanding as at March 31, 2019 for the period exceeding 6 months from the date of becoming payable.
- 8 According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
- 9 The company has not raised any monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the companies (Auditor's Report) Order, 2016 is not applicable.
- 10 Based upon 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 by the management, we report that no fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the course of our audit.
- 11 As per the information and explanation given to us and according to the audit procedure performed, we are in the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.



- 12 In our opinion, the Company is not a nidhi company. Therefore, the provisions of the Clause (xii) of paragraph 3 of the order are not applicable to the Company.
- 13 According to the information and explanations given to us and based on our examination of the records of the company, there are no transactions with the related parties, hence this clause is not applicable to the company.
- 14 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.
- 15 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 any 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.
- 16 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.

Dated : 18.07.2019
Place: New Delhi

For Batra Sapra & Co.
Chartered Accountants
FRN : 000103N



CA Vinay Kumar
Partner

M.No.081413
UDIN : 19081413AAAAAF6284

Annexure B to the Independent Auditors' Report, referred in Point No. 1(f) under the head "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Air India Assets Holding Limited.

We have audited the internal financial controls over financial reporting of Air India Assets Holding Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

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 the 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.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1 pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2 provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and



3 provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

Dated : 18.07.2019

Place: New Delhi

**For Batra Sapra & Co.
Chartered Accountants
FRN : 000103N**



CA Vinay Kumar
Partner

**M.No.081413
UDIN : 19081413AAAAAF6284**

Annexure-C to the Independent Auditor's Report

Sr. 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 transactions 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.
2	Whether there is any restructuring of an 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 term and conditions? List the cases of deviation.	Yes, funds received /receivable for specific schemes from central/state agencies were properly accounted for and utilized as intended by such agencies.

Place: New Delhi
Dated: 18th July, 2019

For Batra Sapra & Company
Chartered Accountants
FRN : 000103N



 (Vinay Kumar)
 Partner
 M.NO: 081413

Air India Assets Holding Limited
CIN : U74999DL2018GOI328865
Balance Sheet as at 31st March 2019

Amount in Rs.

Particulars	Note No.	As at 31st March 2019	
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	3	500,000	
(b) Reserves & Surplus	4	3,833	
Total equity			503,833
Liabilities			
(2) Current Liabilities:			
(a) Financial Liabilities			
(i) Borrowings	5	450,000	
(ii) Trade payable			
(a) Total outstanding due of micro enterprises and small enterprises; and			
(b) Total outstanding due of creditors other than micro enterprises and small enterprises	6	272,810	
			722,810
(b) Other current liabilities	7		28,460
(c) Short-term provisions	8		13,720
TOTAL LIABILITIES			1,268,823
ASSETS			
(1) Current Assets:			
(a) Financial Assets			
(i) Trade receivables	9		900,000
(ii) Cash and cash equivalents	10	282,588	
(iii) Short-term loans and advances	11	86,235	368,823
TOTAL ASSETS			1,268,823
Significant Accounting Policies & Notes to Accounts	1 to 31		

The accompanying notes form an integral part of the financial statements

Auditors' Report

As per our report of even date attached
For Batra Sapra & Co.
Chartered Accountants
FRN : 000103N

Vinay
CA Vinay Kumar
Partner
M.No.081413
Place : New Delhi
Dated : 18.07.2019



For and on behalf of the Board

Ashwani Lohani
Ashwani Lohani
Chairman and Director
DIN 01023747

Satyendra K. Mishra
Satyendra K. Mishra
Director
DIN 07728790

Shilpi Singh
Shilpi Singh
Company Secretary
A35225

Air India Assets Holding Limited

CIN : U74999DL2018GOI328865

Statement of profit and loss for the period from 22nd January 2018 to 31st March 2019

		Amount in Rs.	
Particulars	Note No.	For the period from 22-01-2018 to 31-03-2019	
(1) Revenue from Operations			
(2) Other income	12	900,000	
(3) Total Income			900,000
(4) Expenses:			
Employee benefit expenses	13	115,000	
Finance costs	14	740	
Other expenses	15	766,707	
Total Expenses			882,447
(5) Profit/ (loss) before exceptional item and tax			17,553
(6) Exceptional items			-
(7) Profit/ (loss) before tax			17,553
(8) Tax expense:			
Current tax	8	13,720	
Deferred tax			13,720
(9) Profit / (loss) for the year			3,833
(10) Total income for the year			3,833
(11) Earning per equity share			
(i) Basic	16		0.08
(ii) Diluted	16		0.08
Significant Accounting Policies & Notes to Accounts	1 to 31		

The accompanying notes form an integral part of the financial statements

Auditors' Report

As per our report of even date attached
For Batra Sapra & Co.
Chartered Accountants
FRN : 000103N

CA Vinay Kumar
Partner
M.No.081413
Place : New Delhi
Dated : 18.07.2019



For and on behalf of the Board

Ashwani Lohani
Chairman and Director
DIN 01023747

Satyendra K. Mishra
Director
DIN 07728790

Shilpi Singh
Company Secretary
A35225



Air India Assets Holding Limited

CIN : U74999DL2018GOI328865

Cash Flow Statement for the period from 22nd January 2018 to 31st March 2019

Amount in Rs.	
Particulars	For the period from 22-01-2018 to 31-03-2019
Cash flows from operating activities	
Profit before Tax	17,553
Adjustments to reconcile loss before tax to net cash flows:	
Finance costs	740
Preliminary expenses	35,035
Operating cash flow before changes in assets and liabilities	53,328
Increase / (Decrease) in trade payable and other current liabilities	300,530
(Increase) / Decrease in trade receivables other advances	(900,000)
Cash generated from operations	(546,142)
Net cash inflow from operating activities (A)	(546,142)
Cash flows from investing activities	
Net cash flow from investing activities (B)	
Cash flows from financing activities	
Proceeds from borrowings	450,000
Proceeds from issue of share capital	500,000
Proceeds from Government- Budgetary support	13,000,000,000
Preliminary expenses	(35,035)
Payment of taxes	(86,235)
Payment to Air India Limited	(13,000,000,000)
Net cash flow from financing activities (C)	828,730
Net (decrease)/increase in cash and cash equivalents during the year	282,588
Cash and cash equivalents at beginning of the financial year	-
Cash and cash equivalents at end of the financial year	282,588

Notes:

- 1.The Cash Flow Statement has been prepared under the indirect cash flow method.
- 2.Cash and cash Equivalents represent cash and bank balances as at the close of the financial period.


The accompanying notes form an integral part of the financial statements

Auditors' Report

As per our report of even date attached
For Batra Sapra & Co.
Chartered Accountants
FRN : 000103N


CA Vinay Kumar
Partner
M.No.081413
Place : New Delhi
Dated : 18.07.2019



For and on behalf of the Board

Ashwani Lohani
Chairman and Director
DIN 01028747




Satyendra K. Mishra
Director
DIN 07728790


Shilpi Singh
Company Secretary
A35225

Air India Assets Holding Limited
Notes Accompanying to the Financial Statements

1. Corporate information

Air India Assets Holding Limited, "the company" (a 100 % Government of India Company) is an "SPV" Company incorporated in India, registered under the Provisions of Companies Act 2013. The SPV Company is incorporated mainly to acquire and pay off the identified working capital loans of Air India Limited by way of acquisition and sell / transfer of identified assets of Air India Limited and its subsidiaries. The registered office of the company is situated at Indian Airlines Building, 113, Gurudwara Rakabganj Road, New Delhi -110001.

2. Significant accounting policies

2.1. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. Preliminary Expenses are amortized in the very first period of operations.

2.2. Summary of significant accounting policies

a) Use of Estimates

The preparation of the financial statements are in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

b) Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If such indication exists the company estimates the net recoverable amount of the asset and an impairment of assets is treated when the carrying value exceeds the present value of future cash flow expected to arise from the continuing use of assets or its eventual disposal. The impairment loss to be charged is determined as the excess of carrying amount over the higher of the asset's net sales price or present value as determined above. Contingencies are provided when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

c) Tangible Fixed Assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes taxes, duties, freight, insurance and other incidental expenses attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

d) Depreciation and amortisation

Depreciation has been provided on the written down value basis method as per the rates prescribed in schedule II, under the companies act, 2013.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.



Air India Assets Holding Limited
Notes Accompanying to the Financial Statements

e) Provisions and , Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

f) Borrowing costs

Borrowing costs include interest, amortisation 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 the 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. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

g) Revenue recognition

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Other government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the company, are recognised as other income in the Statement of Profit and Loss in the period in which such costs are incurred.

However the income and expenses are recognised on accrual basis.

h) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. However, No deferred tax Assets shall be recognised in the books of account in the event of no virtual certainty regarding availability of sufficient profits.



Air India Assets Holding Limited
Notes Accompanying to the Financial Statements

i) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j) Retirement Benefits

Short term employee benefit obligations are charged to Statement of profit and loss of the year in which such obligation becomes due.

Long term employee benefits obligations are provided on the basis of an actuarial valuation made at the end of the financial year. Actuarial gains or loss arising from such valuation are charged to revenue in the year in which they arise, however there was one employee during the year under consideration, who worked with the company for one month only and no employee was in employment with the company at the end of the financial year.

k) Government Grants

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Revenue grant received from government with conditions and obligations has been accounted for as per income approach showing receipt of grant as income and matched with the associated expense, 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 shareholders fund as per capital approach.



Air India Assets Holding Limited
Notes Accompanying to the Financial Statements

3 Equity Share Capital

	Amount in Rs.
	As at 31st March 2019
Authorised:	
50,000 Equity Shares of Rs 10 each	500,000
	500,000
Issued, Subscribed and paid-up:	
50,000 Equity Shares of Rs 10 each	500,000
	500,000

Notes:

3.1 Reconciliation of number of shares

	Number of Shares	Amount in Rs. As at 31st March 2019
Balance as at beginning of the year	-	
Add: Issued during the year	50,000	500,000
Balance as at the end of the year	50,000	500,000

3.2 Rights, preferences and restrictions attached to shares

- a) The Company has one class of share capital, i.e., equity shares having face value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.
- b) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

3.3 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	Number of Shares	As at 31st March 2019 %
Shri C K Shukla, Under Secretary, Ministry of Civil Aviation, Government of India (Authorised representative and nominees of president of India)	49,994	99.99

4 Reserves & Surplus

	Amount in Rs. As at 31st March 2019
Particulars	
Surplus/ Deficit in the statement of Profit & Loss	
Balance as on 22nd January, 2018	-
Profit/(Loss) for the period	3,833
Total reserve and surplus	3,833



Air India Assets Holding Limited
Notes Accompanying to the Financial Statements

5 Financial liabilities – short term borrowings

Amount in Rs.	
Particulars	As at 31st March 2019
Unsecured	
Loan from Air India Limited	450,000
Total	450,000

6 Financial liabilities – Trade Payable

Amount in Rs.	
Particulars	As at 31st March 2019
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	272,810
Total	272,810

7 Other current liabilities

Amount in Rs.	
Particulars	As at 31st March 2019
Grant Received from Government of India towards servicing of interest on the identified debts of Air India Limited- (Refer note nos.: 21.1 to 21.5)	13,000,000,000
Less: Amount remitted to Air India Limited for servicing of Interest on identified debts of Air India Limited (Refer note nos.: 21.1 to 21.5)	(13,000,000,000)
Interest accrued but not due	740
Statutory dues	27,720
Total	28,460

8 Short-term provisions

Amount in Rs.	
Particulars	As at March 31, 2019
Provision - Others:	
(i) Provision for Income Tax	13,720
(ii) Provision for Wealth Tax	-
Total	13,720

9 Trade Receivables

Amount in Rs.	
Particulars	As at March 31, 2019
Unsecured (considered good)	
Sundry Debtors	-
Outstanding for a period exceeding Six Months	-
Other Debts	-
Other Receivables-Recurring Grant Receivable from Government of India (Refer Note no. 30)	900,000
Total	900,000

10 Cash and cash equivalents

Amount in Rs.	
Particulars	As at 31st March 2019
Cash at Banks	
Balances with Banks in :	
- Current Accounts	282,588
Cash in hand	-
Total	282,588

11 Short-Term Loans and Advances

Amount in Rs.	
Particulars	As at 31st March 2019
Advances with Revenue Authorities	
Goods and Service Tax Input Credit	86,235
Total	86,235



Air India Assets Holding Limited
Notes Accompanying to the Financial Statements

12 Other income

Amount in Rs.	
Particulars	For the period from 22-01-2018 to 31-03-2019
Recurring Grant Receivable from Government of India (Refer Note no. 30)	900,000
Total	900,000

13 Employee benefit expenses

Amount in Rs.	
Particulars	For the period from 22-01-2018 to 31-03-2019
Salary and wages	115,000
Total	115,000

14 Finance cost

Amount in Rs.	
Particulars	For the period from 22-01-2018 to 31-03-2019
Interest on Short term Borrowings	740
Total	740

15 Other expenses

Amount in Rs.	
Particulars	For the period from 22-01-2018 to 31-03-2019
Bank Charges	749
Interest and penalty	180
Legal & Professional Charges*	702,860
Preliminary expenses	35,035
Miscellaneous expenses	27,883
Total	766,707

Note :

* Legal and professional charges includes auditor's remuneration as under:

Amount in Rs.	
Particulars	For the period from 22-01-2018 to 31-03-2019
Auditor's remunerations:	
Statutory audit fees	150,000
Total	150,000

16 Earning per Share:

Particulars	For the period from 22-01-2018 to 31-03-2019
Face Value of equity shares	10
weighted average number of equity shares outstanding	50,000
Profit / (Loss) for the Year	3,833
Weighted average earnings per share (Basic / Diluted)	0.08



Air India Assets Holding Limited
Notes Accompanying to the Financial Statements

17 Disclosure as required by Accounting Standard 18 Related Party Disclosure:

- i) List of related parties over where control exists irrespective of whether transactions have occurred or not

Key Management Personnel:

Sr.		Relationship
No	Name of the Related Party	
1	Mr. Ashwani Lohani	Director
2	Mr. Arun Kumar	Director
3	Mr. Satyendra Kumar Mishra	Director
4	Mrs. Anuradha Thakur	Director
5	Mr. Arvind Kumar Srivastava	Director
6	Mr. Vinod Shanker Hejmadi	Director

- ii) **List of related parties with whom transactions were carried out during the period and description of**
There is no related party transaction in the company during the period from the date of incorporation to the end of the financial period, i.e., 31.03.2019.



Air India Assets Holding Limited

Notes Accompanying to the Financial Statements

- 18 Contingent Liabilities : Nil
- 19 Claims against the company not acknowledged as debt : Nil
- 20 Expenditure & Income in foreign currency: Nil
- 21.1 In a meeting of union cabinet an exfacto approval has been given for the creation of the Special Purpose Vehicle (SPV) and accordingly Air India Assets Holding Limited was formed to acquire and pay off the identified working capital loans of Air India Limited and sell off identified assets of Air India Limited and its subsidiaries.
- 21.2 Further, in the meeting held on 7th September 2018 under the chairmanship of Hon'ble Finance Minister, it was decided that as per decision of the Air India Specific Alternative Mechanism (AISAM) the debt amounting to Rs.29,464 crores would be transfer from Air India Limited to the SPV forthwith w.e.f. 1st October, 2018. It has also been decided that these identified debts would be serviced by SPV. It was also discussed that due to serious financial crisis, immediate measures are required in the shape of financial support, monetizing of non -productive assets of Air India Limited, transfer of certain specified debts of Air India Limited to special Purpose Vehicle.
- 21.3 Government of India vide letter no. AV.18050/54/2013-AI dated 28th March, 2019 has given a grant in aid of Rs. 1,300 crores towards the servicing of interest for the third and fourth quarters of the financial year 2018-19 on the indentified debts of Rs. 29,464 crores to be transferred from Air India Limited to the company with effect from 1st October, 2018. However, due to some technical problems raised by the lender banks in the transfer of such identified loans from Air India limited to the company, the said working capital loans were not transferred before 31st March, 2019. Hence, interest paid by Air India Limited for the said period to the lender banks against such indentified loans has been reimbursed by the company to Air India Limited. The receipt of said grant and its reimbursement has been shown under the head current liabilities in the balance sheet. The debt of Rs.29,464 crores as on 31.03.2019 shall be continued to be shown by Air India Limited till the completion of formalities. However, as decided, the identified debts in Air India Limited is now proposed to be refinanced by raising Bonds in the company.
- 21.4 As per decision of the Government of India in its meeting held on 7th September, 2018 under the chairmanship of Hon'ble Finance Minister, it was decided that the sale of identified assets is to be done by MoCA/AI and AI will create a monetisation Escrow Account to park the sale proceeds which are meant for paying the debt transferred to the company.
- 21.5 The repayment of principal instalments made by Air India Limited against the identified loans during the period from 1st October, 2018 to 31st march, 2019 is payable to Air India Limited for which amount is yet to be ascertained after adjustment of sale proceeds of identified assets.
- 22 Events subsequent to 31st March, 2019 are presented as non adjusting events.
- 23 Intangible expenses in the nature of pre incorporation expenses has been expensed off as per provision of AS-26.
- 24 Administrative Expenses such as rent, electricity, use of infrastructure facilities etc. were borne by Air India Limited, hence the same has not been provided in the books of account.



Air India Assets Holding Limited

Notes Accompanying to the Financial Statements

- 25 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.
- 26 There are no transactions during the period or balances outstanding as at the Balance Sheet date with / to small scale industrial undertakings and Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, hence no details are provided in this respect.
- 27 The company has not recognised any expenditure towards defined contribution plans, in respect of Employees Provident Fund and Employee State Insurance benefits, etc.
- 28 The present actuarial value of the defined long term employees benefit and obligation was not carried out as at March 31, 2019, as there was no employee with the company.
- 29 The company has made necessary provision for taxation as per the tax rates and the tax laws enacted and are prevailing at the reporting date. Further, the deferred tax asset/liabilities arising out of timing difference has not been recognised as the accounting income and taxable income are the same.
- 30 As per the object clause of the company, presently there is no source of income and to meet out its day to day expenses the company has requested the Government of India to allow recurring grant to cover up this expenditure. Being a 100% Government owned company, Rs. 9.00 lacs, being the expenditure till 31.03.2019 has been credited as "Other Income" in the statement of profit and loss by debiting the same and is shown as other recurring government grant receivable from the government of India under the head trade receivable. However, the decision of the Government is still pending for approval as the company is certain to receive the same.
- 31 The Company was incorporated on 22nd January 2018 . This being the first accounting period of operations, hence no previous period's figure are given.

Signature to schedules 1 to 31

Auditors' Report

As per our report of even date attached

For Batra Sapra & Co.

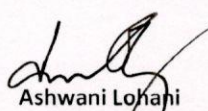
Chartered Accountants

FRN : 000103N

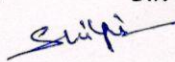

CA Vinay Kumar
Partner
M.No.081413
Place : New Delhi
Dated : 18.07.2019



For and on behalf of the Board


Ashwani Lohani
Chairman and Director
DIN 01023747


Satyendra K. Mishra
Director
DIN 07728790


Shilpi Singh
Company Secretary
A35225

