

**DIRECTORS' REPORT**

The Shareholders,

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you, the Eleventh Annual Report on the performance of the Company together with the Audited Accounts, Auditors' Report and Comments of the Comptroller and Auditor General of India on the accounts for the financial year ended 31 March 2019.

1. REVIEW OF PERFORMANCE – HIGHLIGHTS**1.1 Financial Performance**

The financial performance of the Company during the year 2018-19 was as under:

(Rupees in Million)

Particulars	2018-19	2017-18
Total Revenue	264305.9	238449.4
Total Expenses	349053.9	291826.9
Profit/(Loss) before Exceptional Items, Tax & Comprehensive Income	(84748.0)	(53377.4)
Exceptional Items	-	-
Profit/(Loss) before Tax & Comprehensive Income	(84748.0)	(53377.4)
Less: Provision for Tax	-	-
Profit/(Loss) before Comprehensive Income	(84748.0)	(53377.4)
Comprehensive Income	(815.6)	(104.3)
Net Profit/(Loss)	(85563.6)	(53481.7)

1.2 Physical Performance

Particulars	Unit	2018-19	2017-18
ASKMs(Scheduled Services)	Million	62134	57722
ASKMs (Total)	Million	62442	57943
PKMs (Scheduled Services)	Million	49063	45970
PKMs (Total)	Million	49064	45970
ATKMs(Scheduled Services)	Million	8340	7781
ATKMs (Total)	Million	8371	7805
RTKMs (Scheduled Services)	Million	5758	5389
RTKMs (Total)	Million	5758	5389
Passenger Load Factor (Scheduled Services)	%	79.0	79.6
Overall Load Factor (Scheduled Services)	%	69.0	69.3
No. of Passengers Carried (Scheduled Services)	Million	21.8	20.7
No. of Passengers Carried (Total)	Million	22.1	20.9
Freight Carried	Tons	240656	219524
Total Revenue Hours Flown	No.	469693	434955



2. OTHER FINANCIAL INFORMATION

2.1 Share Capital

Authorized Share Capital

The Authorised Share Capital of the Company is Rs.35,000,00,00,000/- divided into 3,500,00,00,000 equity shares of Rs.10/- each.

Issued, Subscribed & Paid-up Share Capital

As on 31 March, 2019 the Issued, Subscribed & Paid-up Share Capital of the Company was Rs.32,665,21,00,000/- divided into 3266,52,10,000 fully paid up equity shares of Rs.10 each. During the year 2018-19, Government of India infused Rs.39750 Million towards equity capital.

2.2 Debentures

The Company has issued 136,000 Redeemable, Unsecured Non-Convertible Debentures of face value of Rs.1 Million each guaranteed by Government of India. Details regarding Maturity Profile and Rate of Interest have been given in Note 13.1 of the Financial Statement.

Debenture Redemption Reserve, as required under Section 71 (4) of the Companies Act, 2013, has not been created in view of the absence of any profits earned by the Company.

Debentures of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The address of the Transfer Agent of the Company is M/s Link Intime India Pvt. Ltd., C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

2.3 Aircraft Project Loans

As on 31 March 2019, the position of aircraft loans, including future lease obligations in respect of finance leases and Non Convertible Debentures issued for Aircraft financing, was as under:

	(Rs. in Million)
Total Loan due as on 1 April 2018	181,965.0
Add: Amount drawn during 2018-19	-
Less: Amount repaid during 2018-19	19,498.1
Add: Exchange adjustments due to revision in rates of Currencies	7,443.9
Balance as on 31 March 2019	169,910.8

2.4 Annual Plan Outlay 2018-19

	(Rupees in Million)	
	Approved	Actual
Aircraft Projects/Schemes		
Payment to aircraft/spare engine manufacturers	2,380.0	4,238.6
Non-Aircraft Projects		
Other capital expenditure	2,680.0	1,617.1
Equity infusion by Government of India	6,500.0	39,750.0
TOTAL PLAN OUTLAY	11,560.0	45,605.7

**Note:**

For the year 2018-19, the Govt. has approved a sum of Rs. 6500 Million as Budgetary Support for AI under TAP/FRP. However, after the approval of the Revival Plan for Air India Ltd. during the year a total amount of Rs. 39750.0 Million was approved and released to Air India as Equity Infusion during FY 2018-19.

2.5 Annual Plan Outlay 2019-20

The total budgeted IEBR expenditure of Air India during 2019-20 is approved at Rs. 4,340 Million. Out of this Rs. 2,520 Million is towards the procurement of Spare Engines by AIL and Rs. 1,820.0 Million is towards Other Capital Expenditure. The Actual Plan outgo during the year, up to the end of September 2019 is Rs. 1,788.6 Million.

2.6 Financial Accounting

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

3. MEETINGS OF THE BOARD OF DIRECTORS

Eight Meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report that forms part of this Report. The intervening gap between the Meetings was within the limit prescribed under the Companies Act, 2013.

4. INFORMATION ABOUT SUBSIDIARY AND JOINT VENTURE COMPANIES

The following are the wholly owned subsidiaries of the Company:

Air India Air Transport Services Limited

Air India Express Limited

Air India Engineering Services Limited

Airline Allied Services Limited

The Company also holds 80.38% Equity Shares of Hotel Corporation of India Limited and remaining 19.62% Shares are held by the President of India.

Further AISATS Airport Services Pvt. Ltd. is a Joint Venture between Air India Limited and Singapore Airport Terminal Services (SATS) in the ratio of 50:50. AISATS provides ground handling services to airlines at certain Metro airports in pursuance of Government of India Notification on the Ground Handling Policy.

5. INDUSTRIAL RELATIONS

Relations with the work force continued to be cordial during the year 2018-19.



6. ENCOURAGEMENT/ASSISTANCE TO MICRO & SMALL ENTERPRISES

The Company continued to support the MSE Units (which includes SC/ST and women owned units) / Social Welfare / Charitable Organizations. The procurement from MSE Units and the selective sourcing / procurement from social / charitable organizations amounted to Rs.836.63 Million during the year 2018-2019.

7. ENVIRONMENT PROTECTION

Environment Management System

As a part of Air India's vision to be the most environmentally effective international airline in the world:

- Air India observed Green Week from 4 to 8 June 2018 as part of its vision to be the most environmentally sensitive international airline in the world. This year in – line with UN, the theme of the Green Week was “Beat Plastic Pollution”. Various activities were carried out during the Green Week at Delhi, Mumbai and other locations.
- On World Environment Day - 5 June 2018, trees were planted by CMD at Delhi Headquarters, followed by signing of environment pledge banner. Reusable cloth bags were distributed to promote “avoidance of single use plastic bags”. Also, 50 Kg of vermicompost manure produced from in-house facilities were distributed to employees. The Head of Corporate EMS presented various Environmental Management Activities carried out in Air India to the Green Initiatives Steering Committee members.
- In Mumbai, around 180 trees were planted in AIESL premises; supported with drip irrigation facility. It was inaugurated by Head of Corporate EMS and CEO of AIESL on 8 June 2018.
- Various environmental awareness lectures on Waste Management, Plastic Pollution and Marine Pollution were conducted in Delhi, Mumbai and Kolkata.
- Air India conducted a tree plantation drive along with an NGO “Hariyali” at Rabale, Navi Mumbai on 30 June 2018, around 60 varieties of trees were planted by Air India volunteers.
- On 2 November 2018 as part of the Swachh Bharat Fortnight, Cleaning of Premises and Tree Plantation was carried out by employees at Old Airport, Mumbai.
- On 22 March 2019 Air India Celebrated World Water Day. Awareness Campaign on Water Conservation was conducted. Posters were affixed at various locations for promoting the message for Water Savings and a Guest Lecture was delivered by Prof. Prasad Karnik an expert in Water Conservation.
- Air India participated in the Earth Hour Program on 30 March 2019. It was aimed to develop the public campaign to enhance awareness on Environment Conservation. All non-essential lights in our buildings, offices and homes were switched off between 8.30 pm to 9.30 pm (IST) to support the unique movement. Air India, has operations in different parts of the world but yet followed the timings i.e. 8.30 pm to 9.30 pm with local time.

Air India has been recognised for its efforts in environment protection and quality management and was awarded the Global Award for Best Quality and Environment Management System for



the year 2018 by World Quality Congress on 5 July, 2018 at a prestigious event in Mumbai.

Air India reported Carbon Footprint of 0.91 CO₂ tonnes per thousand RTKM (Revenue Tonne Kilo Metres) for 2018 as compared to 1.01 CO₂ tonnes per thousand RTKM for the year 2017. Air India's Fuel efficiency has improved by utilising Fuel efficient aircraft and implementation of Fuel efficiency measures and better load factors.

European Union - Emission Trading Scheme (EU-ETS)

Air India submitted its Annual Emissions Report for emissions due to Intra-European Flights and surrendered the Carbon credits due to emissions from intra-Europe flights before the deadline of 30 April 2019. Air India is now fully compliant with EU-ETS Emissions Regulations.

Ranking of Air India by Heathrow Airport, London

Heathrow Airport of London assessed the Fifty cleanest and quietest airlines based on the sustainability parameters based on seven noise and emissions metrics which include noise efficiency of an operator's fleet with noise certification, NO_x emissions, engine emissions certification, continuous descent approach, track keeping and early or late movements between 23:30 and 04:30 hours.

The report stated that Air India has improved its environmental performance from 42nd position in the ranking in first quarter of 2017 to 4th position in the 4th quarter (October to December 2018) ranking report due to the use of Boeing 787 Dreamliner at Heathrow, an aircraft that has 20-25% fewer CO₂ emissions and a smaller noise effect than the airplanes it replaced.

8. VIGILANCE

Air India strives in building a corruption free environment for all Indians.

The ultimate objective of Vigilance Department in a PSU is to empower the organization to do business within the extent framework of Systems, Rules and Procedures more efficiently, effectively, ethically and profitably by optimum utilization of productive resources; in doing so the Vigilance Department ensures transparency with a Stakeholder Centric Approach. During the year, Air India seamlessly transitioned to the online mode of submission of CVC Quarterly/Annual Reports which incorporates significant categories of management, control and monitoring.

As a part of Air India's vision to create a corruption free nation, Vigilance Awareness Week 2018 was celebrated with the theme '**Eradicate Corruption - Build a New India**'. A week long program had several activities designed to sensitize the employees, promote integrity and eradicate corruption with active support of its employees and wholehearted public participation.

Highlights of the Vigilance Week 2018 (Activities Pan-India)

- 07 Workshops/Sensitization Programs
- 03 Cyclothons & a Walkathon Event
- League of Friendly Cricket Matches between PSUs Teams



- Flash mobs and Street Plays at different locations
- Competitions at Schools & Colleges

Vigilance envisages an instant resolution to the Grievances and Prevention of situations giving rise to Grievance. With a view to enhance its customer services and address vendor complaints Vigilance Department organized Grievance Redressal Camps for Air India Customers and its vendors during the Awareness Week .

A total of 37 Station inspections and 329 Surprise Checks were conducted by Vigilance Teams during the year resulting in a number of suggestions for System Improvements. A significant Recovery of Rs.5,47,33,534/- has been affected due to consistent checks and inspections by the Vigilance Department.

9. OFFICIAL LANGUAGE IMPLEMENTATION

In order to monitor progressive use of Hindi in the office, meetings of 57 Official Language Implementation Committees constituted on all India level were held regularly.

In order to facilitate officers/employees in doing their official work in Hindi and to work on computers in Hindi, Desk-to-Desk programmes/workshops were organized for various departments at Hqrs and Regional level.

Under the category of Hindi Magazines published by subordinate organizations of Ministry of Civil Aviation, Air India's Hindi Magazine "Vimanika" was awarded First Prize.

Information given on website was updated in Hindi on regular basis. Material related to inflight entertainment system in Hindi was also updated from time-to-time. Hindi fortnight was celebrated on all India level and competitions were organised for the employees. In addition, selected pilots and cabin crew from all the regions were awarded for the best Hindi announcements. All Special announcements and advertisements have been issued in Hindi also.

To give wings to creativity of employees, E-Poetry Magazine "Bhav Sangam" has been launched in February 2019.

10. IMPLEMENTATION OF RESERVATION POLICY

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

SC/ST/OBC – Number of employees as on 31 March 2019

Total No. of employees	Total No. of SC employees	% of SC employees	Total No. of ST employees	% of ST employees	Total No. of OBC employees	% of OBC employees
9993	2124	21.25	733	7.33	720	7.20

11. CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy is to continuously strive to attain higher



levels of accountability, transparency, responsibility and fairness in all aspects of its operations. The Company remained committed towards protection and enhancement of overall long term value for all its stakeholders – customers, lenders, employees and the society. The Company also acknowledges and appreciates its responsibility towards the society at large and has embarked upon various initiatives to accomplish this.

During the year under review, the Company continued its pursuit of achieving these objectives through adoption of competitive corporate strategies, prudent corporate and business policies and plans, strategic monitoring and mitigation of risks, while at the same time, creating checks and balances in an organization that values people, propriety, equity and fair play. The Company follows sound business practices and conducts its business in a transparent manner. The Company remained committed towards ensuring observance of Corporate Governance principles in all its dealings.

Integrity Pact Programme was implemented effective 8 February 2008. It has been made mandatory to incorporate Integrity Pact in respect of all contracts with a value of Rs.100 Million and above.

The detailed Corporate Governance Report attached separately forms part of this Annual Report.

12. CHANGE IN NATURE OF BUSINESS

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

13. DIVIDEND

In view of the losses suffered during the year 2018-19, the Directors have not recommended any dividend.

14. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has provided loans / guarantees to its Subsidiaries and has made investment in compliance with the provisions of the Companies Act, 2013. The details of such investments made and loans / guarantees provided as on 31 March 2019 are given in the Stand-alone Financial Statements.

16. DEPOSITS

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

17. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee formulates and review policies related to



remuneration / perquisites / incentives within the parameters of Guidelines issued by the Government of India. Air India being a Government Company, appointment / nomination of all the Directors is made by the President of India through the Ministry of Civil Aviation including fixation of remuneration of Directors and Employees.

As required under Section 178(1) of the Companies Act, 2013, as on 31 March 2019, the Nomination and Remuneration Committee comprised of three Non-Executive Directors :

Name of the Director	Position held in the Committee	Category of the Director
Shri Y.C. Deveshwar	Chairman	Part Time Non Official Director
Shri Ashwani Lohani	Member	Chairman & Managing Director
Dr. R.K. Tyagi	Member	Part Time Non Official Director
Dr. Syed Zafar Islam	Member	Part Time Non Official Director
Shri K.M. Birla	Member	Part time Non Official Director
Shri S. K. Mishra	Member	Non Executive Part time Director

Shri Y.C.Deveshwar ceased to be the Chairman of the Committee w.e.f. 11 May 2019 due to his sad demise and Dr R K Tyagi was appointed as Chairman in his place in the 96th Board Meeting held on 12 July 2019.

Air India is a Government Company and as per Ministry of Corporate Affairs' Notification dated 5 June 2015, exemptions have been given to Government Companies from the applicability of Section 178 (2) / (3) / (4) pertaining to Directors.

18. AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and DPE Guidelines, the Company has constituted the Audit Committee of the Board. As on 31 March 2019, the following were the Members of the Audit Committee:

Name of the Director	Position held in the Committee	Category of the Director
Dr. Syed Zafar Islam	Chairman	Part Time Non Official Director
Dr. R. K. Tyagi	Member	Part Time Non Official Director
Shri Arun Kumar	Member	Non Executive Part-time Director
Shri Ashwani Lohani	Permanent Invitee	Chairman & Managing Director
Shri Vinod Hejmadi	Special Invitee	Functional Director
Shri A. K. Mondal	Special Invitee	GM Internal Audit

19. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed Management Discussion and Analysis Report is given separately.

20. PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As per the Notification dated 5 June 2015 of the Ministry of Corporate Affairs, provisions of Section 134(3) (p) of the Companies Act, 2013 shall not apply in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own



evaluation methodology. Air India being a Government Company, the performance evaluation of the Directors is carried out by the Administrative Ministry (MOCA), Government of India, as per applicable Government guidelines.

21. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

Air India being a Government Company, is exempted to furnish information under Section 134 (3) (e) of the Companies Act, 2013 as per the Notification dated 5 June 2015 of the Ministry of Corporate Affairs.

22. DECLARATION OF INDEPENDENCE

As per the Notification dated 31 May 2017 issued by the Ministry of Civil Aviation, Government of India, Dr R K Tyagi and Dr Syed Zafar Islam were appointed as Independent Directors on the Board of the Company for a term of 3 years.

As per the Notification dated 8 August 2018 issued by the Ministry of Civil Aviation, Government of India, Shri Y C Deveshwar and Shri Kumar Mangalam Birla were appointed as Independent Directors on the Board of the Company for a term of 3 years.

As per the Notification dated 4 October 2018 issued by the Ministry of Civil Aviation, Government of India, Smt. Daggubati Purandeswari was appointed as Independent Director on the Board of the Company for a term of 3 years.

The Board of Directors confirms that the Independent Directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The following changes have occurred in the constitution of the Board of Directors of the Company as on date:

Sr No.	Name	Designation	Date of Appointment	Date of Cessation	Mode of Cessation
1	Shri Pankaj Srivastava	Director (Commercial)	01.10.2013	01.05.2018	
2	Capt A Kathpalia	Director (Operations)	27.06.2017	13.11.2018	
3	Ms.Gargi Kaul	Government Nominee	06.05.2015	24.01.2019	
4	Shri Arun Kumar	Government Nominee	24.01.2019		Ceased w.e.f. 10.07.2019
5	Shri Pradeep Singh Kharola	Chairman & Managing Director	12.12.2017	14.02.2019	Ceased w.e.f. 14.02.2019
6	Shri Ashwani Lohani	Chairman & Managing Director	14.02.2019		



Sr No.	Name	Designation	Date of Appointment	Date of Cessation	Mode of Cessation
7	Shri Y.C. Deveshwar	Independent Director	08.08.2018		Ceased w.e.f. 11.05.2019
8	Shri Kumar Mangalam Birla	Independent Director	08.08.2018		
9	Smt. Daggubati Purandeswari	Independent Director	04.10.2018		
10.	Shri Praveen Garg	Government Nominee	30.8.2019		

24. SEXUAL HARASSMENT

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19:

No. of Complaints received 14

No. of Complaints disposed off 11

25. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed and wherever there are deviations, necessary disclosures have been given;
- that the selected accounting policies were applied consistently, other than disclosed in the Notes to Accounts and the Directors made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2019 and of the profit or loss of the Company for the period ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a 'going concern' basis; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

The comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013 on the accounts of the Company for the year ended 31 March 2019 and the replies of the Management are annexed to this report.



27. AUDITORS

M/s.Varma & Varma, Kochi, M/s.Khandelwal Jain & Co., Mumbai and M/s Jagdish Chand & Co., New Delhi were appointed Joint Statutory Auditors for the year 2018-19 by the Comptroller & Auditor General of India.

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

28. SECRETARIAL AUDITORS

The Board has appointed Shri Upendra Shukla, Practising Company Secretary, Mumbai to conduct the Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended 31 March 2019 along with Management clarifications / explanations to the qualifications or adverse remarks of the Auditor is annexed to this Report.

29. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return i.e. Form MGT-9 is uploaded on the Company's website i.e. www.airindia.in.

30. MATERIAL CHANGES AND COMMITMENTS

As required under the provisions of Section 134(3)(i) of the Companies Act, 2013, following changes have occurred between 31 March 2019 and the date of the Directors' Report which have affected the financial position of the Company:

In view of the constraints faced in the transfer of Loan from Air India Ltd to AIAHL, the Ministry of Finance approved a refinancing strategy for the identified debt. Based on the Meeting held on 30 May, 2019 in the Ministry of Finance, it was decided that the SPV would raise finances in the following manner to refinance the identified debt of Air India amounting to Rs 294,640.0 Million:

- a) Non Convertible Debentures (NCD) of Rs 74,000.0 Million to be novated to AIAHL against Gol guarantee
- b) Issue of Govt Fully Serviced Bonds for Rs 70,000.0 Million against Letter of Authorization
- c) Issue of Bonds worth Rs 150,640.0 Million with full Government guarantee for the payment of interest and principal thereof,

Accordingly, AIAHL has raised funds through Bonds of Rs 21,985 Crore to repay Working Capital and Aircraft loans of Air India. NCDs amounting to Rs 7,400 Crore is in the process of Novation from Air India to AIAHL.

31. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's



length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Exemption from the first and second proviso to sub-Section (1) of Section 188 with regard to obtaining approval of the Company in General Meeting, has been provided to a Government Company in respect of contracts or arrangements entered into by it with any other Government Company. The Company has obtained approval of the Board in its 90th Meeting held on 20 November 2018 to enter into contracts / arrangements with its subsidiary companies (Government Companies) and its JV Company for an estimated amount of approximately Rs.22,050 Million during 2018-19.

32. RISK MANAGEMENT

The Company is in the process of formulating a policy on Risk Management to identify, assess and manage existing and new risks in a planned and co-ordinated manner. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year.

33. ORDERS OF COURT

No significant and material orders were passed by the Regulators or Courts or Tribunals impacting the Going Concern status and Company's operations in future.

34. ANNUAL REPORT OF SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of Section 134 of the Companies Act, 2013 and the AS-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interests in Joint Ventures, audited Consolidated Financial Statement for the year ended 31 March 2019 of the Company and its Subsidiaries form part of the Annual Report.

The Annual Accounts of the Company for the year ended 31 March 2019 have been prepared in compliance with the Ind AS 101 (first time adoption of Indian Accounting Standard) as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.

35. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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, disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details including the 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, are 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. The Chairman & Managing Director and the Whole-time Directors of the Company did not receive any remuneration or commission from any of its Subsidiaries. Air India being a Government Company, its Directors are appointed / nominated



by the Government of India as per the Government / DPE Guidelines which also include fixation of pay criteria, determining qualifications and other matters.

36. CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking" statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. The important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply, global economic condition and pricing in the domestic and overseas markets in which the Company operates, changes in the Government policies, regulations, tax laws and other statutes and other incidental factors. Fuel is a major determinant of the airline's profitability constituting nearly 24% of its total costs and any major variation in its prices could impact the airline's profitability. Besides this, global and economic factors like slowdown, liquidity crisis in the global markets, geo-political conditions and stability, exchange fluctuations in the US dollar in which most of the debts/expenses of the Company are denominated could also influence the airline's performance.

37. ACKNOWLEDGEMENTS

The Board sincerely appreciates the Company's valued customers in India and abroad for using the services of the Company and looks forward to their continued support and confidence. The Board also expresses its deep sense of appreciation for the sincere and devoted service rendered by the employees of the Company at all levels.

The Board also gratefully acknowledges the support and guidance received from various Ministries of the Government of India, the Ministry of Civil Aviation and Ministry of Finance in relation to the implementation of the Company's operations, Financial Restructuring Plan and growth plans. The Board expresses its gratitude to the DGCA, Comptroller and Auditor General of India, Ministry of Corporate Affairs, the Statutory Auditors, Airports Authority of India, other airport operators, other Government Departments, Airlines, Agents, Oil Companies, Reserve Bank of India, Indian and International Financial Institutions and Banks including the EXIM Bank, USA and KfW Bank.

For & on behalf of the Board

Sd/-
(Ashwani Lohani)
Chairman & Managing Director

Place : New Delhi

Date : 30 December 2019