NOTE: A

Accounting Policies forming part of the Standalone Financial Statements of Air India Limited for the year ended 31 March 2019

(Rupees in millions except otherwise stated)

1. Company Information / Overview

Background

Air India Limited, (a Government of India Company) is a company incorporated in India, registered under the Provisions of Companies Act, 1956. The Govt of India holds 100% of Equity Share Capital of the company. Debentures issued by the company are listed on Mumbai Stock Exchange The company provides domestic and international air transport services, which includes mainly passenger and cargo services and other related services. The aircraft fleet of the company consists of a wide range of aircrafts. The registered office of the company is situated at Airlines House, 113, Gurudwara Rakabganj Road, New Delhi -110001.

2. Basis of preparation of Financial Statements

(i) Statement of Compliance

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.

The Standalone Financial Statements for the year ended March 31, 2019 have been approved by the Board of directors of the Company in their meeting held on 22nd October 2019.

(ii) Basis of Measurement

The Standalone Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial assets and liabilities which are measured at fair value or amortized cost at the end of each financial year.

(iii) Critical Accounting Estimates /Judgments

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

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

Significant areas of estimation and judgments (as stated in the respective Accounting Policies) that have the most significant effect on the Financial Statements are as follows:

a) Impairment of Assets and Investments in subsidiaries and Joint Venture

b) Estimate of revenue recognition from "Forward Sales Account"

c) Fair value of liability on account of Frequent Flyer Programme (FFP)

d) Measurement of useful life and residual values of property, plant and equipment and components thereof

e) Basis of classification of a Property as Investment Property

f) Basis of classification of Non-Current Assets held for sale

g) Estimation of Costs of Re-delivery

h) Recognition of Deferred Tax Assets

i) Recognition and measurement of defined benefit obligations

j) Judgement required to ascertain lease classification

k) Measurement of Fair Values and Expected Credit Loss (ECL)

l) Judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

(iv) **Functional Currency :**

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

(v) Operating cycle & Classification of Current &Non Current :

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

3. Significant Accounting Policies :

I. Property, Plant and Equipment (PPE)

a) Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses, if any.

b) Property, plant and equipment are stated at cost including incidental costs incurred pertaining to the acquisition and bringing them to the location for use and interest on loans borrowed where ever applicable, up to the date of putting the concerned asset to its working condition for its intended use.

c) Significant parts which meet the definition of property, plant and equipment (i.e. Aircraft Rotables, Repairables (with Serialized Control) including the major cost incurred on modernization / modification / conversion of aircraft and engines) have been capitalized as a separate component.

d) Assets under leases, in respect of which substantially all the risks and rewards of ownership are transferred to the Company, are considered as 'Finance Leases' and are capitalized.

e) Physical Verification of Assets is done on a rotational basis so that every asset is verified in block of two years and the discrepancies observed in the course of the verification adjusted in the year in which report is finalized.

II. Depreciation / Amortization

a) Depreciation is provided on straight-line method over the useful life of the Property, plant and equipment as prescribed in the Schedule II of the Companies Act, 2013 (except as otherwise stated), keeping a residual value of 5% of the original cost. Depreciation method, useful lives and residual value are reviewed by the management at each year end.

b) On the basis of technical assessment, the useful life of B-777, B-787 and A-320 family aircraft (procured from 2006-07 onwards) are considered as 25 years (instead of the life of 20 years as prescribed under Schedule II of the Companies Act 2013) keeping a residual value of 5% of the original cost.

c) In the case where life of the Property, plant and equipment, has not been prescribed under Schedule II of the Companies Act 2013 the same have been determined by technically qualified persons and approved by the Board of Directors keeping a residual value of 5% of the original cost as under :

1. Rotables:

(i) Aircraft Rotables relating to Airbus family are depreciated over the residual average useful life of the aircraft fleet relating to the respective family and of the respective engineering base, from the relevant year of purchase.

(ii) Aircraft Rotables relating to Boeing are depreciated over the residual average useful life of the related aircraft fleet from the relevant year of purchase.

2. Aircraft Repairables:

Repairables which are serially controlled are treated as Property, Plant & Equipment and accordingly are amortized over a period of 10 years (in case of post migration) and 5 years (in case of pre-migration) from the date of its purchase unless scrapped earlier.

d) In respect of operating leases of aircraft/engines in which the company acquires, a residual right in the aircraft by paying a termination/release sum, such amount is treated as PPE and amortized over the remaining useful life of the aircraft/engines determined by flying hours.

e) Major overhaul costs relating to engine and airframe are identified as separate components for owned aircrafts and aircrafts under finance lease and are depreciated over the expected lives between major overhauls.

f) Cost incurred on major modifications/refurbishment, modernization/conversion carried to owned and leased assets are depreciated over the useful life/period of lease of the asset.

g) Leasehold Property, plant and equipment (including land other than perpetual lease) is amortized over the period of lease.

III. Assets Held for Sale

Assets included and identified for divestment purposes are classified as held for sale if it is highly probable that they will be recovered primarily through sale in its present condition rather than through continuing use and are measured at the lower of carrying amount and fair value less costs to sell. No depreciation is provided, once the asset is transferred to Assets Held for Sale.

IV. Investment Properties

Investment Properties are properties held to earn rentals and / or for capital appreciation. Investment properties are measured initially at cost including transaction cost, Subsequently, Investment property are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided as per Note No 3 (II). Any gain or loss on disposal is recognized in Statement of Profit & Loss.

V. Intangible Assets

Intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortization and impairment losses, if any.

Intangible assets which have finite useful lives are amortized on straight line method over the estimated useful life, which is reviewed by the management every year i.e.

a) Software of Passenger Services System, over 10 years, and

b) Other software/website, over 5 years.

VI. Capital work-in-progress

Cost of property, plant and equipment including intangible assets not ready for use as at the reporting date are disclosed as capital work-in-progress.

VII. Leases

(i) Finance lease

a) A lease is classified as finance lease or operating lease at the inception date. Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance lease.

b) Assets held under finance lease are initially capitalized at the fair value at the inception of lease or at the present value of the minimum lease payments whichever is lower.

c) Minimum lease payments made under finance lease are apportioned between the finance costs and the reduction of the outstanding liability treated as loan. The finance cost is allocated to each period during the lease term. However, if they are directly attributable to qualifying assets, then they are capitalized in accordance with the company's general policy on borrowing cost.

(ii) Operating Lease

a) Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased assets are classified as Operating Lease.

b) Lease payments in respect of assets taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessors expected inflationary cost increases. Any change in the lease terms are accounted prospectively over the remaining term of lease.

c) Contributions made to lessors on account of Maintenance Reserve for which, maintenance is expected to arise during the lease period is treated as Expense.

d) The Company has in its fleet, aircrafts on operating lease. As contractually agreed under the lease contracts, the aircraft have to be redelivered to the lessors at the end of the lease term under stipulated contractual return conditions. The redelivery costs are estimated by management based on historical trends and data, and are charged to Statement of Profit & Loss in proportion to the expired lease period. These are recorded at the discounted value, where effect of the time value of money is material.

(iii) Sale and Lease Back (SLB)Transactions

Profit or losses arise on sale at fair value and leaseback transactions of asset resulting in an operating lease of such assets, are recognized immediately in the statement of Profit and Loss. Where the sale price is below fair value, any profits/ losses are immediately recognized in the Statement of Profit and Loss except where the loss is compensated by future lease payments at below market price. In such cases loss is deferred and amortized in proportion to the lease payments over the initial period for which the asset is expected to be used. In the case where the sale price is above fair value of the asset, the excess over fair value is amortized over the initial period of the lease period for which the asset is expected to be used.

VIII. Inventories :

a) Inventories primarily (include) consists of stores and spares and loose tools (other than those which meet the criteria of property, plant and equipment). Cost of inventories comprise all costs of purchase after deducting non refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition and is determined on weighted average basis.

b) Inventories are valued at lower of cost and Net Realizable Value ('NRV').NRV for stores and spares, loose tools and fuel used in rendering of services are not written down below cost except in cases where the price of such materials have declined and it is estimated that the cost of rendering of services will exceed their selling price.

c) Expendables/consumables are charged off at the time of initial issue, except those meant for repairs of repairable items which are expensed off when the work order is closed on the completion of repair work.

d) Obsolescence provision for aircraft stores and spare parts

   (i) Provision is made for the non-moving inventory exceeding a period of five years (net of realizable value of 5%) except for (ii) & (iii) below and netted off from the value of inventory.

   (ii) Inventory of Aircraft Fleet which has been phased out, is shown at estimated realizable value unless the same can be used in other Aircrafts.

   (iii) Provision in respect of inventories exclusively relating to aircraft on dry/wet lease, is made on the basis of the completed lease period compared to the total lease period as at the year-end.

e) Full Obsolescence Provision for non-aircraft stores and spares is made for non-moving inventory exceeding a period of five years.

f) Spares retrieved from the cannibalization of the scrapped aircraft are accounted for at Rupee One.

IX. Investments in Subsidiaries, Associates &Joint Ventures:

Investments in Subsidiaries, Associate and Joint Ventures are carried at cost, less impairment losses, if any, in the value of investments. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

X. Impairment of Non-Financial Assets :

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

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

XI. Government Grants :

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

Government Grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Government Grants that become receivable as compensation for expenses or losses incurred in a previous period are recognized in profit or loss of the period in which it becomes receivable.

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

XII. Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made and Revenue is recorded when the recovery of consideration is probable and determinable.

a) The Company's revenue primarily derives from transportation services for Passengers, Cargo and Mail Revenue. Revenue is recognized when the transportation service has been provided. Passengers tickets paid for in advance of transportation are recognized, net of discounts, as deferred revenue on ticket sales in current liabilities until the customer has flown. At the end of each financial year, unutilised balance in Forward sales for more than two years is fully recognized as Revenue and for balance amount Revenue is recognized at a certain estimated percentage of the value of tickets/airway bills sold based on available historical statistical data. The Company considers whether it is an agent or a principal in relation to transportation services by considering whether it has a performance obligation to provide services to the customer or whether the obligation is to arrange for the services to be provided by a third party. Other operating revenues are recognized as the related performance obligation is satisfied (over the time) using an appropriate methodology which reflects the activity that has been undertaken to satisfy the related obligation.

a) Frequent Flyer Programme :

The Company operates Frequent Flyer Programme that provides loyalty points based on accumulated mileage points to those who have joined this facility.

The revenue recognized when the transportation service is provided is reduced by the estimated fair value of the mileage points issued in the year such loyalty points are earned. The fair value attributed to the awarded loyalty points is treated as a deferred liability and recognized as revenue on redemption of the points. The fair value of the loyalty points is computed taking into account the proportion of miles that are expected to lapse i.e. breakage. The fair value is calculated on the basis of past redemption patterns, weighted for the various geographic regions and booking classes.

b) Loss or gain on reissue/refund/ involuntary transfer of passengers to other carriers is also deducted or included, as the case may be, in the transport revenue.

c) Blocked Space arrangements/Code share revenue/expenditure is recognized on an actual basis, based on uplift data received from the code share partners. Wherever details from code share partners are not available, revenue/expenditure is booked to the extent of documents/ information received, and adjustments, if any, required are carried out at the time of availability of such information.

d) Income from Interest is recognized using the effective interest method on a time proportion basis. Income from Rentals is recognized on a time proportion basis.

e) Dividend is recognized as, income, if the right to receive is established before the close of the year.

f) The claims receivable from Insurance Company are accounted for on the acceptance by the Insurance Company of such claims.

g) Warranty claims/credit notes received from vendors are recognized on acceptance of claim/ receipt of credit note.

h) Gain or loss arising out of sale/scrap of PPE including aircraft over the net depreciated value is taken to Statement of Profit & Loss as Non-Operating Revenue or Expenses.

i) Other Items :

   i) Scrap sales, reimbursement from employees availing medical, educational and other leave without pay, claims of interest from suppliers, other staff claims and lost baggage claims, are recognized on cash basis.

   ii) Liability/ Claims for amounts payable towards IATA dues are recognized to the extent of claims/ invoices received.

XIII. Manufacturer's Credit (Cash & Non Cash Incentives):

Manufacturer's credit entitlements are accounted for on accrual basis and credited to 'Incidental Revenue' by contra debit to 'Advances'; when the credit entitlement are used, the 'advances' are adjusted against the liability created for either acquiring an asset or incurring an expenditure.

XIV. Borrowing Cost :

a) Borrowing cost that are directly attributable to acquisition, construction of qualifying assets including capital work–in-progress are capitalized, as part of the cost of assets, up to the date of commencement of commercial use of the assets.

b) Interest incurred on borrowed funds or other temporary borrowings in anticipation of the receipt of long term borrowings that are used for acquisition of qualifying assets exceeding the value of Rs.10.0 million is capitalized at the weighted average borrowing rate on loans outstanding at the time of acquisition.

XV. Foreign Currency Transactions :

The management has determined the currency of the primary economic environment in which the company operates i.e. functional currency to be Indian Rupees. The financial statements are presented in Indian Rupees, which is company's functional and presentation currency.

a) <u>Foreign Currency Monetary Items:</u>

   i) Foreign currency Revenue and Expenditure transactions relating to Foreign Stations are recorded at established monthly rates (based on published IATA rates). Interline settlement with Airlines for transportation is carried out at the exchange rate published by IATA for respective month.

ii) Foreign currency monetary items are translated using the exchange rate circulated by Foreign Exchange Dealers Association of India (FEDAI). Gains/ (losses) arising on account of realization/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognized in the Statement of Profit and Loss.

iii) In respect of long term foreign currency monetary items originating before 1st April, 2016, the effect of exchange differences arising on settlement or reporting of long term monetary items at the rates different from those at which they were initially recorded during the period, or reported in previous financial statements, is accounted as addition or deduction to the cost of the assets so far as it relates to acquisition of depreciable capital assets and is depreciated over the balance useful life of the concerned asset and in other cases such difference is accumulated by transfer to "Foreign Currency Monetary Items Translation Difference Account" to be amortized over the balance period of such long term Assets or Liability.

b) Exchange variation is not considered at the year-end in respect of Debts and Loans & Advances for which doubtful provision exists since they are not expected to be realized.

XVI. Employee Benefits :

The Retirement Benefits to the employees comprise of Defined Contribution Plans and Defined Benefit Plans.

a) **Defined Contribution Plans** consist of contributions to Employees Provident Fund and Employees State Insurance Scheme. The Company has created separate Trusts to administer Provident Fund contributions to which contributions are made regularly. ESI dues are regularly deposited with government authorities.

b) **Defined Benefit Plans** which are not funded, consist of Gratuity, and Post Retirement Medical Benefits and other benefits. The liability for these benefits except for (i) below is actuarially determined under the Projected Unit Credit Method at the yearend as per Indian Laws.

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

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

Liability for Gratuity, Pension and other retirement Benefits for staff directly recruited at foreign stations is provided in compliance with local laws prevailing in the respective countries based on available information as at the year end.

c) **Other Long-Term Employee Benefits** in the form of Leave Encashment are accounted as other long-term employee benefits. The Company's net obligation in respect of Leave Encashment is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Re-measurements are recognized in Statement of Profit and Loss in the period in which they arise.

d) **Short Term Benefits :**

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

XVII. Taxes on Income :

(i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

XVIII. Provisions, Contingent Liabilities/Capital Commitments &Contingent Assets:

a) Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that there will be an outflow of resources. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the statement of profit and loss.

b) Contingent liabilities are disclosed by way of a note in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

c) Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent asset is disclosed, when an inflow of economic benefits is probable.

XIX.Cash and Cash Equivalents :

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

XX. Earnings per Share :

The Company presents basic and diluted earnings/ (loss) per share (EPS) data for its equity shares. Basic earnings per equity share are computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

XXI.Fair Value Measurement :

The Company measures financial instruments and specific investments (other than subsidiary, joint venture and associates), at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

XXII. Financial Instruments :

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

(i) Classification

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

(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

(a) **Financial assets carried at amortized cost:** A financial asset other than derivatives and specific investments, is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) **Financial assets at fair value through other comprehensive income:** A financial asset comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) **Financial assets at fair value through Statement of Profit and Loss:** A financial asset comprising derivatives which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) De-recognition

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

(v) Investment in subsidiaries, joint ventures and associates

The company has accounted for its investment in subsidiaries, joint ventures and associates at cost. The company assesses whether there is any indication that these investments may be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.

(vi) Impairment of other financial assets

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

(vii) Write-off

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

B. Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Classification

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

(iii) Subsequent measurement

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

a) Financial liabilities at amortized cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

b) Financial liabilities at fair value through Statement of Profit and Loss:

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

(iv) De-recognition

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

(v) Offsetting of financial instruments

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

XXIII. Threshold Limits :

The Company has adopted following materiality threshold limits in the recognition of expenses/ incomes:

(Rs in Millions)

No	Threshold Items	Threshold Value
i)	Fair Valuation of Financial Instruments	50.00
ii)	Prior Period Items	
	-Recognition based on individual limits	25.0
	-Restatement based on overall limits	1% of Total Revenue of Previous FY

XXIV. Recent Accounting Pronouncements

i) **Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing Standard Ind AS 17 Leases, and related interpretations. The standard set out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The new standard is mandatory for financial years commencing on or after 1 April 2019. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is in the process of assessing the detailed impact of Ind AS 116. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 116 is expected to have on its financial statements.

ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, which specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect any significant impact of the amendment on its financial statements.

iii) Other Amendments :

Amendments to Ind AS 12- Income Tax, Ind AS 23- Borrowing costs, Ind AS 28- Long term interest in Associates and Joint ventures, Ind AS 103- Business combinations, Ind AS 111, Joint arrangements, Ind AS 19 – Plan Amendment, Curtailment or Settlement and Ind AS 109 – Prepayment Features with Negative Compensation are either not applicable to the Company or the Company does not expect any material impact on its financial statements.

NOTE “1” :

(Rupees in Million)

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at April 01, 2018	Addi-tions/ Reclas-sification	Deduc-tions / Reclassi-fication	As at March 31, 2019	Upto April 01, 2018	For the year	Deduc-tions / Reclas-sification	Upto March 31, 2019	**As at March 31, 2019**	As at March 31, 2018
PROPERTY, PLANT & EQUIPMENT											
A.	**LAND & BUILDINGS**										
1.	Land-Freehold	5,725.4	43.6	2,775.0	2,994.0	-	-	-	-	**2,994.0**	5,725.4
2.	Land-Leasehold	1,838.1	-	1,194.2	643.9	-	-	-	-	**643.9**	1,838.1
3.	Buildings	9,450.8	22.0	750.1	8,722.7	255.8	384.6	94.2	546.2	**8,176.5**	9,195.0
	SUB TOTAL "A"	17,014.3	65.6	4,719.3	12,360.6	255.8	384.6	94.2	546.2	**11,814.4**	16,758.5
B.	**AIRCRAFT FLEET, ROTABLES & REPAIRABLES**										
1.	**Airframes**										
	Owned	171,908.4	2,829.1	723.2	174,014.3	14,938.3	8,225.1	597.5	22,565.9	**151,448.4**	156,970.1
	Leased	-	-	-	-	-	-	-	-	**-**	-
2.	**Aero Engines & Power Plants**										
(a)	Owned-Fixed Cost	69,119.3	6,129.3	2,833.3	72,415.3	5,445.5	3,182.7	-	8,628.2	**63,787.1**	63,673.8
(b)	Owned-Variable Cost (Component)	3,231.5	-	-	3,231.5	2,447.8	414.9	-	2,862.7	**368.8**	783.7
(c)	Owned-Repair Cost	5,282.7	2,321.2	-	7,603.9	2,054.9	1,417.8	-	3,472.7	**4,131.2**	3,227.8
3.	Simulators & Link Trainers	2,732.4	-	-	2,732.4	114.8	164.9	-	279.7	**2,452.7**	2,617.6
4.	Airframe Rotables	8,407.7	907.1	-	9,314.8	881.8	532.6	-	1,414.4	**7,900.4**	7,525.9
5.	Aero-Engine Rotables	757.0	-	-	757.0	121.0	60.5	-	181.5	**575.5**	636.0
6.	Aircraft Repairables	9,498.2	1,085.4	203.7	10,379.9	2,007.5	958.2	136.3	2,829.4	**7,550.5**	7,490.7
7.	Simulator Rotables	-	-	-	-	-	-	-	-	**-**	-
	SUB TOTAL "B"	270,937.2	13,272.1	3,760.2	280,449.1	28,011.6	14,956.7	733.8	42,234.5	**238,214.6**	242,925.6
C.	**OTHER- FIXED ASSETS**										
1.	Workshop Equipment, Instruments, Plant & Machinery and Vehicles	4,352.8	947.6	28.2	5,272.2	486.9	450.8	5.1	932.6	**4,339.6**	3,865.9
2.	Ground Support & Ramp Equipment	442.7	3.1	19.3	426.5	273.5	45.1	15.4	303.2	**123.3**	169.2
3.	Furniture & Fixtures	220.5	3.9	1.1	223.3	62.6	22.3	-	84.9	**138.4**	157.9
4.	Office Appliances & Equipment	166.4	3.9	0.4	169.9	47.8	24.9	(2.6)	75.3	**94.6**	118.6
5.	Computer System	328.0	24.1	8.5	343.6	76.4	61.6	-	138.0	**205.6**	251.6
6.	Electrical Fittings & Installations	487.5	1.4	0.1	488.8	78.9	56.6	0.8	134.7	**354.1**	408.6
7.	Object D'art (Net Block Rs.39,969.43)	0.6	-	-	0.6	0.6	-	-	0.6	**-**	-
	SUB TOTAL "C"	5,998.5	984.0	57.6	6,924.9	1,026.7	661.3	18.7	1,669.3	**5,255.6**	4,971.8
TOTAL PROPERTY, PLANT & EQUIPMENT		**293,950.0**	**14,321.7**	**8,537.1**	**299,734.6**	**29,294.1**	**16,002.6**	**846.7**	**44,450.0**	**255,284.6**	**264,655.9**
INVESTMENT PROPERTY											
1.	Investment Property Land - Freehold	-	191.7	-	191.7	-	-	-	-	**191.7**	-
2.	Investment Property Land - Leasehold	4,213.0	-	108.4	4,104.6	-	-	-	-	**4,104.6**	4,213.0
3.	Investment Property - Buildings	6,569.4	-	6,467.0	102.4	862.8	59.6	901.4	21.0	**81.4**	5,706.6
TOTAL FOR INVESTMENT PROPERTY		**10,782.4**	**191.7**	**6,575.4**	**4,398.7**	**862.8**	**59.6**	**901.4**	**21.0**	**4,377.7**	**9,919.6**
INTANGIBLE ASSETS :											
A.	COMPUTER SOFTWARE	885.4	64.9	-	950.3	611.7	143.9	-	755.6	**194.7**	273.7
B.	OTHERS	383.6	-	-	383.6	255.8	127.8	-	383.6	**-**	127.8
TOTAL FOR INTANGIBLE ASSETS		**1,269.0**	**64.9**	**-**	**1,333.9**	**867.5**	**271.7**	**-**	**1,139.2**	**194.7**	**401.5**
TOTAL ASSETS		**306,001.4**	**14,578.3**	**15,112.5**	**305,467.2**	**31,024.4**	**16,333.9**	**1,748.1**	**45,610.2**	**259,857.0**	**274,977.0**
Capital Work-in-Progress		813.6	423.3	510.2	726.7	-	-	-	-	**726.7**	813.6
Intangible Assets under Development		82.9	-	70.4	12.5	-	-	-	-	**12.5**	82.9
GRAND TOTAL		**306,897.9**	**15,001.6**	**15,693.1**	**306,206.4**	**31,024.4**	**16,333.9**	**1,748.1**	**45,610.2**	**260,596.2**	**275,873.5**

1 During the year, the Company has capitalized translation difference of Rs.4,047.0 Million (Previous Year : Rs.244.4 Million) arising on settlement and reporting of long term monetary items. Additions to “Aircraft Fleet, Rotables & Repairables” includes Exchange Rate Fluctuations (Net of Debit & Credit) on underlying loans in foreign currency : Rs. 4,047.0 Million (Previous Year: Rs. (244.4 Million).

2 “Aircraft Fleet, Rotables & Repairables” includes 34 Aircraft (One B777-300 ER, Six B787-800, Four B747-400, Ten A-319, Five A320 & Eight A-321), 22 Spare Engines (includes 10 CFM-5B, 2 CFM Leap Engines) & 4 Spare APUs (Previous Year : 39Aircraft (one B777-300 ER, Six B 787-800 , Five B 747-400 , Nine A-319 , Ten A320 & Eight A-321) 20 Spare engines & 4 APUs) owned by Air India Ltd.

3 “Aircraft Fleet, Rotables & Repairables” includes 36 Aircraft (Three B777-200LR, Twelve B777-300 ER, Nine A-319 & Twelve A-321) (Previous Year : 37 Aircraft - {Three B777-200LR, Twelve B777-300ER, Ten A-319 & Twelve A-321}) & 5 GE Spare Engines (Previous Year 5 GE Spare Engines) and Registration of these 36 Aircraft & 5 Spare Engines continues to be in the name of SPV Company for which beneficial ownership is with Air India Ltd. (Refer Note 45(i)(a))

4 Borrowing costs capitalized during the year are Rs.21.0 Million (Previous Year : Rs.1,636.8 Million)

5 Depreciation includes debit of Rs.454.6 Million (Previous Year : Debit of Rs.463.5 Million) to Capital Reserve.

6 As per Accounting Policy, the Company has carried out impairment of assets as required under Ind AS 36.

7 Special tools included in Workshop Equipment, Instrument Machinery & Plants and Other Fixed Assets are being Depreciated at year wise total Block Amount.

8 Leasehold land on long term basis with the option to extend the same are identified as perpetual lease and are not amortised during the period of Lease.

9 “Intangible Asset - Others” represents Membership Fees for joining Star Alliance.

10 Object D’art reflected in Property, Plant & Equipment Note as a separate line item are old assets and have been fully depreciated appearing at nil value(Rs 1).

NOTE "1"

(Rupees in Million)

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at April 01, 2017	Additions / Reclassification	Deductions / Reclassification	As at March 31, 2018	Upto April 01, 2017	For the year	Deductions / Reclassification	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
PROPERTY, PLANT & EQUIPMENT											
A.	**LAND & BUILDINGS**										
1.	Land-Freehold	6,986.3	-	1,260.9	5,725.4	-	-	-	-	5,725.4	6,986.3
2.	Land-Leasehold	54,522.1	-	52,684.0	1,838.1	75.6	-	75.6	-	1,838.1	54,446.5
3.	Buildings	9,903.8	223.0	676.0	9,450.8	253.5	724.0	721.7	255.8	9,195.0	9,650.3
	SUB TOTAL "A"	71,412.2	223.0	54,620.9	17,014.3	329.1	724.0	797.3	255.8	16,758.5	71,083.1
B.	**AIRCRAFT FLEET, ROTABLES & REPAIRABLES**										
1.	**Airframes**										
	Owned	139,164.0	32,895.4	151.0	171,908.4	6,895.8	8,042.5	-	14,938.3	156,970.1	132,268.2
	Leased	-	-	-	-	-	-	-	-	-	-
2.	**Aero Engines & Power Plants**										
(a)	Owned-Fixed Cost	54,732.5	14,452.5	65.7	69,119.3	2,511.3	2,934.2	-	5,445.5	63,673.8	52,221.2
(b)	Owned-Variable Cost (Component)	3,231.5	-	-	3,231.5	1,478.3	969.5	-	2,447.8	783.7	1,753.2
(c)	Owned-Repair Cost	3,533.6	1,749.1	-	5,282.7	826.0	1,228.9	-	2,054.9	3,227.8	2,707.6
3.	Simulators & Link Trainers	2,251.6	658.9	178.1	2,732.4	132.0	146.4	163.6	114.8	2,617.6	2,119.6
4.	Airframe Rotables	7,377.3	1,030.4	-	8,407.7	411.6	472.6	2.4	881.8	7,525.9	6,965.7
5.	Aero-Engine Rotables	757.0	-	-	757.0	60.5	60.5	-	121.0	636.0	696.5
6.	Aircraft Repairables	8,304.4	1,577.9	384.1	9,498.2	1,070.3	1,247.6	310.4	2,007.5	7,490.7	7,234.1
7.	Simulator Rotables	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL "B"	219,351.9	52,364.2	778.9	270,937.2	13,385.8	15,102.2	476.4	28,011.6	242,925.6	205,966.1
C.	**OTHER- FIXED ASSETS**										
1.	Workshop Equipment, Instruments, Plant & Machinery and Vehicles	3,648.2	728.9	24.3	4,352.8	238.2	386.6	137.9	486.9	3,865.9	3,410.1 -
2.	Ground Support & Ramp Equipment	475.4	20.6	53.3	442.7	222.3	99.7	48.5	273.5	169.2	253.1
3.	Furniture & Fixtures	205.1	15.9	0.5	220.5	35.7	26.5	(0.4)	62.6	157.9	169.4
4.	Office Appliances & Equipment	150.3	20.4	4.3	166.4	21.8	24.8	(1.2)	47.8	118.6	128.5
5.	Computer System	249.0	80.5	1.5	328.0	36.6	41.3	1.5	76.4	251.6	212.3
6.	Electrical Fittings & Installations	510.1	2.2	24.8	487.5	63.5	65.7	50.3	78.9	408.6	446.6
7.	Object D'art (Net Block Rs.39,969.43)	0.6	-	-	0.6	0.6	-	-	0.6	-	-
	SUB TOTAL "C"	5,238.7	868.5	108.7	5,998.5	618.7	644.6	236.6	1,026.7	4,971.8	4,620.0
TOTAL PROPERTY, PLANT & EQUIPMENT		296,002.8	53,455.7	55,508.5	293,950.0	14,333.6	16,470.8	1,510.3	29,294.1	264,655.9	281,669.2
INVESTMENT PROPERTY											
1.	Investment Property Land - Freehold										
2.	Investment Property Land - Leasehold	8,983.7	-	4,770.7	4,213.0	-	-	-	-	4,213.0	8,983.7
3.	Investment Property - Buildings	6,568.1	1.3	-	6,569.4	439.4	423.4	-	862.8	5,706.6	6,128.7
TOTAL FOR INVESTMENT PROPERTY		15,551.8	1.3	4,770.7	10,782.4	439.4	423.4	-	862.8	9,919.6	15,112.4
INTANGIBLE ASSETS :											
A.	COMPUTER SOFTWARE	869.2	16.2	-	885.4	496.5	115.2	-	611.7	273.7	372.7
B.	OTHERS	383.6	-	-	383.6	127.9	127.9	-	255.8	127.8	255.7
TOTAL FOR INTANGIBLE ASSETS		1,252.8	16.2	-	1,269.0	624.4	243.1	-	867.5	401.5	628.4
TOTAL ASSETS		312,807.4	53,473.2	60,279.2	306,001.4	15,397.4	17,137.3	1,510.3	31,024.4	274,977.0	297,410.0
Capital Work-in-Progress		2,320.9	364.0	1,871.3	813.6	-	-	-	-	813.6	2,773.2
Intangible Assets under Development		13.5	69.4	-	82.9	-	-	-	-	82.9	13.5
GRAND TOTAL		**315,141.8**	**53,906.6**	**62,150.5**	**306,897.9**	**15,397.4**	**17,137.3**	**1,510.3**	**31,024.4**	**275,873.5**	**300,196.7**

1 During the year, the Company has capitalized translation difference of Rs. 244.4 Million (Previous Year : Rs.1620.0 Million) arising on settlement and reporting of long term monetary items. Additions to "Aircraft Fleet, Rotables & Repairables" includes Exchange Rate Fluctuations (Net of Debit & Credit) on underlying loans in foreign currency : Rs. 244.4 Million (Previous Year: Rs. (2124.3 Million).

2 "Aircraft Fleet, Rotables & Repairables" includes 39 Aircraft (One B777-300 ER, Six B787-800, Five B747-400, Nine A-319, Ten A320 & Eight A-321), 22 Spare Engines & 4 Spare APUs owned by Air India Ltd.

3 "Aircraft Fleet, Rotables & Repairables" includes 37 Aircraft (Three B777-200LR, Twelve B777-300 ER, Ten A-319 & Twelve A-321) (Previous Year : 37 Aircraft - {Three B777-200LR, Twelve B777-300ER, Ten A-319 & Twelve A-321}) & 5 GE Spare Engines (Previous Year 5 GE Spare Engines) and Registration of these 37 Aircraft & 5 Spare Engines continues to be in the name of SPV Company for which beneficial ownership is with Air India Ltd. (Refer Note 46(i))

4 Borrowing costs capitalized during the year are Rs.1636.8 Million (Previous Year : Rs.82.5 Million)

5 Depreciation includes debit of Rs.463.5 Million (Previous Year : Debit of Rs.308.8 Million) to Capital Reserve.

6 "Intangible Asset - Others" represents Membership Fees for joining Star Alliance.

7 Special tools included in Workshop Equipment, Instrument Machinery & Plants and Other Fixed Assets are being Depreciated at year wise total Block Amount.

8 Three Old Classic A320 Aircraft(VT-EPO,Vt-EPL and VT-EPD), two Boeing 737(VT-EGJ and VT-EGI), 18 V2500 Engines, one Boeing JT&D and 10 A320 Classic APU with WDV of Rs. 149.7 Million removed from Surplus assets on sale and a loss of Rs. 4.99 Million booked during the year.

9 As per IND AS, Rs. NIL Million (Previous year 382.4 Million) has been transferred from Engine fixed cost to Engine Variable cost. The Depreciation charged on the Engine Variable Component is Rs. 959.5 Million (previous year - Rs. 1478.3 Million)

NOTE “2” : NON-CURRENT INVESTMENTS

(Rupees in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
1	**INVESTMENTS at Cost**		
1.1	**EQUITY INSTRUMENTS - UNQUOTED**		
A	**IN SUBSIDIARIES**		
i)	Equity Shares of Rs. 100 each fully paid up in Hotel Corporation of India Limited * (Previous Year : 11,060,000 Equity Shares)	**-**	1,106.0
ii)	78,000,000 Equity Shares (Previous Year :78,000,000 Equity Shares) of Rs. 100 each fully paid up in Air India Express Limited.	**7,800.0**	7,800.0
iii)	Equity Shares of Rs.10 each fully paid up in Air-India Air Transport Services Limited * (Previous Year :138,424,200 Equity Shares)	**-**	1,384.2
iv)	Equity Shares of Rs.10 each fully paid up in Air-India Engineering Services Limited * (Previous Year : 166,666,500 Equity Shares)	**-**	1,666.7
v)	Equity Shares of Rs 100/- each fully paid up in Airlines Allied Services Ltd * (Previous Year : 40,225,000 Equity Shares)	**-**	4,022.5
	SUB TOTAL	**7,800.0**	15,979.4
B	**IN JOINT VENTURE**		
	40,424,975 Equity Shares (Previous Year : 40,424,975 Equity Shares) of Rs.10 each fully paid up in Air India SATS Airport Services Private Ltd.	**436.2**	436.2
	(40,419,975 Equity Shares of Rs.10 each issued at a premium of Rs.0.79 per share)		
	SUB TOTAL	**436.2**	436.2
	TOTAL INVESTMENT at Cost (A)	**8,236.2**	16,415.6

NOTE "2" : NON-CURRENT INVESTMENTS

(Rupees in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
2.	**INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)**		
2.1	**EQUITY INSTRUMENTS (QUOTED)**		
	375,407 Equity Shares (Previous Year : 375,407 Equity Shares) of EUR 0.48 each fully paid up in Orange S.A. (Formerly known as France Telecom)	**422.8**	418.2
	SUB TOTAL	**422.8**	418.2
2.2	**WITH OTHERS / STRUCTURED ENTITIES**		
	TRADE INVESTMENTS		
i)	2,617,098 Equity Shares (Previous Year : 2,617,098 Equity Shares) of MAR 10 each fully paid up in Air Mauritius Ltd. #	**131.4**	105.3
ii)	2,301,244 Equity Shares (Previous Year : 2,301,244 Equity Shares) of MAR 10 each fully paid up in Air Mauritius Holding Ltd. #	**45.5**	44.8
iii)	12,500,000 Equity Shares (Previous Year : 12,500,000 Equity Shares) of Rs. 10 each fully paid up in Cochin International Airport Limited. # (Includes 2,500,000 Equity Shares of Rs.10 issued and subscribed at a premium of Rs.40 per share)	**451.2**	434.3
iv)	277 Equity Shares (Previous Year : 266 Equity Shares) of EUR 5.00 ^ each fully paid up in SITA (Societe Internationale de Telecommunications Aeronautiques). (11 Shares allotted during the year)	**0.1**	0.1
v)	890,139 Depository Certificates of SITA Information Network Computing N.V. ^ (Previous Year : 890139)	**42.7**	42.7
vi)	2348 class B Shares (Previous Year : 1,270 Shares) of BHT 100 ^ each fully paid up in Aeronautical Radio of Thailand Ltd. (1078 Shares allotted during the year)	**0.4**	0.2
vii)	50 Equity Shares (Previous Year : 50 Equity Shares) of EUR 152.45 each ^ fully paid up in Association Sportive Du Golf Isabella.	**0.4**	0.4
	SUB TOTAL	**671.7**	627.8
2.3	**DEBENTURES**		
	6% Debenture Bonds of Banco De Roma face value EUR 15.49 ^ guaranteed by the Government of Italy (Deposited with Civil Aviation Department, Italy) (**Rs.3,057.69)	**** 0.0**	** 0.0
	SUB TOTAL	**-**	-
	TOTAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI) (B)	**1,094.5**	1,046.0
	TOTAL INVESTMENTS (A + B)	**9,330.7**	17,461.6

Aggregate amount of unquoted investments	**8,907.9**	17,043.4
Aggregate provision for diminution in value of investments		
Aggregate amount of quoted investments (Market value : Rs.422.8 Million (Previous Year : Rs.418.2 Million)) (Equivalent to EUR 5.5 Million (Previous Year : EUR 5.2 Million))	**422.8**	418.2

* Subsidiary Investments transferred to Assets Held for Sale (Refer Note 10.1)

\# Fair valuation of Investments carried out at book value based on latest available Audited Financial Statements.

^ Investments carried at cost.

NOTE "3" : TRADE RECEIVABLES

(Rupees in Million)

Particulars	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Considered Good - Unsecured *	-	-	**19,921.0**	17,824.5
Trade Receivables having significant increase in credit risk	-	-	**1,389.4**	1,161.0
Trade Receivables - Credit Impaired	**9,399.7**	9,167.0		
	9,399.7	9,167.0	**21,310.4**	18,985.5
Less : Allowance for Significant increase in credit risk	**-**	-	**1,389.4**	1,161.0
Less : Allowance for Credit Impaired	**9,399.7**	9,167.0	-	-
(A)	**-**	**-**	**19,921.0**	17,824.5

* Trade Receivables amounting to Rs.447.3 Million (Previous Year Rs. 70.0 Million) are backed by Bank Guarantees.

NOTE "4" : LOANS

(Rupees in Million)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Security Deposits				
Considered Good - Unsecured	**3,316.4**	3,056.0	**145.8**	121.9
Credit Impaired	**42.4**	42.9	**-**	-
	3,358.8	3,098.9	**145.8**	121.9
Less : Allowance for Credit Impaired Deposits	**42.4**	42.9	**-**	-
	3,316.4	3,056.0	**145.8**	121.9
TOTAL	**3,316.4**	3,056.0	**145.8**	121.9

NOTE “5” : OTHER FINANCIAL ASSETS

(Rupees in Million)

	Particulars	Non-Current		Current	
		As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
1	**Advances Recoverable from Parties**				
	Unsecured Considered Good	**-**	-	**704.9**	1,103.9
	Unsecured Considered Doubtful	**68.1**	201.1	**-**	-
		68.1	201.1	**704.9**	1,103.9
	Less : Allowance for Doubtful Advances	**68.1**	201.1	**-**	-
	(A)	**-**	-	**704.9**	1,103.9
2	**Advances Recoverable from Employees**				
	Unsecured Advances Considered Good	**117.0**	73.3	**591.5**	482.4
	Unsecured Considered Doubtful	**10.8**	16.0	**-**	-
		127.8	89.3	**591.5**	482.4
	Less : Allowance for Doubtful Advances	**10.8**	16.0	**-**	-
	(B)	**117.0**	73.3	**591.5**	482.4
3	**Advance to Subsidiary Companies * / #**				
	Unsecured Considered Good	**10,586.1**	38,936.0	**-**	-
	Unsecured Considered Doubtful	**-**	-	**-**	-
		10,586.1	38,936.0	**-**	-
	Less : Allowance for Doubtful Advances	**-**	-	**-**	-
	(C)	**10,586.1**	38,936.0	**-**	-
4	**Deposit-Others (having maturity of more than 12 months)**	**434.7**	135.6	**-**	-
	Less : Allowance for Doubtful Deposits	**0.1**	0.1	**-**	-
	(D)	**434.6**	135.5	**-**	-
5	**<u>Interest Accrued on</u>**				
	i) Fixed Deposits	**61.2**	42.4	**33.5**	22.2
	ii) Loan to Employees	**1.4**	2.6	**4.7**	5.5
	iii) Advances to Subsidiary Companies ** / #	**-**	-	**924.3**	3,221.7
	(E)	**62.6**	45.0	**962.5**	3,249.4
6	**Other Non-Trade Receivables**				
	Unsecured Considered Good	**-**	-	**863.6**	40.1
	Other Non-trade Receivables - Credit Impaired	**2,653.6**	2,043.1	**-**	-
		2,653.6	2,043.1	**863.6**	40.1
	Less : Allowance for Credit Impaired	**2,653.6**	2,043.1	**-**	-
	(F)	**-**	-	**863.6**	40.1
	TOTAL (A + B + C + D + E + F)	**11,200.3**	39,189.8	**3,122.5**	4,875.8

* **Details of Advances given to Subsidiary Companies/Joint Ventures are as under :**

Name of the Subsidiary Company/Joint Ventures	**As at March 31, 2019**	As at March 31, 2018
1. Air India Express Limited	**10,586.1**	9,201.1
2. Air India Engineering Services Limited #	**-**	13,444.9
3. Hotel Corporation of India Limited #	**-**	2,075.4
4. Airline Allied Services Limited #	**-**	14,085.5
5. Air India Air Transport Services Ltd #	**-**	129.1
Total	**10,586.1**	38,936.0

** **Details of Interest Accrued on Advances to Subsidiary Companies/Joint Ventures are as under :**

Name of the Subsidiary Company/Joint Ventures	**As at March 31, 2019**	As at March 31, 2018
1. Air India Express Limited	**924.3**	752.1
2. Hotel Corporation of India Limited #	**-**	204.6
3. Airline Allied Services Limited #	**-**	1,340.7
4. Air India Engineering Services Limited #	**-**	924.3
Total	**924.3**	3,221.7

Advances and Interest Accrued to Subsidiary Companies transferred to Assets Held for Sale (Refer Note 10.1)

NOTE "6" : OTHER NON-FINANCIAL ASSETS

(Rupees in Million)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Capital Advances				
Unsecured Considered Good	**100.0**	129.4	**-**	-
Doubtful	**28.7**	7.6	**-**	-
	128.7	137.0	**-**	-
Less : Allowance for Doubtful Advances	**28.7**	7.6	**-**	-
(A)	**100.0**	129.4	**-**	-
Advances other than Capital Advances				
Unsecured Considered Good	**12.6**	121.4	**5,071.2**	5,065.0
Doubtful	**583.2**	215.3	**-**	-
	595.8	336.7	**5,071.2**	5,065.0
Less : Allowance for Doubtful Advances	**583.2**	215.3	**-**	-
(B)	**12.6**	121.4	**5,071.2**	5,065.0
Non-Trade Receivable				
Unsecured Considered Good	**-**	-	**1,801.5**	9,058.6
Doubtful	**149.3**	135.1	**-**	-
	149.3	135.1	**1,801.5**	9,058.6
Less : Allowance for Doubtful Non Trade Receivable	**149.3**	135.1	**-**	-
(C)	**-**	-	**1,801.5**	9,058.6
Other Advances				
Unsecured Considered Good				
Prepaid Expenses	**5,765.0**	5,794.7	**2,280.3**	1,396.5
Balances with Statutory / Government Authorities	**-**	-	**3,504.0**	3,838.3
(D)	**5,765.0**	5,794.7	**5,784.3**	5,234.8
TOTAL (A + B + C + D)	**5,877.6**	6,045.5	**12,657.0**	19,358.4

NOTE "7" : INCOME TAX ASSETS NET OF PROVISION

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Advance Payment of Income Tax and TDS (net of provision for taxation)	**2,264.1**	2,780.3	**1,458.8**	468.4
	2,264.1	2,780.3	**1,458.8**	468.4

NOTE "8" : INVENTORIES (As taken, valued & certified by the Management)

(Rupees in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Stores and Spare Parts	**16,417.9**	17,861.5
Loose Tools	**43.0**	75.4
	16,460.9	17,936.9
Less : Provision for Obsolescence / Inventory Reconciliation	**8,466.1**	8,964.3
	7,994.8	8,972.6
Goods-in-Transit	**69.0**	59.3
TOTAL	**8,063.8**	9,031.9

* Stores and Spare Parts includes an amount of Rs.2,371.3 Million (Previous Year : Rs.1,765.9 Million) as Work Order Suspense account which represents inventories lying with a subsidiary company i.e. Air India Engineering Services Ltd. and Rs.255.0 Million (Previous Year : Rs. 308.3 Million) with third party for repair work for Air India Ltd.

NOTE : "9" : CASH AND CASH EQUIVALENTS

(Rupees in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
	Cash and Cash Equivalents		
1.	**Balances with Banks :**		
	a) In Current Accounts	**2,141.8**	1,580.8
	b) In Deposit Accounts (Maturity less than 3 months)	**259.3**	241.3
2.	Cheques, Drafts on Hand	**28.3**	31.0
3.	Cash on Hand (as certified)	**22.8**	32.9
	TOTAL (A + B)	**2,452.2**	1,886.0

NOTE : "10" : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rupees in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
	Other Bank Balances		
1.	Margin money deposits	**4,529.4**	4,204.0
2.	Deposits - Others (More than 3 months but Less than 12 Months)	**1,450.7**	1,338.8
		5,980.1	5,542.8

NOTE "10.1" : ASSETS HELD FOR SALE

(Rupees in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
1.	**Properties ***	**68,066.3**	58,223.9
2.	**Investment in Subsidiary Companies**		
	a) 138,424,200 Equity Shares of Rs.10 each fully paid up in Air-India Air Transport Services Limited.	**1,384.2**	-
	b) 166,666,500 Equity Shares of Rs.10 each fully paid up in Air-India Engineering Services Limited.	**1,666.7**	-
	c) 40,225,000 Equity Shares of Rs 100/- each fully paid up in Airlines Allied Services Ltd.	**4,022.5**	-
	d) 11,060,000 Equity Shares of Rs.100 each fully paid up in Hotel Corporation of India Limited	**1,106.0**	-
		8,179.4	-
3.	**Advance to Subsidiary Companies (net) ****		
	a) Air India Engineering Services Limited	**17,181.7**	-
	b) Airlines Allied Services Limited	**16,681.9**	-
	c) Hotel Corporation of India Limited	**3,052.1**	-
		36,915.7	-
4.	**Others (net of provision) *****	**35,548.7**	29,694.4
	TOTAL	**148,710.1**	87,918.3

*Includes properties transferred from Investment Property during the year amounting to Rs. 6,583.7 Million

**Advances to Subsidiary Companies includes Interest Accrued amounting to Rs.2,998.9 Million (PreviousYear Rs.2,469.6 Million)

***Others includes 2 B777-300 SESF aircraft along with one Spare Engine and QEC Kit amounting to Rs.35,223.6 Million (Previous Year : Rs.29,674.0 Million) (Refer Note 32(b))

NOTE "11" : SHARE CAPITAL

(Rupees in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
A.	**AUTHORISED**		
	35,000.0 Million Equity Shares of Rs.10 each (Previous Year : 30,000.0 Million Equity Shares of Rs.10 each)	**350,000.0**	300,000.0
		350,000.0	300,000.0
B.	**ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES**		
	32,665.21 Million Equity Shares of Rs. 10 each (Previous Year : 28,690.21 Million Equity Shares of Rs.10 each)	**326,652.1**	286,902.1
	TOTAL	**326,652.1**	286,902.1

B.i) Reconciliation of number of shares :

	(Number of Shares in Millions)		(Share Value Rupees in Millions)	
Particulars	**2018-19**	2017-18	**2018-19**	2017-18
Equity Shares at the beginning of the year	**28,690.21**	26,753.00	**286,902.1**	267,530.0
Add : Equity Shares Allotted during the year	**3,975.00**	1,937.21	**39,750.0**	19,372.1
Equity Shares at the end of the year	**32,665.21**	28,690.21	**326,652.1**	286,902.1

ii) Terms/rights attached to equity shares :

The Company has single class of shares i.e. Equity Shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after all the creditors have been paid. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Share Holding Pattern :

The Company is a Government Company with 100% shares held by the President of India and his nominees, through administrative control of Ministry of Civil Aviation.

NOTE “12” : OTHER EQUITY

(Rupees in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
1.	**Share Application Money Pending Allotment ***		
	Balance as per Last Balance Sheet	**-**	1,372.1
	Add : Additions during the year	**-**	-
		-	1,372.1
	Less : Shares allotted during the year	**-**	1,372.1
		-	-
2.	**CAPITAL RESERVE**		
	Balance as per Last Balance Sheet	**6,878.7**	7,194.8
	Add : Additions during the year **	**1,163.5**	147.4
		8,042.2	7,342.2
	Less : Transfer to the Statement of Profit and Loss to offset Depreciation (Refer Note 24)	**454.6**	463.5
	Closing Balance	**7,587.6**	6,878.7
3.	**GENERAL RESERVE *****		
	Balance as per Last Balance Sheet	**(1,436.7)**	(1,436.7)
	Less : Transfer to Retained Earnings	**1,436.7**	-
	Closing Balance	**-**	(1,436.7)
4.	**OTHER RESERVES**		
a)	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)		
	Balance as per last Balance Sheet	**(2,137.3)**	(2,349.1)
	Add : Exchange gain/(loss) during the year	**(1,135.5)**	(126.5)
		(3,272.8)	(2,475.6)
	Less : Amortization during the year	**513.7**	338.3
	Closing Balance	**(2,759.1)**	(2,137.3)
5.	**Surplus / (Deficit)**		
	Balance at the beginning of the reporting period	**(539,887.8)**	(474,867.1)
	Changes in accounting policy or prior period errors	**-**	(11,492.4)
	Restated balance at the beginning of the reporting period	**(539,887.8)**	(486,359.5)
	(Loss) for the year	**(84,748.0)**	(53,377.4)
	Add : Transfer from General Reserve ***	**(1,436.7)**	-
	Re-measurements of the Defined Benefit Plans through Other Comprehensive Income	**(863.8)**	(150.9)
	Net deficit	**(626,936.3)**	(539,887.8)
6.	**Fair value changes on Equity Instruments through Other Comprehensive Income**		
	Opening Balance	**743.9**	697.3
	For the year	**48.2**	46.6
		792.1	743.9
	TOTAL (1+2+3+4+5+6)	**(621,315.7)**	(535,839.2)

* **Share Application Money :**

Share application money amounting to Rs. NIL Million (Previous Year: Rs.NIL Million) represents money paid by the Government of India towards capital infusion during the year, but allotment of shares not yet made.

** Represents MRO Allowance received from GE towards construction of Test Cell Facility at Nagpur.

*** General Reserve of Vayudoot Ltd. transferred to Retained Earnings during the year.

NOTE "13" : BORROWINGS - NON CURRENT

(Rupees in Million)

	Particulars	Non-Current		Current *	
		As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
I	**Debentures**	**55,000.0**	136,000.0	**81,000.0**	-
II	**Term Loans**				
	a) from Banks (Secured) **	**-**	109,258.3	**109,952.5**	6,176.0
	b) from Banks (Unsecured) **	**7,597.9**	14,703.6	**8,751.5**	7,104.0
	c) from Other Parties (Unsecured)	**108.3**	209.5	**12.7**	10.3
III	**Long Term Maturities of Finance Lease Obligations ** **	**20,293.4**	39,451.1	**23,539.2**	19,068.7
	TOTAL	**82,999.6**	299,622.5	**223,255.9**	32,359.0

13.1 Debentures

a) 136,000 Redeemable, Unsecured Non-convertible Debentures of face value of Rs.1 Million each (Previous Year : 136,000 Debentures), are guaranteed by Government of India. Maturity Profile and Rate of interest are as set out below :

(Rupees in Million)

Month of Redemption	Amount to be Redeemed	Rate of Interest
Dec-2031	4,714.0	9.08%
Nov-2031	10,086.0	9.08%
Sep-2031	15,000.0	10.05%
Dec-2030	4,714.0	9.08%
Nov-2030	10,086.0	9.08%
Dec-2029	4,714.0	9.08%
Nov-2029	10,086.0	9.08%
Dec-2028	4,714.0	9.08%
Nov-2028	10,086.0	9.08%
Dec-2027	4,714.0	9.08%
Nov-2027	10,086.0	9.08%
Sep-2026	40,000.0	9.84%
Mar-2020	7,000.0	9.13%
Total	**136,000.0**	

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

c) Current maturities includes 74,000 Redeemable, Unsecured Non-convertible Debentures of face value of Rs.1 Million each amounting to Rs.74,000.0 Million identified for tranfer to SPV Air

India Asset Holding Limited by way of Novation Agreement (Refer Note 29(ii) & (v))

13.2(a) Details of Secured Term Loans from following Banks which are identified for transfer to SPV Air India Assets Holding Limited are classified as current maturities (Refer Note 29(ii) & (v)) :

Sr No.	Restructuring Lender	As at March 31, 2019	As at March 31, 2018
1	Allahabad Bank	**2,524.6**	2,645.2
2	Andhra Bank	**3,021.7**	3,178.9
3	Bank of Baroda	**11,346.5**	11,903.7
4	Bank of India	**15,107.0**	15,727.2
5	Canara Bank	**7,402.8**	7,763.8
6	Central Bank of India	**8,022.4**	8,463.3
7	Corporation Bank	**6,560.9**	6,883.9
8	Dena Bank	**1,180.6**	1,243.6
9	The Federal Bank Limited	**1,864.1**	1,893.2
10	IDBI Bank Limited	**3,763.5**	3,967.4
11	Indian Bank	**3,757.9**	3,962.7
12	Indian Overseas Bank	**6,199.8**	6,509.3
13	Oriental Bank of Commerce	**7,648.9**	8,097.9
14	Punjab National Bank	**10,561.9**	11,136.9
15	Punjab & Sind Bank	**2,386.0**	2,513.0
16	State Bank of India	**5,764.8**	6,051.9
17	Syndicate Bank	**5,572.3**	5,819.6
18	UCO Bank	**4,996.6**	5,290.6
19	United Bank of India	**2,270.2**	2,382.2
	TOTAL	**109,952.5**	**115,434.3**

For all Secured Term Loans from Banks, interest rate is linked to respective Bank's Prime Lending Rate / Base Rate / Libor plus Margin. These loans are repayable in Quarterly Installments starting from 31st December 2013 and ending in 30th September 2026. Disclosure as regards amount of repayment installment and rate of interest are not made due to complexity of repayment schedules and confidentiality clause with the banks as regards interest rate.

All Term Loans from above Banks are secured by Hypothecation of 25 aircraft and 10 immovable properties at market value and all Current Assets (Previous Year 25 aircrafts, 11 immovable properties and all Current Assets). However equitable mortgage for 7 immovable properties with banks are yet to be created.

13.2(b) Total Unsecured Term Loan from Banks of Rs.16,349.4 Million (Previous Year Rs.21,807.6 Million) has been guaranteed by the Government of India.

(Rupees in Million)

Equal Number of Loan Installments	Amount of Loan as at March 31, 2019	Rate of Interest	Starting Month of Repayment	Month of Maturity
Bullet	4,775.6	Libor + 1.45 /2.5	Sep-2016	Sep-2021
10	562.7	Libor + 2.13455	Apr-2015	Apr-2021
9	557.3	Libor + 2.15	Mar-2015	Mar-2021
9	662.0	Libor + 1.55	Mar-2016	Mar-2021
9	732.5	Libor + 1.55	Mar-2016	Mar-2021
5	9,059.3	Libor + 1.80	Jun-2016	Mar-2020
TOTAL	**16,349.4**			

13.2(c) Unsecured Term Loan from Others of Rs.121.0 Million (Previous Year Rs.219.8 Million) are guaranteed by the Government of India.

(Rupees in Million)

Equal Number of Loan Installments	Amount of Loan as at March 31, 2019	Discounted As per Ind AS as at March 31, 2019	Rate of Interest	Starting Month of Repayment	Month of Maturity
42	153.7	79.8	Interest Free	Oct-1990	Oct-2039
39	70.3	41.2	Interest Free	Oct-1987	Mar-2037
TOTAL	**224.0**	**121.0**			

13.3 Long Term Maturities of Finance Lease Obligations of Rs.43,832.6 Million (Previous Year Rs.58,519.8 Million) are guaranteed by the Government of India to the extent of Rs.36,932.9 Million (Previous Year Rs.47,545.7 Million)

(Rupees in Million)

Number of Equated Loan Installments	**Amount of Loan as at March 31, 2019**	**Rate of Interest**	**Starting Month of Repayment**	**Month of Maturity**
27	8,730.7	Libor + 0.24	Aug-2011	Jul-2022
31	14,442.0	Libor + 0.93	Mar-2010	Sep-2021
8	10,633.5	Libor + 0.75	Feb-2008	Feb-2021
11	2,180.0	Libor - 0.05+0.55	Jan-2009	May-2020
10	2,294.0	2.46% to 2.89% Fixed	Oct-2007	Dec-2019
3	5,552.4	Libor + 0.75	Mar-2007	Dec-2019
TOTAL	**43,832.6**			

* Current maturities of long term borrowings have been grouped under the head Other Current Financial Liabilities (Refer Note No.15)

NOTE "14" : TRADE PAYABLES

(Rupees in Million)

Particulars	**Non Current**		**Current**	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	-	-	**163.7**	156.6
Total outstanding dues of creditors other than micro enterprises and small enterprises *	-	-	**81,879.3**	80,640.2
	-	-	**82,043.0**	80,796.8

* **Trade Payable includes :**

Net payable to Joint Venture AI-SATS Rs. 859.1 Million net of TDS (Previous Year : Rs. 969.8 Million).

Also Refer Note No.51 - Identification of Micro and Small Enterprises.

NOTE "15" : OTHER FINANCIAL LIABILITIES

(Rupees in Million)

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Other Liabilities				
a) Current maturities of long-term debts *	**-**	-	**199,716.7**	13,290.3
b) Current maturities of finance lease obligations *	**-**	-	**23,539.2**	19,068.7
c) Interest accrued but not due on borrowings	**-**	-	**6,557.6**	6,365.7
d) Interest accrued and due on borrowings **	**-**	-	**1,981.0**	3,196.9
e) Other Liabilities (Net) ***	**47.9**	111.8	**51,669.9**	42,790.6
f) Book Overdraft	**-**	-	**-**	18.2
	47.9	111.8	**283,464.4**	84,730.4

* For details of Current maturities of long term debts / Finance Lease Obligation Refer Note 13.

Current Maturities of long-term debts includes Rs.183,952.5 Million identified for transfer to SPV Air India Assets Holding Limited (Refer Note 13)

** **<u>Interest accrued and due includes :</u>**

Rs.236.6 Million being interest on Secured Loans repayable on demand from Banks (Previous Year : Rs. 2,078.3 Million), paid subsequently (Refer Note 18).

Rs.1597.6 Million being interest on Unsecured Loans repayable on demand from Banks (Previous Year : Rs. 1,063.5 Million), paid subsequently (Refer Note 18).

Rs.146.8 Million being interest on Future Lease Obligation (Previous Year : Rs. 55.1 Million), paid subsequently (Refer Note 13)

*** **Other Liabilities (Net) includes :**

Rs.14,970.6 Million towards Guarantee Fee Liability (Previous Year : Rs.8,391.5 Million

Rs.19,332.8 Million towards Provision for Employees including JDC impact (Previous Year : Rs.19,154.4 Million)

Rs.8,583.2 Million towards Delayed Payment Interest to Oil Marketing Companies (Previous Year : Rs.7,590.6 Million)

NOTE "16" : PROVISIONS

(Rupees in Million)

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Provision for Employee Benefits				
a) Gratuity	**6,101.4**	6,026.0	**1,054.1**	1,025.1
b) Leave Encashment	**3,039.2**	3,288.0	**471.0**	504.1
c) Post Employment Medical and Other Benefits	**11,559.0**	10,960.2	**592.1**	583.6
(A)	**20,699.6**	20,274.2	**2,117.2**	2,112.8
Other Provisions				
a) Re-delivery of Aircrafts	**7,572.2**	5,210.3		
(B)	**7,572.2**	5,210.3	**-**	-
TOTAL (A + B)	**28,271.8**	25,484.5	**2,117.2**	2,112.8

NOTE "17" : OTHER NON FINANCIAL LIABILITIES

(Rupees in Million)

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
a) Forward Sales (Net) [Passenger / Cargo]	-	-	**24,477.4**	22,445.3
b) Advance from customers (Net) *	-	-	**35,807.0**	31,016.6
c) Others Liabilities (Net) **	-	-	**1,218.8**	2,284.5
d) Frequent Flyer Programme	-	-	**828.7**	636.9
	-	-	**62,331.9**	56,383.3

* Advance from customers (Net) includes Rs.34,675.2 Million (Pevious Year : Rs.30,000.0 Million) pertains to 2 B777-300 SESF Aircraft.

** Other Liabilities (Net) includes Govt. Taxes / Statutory Dues amounting to Rs.764.9 Million (Previous Year : Rs.1,839.8 Million)

NOTE "17.1" : LIABILITIES CLASSIFIED AS HELD FOR SALE

(Rupees in Million)

Particulars	Non Current	
	As at March 31, 2019	As at March 31, 2018
Liabilities to Subsidiary Companies (net)		
Air India Air Transport Services Limited	**606.2**	-
	606.2	-

NOTE "18" : SHORT TERM BORROWING

(Rupees in Million)

	Particulars	As at March 31, 2019	As at March 31, 2018
I	Loans repayable on demand :		
	a) from Banks (Secured) 1 / 2 / # / *	**113,992.6**	110,915.7
	b) from Banks (Unsecured) # / *	**135,950.8**	108,639.2
	c) from Other Parties (NSSF) (Unsecured)	**26,360.0**	-
	TOTAL	**276,303.4**	219,554.9

1. Secured loans repayable on demand from Banks are to the tune of Rs.66,857.9 Million (Previous Year Rs.66,482.2 Million). Details are as under :

(Rupees in Million)

Sr. No.	Name of the Lender	As at March 31, 2019	As at March 31, 2018
1	Allahabad Bank	**3,344.0**	3,350.0
2	Andhra Bank	**1,005.2**	1,010.0
3	Bank of Baroda	**18,343.3**	13,985.4
4	Bank of India	**5,345.5**	4,891.8
5	Canara Bank	**4,853.9**	4,794.2
6	Central Bank of India	**2,688.8**	2,716.5
7	Corporation Bank	**2,162.0**	2,186.6
8	Dena Bank	**381.9**	407.3
9	HDFC Bank Ltd.	**40.5**	50.0
10	The Federal Bank Limited	**698.3**	651.9
11	IDBI Bank Limited	**1,247.9**	1,273.4
12	Indian Bank	**1,280.0**	1,280.0
13	Indian Overseas Bank	**1,575.0**	1,613.9
14	Oriental Bank of Commerce	**2,575.1**	2,597.7
15	Punjab National Bank	**3,854.1**	3,761.0
16	Punjab & Sind Bank	**2,269.0**	786.8
17	Standard Chartered Bank	**7,343.3**	11,955.3
18	State Bank of India	**3,807.2**	1,640.9
19	Syndicate Bank	**1,845.9**	1,867.7
20	UCO Bank	**1,694.4**	4,447.8
21	United Bank of India	**52.6**	764.0
22	PNB Discounting	**450.0**	450.0
	TOTAL (1)	**66,857.9**	66,482.2

The loans to the tune of Rs.66,857.9 Million are secured by Hypothecation of 30 aircraft, 2 engines, 11 immovable properties at market value and all Current Assets (Previous Year : 29 aircraft, 11 immovable properties and all Current Assets). However equitable mortgage for 7 immovable properties with banks are yet to be created.

2. Secured loan repayable on demand from Bank is to the tune of Rs.47,134.7 Million (Previous Year Rs.44,433.5 Million). Details of Secured Loans from Banks are as under :

(Rupees in Million)

Sr. No.	Name of the Lender	As at March 31, 2019	As at March 31, 2018
1	Investec Bank	**32,779.5**	30,893.0
2	First Gulf Bank	**14,522.5**	13,686.7
		47,302.0	44,579.7
	Less : Deferred amount of upfront fees	**167.3**	146.2
	TOTAL (2)	**47,134.7**	44,433.5
	TOTAL (1 + 2)	**113,992.6**	110,915.7

The loans to the tune of Rs.47,134.7 Million (Previous Year Rs.44,433.5 Million) are secured by Hypothecation of 6 aircraft at market value (Previous Year : 6 aircraft).

3. Unsecured loan repayable on demand from Bank of Rs.135,950.8 Million (Previous Year Rs.108,639.2 Million) has been guaranteed by the Government of India to the extent of Rs.129,791.5 Million (Previous Year Rs.104,522.4 Million).

(Rupees in Million)

Sr. No.	Name of the Lender	As at March 31, 2019	As at March 31, 2018
1	Bank of Baroda	**21,750.0**	21,750.0
2	Bank of Baroda	**15,000.0**	-
3	Bank of Baroda OD NYC	**2,955.6**	3,224.4
4	Bank of India	**15,000.0**	15,000.0
5	Indusind Bank	**10,000.0**	10,000.0
6	Punjab national Bank	**22,500.0**	22,499.8
7	Punjab National Bank	**15,000.0**	15,000.0
8	Uco Bank	**10,000.0**	-
9	Uco Bank	**8,250.0**	8,249.6
10	SBI Bill Discounting *not guaranteed by GOI	**6,159.3**	4,116.8
11	SCB/FAB/Meshreq Bridge Loan	**9,335.9**	8,798.6
	TOTAL	**135,950.8**	108,639.2

Disclosure as regards Bank wise rate of interest and period of default is not made due to complexity of data & confidentiality clause with the banks. (Also refer Note 13 & 15)

* As indicated in Note 29(ii) & (v), a sum of Rs.294,640.0 Million as on 1st October 2018 is identified for transfer to the SPV / AIAHL. A sum of Rs.74,000.0 Million and Rs. 109,952.5 Million pertaining to Note 13 - Long Term Borrowings is identified for transfer. The balance amount of Rs.110,687.5 is included in Short Term Secured & Unsecured Borrowings from Banks above.

NOTE "19" : REVENUE FROM OPERATIONS

(Rupees in Million)

Particulars		2018-19	2017-18
i) Scheduled Traffic Services			
1	Passenger	**207,741.6**	177,440.9
2	Excess Baggage	**1,203.8**	1,110.1
3	Mail	**576.2**	713.4
4	Cargo	**14,484.0**	12,095.2
	(A)	**224,005.6**	191,359.6
ii) Non-Scheduled Traffic Services			
1	Charter	**14,526.2**	12,459.5
2	Block Seat Arrangement	**462.4**	516.8
3	Subsidy for Operations from Government	**355.0**	109.6
	(B)	**15,343.6**	13,085.9
iii) Other Operating Revenue			
1	Handling and Servicing	**1,653.7**	1,674.3
2	Manufacturers Credit	**356.7**	1,363.3
3	Incidental	**9,821.9**	17,248.2
4	Revenue Share from Air India Express Ltd. (Wholly Owned Subsidiary Company)	**3,500.0**	4,000.0
5	Revenue Share from Air India Air Transport Services Ltd. (Wholly Owned Subsidiary Company)	**406.8**	750.0
	(C)	**15,739.1**	25,035.8
	TOTAL (A + B + C)	**255,088.3**	229,481.3

NOTE "20" : OTHER INCOME

(Rupees in Million)

	Particulars	2018-19	2017-18
1	Interest Income on :		
	a) Bank Deposits	**369.0**	271.7
	b) Others *	**693.4**	283.9
	c) Advances to Subsidiary Companies	**3,923.2**	3,221.7
2	Dividend from Long Term Investments (Trade)	**72.7**	69.5
3	Rent from Air India Building	**901.1**	886.4
4	Profit / (Loss) on Sale of Assets (Net)	**1,225.6**	1,761.5
5	Provisions No Longer Required written back	**2,032.6**	2,473.4
	TOTAL	**9,217.6**	8,968.1

* Interest Income on Others includes interest pertaining to discounting of Security Deposits as per Ind AS amounting to Rs.257.6 Million (Previous Year : Rs.211.8 Million)

NOTE "21" : OTHER OPERATING EXPENSES

(Rupees in Million)

	Particulars	2018-19	2017-18
1	Insurance	**941.3**	979.1
2	Material Consumed - Aircraft	**5,511.2**	6,655.2
3	Outside Repairs - Aircraft	**29,250.9**	20,535.4
4	Navigation, Landing, Housing and Parking	**19,188.2**	18,113.4
5	Hire of Aircraft	**30,926.1**	23,550.6
6	Handling Charges	**15,878.3**	13,894.0
7	Passenger Amenities	**10,251.7**	8,897.7
8	Booking Agency Commission (Net)	**5,634.8**	5,249.8
9	Communication Charges		
	i) Reservation System	**11,847.1**	10,101.5
	ii) Others	**1,684.3**	2,123.1
	TOTAL	**131,113.9**	110,099.8

NOTE "22" : EMPLOYEE BENEFIT EXPENSES

(Rupees in Million)

	Particulars	2018-19	2017-18
1	Salaries, Wages and Bonus	14,284.8	14,184.9
2	Crew Allowances	11,459.2	10,913.8
3	Contribution to Provident and Other Funds	1,043.5	866.4
4	Staff Welfare Expenses	1,291.1	374.9
5	Provision for Gratuity	760.7	1,700.4
6	Provision for Leave Encashment	207.6	540.5
7	Provision for Retirement Benefit	1,005.4	883.0
	TOTAL	**30,052.3**	29,463.9

NOTE "23" : FINANCE COST

(Rupees in Million)

	Particulars	2018-19	2017-18
1	**Interest on :**		
	a) Debentures	**12,801.8**	12,801.8
	b) Short Term and Long Term Loans	**33,298.8**	25,400.9
		46,100.6	38,202.7
	Less: Interest Cost Reimbursement through SPV AIAHL (Refer Note 29(vi))	**13,000.0**	-
		33,100.6	38,202.7
2	Other Borrowing Costs *	**7,503.9**	3,354.1
3	Interest on Delayed Payment other than borrowings	**6,508.5**	3,084.1
	TOTAL	**47,113.0**	44,640.9

* Includes an amount of Rs.20.5 Million (Previous Year : Rs.46.0 Million) interest charged by Subsidiary Company, AIATSL on outstanding balances.

a) Exchange rate difference in the nature of interest cost on foreign currency borrowing has not been reclassified due to complexity of transactions.

NOTE "24" : DEPRECIATION AND AMORTIZATION EXPENSE

(Rupees in Million)

	Particulars	2018-19	2017-18
1	Depreciation of Tangible Assets	**16,062.2**	16,894.2
2	Amortization of Intangible Assets	**271.7**	243.1
	(A)	**16,333.9**	17,137.3
	Less : Recoupment from Capital Reserve (Refer Note 12)	**454.6**	463.5
	(B)	**454.6**	463.5
	TOTAL (A- B)	**15,879.3**	16,673.8

NOTE "25" : OTHER EXPENSES

(Rupees in Million)

	Particulars	2018-19	2017-18
1	Travelling Expenses		
	i) Crew	**2,734.2**	2,309.6
	ii) Others	**657.2**	527.1
2	Rent	**614.9**	1,050.7
3	Rates and Taxes	**77.3**	168.7
4	Repairs to :		
	i) Buildings	**199.2**	403.9
	ii) Others	**822.6**	980.9
5	Hire of Transport	**837.3**	758.0
6	Electricity & Heating Charges	**497.8**	628.6
7	Water Charges	**7.2**	28.4
8	Directors' Sitting Fees	**0.7**	0.2
9	Publicity and Sales Promotion	**840.8**	1,185.6
10	Printing and Stationery	**118.8**	118.8
11	Legal Charges	**101.9**	126.3
12	Payments to the Auditors' (Refer Note No.53)		
	i) Audit Fees	**12.0**	10.5
	ii) Other Expenses	**2.5**	1.6
13	Provision for Bad & Doubtful Receivables and Advances	**2,109.5**	793.5
14	Write-off / Write Back / Provision of Obsolete Inventory	**1,907.7**	1,612.0
15	Write-off of Duty Credit Entitlement under SFIS	**388.5**	786.4
16	Expenses on Block Seat Arrangements	**151.7**	176.1
17	Exchange Variation (Net) *	**7,721.7**	307.8
18	Bank Charges	**2,030.5**	1,987.5
19	Professional / Consultation Fees & Expenses	**412.8**	506.2
20	Miscellaneous Expenses	**2,304.0**	2,853.1
	TOTAL	**24,550.8**	17,321.5

* Includes exchange variation on bridge loans amounting to Rs.3,272.4 Million (Previous Year : Rs. 362.2 Million)

Notes forming part of the Standalone Financial Statements of Air India Limited for the year ended 31st March 2019

(Rupees in Million except otherwise stated)

26. Contingent Liabilities & Contingent Assets:

A. Contingent Liabilities:

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

(Rs in Millions)

No	Description	Balance as on 31st March 2019	Balance as on 31st March 2018
(i)	Pax Claims on account of Misc Commercial Reasons.	**417.3**	365.5
(ii)	Income Tax Demand Notices received by the Company which are under Appeal	**1,240.4**	540.6
(iii)	Customs Duty and Service Tax demanded by the Tax Authorities	**9,208.5**	7,668.2
(iv)	Property Taxes/House Tax demanded by the Municipal Authorities	**111.0**	107.7
(v)	Claims of Airport Operators/Others (*)	**1,196.4**	6,118.2
(vi)	Other Claims on account of Staff/Civil/ Arbitration/Labour Cases pending in Courts	**2,136.4**	1,848.1
(vii)	Government Guarantee Fee (**)		
a)	Difference between Applicable Rate & the rate of 0.5% at which Guarantee Fee has been provided	**-**	3,066.1
b)	Additional Guarantee Fee	**17,470.4**	13,957.4
	Total	**31,780.4**	**33,671.8**

<u>**Explanatory Statement in respect of Other Contingent Liabilities**</u>

a) Claims of Airport Operators includes (*) - In the case of GHIAL, a claim of Rs 988.6million(PY: Rs. 4806.5 million) for interest on delayed payments has not been accepted and pending determination of actual liability for the same, the amounts demanded by them have been shown as Contingent Liability. In the case of other Airport Operators namely DIAL and MIAL their claims have been duly verified and reconciled during the year except as stated in Note No 40(i)(b) and liability provided for the same during the year.

b) Government Guarantee Fee (**): The company has taken up the issue of waiver of guarantee fee and related penal charges with the Ministry of Finance through the Ministry of Civil Aviation. As regards the penal charges on the delayed payments of Guarantee Fee the Company has disclosed a Contingent Liability for the same amounting to Rs.17470.4 million (PY: Rs.13957.4

million).However, as a matter of prudence, the Company has provided Rs.4080.8 million towards difference between applicable rate and the rate of 0.5% on working capital loans.

B. Contingent Assets

During the year 2017-18, the Hon'ble Supreme Court of India has vacated the stay granted by the Hon'ble High Court of Delhi in respect of implementation of tariff fixed by AERA applicable with effect from 01/01/2016. In this regard the tariff fixed for the 2nd control period (i.e.from 1.1.2016), was lower than the tariff fixed for the 1st control period (tariff prior to 1.1.2016). In view of this judgment, DGCA issued AIC (Aeronautical Information Circular) for the implementation of 2nd control period tariff with immediate effect, however, the same is still to be implemented. In the intervening period DIAL has collected from Air India, an excess amount to the tune of Rs 2299 million (approx). on account of Landing & Parking Charges. The company has requested AERA that while fixing the tariff, the airlines who have shouldered the burden of excess amount collected may be compensated by way of discount in tariff in proportion to the excess amount collected by DIAL from respective airlines.

During the normal course of business, certain unresolved claims are outstanding. The inflow of economic benefits in respect of such claims cannot be measured due to uncertainties that surround the related events/circumstances.

27. Commitments:

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account are given hereunder:

Particulars		**(Rs in Million)**
	As on 31st March 2019	As on 31st March 2018
Aircraft Related Payments	**2195.5**	2607.9
Others	**912.0**	1550.4
Total	**3107.5**	4158.3

(ii) Other Long-TermCommitments

a) Corporate Guarantees, Letters of Comfort given by the Company on behalf of its Subsidiary Companies:

Particulars		**(Rs in Million)**
	As on 31st March 2019	As on 31st March 2018
Air India Express Ltd	**8011.9**	7434.0
Airline Allied Services Ltd	**4273.0**	4074.1

Against the above Guarantees given by company, guarantee fee/commission has been charged by the company at the rate of 0.5%.

b) Commitment in respect of non-cancellable Operating Leases in respect of aircraft as at 31st March 2019 is Rs 246,691.9 million (PY: Rs 255,282.6 million)

28. Disinvestment of Air India Ltd

(i) In view of the NITI Aayog recommendations on the disinvestment of AI and followed by the recommendations of the Core Group of Secretaries on disinvestment (CGD), the Cabinet Committee on Economic Affairs (CCEA) had given an ‘In-Principle’ approval for considering the strategic disinvestment of the Air India group in its meeting held on 28th June 2017. CCEA also constituted the Air India Specific Alternative Mechanism (AISAM) to guide the process of strategic disinvestment. The Transaction Advisor, Legal Advisor and Asset Valuer have also been appointed to guide the Govt and to carry forward the process of Disinvestment.

(ii) The AISAM in its meetings held on 21st September, 2017 and 5th October. 2017 decided that :

a) The following Four Subsidiaries of Air India be demerged and parked in the newly created SPV:.

i) Air India Air Transport Services Limited (AIATSL)

ii) Airline Allied Services Limited, (AASL)

iii) Air India Engineering Services Limited(AIESL),

iv) Hotel Corporation of India (HCI)

b) Accumulated working Capital loan not backed by any assets be parked in the newly created SPV

c) A Special Purpose Vehicle (SPV) be created for warehousing accumulated working capital loan not backed by any asset along with four subsidiaries AIATSL, AASL, AIESL, HCI, non-core assets, paintings and artifacts and other non-operational assets. This entity be named “Air India Assets Holding Limited”.

(iii) Pursuant to the above decision of the AISAM, the SPV Air India Assets Holding Limited (AIAHL) was formed.

(iv) The Ministry of Civil Aviation vide their Letter No. AV.17046/368/2017- AI dated 3rdNovember, 2017 directed Air India to demerge the above mentioned four subsidiaries to park it in the SPV. It further directed to transfer the investment in the shares of the subsidiary companies namely AIATSL, AASL, AIESL and HCI from Air India to the SPV company at book values (at value shown in the Balance Sheet as of 31.03.2017 with any addition to “Equity” thereto during the year)

(v) The Board of Air India in its 82nd Board meeting held on 17thNovember, 2017 had given in-principle approval for transferring the interest of Air India in the subsidiary companies viz. AIATSL, AIESL, AASL and HCI to the SPV after following the necessary procedures under the Companies Act, 2013 and other legal formalities as may be recommended by the legal advisor.

(vi) Pursuant to the fact that no bids were received on the Expression of Interest for strategic disinvestment of Air India, the AISAM in its meeting held on 18th June 2018 decided that:

a) In view of the volatile crude prices and adverse fluctuation in exchange rates, the present environment is not conducive to stimulate interest amongst investors for strategic disinvestment of Air India in the near future.

b) To undertake near and medium-term efforts to capture operational efficiencies and to improve the performance of Air India.

c) To monetize non-core land and building assets

d) To separately decide the contours of the mode of disposal of the subsidiaries viz. Air India Engineering Services Ltd (AIESL), Air India Transport Services Ltd (AIATSL) and Airline Allied Services Ltd (AASL)

e) Once the global economic indicators including oil prices and the forex regime stabilizes, the option of strategic disinvestment of Air India should be brought before AISAM, for deliberating the future course of action.

(vii) Accordingly, in line with the above decisions conveyed by AISAM, and in view of the deteriorating financial health of Air India Ltd, a Strategic Revival Plan was formulated to take AI back on the path of profitability. The main modalities/directions of this Plan were discussed in the meeting taken by the Hon'ble Finance Minister to discuss the "Plan for Operational & Financial Efficiency in Air India" on 7th September 2018.

(viii) The objective of the Strategic Revival Plan was to establish a strong competitive and self-sustaining airline which can be strategically divested or listed in the next few years. Focus on increasing the operational efficiencies whereby substantial increase in revenue or cost saving can be achieved.The Revival Plan contained the following major components:

- Organizational Reforms
- Financial Package
- Disinvestment of Subsidiaries
- Sale of non-core Assets
- Improving Internal Efficiencies
- Tapping the human resource potential to the fullest

(ix) After deliberations in the meeting held on 7th September, 2018 under the chairmanship of Hon'ble Finance Minister the "Plan for Operational & Financial Efficiency in Air India" was approved. The following decisions were also taken in the same meeting:

- Debt amounting to Rs 294,640.0 million to be transferred from Air India Ltd to the SPV viz Air India Assets Holding Ltd effective 1st October 2018.
- A Cash Support of Rs 39,750.0 million to Air India, inclusive of Rs 16,300.0 million already infused in AI in the current financial year.
- Provide a Govt Guarantee of Rs 76,000.0 million, (inclusive of Rs 30,000.0 million already provided to Air India in FY 2018-19), to raise new debt for payment of stretched liabilities.
- Rs 13,000.0 million to be provided to the SPV to meet the interest for Q3/Q4 of FY 18-19 on the debt transferred to the SPV
- The entire interest on the debt of Rs 294,640.0 million transferred to the SPV, would be serviced by the Government from FY 2019-20
- Sale/Disinvestment of AIATSL within the Financial year 2018-19

(x) In line with the above directives issued by the Ministry of Finance, Govt of India dated 7th September 2018, the Board of Directors of the company, in the Board meeting held on 16th October 2018 decided to transfer 100% share holding of its Subsidiary AIATSL to Air India Asset Holding Ltd (AIAHL, the SPV), subject to necessary approvals and authorized the Company to initiate the talks with AIATSL/AIAHL to finalize the detailed terms and conditions of the transfer. The Board approved the above transfer at a minimum price corresponding to the Net worth of AIATSL as on 31st March, 2018. It also decided that in the event AIAHL is subsequently able to sell AIATSL to a third party at a higher price, then such additional amount shall also be payable by AIAHL to AI as part of the consideration for the purchase of AIATSL. The process of legal transfer of shareholding of AIATSL to AIAHL is still under process and likely to be completed shortly.

(xi) Further, in this regard the PIM (Preliminary Information Memorandum) for the invitation of bids for Expression of Interest (EoI) for the disinvestment of AIATSL has already been issued the details of which are given hereunder:

- PIM released on 12th Feb, 2019
- Deadline for submission of EOI - 16th May, 2019 which has been extended till 16th August 2019.
- Last date of Intimation to the Qualified Interested Bidders (QIB) has also been extended to 30th August 2019

(xii) From the above, it is evident that as part of the disinvestment process, the Government has taken a series of measures to improve Air India's Operational and Financial Efficiency and the same are summarized below:

a) Transfer of Debt of Air India to AIAHL amounting to Rs 294,640.0 million effective 01st October, 2018

b) Transfer of non-core Assets, paintings and artifacts' from AI to AIAHL

c) Transfer of the investment in four subsidiaries viz. AIATSL, AASL, AIESL, HCI to AIAHL along with any receivables or payables related to these subsidiaries

d) Interest on the transferred debt to AIAHL will be borne by AIAHL effective 1st October 2018 and thereafter

e) Provision of Rs 13,000.0 million for AIAHL for servicing the Interest

(xiii) The above decision of the Government amounts to vesting of debt to the extent of Rs 294,640.0 million against transfer of subsidiaries, non-core assets, paintings and artifacts. The total book value of the investment in subsidiaries and the assets are less than the loan being taken over. Further, amongst the subsidiaries, only one subsidiary viz. AIATSL is a profit making subsidiary with a positive net worth. The specially formed SPV - AIAHL has therefore accepted liabilities of Air India far in excess of the book value of the Investments/ Assets being transferred. The exact value would be determined only after the actual monetization of properties and sale of subsidiaries is completed.

29. Transactions with the SPV relating to Disinvestment of Air India Ltd

i) In line with the decision of AISAM, a Company by the name of Air India Assets Holding Ltd (AIAHL) has been incorporated with 100% shareholding held by the Government. This entity is an SPV specially formed for the purpose of acquiring from Air India Limited

a) Its shares held in AIATSL, AASL, AIESL, and HCI,

b) Paintings artifacts and other non-operational assets as may be decided by Air India Ltd and the Government of India

c) Non-core assets as may be decided by Air India Ltd and the Government of India

d) Immoveable properties whether leasehold or freehold

e) Accumulated working capital loans not backed by any asset and

f) Other assets / liabilities or of its subsidiaries, as may be decided by Air India Ltd/ Government of India

ii) Pursuant to the decisions taken in the various AISAM meetings stated above, Air India began the exercise of transfer of identified debt amounting to Rs 294,640.0 million as on 1st October 2018. However, in view of lenders approval for transfer not forthcoming, the debt transfer could not take place and the debt continued to be in the books of Air India Limited. Air India continued to service the interest due on these loans identified for transfer to AIAHL.

iii) 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 30th 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 GoI 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,

iv) The Ministry of Finance, Department of Economic Affairs vide its Letters dated 18th June 2019 have already conveyed the Govt of India's approval for raising the above debt by AIAHL to repay AI's debt proposed to be transferred to the SPV. The process of issuing of the above Bonds has been initiated and likely to be completed soon.

v) As such, as on 31st March, 2019 the identified debt of Rs 294,640.0 million continues to be reflected as Long term/Short term borrowings in the books of Air India Limited as Current and the interest serviced on these debts from 1st October 2018 are reflected as Finance Costs.

vi) As per the decision of AISAM the interest on the identified debt were to be serviced by AIAHL and a sum of Rs 13,000.0 million was approved and transferred to AIAHL by the Government.

This amount in turn was transferred to Air India by AIAHL as reimbursement of the interest costs serviced by Air India effective 1st October 2018. Accordingly, this amount of Rs 13,000.0 million has been reduced from the Finance costs of AIL.

vii) As seen from Paragraph (i) above along with the debt of Air India, certain assets are also part of the transfer to SPV. Some of these assets which are part of the proposed transfer are earning income in the form of Rentals. There are associated costs also involved in the earning of the income and maintenance of the said assets. These assets are also meant to be monetized and the proceeds are to be credited to the SPV/ AIAHL through an escrow mechanism for ultimately servicing the transferred debts.

viii) Accordingly, Air India had initially identified 111 such properties as non-core assets for monetization purposes. However, subsequently based on the operational requirement 108 properties have now been identified for monetization and transfer of proceeds to the SPV, of which 9 properties have already been sold. The remaining 99properties are reflected in 'Assets held for Sale' and 'Investment Properties' as given hereunder:

Particulars	No of Properties	Net Block Value (Rs in Million)
Assets Held For Sale	97	68,066.3
Investment Properties (*)	2	4,377.8

(*) Being redeveloped under an agreement prior to monetization

ix) As per the decisions of AISAM detailed above and as mentioned in the Preliminary Information Memorandum for Inviting Expression of Interest for Strategic Disinvestment of Air India Limited, including AI's shareholding interest in AIXL and AISATS, which was also duly approved by AISAM, issued on 28th March, 2018, the investments in Subsidiary Cos including investment in Equity Shares and any balance receivable from and payable to the Subsidiaries will be transferred to the AIAHL. Accordingly, the investment in Subsidiary Cos along with receivables/ payables relating to the Subsidiary Companies which are proposed to the transferred to AIAHL, have been presented as "Assets held for Sale". Accordingly, the following Subsidiary Companies balances will be transferred to the AIAHL:

(Rs in Million)

No	Name of Sub Co	Investment to be Transferred	Receivables/Payable to be Transferred
a)	Airline Allied Services Ltd (AASL)	4,022.5	16,681.9
b)	Air India Air Transport Service Ltd (AIATSL)	1,384.2	(606.2)
c)	Air India Engineering Services Ltd (AIESL)	1,666.7	17,181.7
d)	Hotel Corporation of India Limited (HCI)	1,106.0	3,052.1
	Total	**8,179.4**	**36,309.5**

x) Since the properties are still in the name of Air India, the company i.e. Air India will be disposing off these properties and the sale proceeds of the same will be transferred to the AIAHL through the escrow mechanism as and when received. The rental income also is accounted for in the books of Air India as Rental Income as the rental agreements with the lessees are signed by Air India. These also would be reconciled at a subsequent date when all the loans are transferred and the net balance receivable or payable, after adjusting for expenses incurred in maintenance of the property, would be transferred/received from AIAHL. Similarly any Revenue sharing arrangements by the subsidiary viz. AIATSL to be transferred to AIAHL, would be accounted for in Air India as the legal transfer of subsidiary AIATSL to AIAHL has yet to take place, but would be part of the cash flow reconciliation.

xi) In the meeting held on 30th May, 2019 it was very clearly agreed that the revenue sharing/ dividend of AIATSL, rental income of the assets proposed to be monetized shall be deposited in Escrow Account from 1st August, 2019. A proposal is required to be moved for accounting and transferring the old receipts subsequent to 1st October, 2018, either in lump sum or in installments to AIAHL Escrow account. The Escrow account is in the final stages of being opened.

xii) As per the preliminary reconciliation up to 31st March 2019 of the various amounts due against the identified loan and the netting off of the income received from the assets in the form of rentals, revenue sharing arrangements of AIATSL and actual monetization of the identified properties for the period 1st October 2018 to 31st March 2019 is as under:

No	Particulars	(Rs in Million)	
a)	Interest Due on the identified Loans		13,651.4
b)	Principal Amount Repayable		2,553.8
	Sub-Total		**16,205.2**
c)	Disbursable Monetization proceeds	608.3	
d)	Net Amount of Rental Income	381.5	
e)	Revenue Sharing with AIATSL (Prov)	150.0	1,139.8
	Net Amount Due from AIAHL		**15,065.4**
f)	Amount received from the SPV in March 2019		13,000.0
	Final Net Amount Due from AIAHL		**2,065.4**

a) The above amount due from AIAHL will be reconciled after the Loans are transferred in the current year 2019-20 and adjusting for all expenses incurred by Air India, exchange adjustments and any reimbursement received from AIAHL in 2019-20. No effect has been given for the above amount of Rs 2,065.4 million due from AIAHL as on 31st March 2019, as the same are not finalized, except for accounting for the receipt of Rs 13,000.0 million towards reimbursement of interest cost.

b) In view of the Loans amounting to Rs 294,640.0 million not yet transferred to AIAHL as on 31.3.2019, no effect has been given to the entire package of transfer of non-core assets/transfer of investment in Subsidiaries along with their receivables and payables. However, these assets/investments are classified as “Assets held for Sale”/ ”Liabilities classified as held for Sale”.

xiii) The effect of all the decisions of various AISAM meetings and decisions of the Government stated above are reflected in the Financial Statements as summarized below:

a) The balance of the principal identified debt for transfer to AIAHL amounting to Rs

294,640.0 million is reflected as Long term/ short term borrowings as current as on 31st March,2019;

b) The reimbursement of Rs 13000.0 million from the AIAHL towards interest costs paid by Air India on the identified loan has been netted off against Finance costs;

c) The book value of the 99 identified properties, that are transferred from Property Plant and Equipment to Assets held for Sale/Investment Property amounting to Rs 72444.1million

d) The aggregate value of investments in 4 subsidiaries amounting to Rs 8179.4 million and advances given to the subsidiaries along with interest accrued thereon amounting to Rs36,309.5 million (Net) are classified as Assets held for Sale.

e) The net amount due from AIAHL towards the interest and Principal amounts due on the identified loans from 1st October, 2018 are not accounted as receivable as the same will be finally reconciled at the completion of the entire transaction.

30. Plant, Property and Equipment

a) Land and Buildings include certain properties for which title deeds are not available. Details of the same are as under:

(Rs in Million)

Particulars	**31.03.2019**			31.03.2018		
	Area (SqMtrs)	**Gross Block**	**Net Block**	Area (SqMts)	Gross Block	Net Block
Land/Buildings Freehold	**-**	**-**	**-**	23904.26	387.1	387.1
Land/Buildings Leasehold	**76874.0**	**180.0**	**180.0**	93551.52	412.7	412.7
Total	**76874.0**	**180.0**	**180.0**	117455.78	799.8	799.8

b) In terms of decision taken, as per the records of the discussions held in the Ministry of Finance on 1st June 2017 for the development of assets of AI located at Vasant Vihar Housing Colony 121,410 sqmtrs (Rs 51,295.1 million) and Baba Kharag Singh Marg Land 14326.38 sqmtrs (Rs 4,770.7 million), the physical possession of these unregistered properties have been handed over to the Ministry of Urban Development (MoUD).The MoUD has been entrusted with the overall responsibility of development and sale of these two properties by the Govt. The sale proceeds from these two properties shall be utilized in liquidating Air India debts. These properties are under charge against working capital loans taken from various banks.Till the above process is completed, the said properties have been classified as “Assets held for Sale”,

c) The company had 508 flats constructed in Nerul on a portion of land admeasuring 28,626 sqmtrs and it has been decided to sell these flats to the employees of the company and organizations under the control of Ministry of Civil Aviation. In terms of the Orders of Hon’ble High Court at Bombay (the Court), the company issued allotment letters to 334 allottees out of 508 flats. However, title to the underlying land can only be conveyed by a tripartite conveyance deed between Societies, Air India and CIDCO which is not yet done. Pending conveyance of title of land in favour of the registered societies and completion of all legal formalities necessary adjustments have been made as at the Transition date (01/04/2016). The value of this property is being carried as on 31.03.2019 as given hereunder:

i) Net Value of 334 flats (including cost of land) amounting to Rs 1,483.9 million allotted in earlier years were transferred to Assets held for Sale

ii) Carrying Value of the balance 174 flats and the vacant land amounting to Rs 4,177.8 million being depreciated cost has been shown under Investment Property.

Necessary entries for the sale of the flats will be made on the completion of the legal formalities.

d) Under Disinvestment plan, monetization of the identified properties is in the process, hence fair value of the investment properties could not be disclosed as a confidentiality measure.

e) Disclosure under IND-AS 40-Investment Property

(Rs in Million)

No	**Particulars**	**2018-19**		2017-18	
		Properties Earning Rent	**Properties not Earning Rent**	Properties Earning Rent	Properties not Earning Rent
A	Rent Earned	893.8	-	923.7	-
B	Operating Expenses				
i)	Repair & Maintenance	21.9	22.5	59.8	36.4
ii)	Electricity	45.7	18.5	58.7	24.5
iii)	Property Taxes	22.0	2.4	23.1	2.5
iv)	AMC Expenses	-	22.5	-	21.3

31. Advance against Land at Nerul

Long Term Loans & Advances include a sum of Rs 24.6 million (PY: Rs 24.6 million) being the advance paid by the company to CIDCO for the purchase of another plot of Leasehold Land at Nerul for the purpose of construction of staff quarters. However, the possession of the plot allotted by CIDCO in this regard has not been handed over to the company and no agreement/lease deed has been executed so far.

32. Assets Held for Sale

Assets held for sale mainly includes

a) Immovable Properties in respect of which the Board has accorded its approval for sale/ monetization. Hence, these properties have been transferred to “Assets Held for Sale A/c” at lower of their carrying value and fair value less cost to sell.“Assets held for Sale” include certain properties for which title deeds are not available. Details for the same areas under:

(Rs in Million)

Particulars	**31.03.2019**			31.03.2018		
	Area (SqMtrs)	**Gross Block**	**Net Block**	Area (SqMts)	Gross Block	Net Block
Land/Buildings Freehold	**23904.3**	**387.1**	**387.1**	-	-	-
Land/Buildings Leasehold	**152413.9**	**56403.2**	**56403.2**	135736.36	56191.0	56191.0
Total	**176318.2**	**56790.3**	**56790.3**	135736.36	56191.0	56191.0

b) Two B-777-300ER aircraft have been procured on behalf of Govt of India has been classified as Assets held for Sale.The entire cost of these aircraft including the cost of modification will be borne by the Govt of India.

33. Vayudoot

After carrying out all disbursements as per the directions of the Ministry of Civil Aviation pertaining to the merger of Vayudoot with Air India Ltd, a balance amount of Rs 28.2 million (PY: Rs. 38.5 million) remains which has been reflected in the books of accounts of AI as “Liability” under “Vayudoot Settlement Account” However, necessary decision regarding the adjustment of this outstanding amount can be taken only when certain Contingent Liabilities relating to Vayudoot Ltd which continue to be disclosed in the Accounts of the AI are settled. This is mainly because these may lead to future liabilities for AI as they mainly pertain to legal cases pending against Vayudoot.AIL has already written to the Ministry of Civil Aviation Govt of India with regard to the unspent balance of Rs 28.2 million out of the amounts sanctioned and released towards liquidating the dues of creditors/parties of erstwhile Vayudoot Ltd.

34. Physical Verification & Reconciliation

a) Fixed Assets:

i) Physical Verification and Reconciliation of major assets viz. Airframes, Aero-engines, APUs and Simulators has been carried out at the year end and reconciliation of the same has also been completed. Further, in the case of land and building (including Investment Properties) reconciliation of number of properties as per fixed assets register vis-à-vis records of holding departments was done. These assets together constitute around 91% of the Gross Block of Assets as on 31.3.2019. No major discrepancies were found on the same.

ii) The physical verification and reconciliation of assets other than above constituting around 9% of the Gross Block as on 31.3.2019, including assets migrated in Fixed Assets Register at block level as one item for which line item identification is under progress. Further, the physical verification of these assets for the biennial period 2016-18 has been completed.However,the necessary action on the Physical Verification Report received is under progress and necessary action on the same will be taken on receipt of approval from the Competent Authority for shortages identified amounting to Rs 154.5 million (Net).

The Physical Verification of Other Assets for the biennial period 2018-20 is under progress.

b) Inventory:

Physical Verification of aircraft/non-aircraft inventory (except inventory relating to phased out fleet and lying with third parties) for the biennial period 2016-18 has been completed. Pending finalization/approval of the Physical Verification Report, by the competent authority, the net ofexcess/shortages found on reconciliation amounting to Rs 23.6 million (PY: Rs 114.0 million) has been provided for. Further during the year the company has charged/written off Rs 89.7 million to P&L Account based on the requisite approval from the competent authority.

The Physical Verification of Inventory for the biennial period 2018-20 is under progress. The Final Report received for the regions covered as of date does not have any material differences and verification for the other regions is under progress.

35. Effect of changes in Exchange rates (IndAS-21)

a) Transactions relating to Foreign Inventory Procurements and closing balances of certain foreign currency monetary items have not been translated at the date of transaction/in accordance with the provisions of Ind AS due to complexity of transactions. The impact of translation of the same is not ascertained; however, the same is not likely to be material.

b) The Company has not adopted Appendix B to Ind AS 21 – Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. However, the effect of on account of adoption of this amendment is not likely to be material.

36. Confirmations/Reconciliations

a) The reconciliation and matching of certain unmatched receivables and payables including, suspense/ control ledgers and staff related accounts is under process. Impact, if any, of consequential adjustment arising out of reconciliation will be dealt with in the year of completion of Reconciliation.

b) The company has sought the confirmation of balances for major receivables, payables and inventory lying with third parties. However, only some of the parties have responded. Wherever the balances confirmed by the parties are not in agreement with the books, reconciliation of difference is under process.

c) Company has requested for confirmation/Bank Statements/Direct confirmation to Statutory Auditors, however, in respect of certain bank accounts the same were not received by Company/ Statutory Auditors.

d) GST, Tax Deducted at source (TDS), provident fund liability, Refunds in respect of Income Tax, are still pending to be reconciled with the Returns filed/ statutory records maintained.

37. The Company has requested for confirmation/Bank Statements/Direct confirmation as on 31st March 2019 to Statutory Auditors. Company has obtained confirmation/bank statements in respect of bank accounts/fixed deposits/loan accounts except for 2 bank accounts carrying

aggregate balance of Rs.0.3 million. However, as per the Statutory Auditors they have not received the confirmations directly in respect of 168 bank accounts carrying aggregate balance of Rs 1,589.5 million, 34 Fixed Deposit accounts carrying aggregate balance of Rs 803.9 million and Loans taken from a foreign bank carrying balance amounting to Rs 9,059.3 million as on 31st March 2019

38. Internal Control

The Company is in the process of strengthening the internal audit process so as to ensure the coverage of all the areas as envisaged in the Minimum Audit Programme and ensure effective internal controls at stations, regional offices, user departments and Central Accounts Office. To comply with the same, Independent Chartered Accountants firms have been appointed by the company.System for uniform and timely accounting in SAP as well as other software, including interface with each other, is under process of being strengthened.

39. Inventories

a) The Work Order Suspense account includes items other than repairables of Rs. 2,371.3 million (PY: Rs 1,765.9 million) out of which provision has been made for Rs 2,233.9 million (PY: Rs 1,277.6 million) for items upto September 2018 and heavy checks/transit checks/express checks upto Feb 2019.

b) Pending reconciliation/rectification, provision of Rs. 246.1 million (PY: Rs 319.7 million) has been made towards the inventory balances lying under various intermediary /suspense heads under RAMCO system for which consumption / issue / scrappage has not been updated until 31.03.2019. Amount lying in such accounts as at 31.03.2019 is Rs 448.9 million (PY: Rs. 645.8 million).

c) The accounting of FDI (Freight, Duty and Incidentals) in Ramco is done on block level instead of at transaction level. At the year end, FDI is expensed out on the basis of ratio of closing inventory to consumption of inventory during the year. The total of FDI expensed out during the period amounts to Rs 1,031.0 million (PY: Rs 823.9 million). This practice has been followed consistently in view of bulk and consolidated movement of spares, and difficulty in identifying and allocating item wise FDI.

40. Status of Reconciliation with Airport Operators

(i) The reconciliation with various Airport Operators such as AAI, MIAL, DIAL, CIAL and GHAIL has been carried out during the year and the status of the same as on 31st March 2019 is given hereunder

(Rupees in Million)

No	Name of Airport Operator	Balance Payable as per Air India Ltd as on 31.3.19	Balance Receivable as per Airport Operators as on 31.3.19	Difference
1	Airport Authority of India (AAI)	14,374.7	20,336.6	(5,961.9)
2	Mumbai International Airport Ltd (MIAL)	1,516.4	1,852.1	(335.7)
3	Delhi International Airport Ltd (DIAL)	2,598.1	2,790.6	(192.5)
4	Cochin International Airport Ltd (CIAL)	173.2	187.8	(14.6)
5	Greater Hyderabad International Airport Ltd (GHIAL)	226.6	1,251.5	(1,024.9)

__Note__: a) The balances as per M/s GHIAL include demand for interest on delayed payment and pending verification, the same have been disclosed as contingent liabilities by the company amounting to Rs. 988.6 million (PY Rs 951.1 million).

b) The balance of M/s MIAL is inclusive of an interest amount of Rs 237.7 million, which subsequent to balance confirmation as on 31.3.2019 has been waived off by MIAL in in FY 2019-20. Thus the actual difference as on 31st March 2019 is only Rs 98.0 million for Contingent Liability has been disclosed.

(ii) In addition to above, other major reasons for the difference are due to payments/credits given by AI up to 31.3.2019 for which accounting effect by the Airport Operators is yet to be given and the difference due to disputes in rates applied for landing & parking charges, ground handling, royalty, space rentals, etc.which are not as per terms & condition of agreements.

(iii) The additional compensation receivable from MIAL is to be accounted for on the completion of the entire process i.e. after comprehensive review of total leased areas/premises ultimately held once the expansion work is completed/certified and handing/taking over is completed.

(iv) The balances in respect of AAI are in the process of reconciliation and during the year various pending issues have been sorted out as per the 'Umbrella Agreement' signed between AI and AAI. Necessary effect for the same will be given in the FY 2019-20 on the completion of the reconciliation of all balances with AAI.

41. Segment Reporting:

a) The Company is engaged in airline related business which is the only reportable segment.The details of geographical area wise revenue earned (derived by allocating revenue to the area in which the sales were made) are given hereunder:

	Particulars	2018-19	2017-18
a)	USA/Canada	**31,177.6**	24,578.7
b)	UK/Europe	**23,338.4**	18,986.9
c)	Asia (Excluding India, Africa and Australia	**34,286.6**	24,047.1
d)	India	**166,303.7**	161,868.6
	Total	**255,088.3**	229,481.3

b) Major revenue-earning asset of the Company is the aircraft fleet, which is flexibly deployed across its worldwide route network. Other non-current assets (other than financial instruments) located outside India are not material, hence, not disclosed.

42. Related Party Transactions:

Disclosure of the names and designations of the Related Parties as required under IND AS-24 are as under:

A. Key Management Personnel &Relatives:

Transactions with Key Managerial Personnel

i) There are no transactions with key managerial personnel other than Remuneration and Perquisites to Chairman & Managing Director and Functional Directors.

ii) Key Management Personnel & Relatives:

(During FY 2018-19 and upto 1st September, 2019)

	Name	Designation
(A)	**Whole-Time Directors**	
1	Shri Pradeep Singh Kharola	Chairman & Managing Director (Appointed as CMD effective 12.12. 2017 and ceased to be CMD w.e.f 14.02.2019)
2	Shri Ashwani Lohani	Chairman & Managing Director (Appointed as CMD effective 14.02.2019)
3	Shri Pankaj Srivastava	Director-Commercial (Upon superannuation, ceased to be on Board w.e.f. 01.05.2018)
4	Shri Vinod Hejmadi	Director- Finance
5	Shri Arvind Kathpalia	Director Operations (Ceased to be on the Board w.e.f. 13.11.2018)
(B)	**Government Nominee Directors**	
6	Ms.Gargi Kaul	Additional Secretary & Financial Advisor, Ministry of Civil Aviation. (Ceased to be on the Board w.e.f. 24.01.2019)
7	Shri Arun Kumar	Additional Secretary & Financial Advisor, Ministry of Civil Aviation. (Appointed on the Board w.e.f. 24.01.2019)
8	Shri Praveen Garg	Additional Secretary & Financial Advisor, Ministry of Civil Aviation. (Appointed on the Board w.e.f. 31.08.2019)
9	Shri Satyendra Kumar Mishra	Joint Secretary, Ministry of Civil Aviation.
C)	**Independent Directors**	
10	(Dr) Shri Ravinder Kumar Tyagi	Appointed on the Board w.e.f 31.05.2017
11	Shri Syed Zafar Islam	Appointed on the Board w.e.f 31.05.2017

	Name	Designation
12	Shri Y.C. Deveshwar	Appointed on the Board w.e.f 08.08.2018) (Ceased to be on the Board w.e.f. 11.05.2019)
13	Shri Kumar Mangalam Birla	Appointed on the Board w.e.f 08.08.2018
14	Smt. Purandeswari Daggubati	Appointed on the Board w.e.f 04.10.2018

iii) Key Managerial Remuneration

(a) Salary and Allowances

(Rs in Million)

No	Particulars		
		2018-19	2017-18
(a)	***Chairman & Managing Director***		
	Salaries & Allowances (including value of perquisites 2018-19 : Rs Nil million (PY: Rs 0.02 million)	3.1	2.3
(b)	***Functional Directors***		
i)	Salaries & Allowances (including value of perquisites 2018-19 : Rs 0.06 million (PY: Rs 0.08 million)	15.7	16.2
ii)	Contribution to Provident Fund	0.6	0.6
(c)	***Independent Directors***		
	Sitting Fees paid to Independent Directors	0.7	0.2

Note:Transactions such as providing airline related services in the normal course of business are not included above.

(b) Employee Benefits Payable and Paid

(Rs in Million)

No	Particulars	2018-19	2017-18
i)	Gratuity Provision	3.4	5.1
ii)	Leave Encashment Provision	4.5	6.0
iv)	Salary Outstanding at year end	1.7	1.3

B. Subsidiary Companies

In terms of Ind AS 24, following are the disclosure requirements related to the transactions with certain Govt related entities, i.e. significantly controlled and influenced entities by Govt of India (not included in the list above):

(Rs in Million)

No	Transactions	2018-19	2017-18
1	**Air India Express Ltd (AIXL)**		
a)	**Expenditure**	**-**	**-**
b)	**Revenue**		
i)	Revenue Sharing with Air India Ltd	**3,500.0**	4,000.0

No	Transactions	2018-19	2017-18
ii)	Interest Cost Reimbursement by Subsidiaries	**924.3**	752.1
iii)	Handling & Servicing	**135.5**	230.6
iv)	Others	**102.3**	-
c)	**Advances**	**11,510.4**	9,953.2
2	**Airline Allied Services Ltd (AASL)**		
a)	**Expenditure**		
i)	Staff Cost Pay and Allowances	**-**	50.0
ii)	Staff Cost Travelling Expenses	**-**	7.2
b)	**Revenue**		
i)	Interest Cost Reimbursement by Subsidiary	**1,382.9**	1,340.7
ii)	Handling & Servicing	**82.8**	65.1
iii)	Others	**60.7**	54.3
c)	**Advances**	**16,682.0**	15,426.2
3	**Hotel Corporation of India Ltd (HCI)**		
a)	**Expenditure**		
i)	Pax Amenities	**304.2**	340.2
ii)	Others	**143.9**	106.3
b)	**Revenue**		
i)	Interest Cost Reimbursement by Subsidiary/Others	**257.5**	204.6
c)	**Advances**	**3,052.1**	2,280.0
4	**Air India Air Transport Services Ltd (AIATSL)**		
a)	**Expenditure**		
i)	Handling Charges	**3,215.9**	2,451.5
ii)	Interest Paid to Subsidiary	**20.5**	46.0
iii)	Others	**82.5**	-
b)	**Revenue**		
i)	Revenue Sharing with Air India	**406.8**	750.0
i)	Others	**82.5**	-
c)	**Liability**	**606.2**	129.2
5	**Air India Engineering Services Ltd (AIESL)**		
a)	**Expenditure**		
i)	Outside Repairs Aircraft	**9,448.5**	5,681.9

No	Transactions	2018-19	2017-18
ii)	Others	**-**	336.8
b)	**Revenue**		
i)	Interest Cost Reimbursement by Subsidiary	**1,358.6**	924.3
c)	**Advances**	**17,181.7**	14,369.2
Also Refer Note No 27 (ii) for Other Commitments.			

C. Transactions with Provident Fund Trusts

(Rs in Million)

Particulars	2018-19		2017-18	
	PF Contribution during the Year	**Outstanding as on 31.3.19**	PF Contribution during the Year	Outstanding as on 31.3.18
PF Trusts Dues	742.9	382..9	666.7	424.8

D. Major Transactions with Govt/Govt Related Entities

The details of the major transactions of Revenue and Expenditure of the company with Govt Related Entities are given hereunder:

(Rs in Million)

No	Name of Entity	2018-19		2017-18
		Balance as on 31st Mar'2019	**Amount of Transactions during the year**	Amount of Transactions during the year
A	***Expenditure***			
i)	Airport Authority of India	**14,374.7**	**4,469.5**	4,903.9
ii)	Govt of India - Guarantee Fee	**14,970.6**	**6,579.1**	2,290.0
ii)	***Oil Companies***			
	Indian Oil Co Ltd	**18,369.2**	**44,214.3**	31,599.5
	Hindustan Petroleum Co Ltd	**6,302.0**	**11,770.8**	10,144.5
	Bharat Petroleum Co Ltd	**6,244.4**	**8,990.2**	6,481.8
B	***Revenue***			
i)	SESF Flights Revenue	**6,467.9**	**8,824.2**	7,554.3
ii)	Charter Revenue - Others	**1,226.6**	**2,475.0**	1,378.4
C	***Loans/Reimbursement/Equity Infusion/Advance***			
i)	Loan from National Small Savings Fund (NSSF)	**26,360.0**	**26,360.0**	-
ii)	Air India Asset Holding Co Ltd (SPV)			

a)	Reimbursement of Interest on AI Loans carved out to the SPV	**-**	**13,000.0**	-
b)	Advance for expenditure	**0.45**	**0.45**	-
iii)	Govt of India			
a)	Equity Infusion from Govt	**-**	**39,750.0**	18,000.0
b)	Advance received for 2 SESF Aircraft	**34,675.2**	**4,675.2**	30,000.0

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

43. Interest in Joint Venture AI-SATS

i) Revenue/Expenditure Transactions relating to AI-SATS

(Rs in Million)

No	Transactions	2018-19	2017-18
a)	**Expenditure**		
i)	Handling Charges	**2,734.0**	2,564.1
b)	**Revenue**		
i)	Loan of Equipment-Lease Charges	**-**	186.1
ii)	Dividend	**20.2**	20.2
iii)	Others	**729.5**	655.1
c)	**Payables**	**859.1**	1,000.5

The company has entered into Joint Venture (JV) agreement with SATS, Singapore in the equity ratio of 50:50 to provide ground handling services to airlines at certain airports this was in pursuance of GOI notification on the ground handling policy.

As per the books of AI, the net balance payable to AI-SATS as on 31st March 2019 is Rs 859.1 million (PY:Rs.1,000.5 Million) and as per the books of AI-SATS the net balance receivable from AI is Rs 892.6 million (PY: Rs 1,000.5 million). The difference of Rs 33.5 million is account of TDS deducted but not remitted by Air India Ltd as on 31.3.2019.

ii) Capital Commitments and Contingent Liabilities in respect of Company share in AI-SATS Joint Venture

(Rs in million)

No	Particulars	31st March, 2019	31st March, 2018
1.	*Estimated amount of contracts remaining to be executed in respect of PPE and Other Intangible Assets*	**-**	74.6
2.	*Company's exposure in respect of performance bank guarantee issued to various parties*	**229.0**	590.1

No	Particulars	**31st March, 2019**	31st March, 2018
3.	*Claims against the Company not acknowledged as debts.*	**-**	-
4.	*Taxation matters:*		
(i)	Income Tax Appeals being contested by the Co	**161.2**	55.6
	Less: Payment under protest In respect of these Appeals	**(65.6)**	(55.6)
(ii)	Other Income Tax Matters	**109.5**	109.5
5.	*Other than Taxation matters*		
	Demand against the ESIC	**2.7**	2.7
	Less: Payment under protest In respect of these Demands	**(2.7)**	(2.7)

44. In compliance with Ind AS – 27 'Separate Financial Statements', the required information is as under:

No	Particulars	Country of Incorporation	Percentage (%) of Ownership Interest	
			As at 31st March 2019	**As at 31st March 2018**
(A)	**Subsidiary Companies**			
i)	Air India Express Ltd (AIXL)	India	**100 %**	100 %
ii)	Air India Air Transport Services Ltd (AIATSL)	India	**100 %**	100 %
iii)	Air India Engineering Services Ltd (AIESL)	India	**100 %**	100 %
iv)	Airline Allied Services Limited (AASL)	India	**100%**	100%
v)	Hotel Corporation of India Ltd (HCI)	India	**80.38 %**	80.38 %
(B)	**Joint Venture (JV)**			
i)	AI-SATS Airport Services Pvt Ltd	India	**50 %**	50 %

45. Leases

i) Finance Lease

a) Aircraft Fleet and Equipment acquired under finance leases are treated as if they had been purchased outright. As required under Ind AS - 17, the cost of these assets taken on lease is Rs 185,438.3 million (PY. Rs 182,888.8 million). The future lease obligation in respect of the aircraft on finance lease is Rs 43,832.5 million as at March 31, 2019 (PY. 61,013.9 million). The Finance leases are guaranteed by the Govt. of India.

Liability on account of future minimum lease rentals is as under:

(Rs in million)

	Particulars	As at 31.3.2019	As at 31.3.2018
a)	**Outstanding balance of Minimum Lease Payments including interest thereon**		
i)	Not later than one year and	**24,128.9**	19,891.4

	Particulars	As at 31.3.2019	As at 31.3.2018
ii)	Later than one year and not later than five years	**21,371.2**	41,122.5
iii)	Later than five years		
	Total	**45,500.1**	**61,013.9**
b)	**Present Value of (a) above**		
i)	Not later than one year	**23,037.4**	18,569.3
ii)	Later than one year and not later than five years	**20,795.2**	39,950.5
iii)	Later than five years		
	Total	**43,832.6**	**58,519.8**
c)	**Finance Charges**	**1,667.5**	2,494.1

ii) Operating Lease:

a) The Company has taken 55 Nos. (PY: 45 Nos) of Aircraft namely 34 (PY: 24 Nos) of Airbus Family and 21 Nos. (PY: 21 Nos) of Boeing Family, as at the end of 31st March 2019 on non-cancellable operating lease. Liability on account of future minimum lease rentals in respect of leases acquired is as under:

(Rs in million)

No	Particulars	As at 31 March, 2019	As at 31 March, 2018
i)	Not later than one year	**31,224.1**	25,521.0
ii)	Later than one year and not later than five years	**117,781.0**	97,346.9
iii)	Later than five years	**93,368.8**	89,179.5
	Total	**242,373.9**	212,047.4

b) In the case of premature termination of the Lease Agreement by company i.e. lessee is required to pay compensation to the Lessors of the. Aircraft as per the terms of the agreement. However, such compensation may differ from Lessor to Lessor.

c) The company has taken various residential/commercial premises under cancellable operating lease/rental basis the amount of which is unascertainable.

d) The Company has also taken Vehicles and Office Equipment on operating lease with option to purchase/renew but title may or may not eventually be transferred. These assets are scattered at various stations and cumulatively not significant. Complete details of future obligation in this respect could not be compiled; amount thereof is not material.

46. Re-Delivery Charges

Provision for re-delivery charges is made to meet the contractual maintenance and return conditions on aircraft held under operating leases. Such provisions are made based on management estimate of number of hours or cycles each engine will have flown at the return date, the cost of performing the required restoration work at that future date and discount rates commensurate with the expected obligation maturity schedules. Judgment is exercised by management given the long-term nature of assumptions that go into the determination of the provision. The assumptions made in relation to the current year are consistent with those in the previous year. Expected timing of resulting outflow of economic benefit is FY 2020 to 2030.

The movement in provision made is as given below:

(Rs in Million)

Particulars	FY 2018-19	FY 2017-18
Opening Balance	**5,210.3**	2,756.3
Add: Additional Provisions during the year	**1982.0**	1,996.6
Add: Interest accretion on Provisions	**610.7**	420.7
Add/(less): Foreign Exchange Impact	**(230.8)**	36.7
Closing balance	**7572.2**	5,210.3

47. Subsidiary Companies

Four Subsidiary Companies of the Air India Ltd (excluding AIATSL) namely AASL, AIXL, AIESL and HCI are having accumulated losses and the net worth of these companies has eroded as on 31st March 2019. The company wise position of these subsidiaries is given hereunder:

a) Air India Express Ltd (AIXL) – Primary mandate of Air India Express is to operate low-cost, direct, international services to Middle East / South East Asian destinations to serve expat population / migrant workers at competitive fares. The company has been posting Net Profits in the last few years and the Net Profit for FY 2018-19 is Rs 1,615.9 million and in FY 2017-18 the same was Rs. 2,195.8 million. The company has also surpassed the Operating Revenue by 17.7% compared to the previous year. The company has achieved a Pan India footprint by launching operations on many new routes from Northern parts of India, the results of which are promising. The company plans on inducting 11 more aircraft through dry lease which would be taken up during 2019-20 which would help it to explore new/additional international and domestic networks. Although the Net Worth was eroded because of the past accumulated losses, the company is continuously showing improvement in operational and financial performance and it is expected that due to its improved performance its net worth will become positive in the near future.

b) Air India Engineering Services Ltd (AIESL) - AIESL is the largest MRO set up in India that can serve as an one-stop-shop for all aircraft engineering requirements. At present, in India, major checks of every commercial wide body aircraft of Indian Operators is done by AIESL. The company has got hangar facilities available in all major airports in Mumbai, Delhi, Chennai, Hyderabad, Kolkata, Trivandrum and Nagpur. AIESL commenced its operations from January 2015 after receiving its DGCA Licence. MRO business is a highly capital intensive industry and it generally has a gestation period of 4-5 years for consolidation of operations.

   However, AIESL has taken various initiatives to improve its overall revenues such as signing of activity based SLA with Air India Ltd, starting MRO facility in Sharjah and plans to expand the same to Dubai, developing dedicated marketing teams to capture MRO business, offering training services, handling VVIP flights to generate additional revenue.

Although, AIESL has posted a Net Loss of Rs 2,049.4 million in FY 2018-19, but as compared to the Net Loss of Rs 4,444.4 million in FY 2017-18 there is a substantial reduction in the Net Losses of the company over the previous year. Hence, in the current year it is showing improvement in its performance on a year to year basis. With a steady reduction in losses and the Make in India thrust of the Govt. of India which will ensure that maintenance of aircraft is within the country, the rapid growth of Aviation in the country and large number of aircraft orders by Indian carriers, AIESL is best poised for taking advantage of the growth in maintenance activities and MRO business within India. In view of this AIESL is likely to earn enhanced revenues and be profitable in the near future.

c) Airline Allied Services Limited (AASL) - AASL has emerged as a major player in the Government of India's premier scheme UDAN, which connects to various Tier II and Tier III cities with the development of unserved / underserved airports. The growth in Tier II and Tier III cities is still largely untapped and Alliance Air is likely to emerge as a largest player with its ATR 72-600 fleet suitable for serving these smaller airports. In FY 2018-19, Alliance Air has inducted 4 new ATR-72-600 aircraft taking the year end fleet to 20 aircraft comprising of 2 ATR-42-300 and 18 ATR-72-600 aircraft. AASL is contemplating a further induction of 15 aircraft.

Alliance Air is presently operating to 551 destinations with 100 to 109 departures per day and 542 to 607 flights per week. AASL carried 1.6 million passengers during 2018-19 as against 1.28 million passengers in FY 2017-18. The aircraft utilization has also increased to 51,758 block hours from 38,252 block hours at a growth of 35% in 2018-19 as compared to 2017-18.

The company has emerged as major player in the Govt of India's UDAN Scheme. The performance of the airline under UDAN has been excellent wherein the company has been operationally positive. The company was operating 29 UDAN routes as on 31st March 2019, which at present has risen to 39 routes.

The airline is consciously increasing the yield and as at the year end the average yield stood at Rs 4,179 per passenger, which is about 8% higher than the previous year 2017-18. Further, the company has implemented cost saving measures for the reduction of costs.

Alliance Air is on the threshold of turnaround and poised to lead the regional connectivity in India in the next decade and be a leading regional carrier of Asia. Alliance Air plans to reverse the trend of adverse financial parameters in this financial year 2019-20 and thereafter consolidate the gains.

d) Hotel Corporation of India Ltd (HCI)–HCI is primarily engaged in the business of owning operating & managing Hotels and Flight Catering services.The company has been facing severe liquidity crunch due to various factors like operational losses and its financial and operating performance has been affected in recent years due to a number of external and internal factors.

However, although HCI has got a negative Net Worth as at 31stMarch 2019, considering the continuous support of the Holding Company and the Government, the Company is and will continue to be able to meet its financial obligations as they fall due. Accordingly the Company has prepared its accounts on a "Going Concern" basis.Various initiatives have also been taken by the management for improving the operational performance of the company and increasing the revenues as detailed below:

i) Due to the renovation of 80 guest rooms and other allied works at Centaur Delhi in view of the equity infusion of Rs 270.0million by Government of India, the revenues of the Company increased from Rs. 569.7 million in 2017-18 to Rs 672.8 million during the year 2018-19.

ii) The Holding Company and Government of India is continuously supporting the Company by way of financial assistance in the form of equity infusion and providing financial assistance as and when required by HCI andare also committed to provide such assistance in future also.

iii) The property of Delhi needs to be handed over to AAI by 31.12.2019 for which the Company is in the process of negotiating the terms of handing over wherein the Company may be given alternate land or compensation in lieu thereof. This will assist the Company in meeting its long term goals of increasing its business.

In view of measures taken by HCI to improve the operational/financial performance of HCI, the company is hopeful that HCI will be able to sustain its requirements from its own revenues in the near future. As regards its investment in HCI, Air India is confident that it would retrieve its investment in the property as well as the loans given to HCI in the event of the closure/sale of HCI as HCI will receive compensation for surrender of land/properties and sale of assets. Accordingly, no provision has been considered for the investment made by the company in HCI.

In view of the above, there is no decline in the carrying value of investments in the above four Subsidiaries.

e) The reconciliation/confirmation with the Subsidiary Cos and JV as on 31st March 2019 is given hereunder:

(Rs in Million)

No	Name of Subsidiary/JV	Balance (Payable)/ Receivable as per Air India Ltd as on 31.3.2019	Balance (Payable)/ Receivable as per Subsidiary Co. 31.3.2019	Difference
1	Air India Express Ltd (AIXL) (Formerly known as Air India Charters Ltd (AICL)	11510.4	(11510.4)	0.0
2	Airline Allied Services Ltd (AASL)	16681.9	(16681.9)	0.0
3	Hotel Corporation of India Ltd (HCI)	3052.1	(3052.1)	0.0
4	Air India Air Transport Services Ltd (AIATSL)	(606.2)	606.2	0.0
5	Air India Engineering Services Ltd (AIESL)	17181.7	(17181.7)	0.0
6	Air India SATS (AI-SATS) JV	(859.1)	892.6	33.5

Note: The difference of Rs 33.5 million between AI and AI-SATS (JV) is on account of TDS of Rs 33.5 million deducted by AI but not reflected in the accounts of AI-SATS as on 31st March 2019.

f) In view of continuity of the operations of these Subsidiary Companies, the total advances outstanding as stated above are, in the opinion of the management, considered good and realizable in the normal course of business.

48. Payments to and Provisions for Employees:

a) Liability for wage arrears includes Rs. 2,076.3 million (Net), (PY Rs. 2,076.3 million Net) arrived on ad-hoc basis towards wage settlement up to period 31st December 2006 pending finalization of actual liability.

b) In view of Department of Public Enterprises (DPE) guidelines applicable to PSUs no wage revision can be granted to the employees of loss-making PSUs. The Company has been making losses since 1st January 2007 hence no provision has been made towards wage revision/ settlement.

c) Revised Basic Pay on the basis of Justice Dharamadhikari Committee Report

Based on Justice Dharamadhikari Committee (JDC) recommendations, the Revised Basic Pay (RBP) had been implemented for all the categories of the employees from different dates. The totalprovision towards the balances payable to the employees on account of the implementation of the JDC recommendations as on 31st March 2019 is Rs 13,319.1 million (PY: Rs 13,319.1 million).

49. Employee Benefits

(A) General description of Defined Benefit Plan

i) **Gratuity**: Gratuity is payable to all eligible employees of the Company on superannuation, death, or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

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

(B) Defined Contribution Plan

Employees Provident Fund: The Company has Employees Provident Fund Trusts under the Provident Fund Act 1925, which governs the Provident Fund Plans for eligible employees. The Company as well as the employees contributes 10% of the PF Pay to the Fund out of which Provident Fund is paid to the employees.

(C) Other Long Term Employee Benefits

i) **Privilege Leave Encashment**: Privilege Leave Encashment is payable to all eligible employees at the time of retirement upto a maximum of 300 days.

ii) **Sick Leave Encashment**: Sick Leave encashment is payable to all eligible employees at the time of retirement upto a maximum of 120 days subject to the condition that the employee should have at least 60 days of Sick Leave to his credit. However, the company had decided to freeze the encashment of sick leave standing to the credit of all existing employees as on 01.07.2012. Accordingly, provision for sick leave has also been computed at these frozen sick leave numbers.

(D) Defined Benefit Plans – Gratuity & Post-Retirement Medical Benefits (Unfunded) Disclosure as per Ind AS-19

(Rs in Million)

	Particulars	**Gratuity**		**Post Retirement Medical Benefits**	
	Gratuity Disclosure Statement As per IND AS 19	**As at 31.03.19**	As at 31.03.18	**As at 31.03.19**	As at 31.03.18
(A)	**Actuarial Assumptions for the year:**				
	Discount Rate	**7.64%**	7.80%	**7.78%**	7.76%
	Salary Escalation Rate	**5.50%**	5.50%	**-**	-
	Medical Cost Inflation Rate			**4.00%**	4.00%
	Attrition Rate/ Rate of Employee Turnover	**2.00%**	2.00%	**2.00%**	2.00%
(B)	**Other Details**				
	Number of Active Members	**9802**	10726	**9802**	10726
	Per Month Salary For Active Members	**605.2**	605.2	**605.2**	605.2
	Weighted Average Duration of the Projected Benefit Obligation	**6 years**	6 years	**30.00**	30.00
	Average Expected Future Service	**8 years**	8 years	**30.00**	30.00
	Projected Benefit Obligation (PBO)	**7051.1**	6972.9	**12120.8**	11511.9
	Prescribed Contribution For Next Year (12 Month)	**-**	0.02	**-**	-
(C)	**Table for Change in Benefit Obligation:**				
	Liability at the beginning of the year	**6972.90**	6206.4	**11511.9**	11351.3
	Less: Liability transferred to AIESL/ AIATSL				
	Net Liability at the beginning of the year	**6972.90**	6206.4	**11511.9**	11351.3
	Interest Cost	**543.9**	423.3	**893.3**	845.7
	Current service cost	**216.8**	119.2	**112.1**	110.7
	Past Service Cost (Vested Benefit)		1158.0	**-**	-
	Benefit paid	**(1182.9)**	(754.6)	**(759.9)**	(1126.10)
	Actuarial (gain)/loss on obligations	**52.6**	(343.5)	**(25.1)**	(394.30)
	Actuarial (gain)/loss on obligations	**447.8**	164.1	**388.5**	724.6
	Liability at the end of the year	**7051.1**	6972.90	**12120.8**	11511.9
(D)	**Amount Recognized in the Balance Sheet:**				
	Liability at the end of the year	**(7051.1)**	(6,972.9)	**(12120.8)**	(11,511.9)

	Particulars	Gratuity		Post Retirement Medical Benefits	
	Gratuity Disclosure Statement As per IND AS 19	**As at 31.03.19**	As at 31.03.18	**As at 31.03.19**	As at 31.03.18
	Fair value of Plan Assets at the end of the year		-	-	-
	Funded Status (Surplus/ (Deficit)	**(7051.1)**	(6,972.9)	**(12120.8)**	(11,511.9)
	Amount Recognized in the Balance Sheet	**(7051.1)**	(6,972.9)	**(12120.8)**	(11,511.9)
(E)	**Net Interest Cost for Current Period**				
	Present Value of Benefit Obligation at the Beginning of the Period	**6972.90**	6206.4	**11511.9**	11,351.3
	(Fair Value of Plan Asset at the Beginning of the Period)		-	-	-
	Net Liability(Asset) at the beginning	**6972.90**	6,206.4	**11511.9**	11,351.3
	Interest cost	**543.9**	423.3	**893.3**	845.7
	(Interest Income)	**-**	-	**-**	-
	Net Interest Cost for current period	**543.9**	423.3	**893.3**	845.7
(F)	**Expense recognized in the P & L Account:**				
	Current service cost	**216.8**	119.2	**112.1**	110.7
	Interest cost	**543.9**	423.3	**893.3**	845.7
	Expected return on Plan Assets	**-**	-	**-**	-
	Net actuarial (gain)/loss to be recognized	**-**	-	**-**	-
	Past Service Cost (Vested Benefit)		1158.0	**-**	-
	Expense recognized in the P & L Account	**760.7**	1700.5	**1005.4**	956.4
(G)	**Expense recognized in the Other Comprehensive Income (OCI) for Current Period**				
	Actuarial (Gains)/Losses on obligation for the period	**500.4**	(179.4)	**363.4**	330.3
	Return on Plan Assets, Excluding Interest Income	**-**	-	**-**	-
	Change in Asset Ceiling	**-**	-	**-**	-
	Net (Income)/Expense For the period recognized in OCI	**500.4**	(179.4)	**363.4**	330.3
(H)	**Balance Sheet Reconciliation:**				
	Opening Net Liability	**6972.90**	6206.4	**11511.9**	11351.3
	Expense Recognized in Statement of Profit or Loss	**760.7**	1700.5	**1005.4**	956.4
	Expense Recognized in OCI	**500.4**	-	**363.4**	330.3
	NET Liability /(Asset) Transfer In	**-**	-	**-**	-
	NET Liability /(Asset) Transfer Out	**-**	-	**-**	-

	Particulars	Gratuity		Post Retirement Medical Benefits	
	Gratuity Disclosure Statement As per IND AS 19	**As at 31.03.19**	As at 31.03.18	**As at 31.03.19**	As at 31.03.18
	Benefit Paid	**(1182.9)**	(754.6)	**(759.9)**	(1126.10)
	Expense recognized in OCI	**-**	(179.4)	**-**	
	Net Liability/(Asset) Recognized in P&L A/c	**7051.1**	6972.9	**12120.8**	11511.9
(I)	**Net Interest Cost For Next Year**				
	Present Value of Benefit Obligation at the Beginning of the Period	**7051.1**	6972.9	**12120.8**	11511.9
	(Fair Value of Plan Asset at the Beginning of the Period)		-	**-**	-
	Net Liability (Asset) at the End of the period	**7051.1**	6972.9	**12120.8**	11511.9
	Interest cost	**538.7**	543.9	**943.00**	893.3
	(Interest Income)	**-**	-	**-**	-
	Net Interest Cost for current period	**538.7**	543.9	**943.00**	893.3
(J)	**Expense recognized in the Statement of P & L A/C for Next Year**				
	Current service cost	**210.4**	216.8	**125.2**	112.1
	Interest cost	**538.7**	543.9	**943.00**	893.3
	(Expected Contribution by the Employees)	**-**	-	**-**	-
	Expenses recognized	**749.1**	760.7	**1068.2**	1005.4
(K)	**Maturity Analysis of the Benefit Payments: From the Employer**				
	Projected Benefits Payable in future Year From the Date of Reporting				
	1st Following Year	**1045.6**	1014.6	**587.5**	520.5
	2nd Following Year	**654.8**	584.5	**607.9**	576.3
	3rd Following Year	**1029.8**	996.5	**648.6**	640.2
	4th Following Year	**1005.1**	959.6	**691.0**	709
	5th Following Year	**950.2**	928.5	**732.4**	782.3
	Sum of Years 6 To 10	**3261.3**	3463.37	**4189.8**	3894.1

50. DEFERRED TAX ASSETS / (LIABILITY)

The Company has recognized Deferred Tax Assets in earlier years amounting to Rs 28,425.2 million. In the subsequent years, the company has continued to carry this balance of Net Deferred Tax Assets and no further amounts have been recognized as a matter of prudence. The details of the same are as given below:

(a) Deferred Tax Assets/Liabilities

(Rs in Million)

S.No	Particulars	As at 31st March 2019	As at 31st March 2018
(A)	**Deferred Tax Liability**		
(i)	Related to Fixed Assets	**70508.1**	68218.9
(ii)	Related to Foreign Currency Monetary Items (FCMI)	**860.8**	660.4
	Sub-Total (A)	**71368.9**	**68879.3**
(B)	**Deferred Tax Assets**		
(i)	Unabsorbed Depreciation	**99794.1**	97304.5
	Sub-Total (B)	**99794.1**	**97304.5**
	Net Deferred Tax Asset/(Liability)	**28425.2**	**28425.2**

(b) Details of the Total DTA not recognized as on 31st March 2019:

The Total DTA available against Depreciation/Business/Other Disallowances Losses as on 31st March 2019 are Rs 242,628.3 million. Out of this available DTA amount, the company has only recognized DTA amounting to Rs 99,794.1 million (Gross) as detailed in Para (a) above against Depreciation Losses only. Accordingly, as at 31st March 2019 the company still has got total unrecognized DTA amount of Rs 142,834.2 million, which as a matter of prudence has not been recognized in the books. The details of the unrecognized DTA balances are given below:

(Rs in Million)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unabsorbed Depreciation	**10,481.7**	6,238.5
Brought Forward Business Losses	**115,484.8**	105,233.8
Other Temporary Differences	**16,867.7**	15,511.6
TOTAL	**142,834.2**	126,983.9

The unused tax losses and unabsorbed depreciation considered above are based on the tax records and returns of the company and does not consider the potential effect of matters under dispute/ litigation with the tax authorities which are currently sub-judice at various levels.

The Govt of India approved the Revival Plan of the company during the year and a series of measures were approved to improve the operational and financial efficiencies as detailed in Note Nos 28 and 29. The company is therefore hopeful of showing improved performance in the future and accordingly, has reasonable certainty that the deferred tax assets recognized will be realized against future taxable profits. Further, the Deferred Tax Assets have been created against carry forward Depreciationonly which are available to the Company indefinitely as per the provisions of the Income Tax Act.

(c) Reconciliation of Effective Tax Rate

Reconciliation of tax expense and the accounting profit / (loss) multiplied by India's domestic tax rate for the year ended 31st March 2019and 31 March 2018:

(Rs in Million)

Particulars	**For the year ended 31st March 2019**		For the year ended 31st March 2018	
	Rate (%)	**Amount**	Rate (%)	Amount
Profit/(Loss) Before Tax		**(84748.0)**		(53377.4)
Effective Tax Rate	**31.20%**	**26,441.38**	30.90%	16,493.62
Deferred Tax asset not recognized on above	**-**	**(26,441.38)**	-	(16493.62)
Tax expense for the year	**-**	**Nil**	-	Nil

(d) Deferred Tax Effect of Subsequent change in Corporate Tax rates

The Govt has made certain amendments in the Income Tax Act 1961 and the Finance (No.2) Act 2019, through Taxation Laws (Amendment) Ordinance 2019, by means of which Corporate Tax Rates have been reduced to 22% from 30% for domestic companies.

i) The impact of the revised corporate income tax rates as stated above on the Recognized Deferred tax Liabilities/Assets as on 31st March, 2019 are given hereunder:

(Rs in Million)

Particulars	**As per Income Tax rates as on date of Balance Sheet**	**As per Revised Income tax effective rates announced subsequently**
Total Deferred Tax Liabilities	71,368.9	52,337.2
Total Deferred Tax Assets	99,794.1	80,762.4
Net Deferred Tax Assets	**28,425.2**	**28,425.2**

ii) The impact of the revised corporate income tax rates as stated above on the Unrecognized Deferred tax Assets as on 31st March, 2019 are given hereunder:

(Rs in Million)

Particulars	**As per Income Tax rates as on date of Balance Sheet**	**As per Revised Income tax effective rates announced subsequently**
Unabsorbed Depreciation	10,481.7	106.5
Brought Forward Business Losses	115,484.8	84,688.9
Other Temporary Differences	16,867.7	12,369.9
TOTAL	**142,834.2**	**97,165.3**

51. Earnings Per Share

Particulars	As at 31.03.2019	As at 31.3.2018
Profit/(Loss) After Tax for the year (Rs Millions)	**(84,748.0)**	(53,377.4)
Weighted Average No. of Equity Shares	**29,238,360,685**	27,108,597,452
EPS (Rs. per Share)	**(2.90)**	(1.97)

52. The Micro and Small Enterprises Development Act

The SAP system has a field, minority indicator in Vendor Master, which is updated to identify the vendor as MSME. The system has been enhanced to capture more details of MSME Vendors, such as certificate number, name of the entrepreneur, type of organization, date of commencement, bank details etc. However, payments to such undertakings covered under the Micro Small and Medium Enterprises Development Act (to the extent identified) have been made within the prescribed time limit/date agreed upon with the supplier and hence, no interest is payable on delayed payments. In other cases, necessary compliance/disclosure will be ensured in due course.

53. Remuneration to Auditors

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

(Rupees in Million)

Particulars	2018-19	2017-18
Audit Fee for the year	**12.0***	10.50
Other Expenses	**2.5**	1.60
Total	**14.5**	12.1

* includes arrears of previous year Rs.1.5 million

54. Going Concern

The company has received continuous support from the Government of India (GoI) though the implementation of Turnaround Plan/ Financial Restructuring Plan (TAP/FRP) approved in 2012 and then under the Revival Plan in FY 2018-19 which has helped the company to improve its operating and financial parameters.

Under the newly approved Revival Plan for Air India Ltd the GoI has during FY 2018-19 infused Equity to the tune of Rs 39,750.0 million.Accordingly, as on 31st March 2019, the total Equity Infusion received by the company from the Govtunder TAP/FRP and the Revival Plan aggregated to Rs 305,202.1million. Further, as part of the disinvestment process the AISAM has approved the transfer of debts of AI amounting to Rs 294,640.0 million to the SPV-AIAHL. The interest on these loans from 1st October 2018 will be met by AIAHLfor which Rs 13000.0 million was provided in the Budget and the same has been reimbursed to AI by the SPV.

The various steps taken by the Govt as also AIAHL towards improving the operational and financial efficiencies of Air India have been discussed in detail in Note No 28 and 29 above.

In view of the above and the financial support from the Govt of India and various measures taken by the company to improve its operational efficiencies, various revenue enhancing measures, cost control measures undertaken etc.the company expects a substantial improvement in its operational and financial performance, in the near future and hence, the Accounts have been prepared on the 'Going Concern' basis.

55. Impairment of Assets

The Company has carried out an assessment of the impairment of it's non financial assets as on the Balance Sheet date in accordance with Ind AS 36. For the purpose of such impairment testing, all assets of the company have been considered as a single Cash Generating Unit (CGU) and the value in use has been determined based on the future projections/forecast having regard to the Revival Plan for Operational & Financial Efficiency as described in detail in Note No.28 & 29. Based on such assessment, there is no impairment in the carrying value of the assets to be recognized at this stage

56. Capital Management:

The objective of the company is to maximize the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

During the financial year ended 31 March 2019, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

Debt-Equity Ratio:

(Rs in Million)

Particulars	**As at 31st March 2019**	As at 31st March 2018
Long term Borrowings	**82,999.6**	299,622.5
Short term borrowings	**276,303.4**	219,554.9
Current maturity of Long-term Borrowings	**199,716.7**	13,290.3
Current maturities of Finance Lease Obligations	**23,539.2**	19,068.7
Total Debt (A)	**582,558.9**	551,536.4
Equity Share Capital	**326,652.1**	286,902.1
Other Equity	**(621,315.7)**	(535,839.2)
Total Equity (B)	**(294,663.6)**	(248,937.1)
Debt Equity Ratio (A/B)	**(2.0)**	(2.3)

Note: The company is highly leveraged due to negative Net Worth and the nature of the business due to which the Debt Equity Ratio is negative.

57. Fair Value Measurement and Financial Instruments

(a) Financial instruments – by category and fair value hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i) **As on 31 March 2018**

(Rs in Million)

Particulars	Note Reference	Carrying Value			Fair value measurement using			
		FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial Assets								
Non-Current								
a) Investments			17,461.6		17,461.6	418.2	584.5	16,458.9
b) Loans				3,056.0	3,056.0	-	-	3,056.0
c) Other Financial Assets				39,189.8	39,189.8	-	-	-
Current								-
a) Trade Receivables*				17,824.5	17,824.5	-	-	-
b) Cash and Cash Equivalents*				1,886.0	1,886.0	-	-	-
c) Bank Balance other than (b)				5,542.8	5,542.8	-	-	-
d) Loans *				121.9	121.9	-	-	-
e) Others Financial Assets				4,875.8	4,875.8	-	-	-
Total			17,461.6	72,496.8	89,958.4			
Financial liabilities								
Non-Current								
i) Borrowings#				299,622.5	299,622.5	-	-	299,622.5
ii) Others*				111.8	111.8	-	-	-
Current								
i) Borrowings#				219,554.9	219,554.9	-	-	219,554.9
ii) Trade Payables*				80,796.8	80,796.8	-	-	-
iii) Others*				84,730.4	84,730.4	-	-	-
Total				**684,816.4**	**684,816.4**			

ii) **As on 31 March 2019**

(Rs in Million)

Particulars	Note Reference	Carrying Value				Fair value measurement using		
		FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial Assets								
Non-Current								
a) Investments			9,330.7		9,330.7	422.8	628.1	8,279.8
b) Loans				3,316.4	3,316.4	-	-	3,316.4
c) Other Financial Assets				11,200.3	11,200.3	-	-	-
Current								
a) Trade Receivables*				19,921.0	19,921.0	-	-	-
b) Cash and Cash Equivalents*				2,452.2	2,452.2	-	-	-
c) Bank Balance other than (b) above*				5,980.1	5,980.1	-	-	-
d) Loans *				145.8	145.8	-	-	-
e) Others Financial Assets				3,495.9	3,495.9	-	-	-
Total			**9,330.7**	**46,511.7**	**55,842.4**	**-**	**-**	**-**
Financial liabilities								
Non-Current								
i) Borrowings#				82,999.6	82,999.6	-	-	82,999.6
ii) Others*				47.9	47.9	-	-	-
Current								
i) Borrowings#				276,303.4	276,303.4	-	-	276,303.4
ii) Trade Payables*				82,043.0	82,043.0	-	-	-
iii) Others*				283,837.9	283,837.9	-	-	-
Total				**725,231.8**	**725,231.8**	**-**	**-**	**-**

Notes:

(#) The companies' borrowings and loans to subsidiaries have been contracted at market rate of interest, which resets at regular intervals. Accordingly, the carrying value of such borrowings (including interest accrued) approximates fair value.

(*) The carrying amount of trade receivables, trade payables, cash and cash equivalents, bank balance other than cash and cash equivalents and other financial assets and liabilities approximates the fair values, due to their short-term nature.

- The fair values for loan were calculated based on discounted cash flow using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable.

- There have been no transfers between level 1, level 2 and level 3 for the year ended 31st March 2018 and 31st March 2017.

(b) Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- The use of NAV for unquoted Equity Shares
- The Fair Value of remaining financial instruments is determined using Discounted Cash Flow method.

58. Financial Risk Management Objective and Policies

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

a) Credit Risk

b) Liquidity Risk

c) Market Risk – (i) Foreign Currency and (ii) Interest Rate

The Company operates to 43 international destinations in multi-currency, dynamic and challenging environment The Company's principal financial liabilities comprise of loan and borrowings, trade and other payables. The Long term borrowing for the aircraft purchase is mainly dollar related. A part of the borrowings for the working capital are dollar denominated. Nearly 70% of the Company's expenses are related to the dollar. The main purpose of these financial liabilities is to finance aircraft acquisition, receivable, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk, market risk and Commodity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a treasury team. The Treasury Team provides assurance to the Company's senior management that the company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objective. All hedging activities for fuel risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purpose may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which summarized below:

a) **Credit Risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation.

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The maximum exposure to the credit at the reporting date is primarily from trade receivables. Trade receivables are mostly from travel agents, Government Parties and Credit Card Companies which are typically unsecured as no coverage is held by the Company and are derived from revenue earned from customers. Trade Receivables includes receivables from IATA Agency Dues, General Sales Agents, Credit Card Companies which are realizable within a period of 30 working days. General Sales Agents dues are recovered by Bank Guarantees by Airline and Agency Dues are covered by BG/Insurance cover held by IATA. Similarly, for Cargo Agents, dues are covered by BG/ Advance Payments and GSA Dues are covered by BG. Mail Dues are GoI Dues. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of agents to which the Company brands credit terms in the normal course of the business.

The company sells majority of its passenger/cargo services against credit worthiness and financial guarantees made by agents (customers) to IATA though individual guarantees are also taken in certain cases. The Company also extends credit to the Government on flights operated and which are realized over a period of time depending on budgetary provisions made by the Govt to the respective departments

On adoption of IND-AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivable. The provision matrix considers available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the company operates, management considers that the trade receivable (other than receivables from government departments) are in default (credit impaired) if the payments are more than 36 months past due.

The Companies exposure to credit risk for trade receivables is as follows:

(Rs in Million)

Particulars	**As at 31/03/2019**		As at 31/03/2018	
	Gross Carrying Amount	**Loss Allowance**	Gross Carrying Amount	Loss Allowance
Debts not due	**7,933.5**	**-**	6,803.6	-
Debts over due	**22,776.6**	**10,789.0**	21,348.9	10,328.0

Movement in the allowance for impairment in respect of Trade Receivables:

(Rs in Million)

Particulars	**For the year ended 31st March 2019**	For the year ended 31st March 2018
Balance at the beginning of the Year	**(10,328.0)**	(10,884.1)
Movement during the year	**461.0**	556.1
Balance at the end of the Year	**(10,789.0)**	(10,328.0)

b) Liquidity Risk

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

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

The Company has been experiencing liquidity problems due to delayed equity infusion by the Govt and the high debt burden

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs. 8,432.3 million as at 31st March 2019 (PY: Rs. 7,428.8 million) anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligation in the ordinary course of business provided there is equity infusion and assistance from the Government. However, if liquidity needs were to arise, the company believes it has access to financing arrangement, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and liquidity requirement. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirement as necessary. However, the Company relies on Government support to conserve its liquidity position.

The Company's liquidity management process as monitored by management includes the following:-

a) Day to day funding, managed by monitoring future cash flows to ensure that requirement can be met.

b) Maintaining rolling forecast of the Company's liquidity position on the basis of expected cash flows.

c) Maintaining diversified credit lines.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting data. The contractual cash flow amount are gross and undiscounted, and includes interest accrued

As at 31st March 2018	Carrying Amount as per Trial	Contractual Cash Out Flows (Rs in Millions)						
		Upto 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 years	Total
Borrowings								
a) Non Convertible Debentures (Note - 13)	136,000		7,000				129,000	136,000
b) Long Term Borrowings (Note - 13)								-
- From Banks (Secured)	115,434	6,563	11,401	25,651	25,651	15,201	30,967	115,434
- From Banks (Unsecured)	21,808	7,104	7,338	2,607	4,759			21,808
- From Other Parties	220	10	10	10	10	10	168	220
c) Short Term Borrowings (Note - 18)								-
- From Banks (Secured)	110,916	110,916	-	-	-	-	-	110,916
- From Banks (Unsecured)	108,639	108,639	-	-	-	-	-	108,639
- From Other Parties (Unsecured)	-	-						-
d) Long Term Maturities of Finance Lease Obligation (Note - 13)	58,520	18,569	20,352	14,355	4,777	466		58,520
Trade Payables (Note - 14)								**-**
a) Trade Payables	80,541	80,541					-	80,541
Other Financial Liabilities (Note - 15)								
a) Interest Accrued but not due on borrowings	6,366	6,366					-	6,366
b) Interest Accrued and due on borrowings	3,197	3,197					-	3,197
c) Other Liabilities	42,902	42,791					112	42,902
d) Bank Overdraft	18	18						18
Total	**684,561**	**384,714**	**46,101**	**42,623**	**35,198**	**15,677**	**160,247**	**684,561**

As at 31st March 2019	Carrying Amount as per Trial	Contractual Cash Out Flows (Rs in Millions)						
		Upto 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 years	Total
Borrowings								
a) Non Convertible Debentures (Note - 13)	136,000	81,000	-	-	-	-	55,000	136,000
b) Long Term Borrowings (Note - 13)								
- From Banks (Secured)	109,953	109,953	-	-	-	-	-	109,953
- From Banks (Unsecured)	16,349	8,752	2,822	4,775	-	-	-	16,349
- From Other Parties	121	13	10	10	10	10	68	121
c) Short Term Borrowings (Note - 18)								
- From Banks (Secured)	113,993	113,993	-	-	-	-	-	113,993
- From Banks (Unsecured)	135,951	135,951	-	-	-	-	-	135,951
- From Other Parties (Unsecured)	26,360	26,360	-	-	-	-	-	26,360
d) Long Term Maturities of Finance Lease Obligation (Note - 13)	43,833	23,037	15,233	5,069	494	-	-	43,833
Trade Payables (Note - 14)								
a) Trade Payables	82,043	82,043	-	-	-	-	-	82,043
Other Financial Liabilities (Note - 15)								
a) Interest Accrued but not due on borrowings	6,558	6,558	-	-	-	-	-	6,558
b) Interest Accrued and due on borrowings	1,981	1,981	-	-	-	-	-	1,981
c) Other Liabilities	51,718	51,670	-	-	-	-	48	51,718
d) Bank Overdraft	-	-	-	-	-	-	-	-
Total	**724,860**	**641,311**	**18,065**	**9,854**	**504**	**10**	**55,116**	**724,860**

c) Market risk

Market risk is that the fair value and future cash flows of financial instrument will fluctuate because of changes in market prices. Market risk comprises two type of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

(i) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

The Company's interest rate risk arises majorly from the foreign currency term loan and finance lease carrying floating rate of interest which is linked to LIBOR. These obligations expose the company to cash flow interest rate risk. The exposure the company's borrowings to interest rate changes as reported to the management at the end of the reporting period are as follows:

(Rs in Million)

Variable-rate instruments	**As at 31st March 2019**	As at 31 March 2018
Long Term Borrowings from Bank (Secured & Unsecured, including current maturities)	**7,290.10**	30,734.3
Short term borrowings	**23,769.7**	79,127.7
Finance lease obligation(including current maturities)	**41,538.7**	53,996.8
Total	**72,598.5**	163,858.8

Interest Rate Sensitivity Analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particulars foreign currency exchange rates, remains constant.

(Rs in Million)

Increase / (decrease) in the interest on foreign currency term loans-from others and on finance lease obligation.	**Statement of Profit and losses.**	
	Increase by 0.50 %	**Decrease by 0.50 %**
- For the year ended 31 March 2019	**363.0**	**(363.0)**
- For the year ended 31 March 2018	819.3	(819.3)

(ii) Currency Risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to multi currencies on its operations and hence is exposed to the effects of fluctuation in the prevailing foreign currency rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuation between the functional currency and other currencies from the company's operating, investing and financing activities.Nearly 70% of the Company's expenses are dollar denominated.

Exposure to Foreign Currency Risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2019, 31 March 2018 are as below:

a) **As at 31st March 2018**

(Rs in Million)

Particulars	USD	EUR	GBP	AED	OMR	SGD	THB	CHF	QAR	AUD	OTHERS
Financial Assets											
Trade Receivables	6,073.2	1,077.1	1,167.1	618.6	146.1	107.0	59.8	61.6	14.2	88.6	1,689.8
Cash and Cash equivalents	365.8	421.2	5.8	7.8	-	27.9	20.3	7.6	-	137.4	346.9
Bank Balances other than above	732.0	-	523.1	-	-	-	-	-	-	52.1	33.1
Loans	5,272.7	59.1	3.5	13.1	-	5.8	1.1	0.1	0.4	0.2	47.4
Other Financial Assets	5,270.9	9.7	15.1	-	-	-	0.6	-	-	6.7	25.3
Total Financial Assets	**17,714.6**	**1,567.1**	**1,714.6**	**639.5**	**146.1**	**140.7**	**81.8**	**69.3**	**14.6**	**285.0**	**3,958.4**
Financial Liabilities											
Borrowings	168,440	-	161.6	-	-	-	-	-	-	-	-
Other Financial Liabilities	3,342.8	58.6	17.3	22.3	2.2	4.2	0.8	8.0	1.0	9.9	61.3
Trade Payables	6,407.4	765.2	642.1	572.3	75.7	289.5	30.6	-	-	190.4	1,062.0
Total Financial Liabilities	**178,190.2**	**823.8**	**821.0**	**594.6**	**77.9**	**293.7**	**31.4**	**8.0**	**1.0**	**200.3**	**1,123.3**

b) As at 31st March 2019

(Rs in Million)

Particulars	**USD**	**EUR**	**GBP**	**AED**	**OMR**	**SGD**	**THB**	**CHF**	**QAR**	**AUD**	**OTHERS**
Financial Assets											
Trade Receivables	7049.8	1086.0	1096.0	616.7	259.1	64.9	64.1	29.5	105.6	160.6	**2335.6**
Cash and Cash equivalents	568.9	563.6	34.1	9.5	0.04	36.2	48.8	1.02	0.00	32.3	**538.7**
Bank Balances other than above	786.1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.9	**420.6**
Loans	5856.2	58.3	3.4	13.9	0.00	6.5	1.1	0.1	0.4	0.2	**45.3**
Other Financial Assets	3652.1	20.1	11.2	9.6	0.8	3.2	0.9	1.5	0.0	14.2	**34.5**
Total Financial Assets	**17913.2**	**1727.9**	**1144.7**	**649.7**	**260.0**	**110.8**	**114.9**	**32.1**	**106.0**	**259.2**	**3374.7**
Financial Liabilities											
Borrowings	147007.2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Financial Liabilities	2290.6	45.4	72.8	16.8	3.1	3.3	0.9	0.00	1.03	9.9	13.9
Trade Payables	11010.4	465.3	661.3	573.5	39.8	256.5	124.7	0.00	3.5	264.8	975.7
Total Financial Liabilities	**160308.3**	**510.7**	**734.1**	**590.3**	**42.9**	**259.8**	**125.6**	**0.00**	**4.5**	**274.7**	**989.7**

Foreign Currency Sensitivity Analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2019 and 31 March 2018 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs in Million)

0.5% Depreciation / Appreciation in Indian Rupees against following foreign currencies:	Statement of Profit and Loss for the year ended 31 March 2019		Statement of Profit and Loss for the year ended 31 March 2018	
	Gain/ (loss) on Appreciation	Gain/ (loss) on Depreciation	Gain/ (loss) on Appreciation	Gain/ (loss) on Depreciation
USD	712.0	(712.0)	802.4	(802.4)
EUR	(6.1)	6.1	(3.7)	3.7
GBP	(20.5)	20.5	(4.5)	4.5
AED	(0.3)	0.3	(0.2)	0.2
OMR	(1.1)	1.1	(0.3)	0.3
SGD	0.7	(0.7)	0.8	(0.8)
THB	0.1	(0.1)	(0.3)	0.2
CHF	(0.2)	0.2	(0.3)	0.3
QAR	(0.5)	0.5	(0.1)	0.1
AUD	0.1	(0.1)	(0.4)	0.4
Other	(11.9)	11.9	(5.1)	5.1

Note: USD: United States Dollar, GBP: Great British Pound, AED: Arab Emirates Dirhams, OMR: Omani Riyal, THB: Thai Baht, CHF: Swiss Franc, SGD: Singapore Dollar, EUR: Euro, AUD: Australian Dollar, QAR: Qatari Riyal.

59. IND AS 115: Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by the several factors, including terminations of contract, changes in scope of contracts etc.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31st March, 2019, is Rs 25306.1 million and on account of absorption of IND AS 115, forward sale of which performance obligation are completely unsatisfied as at the end of reporting period is Rs 24,477.4 million which has been classified as "Forward Sale under Current Liabilities", as detailed in table given below:

(Rs in Million)

Contractual Liabilities Forward Sales	
Opening Balance	22,445.3
Add: Additions	225,309.7
Less: Revenue Recognized	223,277.6
Closing Balance	24,477.4

There is no significant impact on the financial results on adoption of Ind AS 115.

60. An instance of fraud involving payment to a third party was reported in New York office amounting to USD 300,250 (Rs 19.4million) during previous year. The matter is under investigation company has initiated action for recovery; however as a matter of prudence full provision has been made towards the same.

61. Previous Years figures have been re-casted/regrouped/re-arranged, wherever necessary.

Signatures to the Schedules forming part of the Standalone Financial Statements and to the above notes.

For and on Behalf of
Khandelwal Jain & Co.
Chartered Accountants
FRN : 105049W
Sd/-
(Narendra Jain)
Partner
M.No. 048725

For and on Behalf of
Varma and Varma
Chartered Accountants
FRN : 004532S
Sd/-
(P.R. Prasanna Varma)
Partner
M.No. 025854

For and on behalf of the Board

Sd/-
(Ashwani Lohani)
Chairman & Managing Director
DI No.01023747

For and on Behalf of
Jagdish Chand & Co.
Chartered Accountants
FRN : 000129N

Sd/-
(Praveen Kumar Jain)
Partner
M.No. 085629

Place : New Delhi
Date : 22nd October 2019

Sd/-
(V.S. Hejmadi)
Director-Finance
DI No.07346490

Sd/-
(Kalpana Rao)
Company Secretary
M.No.ACS8194

Place : New Delhi
Date : 22nd October 2019