



DIRECTORS' REPORT

The Shareholders,

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you, the Thirteenth Annual Report on the performance of the Company together with the Audited Accounts, Auditors' Report and Comments of the Comptroller and Auditor General of India on the accounts for the financial year ended 31 March 2020.

1. REVIEW OF PERFORMANCE – HIGHLIGHTS

1.1 Financial Performance

The financial performance of the Company during the year 2019-20 is as under:

(Rupees in Million)

Particulars	2019-20	2018-19
Total Revenue	285,244.4	264,877.2
Total Expenses	362,901.7	349,625.2
Profit/(Loss) before Exceptional Items, Tax & Comprehensive Income	(77,657.3)	(84,748.0)
Exceptional Items	-	-
Profit/(Loss) before Tax & Comprehensive Income	(77,657.3)	(84,748.0)
Less: Provision for Tax	(77,657.3)	(84,748.0)
Profit/(Loss) before Comprehensive Income	-	-
Comprehensive Income	(77,657.3)	(84,748.0)
Net Profit/(Loss)	(2,170.9)	(815.6)
	(79,828.2)	(85,563.6)

1.2 Physical Performance:

Particulars	Unit	2019-20	2018-19
ASKMs(Scheduled Services)	Million	63186	62134
ASKMs (Total)	Million	63620	62442
PKMs (Scheduled Services)	Million	50395	49063
PKMs (Total)	Million	50397	49064
ATKMs(Scheduled Services)	Million	8415	8340
ATKMs (Total)	Million	8461	8371
RTKMs (Scheduled Services)	Million	5817	5758
RTKMs (Total)	Million	5817	5758
Passenger Load Factor (Scheduled Services)	%	79.8	79.0
Overall Load Factor (Scheduled Services)	%	69.1	69.0
No. of Passenger Carried (Scheduled Services)	Million	22.1	21.8
No. of Passenger Carried (Total)	Million	22.5	22.1
Freight Carried	Tonnes	221257	240656
Total Revenue Hours Flown	No.	482099	469693



2. OTHER FINANCIAL INFORMATION

2.1 Share Capital

Authorized Share Capital

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

Issued, Subscribed & Paid-up Share Capital

As on 31 March, 2020 the Issued, Subscribed & Paid-up Share Capital of the Company was Rs.32,665,21,00,000/- divided into 3266,52,10,000 fully paid up equity shares of Rs.10 each.

The Government of India (GoI) vide letter dated 23 March 2020 infused Rs.1,00,000/- (10,000 Equity Shares of Rs. 10 each) as equity investment in Air India Limited for FY 2019-20 as part of the Turn Around Plan and Financial Restructuring Plan. However, the same were allotted to the Government of India on 6 October 2020.

2.2 Debentures

The Company has issued 136,000 Redeemable, Unsecured Non-Convertible Debentures (NCDs) of face value of Rs.1 Million each guaranteed by Government of India. Out of this, Non Convertible Debentures of Air India Ltd worth Rs.700 Crore (7000 NCDs of face value of Rs.1 Million) had been redeemed on 26 March 2020. Details regarding Maturity Profile and Rate of Interest have been given in Note 13.1 of the Financial Statement.

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

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

2.3 Aircraft Project Loans

As on 31 March 2020, the position of aircraft loans, including future lease obligations in respect of finance leases and Non Convertible Debentures issued for Aircraft financing, was as under:

(Rupees in Million)	
Total Loan due as on 1 April 2019	98,645.0
Add: Amount drawn during 2019-20	-
Less: Amount repaid during 2019-20	42,772.2
Add: Exchange adjustments due to revision in rates of Currencies	6,169.9
Balance as on 31 March 2020	62,042.6

2.4 Annual Plan Outlay 2019-20

(Rupees in Million)		
	Approved	Actual
Aircraft Projects/Schemes		



	Approved	Actual
Payment to aircraft/spare engine manufacturers	2,520.0	2,073.4
Non-Aircraft Projects		
Other capital expenditure	1,820.0	2,068.7
Equity infusion by Government of India	0.1	0.1
TOTAL PLAN OUTLAY	4,340.1	4,142.2

Note:

During FY 2019-20, no Equity Support has been provided for Air India in the Union Budget, except for a token amount of Rs. One lakh as Budgetary Support, under Turnaround Plan, in view of the impending Disinvestment of AI. However, the Company is currently going through an acute phase of liquidity crisis. In the absence of Government Support, it is becoming extremely difficult to maintain the current operations of the Company.

2.5 Annual Plan Outlay 2020-21

The total budgeted IEBR expenditure of Air India during 2020-21 is approved at Rs. 1,450.0 Million, entirely for Other Capital Expenditure. The Actual Plan outgo during the year, up to the end of September 2020 is Rs. 293.0 Million.

2.6 Financial Accounting

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

3. MEETINGS OF THE BOARD OF DIRECTORS

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

4. INFORMATION ABOUT SUBSIDIARY AND JOINT VENTURE COMPANIES

The following are the wholly owned subsidiaries of the Company:

AI Airport Services Limited

Air India Express Limited

AI Engineering Services Limited

Alliance Air Aviation Limited

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

Further AISATS Airport Services Pvt. Ltd. is a Joint Venture between Air India Limited and Singapore Airport Terminal Services (SATS) in the ratio of 50:50. AISATS provides ground handling services



to airlines at certain Metro airports in pursuance of Government of India Notification on the Ground Handling Policy.

5. INDUSTRIAL RELATIONS

Relations with the work force continued to be cordial during the year 2019-20.

6. ENCOURAGEMENT/ASSISTANCE TO MICRO & SMALL ENTERPRISES

The Company continued to support the MSE Units (which includes SC/ST and women owned units) / Social Welfare / Charitable Organizations. As per record, the procurement carried out through MSE Units amounts to Rs.779.45 Million during the year 2019-20.

7. ENVIRONMENT PROTECTION

Environment Management System

As a part of Air India's vision to be an environment friendly international airline, Air India has taken various measures for protection of the environment. The Corporate EMS of Air India is responsible for monitoring the Fuel Efficiency and Environment emissions reporting to meet regulatory compliance of various regulatory bodies as EU-ETS, IATA and DGCA for all the three AOPs i.e. Air India, Air India Express and Alliance Air.

European Union - Emission Trading Scheme (EU-ETS)

In March 2020, Air India submitted its Emissions Report and surrendered the Carbon credits due to emissions from intra-Europe flights for the year 2019, before the deadline of 30 April 2020. Air India is now fully compliant with EU-ETS Emissions regulations.

DGCA Environment Report

Air India Environment Management Systems submitted Annual Carbon Footprint reports for the year 2019 from ATF emissions to comply with DGCA Environment Circular on Climate Change Initiatives and Local Air Quality Monitoring in Civil Aviation dated 5 August 2015 for all the three AOPs i.e. Air India, Air India Express and Alliance Air.

CORSIA

The EMS prepared the CORSIA Emissions Report based on International Flights of Air India and Air India Express for the year 2019. The Verification Audit of CORSIA Emissions Report and Processes for Air India and Air India Express was carried out in February 2020 by M/s TUV India Pvt. Ltd, an accreditation body approved by DGCA. The Verification Body confirmed that CO₂ emissions from the eligible international flights operated by Air India and Air India Express for the period 1 January 2019 to 31 December 2019 is 'Verified as Satisfactory' at Reasonable Level without any material misstatement. The Verified CORSIA Emissions Report was submitted to DGCA on 20 March 2020 before the deadline of 31 March 2020.

DGCA after carrying out Post verification checks on the Emissions Report and data confirmed in August 2020 that the Reported Emissions were correct and submitted the Emissions to ICAO. Air India is now fully compliant with ICAO CORSIA regulations for the year 2019.



8. VIGILANCE

The primary objective of vigilance is to detect malpractices, irregularities and ensure compliance to the laid down rules & regulations. Vigilance Department guards the organization from internal dangers ensuring orderly conduct of affairs by the employees of the organization. It works on the key attributes of Transparency, Responsibility and Accountability to contain corruption.

Air India observed the Vigilance Awareness Week, 2019 with the theme "Integrity a way of life" as identified by the Central Vigilance Commission. The Department encouraged public participation with emphasis on promoting ethical practices and inculcating a culture of honesty and integrity in everyday life by holding Public Events, Cyclothon/Bicycle Rally at Kolkata and 02 Walkathons at Chennai and Hyderabad. The activities saw an overwhelming response with huge public participation from all walks of life along with Air India employees and their family members.

All employees of Air India and subsidiaries, along with the passengers, were encouraged to take the Integrity Pledge. Vigilance Department with a view to sensitize the employees and promote sense of integrity while performing duties and responsibilities organized 13 seminars/workshops wherein distinguished guest lecturers were invited to speak on the subject.

Three Vendor Grievance Redressal Camps were also organized for quick Redressal of Vendor Grievances. For this year's session on Vendors Grievance Meet, MMD invited vendors to attend the session. 58 Vendors attended the camp along with officials of MMD and Finance Department. The vendors who attended the session expressed their confidence and trust in Air India's transparent policy of procurement, being managed through SAP-ERP system and were appreciative of timely response on queries and clarifications sought by them. However, some vendors did express concern on some delayed cases of payments which were attributed to constraints of liquidity/funds availability of the Company in the present scenario.

Vigilance Department looked into about 928 complaints during the year 2019, pursued early disposal of cases and Departmental Enquiries. All online stations in the four Regions were subjected to regular inspections by vigilance teams. Consistent checks were conducted in different areas with a particular emphasis on cabin cleaning and dressing, pilferage of cabin items by cabin crew, checks at cargo and waiver of Excess Baggage, to ensure compliance to the established SOPs. A total of 38 Station Inspections and 215 Surprise Checks were conducted by the Vigilance Teams during the year, which resulted in a number of recommendations for System Improvements.

9. OFFICIAL LANGUAGE IMPLEMENTATION

In order to monitor the progressive use of Hindi in Air India, meetings of 57 Official Language Implementation Committees constituted on all India level were held. Desk-to-Desk programmes were organized for various departments at Headquarters and Regional level in order to facilitate officers/employees in doing their work in Hindi. An all India level workshop was organized at CTE, Hyderabad for the employees of Hindi department.

Air India's website is updated in Hindi on regular basis. Hindi synopsis of the programmes of inflight entertainment system was updated. Hindi fortnight was celebrated on all India level and competitions were organized. In addition, pilots and cabin crew were given awards for the best Hindi announcements. Every year, a Sahitya Sammaan is also given to an employee for his contribution towards Hindi literature. Advertisements, Tenders, Announcements have been issued in Hindi also.

To give wings to the creativity of the employees, a Hindi poetry competition on "Air India" was organized



at all India level. Air India employees, participated and won prizes in essay writing competition and "Kavyanjali" (Hindi poetry competition) organized by Ministry of Civil Aviation.

10. IMPLEMENTATION OF RESERVATION POLICY

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

SC/ST/OBC – Number of employees as on 31 March 2020

Total No. of employees	Total No. of SC employees	% of SC employees	Total No. of ST employees	% of ST employees	Total No. of OBC employees	% of OBC employees
9041	1887	20.87	673	7.44	691	7.64

11. CORPORATE GOVERNANCE

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

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

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

The detailed Corporate Governance Report is attached separately.

12. CHANGE IN NATURE OF BUSINESS

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

13. DIVIDEND

In view of the losses suffered during the year 2019-20, the Directors have not recommended any dividend.

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

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



15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has provided loans / guarantees to its Subsidiaries and has made investment in compliance with the provisions of the Companies Act, 2013. The details of such investments made and loans / guarantees provided as on 31 March 2020 are given in the Stand-alone Financial Statements.

16. DEPOSITS

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

17. NOMINATION AND REMUNERATION COMMITTEE

The Company, being a Government Company, the appointment, tenure and remuneration of Directors are decided by the Government of India. The provisions of the Companies Act, 2013, relating to appointment of Directors, policy relating to the remuneration of Directors and performance evaluation pertaining to NRC shall not be applicable to Government companies.

The Nomination and Remuneration Committee formulates and review policies related to remuneration / perquisites / incentives for key positions of Executive Directors and CEOs of subsidiaries, within the parameters of Guidelines issued by the Government of India.

In pursuance of Section 178(1) of the Companies Act, 2013, the Nomination and Remuneration Committee comprised of the following, as on 31 March 2020:

Name of the Director	Position held in the Committee	Category of the Director
Dr R K Tyagi	Chairman	Part Time Non Official Director
Chairman & Managing Director	Member	Chairman & Managing Director
Dr Syed Zafar Islam	Member	Part Time Non Official Director
Shri K M Birla	Member	Part Time Non Official Director
Joint Secretary, MOCA	Member	Non Executive Part time Director

Dr R K Tyagi and Dr Syed Zafar Islam ceased to be on the Board of the Company with effect from 31 May 2020 and accordingly Smt Daggubati Purandeswari was inducted and appointed as Chairperson on 7 July 2020.

18. AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and DPE Guidelines, the Company has constituted the Audit Committee of the Board. As on 31 March 2020, the following were the Members of the Audit Committee:

Name of the Director	Position held in the Committee	Category of the Director
Dr Syed Zafar Islam	Chairman	Part Time Non Official Director
Dr R K Tyagi	Member	Part Time Non Official Director
Jt. Secretary & Financial Advisor, MOCA	Member	Non Executive Part time Director
Chairman & Managing Director	Permanent Invitee	Chairman & Managing Director



Name of the Director	Position held in the Committee	Category of the Director
Director (Finance)	Special Invitee	Functional Director
Head of Internal Audit	Special Invitee	GM/Executive Director

Dr R K Tyagi and Dr Syed Zafar Islam ceased to be on the Board of the Company w.e.f. 31 May 2020. Accordingly, Jt. Secretary & Financial Advisor, MOCA was appointed as Chairman of the Audit Committee as well as Joint Secretary, MOCA, Shri K M Birla and Smt Daggubati Purandeswari were appointed as Members of the Audit Committee in 103rd Board Meeting held on 11 September 2020.

19. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed Management Discussion and Analysis Report is given separately.

20. PERFORMANCE EVALUATION OF BOARD, IT'S COMMITTEES AND INDIVIDUAL DIRECTORS

As per the Notification dated 5 June 2015 of the Ministry of Corporate Affairs, provisions of Section 134(3) (p) of the Companies Act, 2013 shall not apply in case the Directors are evaluated by the Ministry, which is administratively in charge of the Company as per its own evaluation methodology. Air India being a Government Company, the performance evaluation of the Directors is carried out by the Administrative Ministry (MOCA), Government of India, as per applicable Government guidelines.

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

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

22. DECLARATION OF INDEPENDENCE

In terms of the Notification dated 31 May 2017 issued by the Ministry of Civil Aviation, Government of India, the tenure of Dr R K Tyagi and Dr Syed Zafar Islam, Independent Directors, ended on 31 May 2020.

Shri Y.C.Deveshwar ceased to be the Director of the Company with effect from 11 May 2019 due to his sad demise.

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

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The following changes have occurred in the constitution of the Board of Directors of the Company from 1 April 2019 till date:

Sr. No.	Name	Designation	Date of Appointment	Date of Cessation	Mode of Cessation
1.	Shri Y.C.Deveshwar	Independent Director	08.08.2018	11.05.2019	Cessation
2.	Shri Arun Kumar	Government Nominee	24.01.2019	10.07.2019	Cessation
3.	Shri Ashwani Lohani	Chairman & Managing Director	14.02.2019	14.02.2020	Cessation



4.	Shri Praveen Garg	Government Nominee	30.08.2019	18.02.2020	Cessation
5.	Shri Rajiv Bansal	Chairman & Managing Director	14.02.2020		
6.	Shri Vimalendra Patwardhan	Government Nominee	18.02.2020		
7.	Dr R K Tyagi	Independent Director	31.05.2017	31.05.2020	Cessation
8.	Dr Syed Zafar Islam	Independent Director	31.05.2017	31.05.2020	Cessation
9.	Smt. Amrita Sharan	Director (Personnel)	14.07.2020		
10.	Ms. Meenakshi Mallik	Director (Commercial)	14.07.2020		
11.	Capt R.S. Sandhu	Director (Operations)	24.07.2020		

24. SEXUAL HARASSMENT

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20:

No. of Complaints received 15

No. of Complaints disposed off 14

25. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- That in the preparation of the annual accounts, the applicable accounting standards had been followed and wherever there are deviations, necessary disclosures have been given;
- That the selected accounting policies were applied consistently, other than disclosed in the Notes to Accounts and the Directors made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2020 and of the profit or loss of the Company for the period ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual accounts have been prepared on a 'going concern' basis; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

The comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013 on the accounts of the Company for the year ended 31 March 2020 and the replies of the Management are annexed to this report.



27. AUDITORS

M/s.P K F Sridhar & Santhanam LLP, Chennai, M/s.Khandelwal Jain & Co., Mumbai and M/s Jagdish Chand & Co., New Delhi were appointed Joint Statutory Auditors for the year 2019-20 by the Comptroller & Auditor General of India.

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

28. SECRETARIAL AUDITORS

Shri Upendra Shukla, Practising Company Secretary, Mumbai was appointed to conduct the Secretarial Audit for Financial Year 2019-20. The Secretarial Audit Report for the Financial Year ended 31 March 2020 along with Management clarifications / explanations to the qualifications or adverse remarks of the Auditor is annexed to this Report.

29. EXTRACT OF ANNUAL RETURN

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

30. MATERIAL CHANGES AND COMMITMENTS

As required under the provisions of Section 134(3)(i) of the Companies Act, 2013, following changes have occurred between 31 March 2020 and the date of the Directors' Report which have affected the financial position of the Company:

Impact of COVID-19

The global outbreak of COVID-19 pandemic and the nation-wide lockdown imposed from 25th March 2020 and followed by multiple extensions in lockdown/ restrictions imposed by Central/State Governments had a major impact on the aviation industry. AI had to cease all scheduled domestic and international operations in compliance with the directions issued by the DGCA in the aftermath of the pandemic. The suspension of all air traffic during this period saw the revenues of the Company plummeting and at the same time, committed and obligated expenditure such as loan repayments, payments to aircraft lessors, salaries, etc., had to be met during this period leading to a further dent in the already strained financial position of the Company.

Nevertheless, the Company, during this period, on the directions of the Government, conducted some essential air operations to mitigate the hardships brought forward by the unprecedented pandemic times. This included the operation of non-scheduled flights under the Vande Bharat Mission to evacuate stranded fellow citizens throughout the globe. In addition, AI also conducted special charter flights on domestic and some international sectors to facilitate the movement of essential medical and other supplies to various parts of the country and the world. Subsequently, the DGCA also permitted resumption of domestic operations in a calibrated manner with effect from 25 May 2020.

In light of the COVID-19 pandemic, it is very difficult to assess the air passenger and cargo traffic volume for the coming years. This has directly affected the operations and revenues of aviation sector including AI. However, on its own part, the Company during the COVID period has introduced various measures/ steps to partially offset the adverse financial impact arising out of these difficult times. These include



the introduction of salary/allowance cuts across the board for all employees, suspension of all post retirement contractual engagements, introduction of the concept of shorter working week, encouraging the employees to take advantage of the Leave without Pay Scheme etc. The Company also engaged its aircraft lessors in negotiations to secure cuts in lease payments, exercised strict control over vendor payments to ensure best possible use of scarce funds availability.

All airlines including Air India have seen a steep decline in their scale of operations during the first two quarters of FY 2020-21. The estimates of recovery from the impact of COVID-19 have been made by various stakeholders and in most cases; normalcy is projected to return by only around FY 2024 i.e. within 4 to 5 years. Scientific advancements in the fight against COVID-19 and the development of a vaccine to control the pandemic will decide the shape and speed of return to normalcy and which in turn, will determine the nature and traction of global economic recovery from the impact of COVID-19.

The COVID-19 pandemic is still impacting all economic activities worldwide in varied ways and any current estimates to mitigate its impact need to be continuously monitored and reassessed. The management will continue to closely monitor any material changes based on the future economic conditions.

31. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Exemption from the first and second proviso to sub-Section (1) of Section 188 with regard to obtaining approval of the Company in General Meeting, has been provided to a Government Company in respect of contracts or arrangements entered into by it with any other Government Company. The Company has obtained approval of the Board in its 106th Meeting held on 27 January 2021 to enter into contracts / arrangements with its subsidiary companies (Government Companies) and its JV Company for an amount of Rs. 26619.00 Million during the year 2019-20.

32. RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and the Management is briefed on the risks in advance to enable the Company control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Company is also periodically informed of the business risks and the actions taken to manage them.

33. ORDERS OF COURT

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

34. ANNUAL REPORT OF SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENT

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.

In accordance with the provisions of Section 134 of the Companies Act, 2013 and IND-AS 110, audited Consolidated Financial Statement for the year ended 31 March 2020 of the Company and its Subsidiaries



form part of the Annual Report.

35. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

As per Ministry of Corporate Affairs Notification dated 5 June 2015, provisions of Section 134(3)(e) are not applicable to a Government Company. Consequently, details on Company's policy on Directors' appointment as specified in Section 178 (3) s are not provided.

Similarly, Section 197 shall not apply to a Government Company. Consequently, disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details including the statement showing the names and other particulars of every employee of the Company, who, was in receipt of remuneration in excess of the limits set out in the Rules, are not provided.

The Chairman & Managing Director and the Whole-time Directors of the Company did not receive any remuneration or commission from any of its Subsidiaries.

36. ACKNOWLEDGEMENTS

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

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

For & on behalf of the Board

Sd/-

(Rajiv Bansal)

Chairman & Managing Director

Place : New Delhi
Date : 18 March 2021