

CHAIRMAN'S MESSAGE



Dear Shareholders,

It is my privilege to present the 4th Annual Report of the Company for the year 2021-22. I would like to thank each one of you for making it convenient to attend this meeting.

I take this opportunity to share the performance highlights of the company during the year:

PERFORMANCE OF THE COMPANY

AI Assets Holding Limited (AIAHL) is a Special Purpose Vehicle (SPV) incorporated by the Government of India for the purpose of disinvestment of Air India. The Company does not have any normal commercial activity and it is primarily dependent on the Government Grants of its operations. During the year under review, pursuant to the disinvestment of the Air India Limited, the shares of its four subsidiaries were transferred to AI Assets Holding Limited. Government of India, to facilitate strategic disinvestment of Air India (AI), infused equity capital of Rs.6,23,654.00 million in the company to settle guaranteed/other past dues/overdues of AI. Accordingly, the Company transferred Rs. 6,11,309.58 million to AI. Out of the above Government of India (GoI) equity infusion in FY 2021-22, unspent balance funds of Rs. 12,344.42 million were lying in the fixed deposits with SBI for utilization for servicing the interest of identified debts and servicing other expenses/liabilities of the company during the FY 2022-23 onwards in accordance with the GOI instructions communicated vide Ministry of Civil Aviation (MoCA) letter dated 31.03.2022. as at 31st March 2022, total funds support of Rs.831,949.58 million made available to AI (Rs.611,309. million from Equity funds and Rs.220,640.00 million from Debts/GOI grant funds) for settling the identified debts/liabilities in addition to the funds released by company to AI from GOI grant funds/monetization receipts for servicing the interest and other expenses relating to the disinvestment process. AIL in turn had transferred assets (net-off liabilities) inclusive of certain immovable properties and non-core assets and investment in erstwhile subsidiaries of Air India Limited amounting to Rs. 15,4431.33 million to AIAHL in FY 2021-22.

Standalone Financial Result

During the financial year 2021-22, the Company had incurred a loss of Rs.10,574.67 million mainly due to premium payment on early redemption of AI 9.08% NCDs for Rs. 74,000 million and substantial reduction in income flows consisting of reduction in rental income from Identified properties and reduction in Government grants income (due unspent funds availability with company from funds infusion and monetization receipts) and increase in other expenses arising from accounting of several disinvestment closure transactions during the year.

Consolidated Financial Result

The Consolidated Financial Statements represents consolidation of Company's financials with the financials of four Subsidiary Companies viz. AI Airport Services Limited (AIASL), Alliance Air Aviation Ltd. (AAAL), AI Engineering Services Ltd (AIESL) and Hotel Corporation Ltd. (HCI).

The Consolidated net loss of the group for FY 2021-22 is Rs.7,357.92 million. The consolidated loss is lower by Rs. 3216.75 million than the standalone loss of Rs. 10574.67 million mainly due to consolidation impact of profit from entity included in disposal group.

FUTURE PLANS

The Company was formed with an object to warehouse accumulated working capital loans not backed by any assets of Air India along with four Subsidiaries; AI Airport Services Limited (AIASL), Alliance Air Aviation Ltd. (AAAL), AI Engineering Services Ltd (AIESL) and Hotel Corporation Ltd. (HCI), non-core assets other non-operational assets of Air India Ltd.

As decided by the Government, the Company is in the process of disinvestment of its subsidiaries namely AIESL, AIASL and AAAL for which due process of disinvestment including issue of Preliminary Information Memorandum for inviting Expression of Interest shall be done under the guidance of Department of Investment and Public Asset Management (DIPAM), with the involvement of relevant Ministries/ Departments of Government of India.

The monetization process of AI transferred assets is actively pursued with the relevant agencies/ authorities by the company. Similar actions for identification/ disposal/transfer/ utilization/ accounting of large number of non-core assets are also being pursued in constant interactions with the relevant local authorities.

CORPORATE GOVERNANCE

Company believe in strong corporate governance and transparency. The Company ensures transparency in its working and reporting matters and following the guidelines on Corporate Governance issued by Department of Public Enterprises (DPE) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable during the year.

ACKNOWLEDGEMENT

I take this opportunity to thank the Government of India, especially Ministry of Civil Aviation and Ministry of Finance for their support. I also acknowledge the support extended by all other authorities including banks and regulatory agencies. I would like to thank my colleagues on the Board for their valuable guidance.

I would like to thank employees of the Company for their efforts.

On behalf of the Board, I seek your continued support, as always.

Sd/-
Satyendra Kumar Mishra