

BOARD OF DIRECTORS

BLUE DART AVIATION LIMITED

BOARD OF DIRECTORS

Tushar K. Jani	Chairman
Tulsi Nowlakha Mirchandaney	Managing Director
Clyde C. Cooper	Director
Air Marshal M. McMahon (Retd.)	Director
Air Marshal VA Patkar (Retd.)	Director
Lars Winkelbauer	Director
Sharad P. Upasani	Director
Surendra G. Sheth	Alternate Director to Mr. Clyde C. Cooper

KEY MANAGERIAL PERSONNEL

P. Parameshwaran	Chief Financial Officer
N. Palaniappan	Company Secretary & Sr. Manager - Finance

PRINCIPAL BANKERS

Yes Bank Limited

AUDITORS

S.R.Batliboi & Associates LLP

REGISTERED OFFICE

Blue Dart Centre,
Sahar Airport Road,
Andheri (E), Mumbai – 400 099
CIN: U35303MH1994PLC078691

DIRECTORS' REPORT

To the Members

Your Directors have great pleasure in presenting the Twenty Fourth Annual Report of your Company for the financial year ended March 31, 2018.

FINANCIAL RESULTS

	Year ended March 31, 2018	Year ended March 31, 2017
(₹ in Lakhs)		
Revenues:		
Revenue from Operations	66,575	61,361
Other Income	558	523
Less: Operating Expenses	(57,442)	(53,669)
Operating Profit (EBIDTA)	9,691	8,215
Less: Interest cost (Net)	2,236	1,786
Depreciation / Amortisation	6,940	5,974
Earnings before tax	515	455
Less: Provision for Income tax	259	144
Earnings after tax	256	311
Other Comprehensive Income	19	(4)
Total Comprehensive Income for the year	275	307

During the year under review, your Company has recorded a profit before tax of ₹ 515 lakhs as compared to profit before tax of ₹ 455 lakhs for the 12 months ended March 31, 2017.

REVIEW OF INDIAN ECONOMY AND AVIATION INDUSTRY

The Government of India has undertaken major reforms over the past year. The implementation of the Goods and Services Tax (GST), E-Way bill, introduction of new Indian Bankruptcy Code and implementing a major recapitalization package to strengthen the public sector banks are some of the major reforms in the Indian economy. As a result of these measures, the dissipating effects of earlier policy actions, and the export uplift from the global recovery, the economy has started to accelerate in the second half of the year.

Air traffic in India rose 15.80 % year-on-year to 280.24 million during April-February 2017-18. Witnessing a growth of 18.50 % over the previous year, total passenger traffic stood at a 264.97 million in FY17. India's passenger traffic grew 15.80 % y-o-y to 280.24 million during April-February 2017-18. The government is taking initiatives like liberalization of air services, airport development and regional connectivity through the UDAN scheme. According to Airbus, the number of passengers flying in the Indian domestic market is expected to multiply by almost six times in the next 20 years compared to 1.5 times for domestic USA and almost four times for domestic China.

There is a steep increase in the crude oil prices during the year, compared to earlier year, which has increased the expenses and has offset the revenue growth due to increase in air traffic. Fluctuation in foreign currency and weakening of the rupee has also affected the aviation industry which depends on imports for servicing of aircraft.

As of March 2018, there are nearly 550 commercial aircraft in operation in India. It is estimated that India will see an investment of US \$25 billion in the next decade in the airports sector, and traffic growth of 13 %, according to Morgan Stanley. According to them, the share of air travel in air and rail travel combined in India will grow to 15.2 % by 2027 from 7.9 % now.

Increase in the number of passenger aircraft has added significant air cargo capacity by way of additional belly space offered by such aircraft. This has intensified the competition.

REVIEW OF PERFORMANCE

Your Company is the only scheduled domestic cargo airline operating in the Indian skies, with a fleet of six Boeing 757-200 freighters.

Your Company has posted an On Time Performance of 81% and a Technical Dispatch Reliability of 99.22% with an average fleet life of 22.5 years and despite severe infrastructure constraints, congestion in the skies and ATC delays. Your Company has handled 38 charters during the year and has uplifted 91,471 tonnes on its network during the period of 12 months ended March 31, 2018. This was made possible with additional operations of 170 flights and 856 hours supplementing the scheduled night operations.

Your Company has an ACMI Contract with parent company Blue Dart Express Limited for providing dedicated air carriage capacity, which has ensured strong support in sustaining Blue Dart's leadership position through its unique aviation network.

Your company started the year with the daunting task of repairing one of its aircraft, VT-BDO, which was grievously damaged during cyclone Vardha. The structural and wiring repairs were completed in-house in a timely and cost-effective manner, with nil defects on release to operations. Your Company has carried out four major checks during the year 2017-18. Notable was the major 4C check undertaken on VT-BDA from 01 to 23 February 2018, with 820 task cards, 50 SB/ADs and 132 non-routine tasks based on observations by your Company's engineering team. All the tasks were completed within 20 working days and released with nil snags.

During the year, your Company has successfully completed the International Civil Aviation Organization's (ICAO) audit of Indian regulator DGCA. An ICAO team audit has covered the Airworthiness aspects in all Maintenance, CAMO functions including Technical Library, Training and Stores. The audit was completed with nil observations, and the policies and procedures put in place by your Company were appreciated by the ICAO Audit team.

Your Company was the first to be approved by the DGCA for the Airline Type Rating Programme. This capability has saved training costs and given the Company much needed flexibility to meet its training targets

DIRECTORS' REPORT

and ensure standards. The ground training instructors and support personnel have set up a training facility within the available space and resources, creating a flight deck mock-up, CBT stations and an examination room that is supported with biometric access and CCTV monitoring. Four successful ATRP courses were completed during the year.

Your Company as always, maintained its focus on safety through continued audits and inspections spread over the year at all Stations. In addition, SMS activities became more involved with hazards being reported at regular intervals. There were close interactions between departments at all stations on the effective functioning of the Safety Action Group, providing a coordinated approach in dealing with hazards and weak areas.

Your Company has kept pace with the rapid and numerous changes in regulations on a daily basis, and all affected CAR M, CAR 145, CAR 147 and CAR 66 regulations were revised substantially by DGCA, with tough target time limits for operators to comply. Your Company has ensured 100% compliance on time, by efficient processing of policies and procedure approvals by the DGCA and its implementation.

During the year, your Company has renegotiated the ATF procurement by distributing the supply more effectively and creating a competition between three aviation turbine fuel suppliers with substantial reduction from existing rates. This process improvement has yielded a greater cost efficiency and reduced cost of ATF by 5%.

To enhance the warehouse capabilities at its online stations, your Company has undertaken construction and refurbishment of new warehouse facilities at Mumbai, Delhi, Chennai and Kolkata Airports. During the year, the Kolkata warehouse project was successfully completed and operations have been relocated to the new facility with effect from January 2018. One of your Company objectives is to reduce the target of misroutes, to achieve reliability.

Your Company has received the Innovation Award by GMR at New Delhi airport. The Fire Containment Bag developed by your Company, was selected as the best and most beneficial innovative solution for safety.

DIRECTORS/ KEY MANAGERIAL PERSONNEL

As on March 31, 2018, Your Company's Board has a strength of 8 (Eight) Directors including 1(one) Woman Director, 1 (one) Alternate Director and 2 (two) Independent Directors.

The Board of Directors of the Company is duly constituted and the present structure is as follows:

Sr. No.	Name of the Directors	Designation
1.	Mr. Tushar K. Jani	Chairman
2.	Ms.Tulsi Nowlakha Mirchandaney	Managing Director
3.	Mr. Clyde C. Cooper	Director
4.	Air Marshal M.McMahon (Retd.)	Director
5.	Air Marshal Vijay Achyut Patkar (Retd.)	Director
6.	Mr. Lars Winkelbauer	Director

7.	Mr. Sharad Upasani	Director
8.	Mr. Surendra Sheth	Alternate Director to Mr. Clyde Christopher Cooper

Mr. Surendra Sheth (DIN 89981) was appointed as an Alternate Director to Mr. Clyde Christopher Cooper (DIN 382001) on March 15, 2017 and he vacated office on October 09, 2017 when original Director, Mr. Clyde C. Cooper, returned to India.

Mr. Clyde C. Cooper, Director, has requested the Board of Directors to re-appoint Mr. Surendra Sheth (DIN: 89981) as his alternate during his absence from India, and Mr. Surendra Sheth was again re-appointed as Alternate Director to Mr. Clyde Cooper on October 14, 2017.

Your Company had obtained the renewal of security clearances for all Directors from the Ministry of Civil Aviation of India on February 09, 2018.

During the year under review, in terms of the requirements under the Companies Act, 2013, all Independent Directors have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company, Mr. Clyde C. Cooper (DIN:382001), Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment

The Key Managerial Personnel (KMPs) in the Company as per Section 2(51) and Section 203 of the Companies Act, 2013 are as follows:

Sr. No.	Name of the Directors	Designation
1.	Ms.Tulsi Nowlakha Mirchandaney	Managing Director
2.	Mr. P. Parameshwaran	Chief Financial Officer
3.	Mr. N. Palaniappan	Company Secretary

During the year, there was no change (appointment or cessation) in the office of any KMP.

Number of Meetings of the Board

During the year, the Board of Directors of your Company has met 7 times. The Maximum interval between any two meetings did not exceed 120 days.

Details of Board Meeting as Follows

Sr. No.	Date of Meeting
1.	05.05.2017
2.	19.05.2017
3.	27.07.2017
4.	11.10.2017
5.	29.11.2017
6.	06.12.2017
7.	30.01.2018

DIRECTORS' REPORT

AUDIT COMMITTEE

The Audit Committee comprises of three Non-Executive Directors viz; Air Marshal M McMahon (Retd.) as Chairman of the Committee, with Mr. Tushar K. Jani and Air Marshal Vijay Achyut Patkar (Retd.) as members of the Committee.

The terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013.

Ms. Tulsi Nowlakha Mirchandaney, Managing Director, Mr. Clyde C. Cooper, Director, Mr. Sharad Upasani, Director, Mr. Lars Winkelbauer, Director, Mr. P. Parameshwaran, Chief Financial Officer are the permanent invitees to the Audit Committee Meetings. Mr. N. Palaniappan, Company Secretary & Sr. Manager – Finance, acts as Secretary to the Committee.

INTERNAL FINANCIAL CONTROL SYSTEMS

Your Company has a sound internal control system to ensure that all assets are protected against loss from any unauthorised use. All transactions are recorded and reported correctly. The Company's internal control system is further supplemented by the internal audits carried out by an outsourced audit firm viz; M/s. KPMG. Well-established and robust internal audit processes, both at the business and corporate level, continuously monitor the adequacy and effectiveness of the internal control environment across the Company, and status of compliance with operating systems, internal policies and regulatory requirements. The Audit Committee of the Board addresses significant issues raised by both the Internal Auditors and Statutory Auditors.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of provisions of Section 177(9)/(10) of the Companies Act, 2013, your Company has formalized the process and institutionalized a Whistle Blower Policy in the Organisation.

The Company engaged the services of M/s. KPMG Advisory Services Pvt. Ltd., renowned consultancy firm, which has established the Blue Dart Ethics Hotline. In terms of the Policy, all suspected violations and reportable matters must be reported to the Ethics Committee via the Blue Dart Ethics Hotline. The Ethics Committee comprises of Mr. Prem K. Thomas, Chief Human Resource Manager, Mr. N. Palaniappan, Company Secretary & Sr. Manager – Finance and Mr. N. Krishnamoorthy, Chief Quality Manager. The Policy is applicable to all Directors, employees, officers, customers, vendors and/or third party intermediaries such as agents and consultants whether appointed on permanent, temporary, full time, part-time, contractual, probation or on retainer basis and engaged to conduct business on behalf of the Company concerned about unacceptable, unethical or illegal activities which affect the workplace. The Policy provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. None of the Whistle Blowers was denied access to the Audit Committee of the Board.

The contact details for Blue Dart Ethics Hotline numbers are as follows:

Sr. No.	Reporting Channel	Contact Information	Availability
1.	Phone (Toll Free)	1800 200 1072	7 AM to 11 PM on weekdays
2.	Email	bluedart@ethicshelpline.in	24 hours a day
3.	Fax	Dial Toll Free number - 1800 200 1072 and select option 2 on IVR	24 hours a day
4.	Post	PO Box No. 71, DLF Phase 1, Qutub Enclave, Gurgaon – 122002	24 hours a day
5.	Web	www.in.kpmg.com/ethicshelpline	24 hours a day

SEXUAL HARASSMENT OF WOMAN AT WORKPLACE

The Company values dignity of individuals and strives to provide a safe and respectable work environment for all its employees. The Company is committed to providing an environment which is free of discrimination, intimidation and abuse. Pursuant to requirements of 'Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013' and rules made thereunder, the Company has a Policy for Prevention of Sexual Harassment of Women in the Company. There was no complaint received from any employee during the financial year 2017-18 and hence no complaint is outstanding as on March 31, 2018 for redressal.

NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of the Companies Act, 2013, your Company has a Nomination and Remuneration Committee, with Air Marshal M McMahon (Retd.) as Chairman of the Committee, and Mr. Tushar K. Jani, Mr. Clyde C. Cooper and Air Marshal Vijay Achyut Patkar (Retd.) as members of the Committee.

Ms. Tulsi Nowlakha Mirchandaney, Managing Director, Mr. Lars Winkelbauer, Director and Mr. P. Parameshwaran, Chief Financial Officer are the permanent invitees to the Nomination and Remuneration Committee Meetings.

NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178 of Companies Act, 2013, the Board has, on the recommendations of the Nomination and Remuneration Committee, framed a policy on appointment of Directors and Key Managerial Personnel of the Company, and fixation of the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. The Nomination and Remuneration policy of your Company has listed down criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of Companies Act, 2013.

COMMENTS ON AUDITORS' REPORT/SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S.R. Batliboi & Associates, Statutory

DIRECTORS' REPORT

Auditors, in their report, and by M/s. P. Sriram & Associates, Company Secretary in Practice, in his secretarial Audit Report.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE Company

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not made any loans, Guarantees or Investments, which falls under Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial Year were at 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.

All Related Party Transactions are placed before the Audit Committee and the Board for approval.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The particulars of contracts or arrangements with related parties as required under Section 134(3)(h) in prescribed Form AOC 2 are annexed herewith as an 'Annexure A'.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, your Directors confirm that;

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that year;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down proper internal financial controls to be followed by the Company and ensure that the financial controls were adequate and were operating effectively; and
- vi. They have devised systems to ensure compliance with the provisions of all applicable laws and that they were adequate and operating effectively.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has reappointed M/s. P. Sriram & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2018.

The Report of the Secretarial Audit Report is annexed herewith as an 'Annexure B'.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

DISCLOSURE ON CONFIRMATION WITH THE SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 as per Section 92 (3) of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014 is annexed herewith as an 'Annexure C'.

RISK MANAGEMENT

The Company has in place a mechanism to inform the Board on risk assessment and mitigation procedures and periodic reviews are conducted in order to ensure that Management controls risks through a properly defined framework.

The Company has constituted an Internal Risk Management Committee comprising Ms. Tulsi Nowlakhia Mirchandaney, Managing Director, Mr. P. Parameshwaran, Chief Financial Officer and Mr. N. Palaniappan, Company Secretary & Sr. Manager – Finance as members to monitor the risks on a periodic basis.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits under the provisions of Section 73 of the Companies Act, 2013.

AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, (Firm Registration no. 101049W/E300004), were appointed as Statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of Twenty Third Annual General Meeting of the Company held on July 27, 2017 upto the conclusion of the Twenty Eight Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting.

MCA vide its notification dated May 07, 2018 has enforced section 40 of the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Rules, 2014 wherein the requirement for ratifying the appointment of the Auditors of a Company at every Annual General Meeting as per the provisions of section 139 (1) of the Act, 2013 has

DIRECTORS' REPORT

now been dispensed with.

Accordingly, in terms of the aforesaid amendments, your Company has not sought ratification of the appointment of the Statutory Auditors by the Shareholders at the ensuing Annual General Meeting.

You Company has received necessary certificate from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants confirming that they satisfy the criteria provided under section 141 of the Companies Act, 2013 and are not disqualified from continuing as Statutory Auditors of the Company.

The Auditors' Report for 2017-18, does not contain any qualification, reservation or adverse remarks.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

HUMAN RESOURCE DEVELOPMENT

The Human Resource (HR) function has always been aligned with the business objectives and as per the people requirements for effective partnership. Some of the highlights of key areas on which HR laid emphasis and achieved results included Employee Morale & Motivation, Performance Management, Succession Planning, Employee Wellness and Well Being, Work-Life Balance Initiatives.

During the year, your Company's ESS portal has gone live, helping users to access their information online from the ESS portal.

Your Company has trained employees on Gemba and 5S, and orientation also given on First Choice. The trainings are provided to employees in order to embrace the continuous change and requirement for constant improvement of processes and efficiencies.

During the year, True Blue Functions were conducted across all stations and Headquarters, where employees who have completed, 5, 10, 15 and 20 years have been awarded and recognized for their contribution.

Your Company considers the health of the employees as a primary focus area and, in an effort to contribute to their fitness, have signed with Stepathlon. The Stepathlon event has seen a large response and participation by your employees, with competition across various groups to keep themselves fit. Your Company has also organized employee health camps with a follow-up by doctors. Employees had been frequently counseled on the importance of maintaining their health.

The Company's Employee Engagement Committee has conducted knowledge-sharing sessions across all Stations and Headquarters, where employees have come forward and presented topics of interest which were received with great enthusiasm.

During the year, 140 of your Company's employees have participated in a blood donation drive, and 300 tree saplings were planted as part of the Go Green effort. Your Company's employees have visited 11 old age homes and 460 employees have spent 1466 hours in reaching out to the less privileged, and making contributions to mitigate global warming.

EMPLOYEES

People are the human capital of the organization and key to the successful implementation of plans and processes. Your Company

continues to maintain its 'People' philosophy. Your Directors take this opportunity to thank each one of our people for their dedicated service and contributions that have resulted in successfully surmounting the challenges of another year. Your Company's consistent growth has been made possible by their hard work, solidarity, co-operation, commitment and support.

Information on the particulars of employees' remuneration as per Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, as per the provisions of Section 136 (1) of the Companies Act, 2013, the report and accounts are being sent to all shareholders of the Company, excluding the Statement of Particulars of Employees which is available for inspection at the registered office of the Company during working hours. Any shareholder interested in such particulars may inspect the same.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The particulars regarding foreign exchange earnings and expenditure stipulated under section 134(3)(m) are annexed herewith as an 'Annexure D' and forms part of this Report. Since your Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the 'Board of Directors' Rules, 1988) are not applicable.

ACKNOWLEDGEMENT

The Board of Directors wishes to express its sincere appreciation and thanks to all customers, vendors, banks, financial institutions, solicitors, advisors, the Government of India, concerned State Governments and other authorities for their consistent support and co-operation in contributing to the Organization's success.

Your Directors appreciate the contribution made by the employees of the Company and acknowledge their hard work and dedication to ensure that the Company consistently performs to the highest standards of excellence.

For and on behalf of the Board of Directors,

Tushar K. Jani
Chairman
DIN: 192621

Air Marshal M. McMahon (Retd.)
Director
DIN: 00234293

Lars Winkelbuaer
Director
DIN: 07021941

Surendra Sheth
Alternate Director
DIN: 00089981

Mumbai,
May 8, 2018

Tulsi Nowlakhia Mirchandaney
Managing Director
DIN: 01842520

Air Marshal VA Patkar (Retd.)
Director
DIN: 07037116

Sharad Upasani
Director
DIN: 01739334

ANNEXURES TO DIRECTORS' REPORT

'ANNEXURE - A'

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]
Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

I. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which were not at arm's length basis.

II. Details of material contracts or arrangement or transactions at arm's length basis

a. Name(s) of the related party and nature of relationship

Blue Dart Express Limited - Holding Company

Mr. Tushar K Jani - Chairman and Director

DHL Express (India) Private Limited - Group Company.

b. Nature of contracts/arrangements/transactions

1. Aircraft Crew Insurance Maintenance (ACMI) Agreement with Blue Dart Express Limited.
2. Inter Corporate Deposit (ICD) Agreement with Blue Dart Express Limited.
3. Cargo handling agreement with Delhi Cargo Service Center India Private Limited
4. Cargo Movement Services Agreement with DHL Express (India) Private Limited.
5. Courier Services Agreement with DHL Express (India) Private Limited.

c. Duration of the contracts / arrangements/transactions

1. Blue Dart Express Limited (ACMI) - 01st October 2017 to 31st March 2020.
2. Blue Dart Express Limited (ICD) - 01st August 2017 to 31st July 2022.
3. Delhi Cargo Service Center Private Limited - 01st April 2017 to 31st March 2020.
4. DHL Express (India) Private Limited - 01st August 2017 to 31st July 2018.
5. DHL Express (India) Private Limited - 01st January 2018 to 31st December 2018.

d. Salient terms of the contracts or arrangements or transactions including the value, if any :

All contracts have been executed on Arm's length basis on competitive terms.

e. Date(s) of approval by the Board, if any :

- | | | |
|--|---|------------------|
| Blue Dart Express Limited (ICD) | - | May 05, 2017 |
| Blue Dart Express Limited (ACMI) | - | May 05, 2017 |
| Delhi Cargo Service Center Private Limited | - | May 05, 2017 |
| DHL Express (India) Private Limited | - | July 27, 2017 |
| DHL Express (India) Private Limited | - | January 30, 2018 |

f. Amount paid as advances, if any : NIL

For and on behalf of the Board of Directors,

Tushar K. Jani
Chairman
DIN: 192621

Tulsi Nowlakra Mirchandaney
Managing Director
DIN: 01842520

Air Marshal M. McMahon (Retd.)
Director
DIN: 00234293

Air Marshal VA Patkar (Retd.)
Director
DIN: 07037116

Lars Winkelbuaer
Director
DIN: 07021941

Sharad Upasani
Director
DIN: 01739334

Surendra Sheth
Alternate Director
DIN: 00089981

Mumbai,
May 8, 2018

ANNEXURES TO DIRECTORS' REPORT

'ANNEXURE - B'

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Blue Dart Aviation Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Blue Dart Aviation Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Blue Dart Aviation Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, functional heads, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Aircraft (Public) Health Rules, 1954
- 3) The Aircraft Act, 1934
- 4) The Aircraft Rules, 1937
- 5) The Air (Prevention & control of pollution) Act 1981
- 6) The Carriage by Air Act, 1972
- 7) The Customs Act 1962
- 8) The Environment (Protection) Act, 1986
- 9) The Factories Act 1948
- 10) The Foreign Exchange Management Act, 1999
- 11) The Indian Aircraft Rules, 1920
- 12) The Industrial Disputes Act, 1947
- 13) The Industrial Employment (Standing Orders) Act, 1946
- 14) The Legal Metrology Act, 2009
- 15) The Motor Vehicles Act, 1988
- 16) The Trade Mark Act, 1999
- 17) The Unlawful Acts against safety of Civil Aviation Act 1982
- 18) The Water (Prevention & Control of Pollution) Act 1974

Other applicable laws on the operation of the Company and the rules made thereunder:

I have examined the systems and procedures of the Company as placed to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

ANNEXURES TO DIRECTORS' REPORT

The Company has duly complied with the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) during the audit period.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc., mentioned as above.

I Further Report That

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place : Chennai

Date : May 8, 2018

Signature:

P. Sriram & Associates

FCS No. 4862

C P No: 3310

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURES TO DIRECTORS' REPORT

'Annexure A'

To
The Members,
Blue Dart Aviation Limited

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai

Date : May 8, 2018

Signature:

P. Sriram & Associates
FCS No. 4862
C P No: 3310

ANNEXURES TO DIRECTORS' REPORT

'ANNEXURE C'

EXTRACT OF ANNUAL RETURN

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

i. CIN	:	U35303MH1994PLC078691
ii. Registration Date	:	May 31, 1994
iii. Name of the Company	:	Blue Dart Aviation Limited
iv. Category / Sub-Category of the Company	:	Company having Share Capital
v. Address of the Registered office and contact details	:	Blue Dart Centre, Sahar Airport Road, Andheri (East) Mumbai - 400 099, India. Tel.No. +91 22 28396444 Head Office : No.88-89,Old International Terminal, Meenambakkam Airport,Chennai - 600 027
vi. Whether listed company Yes / No	:	No
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NIL

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Express Air Charter Service	5120	99%
2	Business Support Service	8299	1%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Blue Dart Express Limited Blue Dart Centre, Sahar Airport Road, Andheri (West), Mumbai - 400 099.	L61074MH1991PLC061074	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2017 i.e. on the basis of Shareholding Pattern of March 31, 2017)				No. of Shares held at the end of the year (as on March 31, 2018 i.e. on the basis of Shareholding Pattern of March 31, 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0

ANNEXURES TO DIRECTORS' REPORT

b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	24000000	24000000	100.00	0	24000000	24000000	100.00	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	0	24000000	24000000	100.00	0	24000000	24000000	100.00	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	0	24000000	24000000	100.00	0	24000000	24000000	100.00	0
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corporate	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
1. Clearing Member									
2. NRI	0	0	0	0	0	0	0	0	0

ANNEXURES TO DIRECTORS' REPORT

3. Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
4. OCB	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	24000000	24000000	100	0	24000000	24000000	100	0.00

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Blue Dart Express Limited	24000000	100	0	24000000	100	0	0

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

Sr. No.		No. of Shares held at the beginning of the year (as on April 1, 2017 i.e. on the basis of Shareholding Pattern of March 31, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year				
2.	Bought / Sold during the year				
3.	At the End of the year (31/03/2018)				

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

Sr. No.		Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Increase	Decrease	No. of Shares	% of total Shares of the company
1.	-	0	0	0	0	0	0

ANNEXURES TO DIRECTORS' REPORT

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
		0	0	0	0

(v) INDEBTEDNESS

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

₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	21145	0	21145
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	21145	0	21145
Change in Indebtedness during the financial year				
• Addition	0	16252	0	16252
• Reduction	0	(9399)	0	(9399)
Net Change	0	6853	0	6853
Indebtedness at the end of the financial year				
i) Principal Amount	0	27998	0	27998
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	27998	0	27998

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Tulsi Nowlakha Mirchandaney, Managing Director
1.	Gross salary	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	247.62
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...	-

ANNEXURES TO DIRECTORS' REPORT

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
5.	Others, please specify	-
	Total (A)	247.91
	Ceiling as per the Act	Refer note

Note : The remuneration payable to MD is as per the provisions of Companies Act, 2013.

B. Remuneration to other Directors:

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
(1)	Independent Directors			
		Air Marshal Michael McMahon	Air Marshal VA Patkar	
	- Fee for attending board / committee meetings	5.1	4.8	9.9
	- Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B) (1)	5.1	4.8	9.9
(2)	Non – Executive Directors			
		Tushar K Jani	Clyde C. Cooper	
	- Fee for attending board / committee meetings	3.9	0.6	4.5
	- Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B) (2)	3.9	0.6	4.5
(3)	Non – Executive Directors			
		Sharad Upasani	Surendra Sheth-Alternate Director	
	- Fee for attending board / committee meetings	2.1	3.0	5.1
	- Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B) (3)	2.1	3.0	5.1
	Total (B) = (B) (1) + (B) (2) + (B) (3)			19.5

ANNEXURES TO DIRECTORS' REPORT

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. P. Parameshwaran Chief Financial Officer	Mr. N. Palaniappan Company Secretary	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	58.08	25.56	83.64
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.22	0.51
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify...	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
	Total (C)	58.37	25.78	84.15

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
Company Penalty Punishment Compounding			None		
Directors Penalty Punishment Compounding			None		
Other officers in Default Penalty Punishment Compounding			None		

ANNEXURES TO DIRECTORS' REPORT

'ANNEXURE - D'

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

A) Earnings in Foreign Currency

Earnings in foreign currency during year ended March 31, 2018 was ₹ 311 Lakhs.

(March 31, 2017: ₹ 3 Lakhs)

B) Expenditure in Foreign Currency

Expenditure in foreign currency during year ended March 31, 2018 was ₹ 9,655 Lakhs.

(March 31, 2017: ₹ 9,399 Lakhs)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BLUE DART AVIATION LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Blue Dart Aviation Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) (Amendment) Rules, 2017. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 05, 2017.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BLUE DART AVIATION LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) (Amendment) Rules, 2017, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (h) The Company does not have any pending litigations which would impact its financial position
 - (i) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (j) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

For S.R. Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership Number: 106406

Place: Mumbai
Date: May 8, 2018

ANNEXURE 1 TO INDEPENDENT AUDITORS' REPORT

Annexure 1 referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our audit report of even date:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, duty of custom, cess, value added tax and other statutory dues applicable to it. The provisions of sales-tax, and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax, duty of custom, value added

tax, cess and other statutory dues were outstanding at the year-end for a period of more than six months from the date they became payable. The provisions of sales-tax, and duty of excise are not applicable to the Company.

- (c) Following are the amounts of service tax which have not been deposited by the Company on account of any disputes:

Name of the statute	Nature of dues	Amt* ₹ in Lakhs	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	6,499	May 2008 to June 2017	Customs, Excise & Service Tax Appellate Tribunal

There are no amounts of sales tax, income tax, custom duty, wealth tax, excise duty, value added tax and cess which have not been deposited by us on account of any disputes.

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- ix. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans during the year under review. Hence, reporting under clause 3 (ix) is not applicable to the Company and not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

ANNEXURE 1 TO INDEPENDENT AUDITORS' REPORT

Annexure 1 referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our audit report of even date:

- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership Number: 106406

Place: Mumbai
Date: May 8, 2018

ANNEXURE 2 TO INDEPENDENT AUDITORS' REPORT

Annexure 2 referred in our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Blue Dart Aviation Limited (the "Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

ANNEXURE 2 TO INDEPENDENT AUDITORS' REPORT

Annexure 2 referred in our report of even date

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

Place: Mumbai
Date: May 8, 2018

per Kalpesh Jain
Partner
Membership Number: 106406

BLUE DART AVIATION LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4A	28,946	22,417
Capital work-in-progress	4A	5,257	3,343
Other Intangible Assets	4B	909	1,183
Other Financial Assets	5	973	602
Deferred Tax Assets (Net)	6	3,327	3,284
Non-Current Tax Assets (Net)	7	1,748	881
Other Non-Current Assets	8	1,263	460
TOTAL NON-CURRENT ASSETS		42,423	32,170
CURRENT ASSETS			
Inventories	9	1,685	1,912
Financial Assets			
Trade Receivables	10	437	94
Cash and Cash equivalents	11	33	84
Other Financial Assets	12	261	227
Other Current Assets	13	1,293	1,455
TOTAL CURRENT ASSETS		3,709	3,772
TOTAL ASSETS		46,132	35,942
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	14	2,400	2,400
Other Equity	15	2,562	2,287
TOTAL EQUITY		4,962	4,687
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	16	24,843	17,371
Other Financial Liabilities	17	2,785	3,166
Provisions	18	436	282
Employee Benefit Obligation	18A	-	304
Other Non Current liabilities	19	178	-
TOTAL NON-CURRENT LIABILITIES		28,242	21,123
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	252	708
Trade Payables	21	6,838	4,856
Other Financial Liabilities	22	3,812	3,912
Employee Benefit Obligation	18A	513	197
Other Current Liabilities	23	1,513	459
TOTAL CURRENT LIABILITIES		12,928	10,132
TOTAL LIABILITIES		41,170	31,255
TOTAL EQUITY AND LIABILITIES		46,132	35,942

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date.

For S.R.Batlboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No. 106406

Place: Mumbai
Date: May 8, 2018

For and on behalf of the Board of Directors

Tushar K. Jani
Chairman
DIN:00192621

Air Marshal M . McMahon (Retd.,)
Director
DIN:00234293

N. Palaniappan
Company Secretary &
Sr. Manager-Finance

Tulsi Nowlakra Mirchandaney
Managing Director
DIN:01842520

Sharad Upasani
Director
DIN:01739334

P. Parameshwaran
Chief Financial Officer

Surendra Sheth
Alternate Director
DIN:00089981

Air Marshal Vijay Achyut Patkar (Retd.,)
Director
DIN:07037116

Place: Mumbai
Date: May 8, 2018

BLUE DART AVIATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Notes	Year ended March 31, 2018 in ₹ Lakhs	Year ended March 31, 2017 in ₹ Lakhs
INCOME			
Revenue from Operations	24	66,575	61,361
Other Income	25	558	523
TOTAL INCOME		67,133	61,884
EXPENSES			
Operating Costs	26	35,747	33,106
Employee Benefits Expense	27	13,186	12,579
Finance Costs	28	2,236	1,786
Depreciation and Amortisation Expense	29	6,940	5,974
Other Expenses	30	8,509	7,984
TOTAL EXPENSES		66,618	61,429
PROFIT BEFORE TAX		515	455
Income Tax Expense	32		
Current Tax		313	561
Deferred Tax		(54)	(417)
Total Tax Expense		259	144
PROFIT FOR THE YEAR		256	311
OTHER COMPREHENSIVE INCOME			
OCI not to be reclassified to Statement of Profit or Loss in subsequent periods			
- Remeasurement gains/ (loses) on defined benefit plans		29	(6)
- Income tax effect		(10)	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		275	307
Earnings Per Equity Share	31		
[Nominal value of share ₹ 10 each]			
Basic and Diluted Earnings Per Share		1.06	1.29

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

For S.R.Batlboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No. 106406

Place: Mumbai
Date: May 8, 2018

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Director
DIN:07037116

BLUE DART AVIATION LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

		Year ended March 31, 2018 in ₹ Lakhs	Year ended March 31, 2017 in ₹ Lakhs
A. Cash flows from Operating activities:			
Profit before tax		515	455
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and Amortisation Expense	29	6,940	5,974
Loss on sale/ scrapping of property, plant and equipment (net)	30	65	20
Finance Costs	28	2,236	1,786
Rotables/Components & Overhaul written off	26	223	218
Unrealised loss / (gain) on Foreign Currency Transactions and Translation		125	(43)
Unwinding interest on security deposit	25	(86)	(69)
Liabilities no longer required written back	25	-	(16)
Provision for Slow moving Inventory	26	92	165
Operating profit before changes in operating assets and liabilities		10,110	8,490
Adjustments for changes in operating assets and liabilities:			
(Increase)/decrease in trade receivables		(343)	187
(Increase)/decrease in inventories		135	(301)
Increase in trade payables		1,857	812
(Increase)/ decrease in other current financial assets		(34)	591
(Increase)/decrease in other current assets		162	(527)
(Increase)/decrease in other non-current Financial assets		(371)	63
(Increase) in other non-current assets		(715)	(260)
Increase/(decrease) in current provisions and Employee Benefit Obligation		345	(14)
Increase in non-current provisions and Employee Benefit Obligation		(150)	130
Increase in other current liabilities		1,054	36
Increase in other non-current liabilities		178	-
Increase/ (decrease) in other financial liabilities		63	(22)
(Decrease) in other non-current financial liabilities		(502)	(91)
Cash generated from Operations		11,789	9,094
Taxes paid (net of refunds)	7	(1,180)	(774)
Net cash flows from operating activities		10,609	8,320
B. Cash flows from / (used in) Investing activities:			
Purchase of property, plant and equipment and other intangible assets		(15,677)	(12,208)
Proceeds from sale of property, plant and equipment		193	34
Net cash flows used in Investing activities		(15,484)	(12,174)
C. Cash flows from / (used in) Financing activities:			
Proceeds from borrowings		16,000	15,000
Repayment of borrowings		(8,691)	(9,911)
Inter Corporate deposits accepted from Blue Dart Express		8,735	7,568

BLUE DART AVIATION LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

	Year ended March 31, 2018 in ₹ Lakhs	Year ended March 31, 2017 in ₹ Lakhs
Inter Corporate deposits repaid from Blue Dart Express	(8,735)	(7,568)
Interest Paid	(2,029)	(1,572)
Net cash flows from / (used) in financing activities	5,280	3,517
Net increase/(decrease) in Cash and cash equivalents	405	(337)
Cash and cash equivalents at the beginning of the year	(624)	(287)
Cash and cash equivalents at the end of the year	(219)	(624)
Note : There are no changes in liability arising from financing, activities due to non cash changes		
Cash and cash equivalents comprise of :		
Balances with banks in current accounts	30	82
Cash on hand	3	2
Bank Overdraft	(252)	(708)
	(219)	(624)

Notes:

The above Statement of Cash flows should be read in conjunction with the accompanying notes.

As per our report of even date

For S.R.Batlboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No. 106406

Place: Mumbai
Date: May 8, 2018

For and on behalf of the Board of Directors

Tushar K. Jani
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Director
DIN:07037116

BLUE DART AVIATION LIMITED

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

in ₹ Lakhs

Balance as at March 31, 2016	2,400
Changes in equity share capital	-
Balance as at March 31, 2017	2,400
Changes in equity share capital	-
Balance as at March 31, 2018	2,400

B. Other Equity

in ₹ Lakhs

Particulars	Reserves & Surplus		
	Securities Premium Reserve	Retained earnings	Total Other Equity
Balance as at March 31, 2016	600	1,380	1,980
Profit for the year	-	311	311
Other comprehensive income	-	(4)	(4)
Total comprehensive income for the year	-	1,687	1,687
Balance as at March 31, 2017	600	1,687	2,287

in ₹ Lakhs

Particulars	Reserves & Surplus		
	Securities Premium Reserve	Retained earnings	Total Other Equity
Balance as at March 31, 2017	600	1,687	2,287
Profit for the year	-	256	256
Other comprehensive income	-	19	19
Total comprehensive income for the year	-	1,962	1,962
Balance as at March 31, 2018	600	1,962	2,562

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date

For and on behalf of the Board of Directors

For S.R.Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Tushar K. Jani
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DIN:07037116

Place: Mumbai
Date: May 8, 2018

N. Palaniappan
Company Secretary &
Sr. Manager-Finance

P. Parameshwaran
Chief Financial Officer

Place: Mumbai
Date: May 8, 2018

SCHEDULES

Notes to the financial statements for the year ended March 31, 2018

1. General Information

Blue Dart Aviation Limited ('the Company') is a public company incorporated in India on May 31, 1994 under the provisions of the Companies Act applicable in India. The Company is authorised by the Director General Civil Aviation of India to commercially operate aircrafts for transporting cargo and to provide aircraft maintenance services. "Express Air Charter Services" income is generated from the charter flight services rendered exclusively to Blue Dart Express Limited. The registered office of the company is located at 88-89, Old International Terminal, Meenambakkam, Chennai. The Company is a wholly owned subsidiary of Blue Dart Express Limited, India.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 8th 2018.

2 Basis of preparation of Financial Statements

a. Statement of compliance with Ind AS

The Financial statements of the Company comply with all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and subsequent amendments thereof.

b. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities and defined benefit plans - plan assets measured at fair value. (Refer Note 18)

c. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving critical estimates and judgements are:

- (i) Estimation of useful life of property, plant and equipment and intangible assets [Refer Note 3(a)]
- (ii) Estimation of defined benefit obligation [Refer Note 18A]
- (iii) Estimation of provision for inventories
- (iv) Estimation of contingent liabilities [Refer Note 3(l)]

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

a. Property, plant and equipment

Property, Plant and Equipment are carried at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate

SCHEDULES

Notes to the financial statements for the year ended March 31, 2018

asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress represents property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual value, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

b. Intangible Assets:

Intangible assets are stated at cost less any accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful life. The Company capitalises the cost of Type-Certification course of Pilots and Engineers, and amortises it using the straight-line method over a period of three to five years, being the estimated useful economic life based on the contractual terms with the Pilots and Engineers.

Depreciation/Amortisation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Useful Life
Aircraft Componets & Overhaul	Over the engine life cycle
Aircraft Rotable Parts	10 years
Computer Software	6 years
Computers	3 to 6 years
Electrical equipments	10 years
Furnitures & fixtures	10 years
Leasehold Improvements	20 years

Office Equipment	5 years
Type Certification	3-5 years
Vehicles	8 years
Ground Equipment	10 to 15 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates computers over estimated useful lives of 3 to 6 years, leasehold improvement over the period of lease and aircraft rotatable parts over estimated useful lives of 10 years which are different from the useful life prescribed in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation for assets purchased/sold during a year is proportionately charged. Individual assets costing upto Rs. 5,000 are depreciated over a period of one year from the date put to use.

Aircraft components and overhaul includes the cost of engines overhaul, components and modifications of airframes and contractually liable to be incurred by the Company. Such costs are depreciated / amortised on the basis of hours flown or the life cycle of the overhaul programme, as applicable.

c. Impairment of Assets

The Company assesses at each reporting date whether there is any indication that an asset (tangible or intangible) may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased and such reversal is recorded in the Statement of Profit and Loss.

d. Inventories

Inventory of consumables/spares and loose tools are valued at lower of cost and net realisable value. The cost is calculated at purchase price and expenditure directly attributable to the acquisition of such inventories for bringing them to their present location using the specific identification method.

SCHEDULES

Notes to the financial statements for the year ended March 31, 2018

e. Revenue Recognition

Express Air Charter Services (net of service tax):

Service charges for the Express Air Charter Services are recognised in accordance with the Aircraft Crew Maintenance Insurance (ACMI) Agreement and constitute revenue earned in connection with operating aircrafts for Blue Dart Express Limited on the basis of an agreed mark-up on cost incurred. This includes reimbursement towards certain aircraft operating costs.

Business Support Services (net of service tax):

Income from Infrastructure sharing services is recognised, as and when such services are rendered, on the basis of an agreed mark-up on costs incurred, in accordance with the arrangements entered into or at the contracted rates.

Interest Income:

Interest income is recognised using the effective interest rate method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

f. Foreign Currency Transactions

Functional and Presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit or loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

g. Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Compensated absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund, Employee's state insurance funds and Employee's pension scheme.

SCHEDULES

Notes to the financial statements for the year ended March 31, 2018

Defined Benefit Plans:

Gratuity:

The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments non-routine settlements; and Net interest expense or income.

Defined Contribution Plans:

Contribution towards Provident Fund for all employees are made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

The Company also contributes to State plans, namely Employee's State Insurance Fund and Employee's Pension Scheme 1995, and has no further obligation beyond making its contribution.

Company's contributions to the above funds are charged to the Statement of Profit and Loss for the year for which the contributions are due for payment.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

h. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. Leases in which

a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rental payments are recognized as an expense in 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 expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. Income Taxes

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates items recognised directly in equity or in OCI.

Current tax

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and set off the liability on a net basis or simultaneously.

Deferred tax

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are subsequently reversed when it becomes probable that such assets will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

SCHEDULES

Notes to the financial statements for the year ended March 31, 2018

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

j. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

k. Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

l. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

m. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term, highly liquid investments with original maturities of three months. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

n. 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 shall classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ii) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction

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Notes to the financial statements for the year ended March 31, 2018

costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

iii) Derecognition

A financial asset is derecognised only when

- (i) The company has transferred the rights to receive cash flows from the financial asset or
- (ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

iv) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- b) Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- i) Trade receivables which do not contain a significant financing component
- ii) All lease receivables resulting from transactions

The application of simplified approach does not require the Company to track changes in credit risk.

Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

B) Financial liabilities

i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

ii) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised 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.

iii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes 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 recognised in the statement of profit and loss.

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Notes to the financial statements for the year ended March 31, 2018

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as fair value through statement of profit and loss (FVTPL), fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through Statement of profit and loss.

iv) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

v) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

vi) 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous

market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, 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 recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Group's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

p. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year, if any and excluding treasury shares (Refer note 31).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

SCHEDULES

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares. (Refer note 31).

q. Segment Information

The Company is primarily engaged in a single segment business to operate aircraft and provide aircraft maintenance services within India for the business of

integrated air and ground transportation and distribution of time-sensitive packages of Blue Dart Express Limited. All assets of the Company are domiciled in India and the Company earns entire revenue from its operations in India.

r. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

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Notes forming part of Financial Statements as of and for the year ended March 31, 2018

4A. PROPERTY, PLANT AND EQUIPMENT

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE
	Opening Balance as at April 1, 2017	Additions	"Deductions/ Adjustments"	Closing Balance as at March 31, 2018	Opening Balance as at April 1, 2017	For the Year	Deductions/ Adjustments	Closing Balance as at March 31, 2018	Closing Balance as at March 31, 2018
Tangible Assets:									
Leasehold Improvements	3,400	-	-	3,400	582	240	-	822	2,578
Aircraft Rotable Parts	4,813	913	885	4,841	1,589	663	699	1,553	3,288
Aircraft Components and Overhaul	17,724	11,484	2,858	26,350	7,056	4,682	2,799	8,939	17,411
Ground Equipment	5,402	472	122	5,752	1,067	522	96	1,493	4,259
Office Equipment	136	63	16	183	68	29	11	86	97
Electrical Equipment	684	141	69	756	239	120	47	312	444
Computers	352	51	58	345	112	66	62	116	229
Furniture and Fittings	921	239	157	1,003	349	148	104	393	610
Vehicles	104	8	63	49	57	16	54	19	30
Total Tangible Assets	33,536	13,371	4,228	42,679	11,119	6,486	3,872	13,733	28,946
Capital work-in-progress	3,343	-	-	-	-	-	-	-	5,257

Notes:

- As a prudent practice, Company has been depreciating full value of the assets, though the assets will have residual value and Companies Act, 2013, also allows upto 5% to be retained as a residual value.
- Deductions/Adjustments also includes reclassification from one category to another category of asset, if any.
- In 2016-17, on transition to Ind As, the company has availed the deemed cost exemption in relation to PPE and hence net block carrying amount has been considered as the gross block carrying amount on 1st April 2015.

4B. INTANGIBLE ASSETS

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE
	Opening Balance as at April 1, 2017	Additions	"Deductions/ Adjustments"	Closing Balance as at March 31, 2018	Opening Balance as at April 1, 2017	For the Year	Deductions/ Adjustments	Closing Balance as at March 31, 2018	Closing Balance as at March 31, 2018
Computers - Software	586	45	3	628	229	114	3	340	288
Type Certification Course	1,476	259	385	1,350	650	340	261	729	621
Total Intangible Assets	2,062	304	388	1,978	879	454	264	1,069	909

Notes :

In 2016-17, on transition to Ind As, the company has availed the deemed cost exemption in relation to PPE and hence net block carrying amount has been considered as the gross block carrying amount on 1st April 2015.

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Notes forming part of Financial Statements as of and for the year ended March 31, 2018

4A. PROPERTY, PLANT AND EQUIPMENT

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				Opening Balance as at April 1, 2016	ACCUMULATED DEPRECIATION			NET CARRYING VALUE
	Deemed Cost as at April 1, 2016	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2017		For the year	Deductions/ Adjustments	Closing Balance as at March 31, 2017	Closing Balance as at March 31, 2017
Tangible Assets:									
Leasehold Improvements	3,400	-	-	3,400	298	284	-	582	2,818
Aircraft Rotable Parts	4,327	821	335	4,813	963	686	60	1,589	3,224
Aircraft Components and Overhaul	10,705	7,039	20	17,724	3,420	3,637	1	7,056	10,668
Ground Equipment	4,993	542	133	5,402	579	493	5	1,067	4,335
Office Equipment	128	9	1	136	38	31	1	68	68
Electrical Equipment	644	41	1	684	121	118	-	239	445
Computers	275	77	-	352	50	62	-	112	240
Furniture and Fittings	879	44	2	921	191	158	-	349	572
Vehicles	96	10	2	104	34	24	1	57	47
Total Tangible Assets	25,447	8,583	494	33,536	5,694	5,493	68	11,119	22,417
Capital work in progress	94	3,343	94	3,343				-	3,343

Notes:

- Company has charged accelerated depreciation on certain rotables parts which are unserviceable / retired from active use for operation and accordingly, depreciation charge for the current year is higher by ₹ 301 lakhs for 'Aircraft Rotables Parts'.
- As a prudent practice, Company has been depreciating full value of the assets, though the assets will have residual value and Companies Act, 2013, also allows upto 5% to be retained as a residual value.
- Deductions/Adjustments include reclassification from one category to another category of asset.

4B. INTANGIBLE ASSETS

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				Opening Balance as at April 1, 2016	ACCUMULATED DEPRECIATION			NET CARRYING VALUE
	Deemed Cost as at April 1, 2016	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2017		For the year	Deductions/ Adjustments	Closing Balance as at March 31, 2017	Closing Balance as at March 31, 2017
Computers - Software	573	13	-	586	115	114	-	229	357
Type Certification Course	1,118	404	46	1,476	297	367	14	650	826
Total Intangible Assets	1,691	417	46	2,062	412	481	14	879	1,183

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Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
5 OTHER NON-CURRENT FINANCIAL ASSETS		
(Unsecured, considered good, unless otherwise stated)		
Long term deposits with banks with maturity period more than 12 months	1	1
Advances		
Deposits	972	601
Total	973	602
6 DEFERRED TAX ASSET/(LIABILITIES) (NET) [Refer Note 3 (i) and Note 32]		
Deferred Tax Liability	-	-
Gross Deferred Tax Liability	-	-
Deferred Tax Assets		
Property, Plant and Equipment and intangible assets	2,675	2,493
Other timing differences	652	791
Gross Deferred Tax Assets	3,327	3,284
7 NON-CURRENT TAX ASSETS (NET)		
Opening balance	881	668
Less: Current tax payable for the year	313	561
Add: Taxes paid	1,180	774
Closing balance	1,748	881
Advance income tax	5,693	4,879
Provision for tax	3,945	3,998
Advance income tax (Net of provision for tax)	1,748	881
8 OTHER NON-CURRENT ASSETS		
Capital Advances	127	39
Prepaid Expenses	1,136	421
Total	1,263	460
9 INVENTORIES		
Consumables/Spares	1,491	1,620
Loose Tools	194	292
Total	1,685	1,912
* Net of provision for slow-moving items of ₹ 580 Lakhs, (March 31, 2017 - ₹ 803 Lakhs)		
10 TRADE RECEIVABLES		
(Unsecured, considered good)		
Trade receivables	123	3
Receivables from related parties (Refer Note 33)	314	91
Total	437	94

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Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
11 CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	30	82
Cash on hand	3	2
Total	33	84
12 OTHER CURRENT FINANCIAL ASSETS		
(Unsecured, considered good, unless otherwise stated)		
Deposits	261	227
Total	261	227
13 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Prepaid Expenses	672	696
Balance with Government Authorities	325	285
Others	296	474
Total	1,293	1,455
14 EQUITY SHARE CAPITAL		
Authorised		
4,00,00,000 Equity Shares(March 31, 2016- 40,000,000 and April 1, 2015- 40,000,000) of ₹ 10 each	4,000	4,000
Issued, Subscribed and Fully Paid up		
2,40,00,000 Equity Shares (March 31, 2016 : 24,000,000 and April 1, 2015 : 24,000,000) of ₹ 10 each fully paid-up	2,400	2,400
Total	2,400	2,400

i. Reconciliation of the number of shares

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount (₹ In Lakhs)	Number of shares	Amount (₹ In Lakhs)
Balance as at the beginning of the year	24,000,000	2,400	24,000,000	2,400
Additions/Deletions during the year	-	-	-	-
Balance as at the end of the year	24,000,000	2,400	24,000,000	2,400

ii. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares at a par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

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Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
iii. Shares held by Holding Company		
Blue Dart Express Limited, the Holding Company	2,400	2,400
24,000,000 (March 31, 2016- 17,760,000 and April 1, 2015-17,760,000) equity shares of ₹ 10 each fully paid up		

iv. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	%	Number of shares	%
Blue Dart Express Limited ('BDEL') and its nominees	24,000,000	100%	24,000,000	100%
Total	24,000,000	100%	24,000,000	100%

15 OTHER EQUITY

Reserves and Surplus

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Securities Premium Reserve	600	600
Retained earnings	1962	1,687
Total	2,562	2,287

i) Securities Premium Reserve

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Balance as at the beginning and end of the year	600	600

ii) Retained Earnings

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Balance as at the beginning of the year	1,687	1,380
Net Profit for the year	256	311
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of defined benefit obligations, net of tax	19	(4)
Balance as at the end of the year	1,962	1,687
Total of Other Equity	2,562	2,287

Nature and purpose of reserve:

Security Premium

Security Premium reserve is used to record the premium on shares. The reserve will be utilised in accordance with the provisions of the act.

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Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
16 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Term loans		
Unsecured		
(a) Term Loan from Financial Institutions (Refer note (a) and (b))	23,750	14,375
(b) Term Loan from Blue Dart Express Limited (Refer note (c))	1,093	2,996
Total	24,843	17,371

Security and Salient Terms:

- a) As at March 31, 2018, the total outstanding loan balance from financial institutions is ₹ 24,750 lakhs (Previous year ₹ 15,000 Lakhs) out of which payable to Citicorp Finance India Limited is ₹ 21,000 Lakhs (Previous year ₹ 5,000 Lakhs) and payable to Standard Chartered Investments & Loans India Limited (SCILL) is ₹ 3,750 Lakhs (Previous year ₹ 10,000 Lakhs). During the current year, the company has taken unsecured term loans amounting to ₹ 16,000 lakhs from Citicorp Finance India Limited in three tranches: ₹ 5,000 Lakhs on 22nd September, 2017, ₹ 5,000 Lakhs on 25 January 2018 and ₹ 6,000 Lakhs on 23rd February, 2018. The tranches carry interest rate of 7.75%, 7.5% and 8.1% respectively subject to reset from time to time. The loan is repayable over a period of 36 months from the date of draw down. Repayment of the loan is in equal quarterly installments, commences from the 27th month (initial 24 months being the moratorium period).
- b) During the year, the company has repaid ₹ 6,000 Lakhs of loan taken from SCILL on 23rd February, 2018 out of the borrowings from Citicorp Financial India Limited. The current portion of loan is ₹ 1000 lakhs (Previous Year : ₹ 625 lakhs) as disclosed in Note 22. The loan is repayable in equal quarterly installments of ₹ 250 lakhs. The loan carries interest Rate of 8% subject to reset from time to time.
- c) During the year, the Company has repaid ₹ 2,441 Lakhs (balance as on 31st March 2018 - ₹ 2,996 Lakhs and 31st March 2017 is ₹ 5,437 Lakhs) towards the unsecured interest bearing loan borrowed from Blue Dart Express Limited. The current portion of the loan is ₹ 1903 Lakhs (Previous period ₹ 2,441 Lakhs) which is payable within 12 months of the balance sheet date as disclosed in Note 22. In respect of the aforesaid loans which have been granted in various tranches, principal amount is repayable over seven years with the first two years as moratorium. Interest rate is linked to the average base rate of IDBI Bank and ICICI Bank subject to reset on bi-annually basis.

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
17 OTHER FINANCIAL LIABILITIES		
Aircraft Payload Deposit from Blue Dart Express Limited	1,774	2,049
Deposit Received from DHL Express (India) Private Limited	798	948
Employee Benefit Payable	213	169
Total	2,785	3,166
18 NON-CURRENT PROVISIONS		
Provision for aircraft redelivery obligation (refer below note)	436	282
Total	436	282
18 A NON-CURRENT EMPLOYEE BENEFITS OBLIGATION		
Provision for Employee Benefits:		
[Refer notes 3 (g)]		

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Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Provision for Compensated Absences	-	304
Total	-	304

18 B CURRENT EMPLOYEE BENEFITS OBLIGATION

Provision for Employee Benefits:

[Refer notes 3 (g)]

Provision for Gratuity	74	85
Provision for Compensated absences	439	112
Total	513	197

Movement in provision for aircraft redelivery obligation:

Opening Balance	282	181
Additions during the year (including interest expenses of ₹ 30 lakhs (Previous year : ₹ 17 Lakhs))	154	101
Utilisation during the year	-	-
Closing Balance	436	282

Employee benefit obligations

The Company has classified the various employee benefits provided to employees as under:

I Defined Contribution Plans

	For the Year ended March 31, 2018 in ₹ Lakhs	For the Year ended March 31, 2017 in ₹ Lakhs
- Employer's Contribution to Provident Fund	221	223
- Employer's Contribution to Employees' State Insurance	28	21
- Employer's Contribution to Employees' Pension Scheme 1995	104	98

During the year, the Company has recognised the above amounts in the Statement of Profit and Loss under "Contribution to provident and other funds"

II Defined Benefit Plans

Gratuity:

A The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the years are as follows:

	Present value of obligation	Fair value of plan assets	Net defined benefit (asset) /liability
Balance as on April 1, 2016	1,116	(1,022)	94
Interest Cost	89	-	89
Current Service Cost	86	-	86
Expected Return on Plan Assets	-	(81)	(81)
Total amount recognised in profit or loss	175	(81)	94

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Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	Present value of obligation	Fair value of plan assets	Net defined benefit (asset) /liability
Remeasurements			
Actuarial (gain)/loss on obligations	10	(4)	6
Total amount recognised in other comprehensive income	10	(4)	6
Benefits Paid	(66)	66	-
Contributions	-	(109)	(109)
Balance as on March 31, 2017	1,235	(1,150)	85
Interest Cost	95	-	95
Current Service Cost	92	-	92
Expected Return on Plan Assets	-	(88)	(88)
Total amount recognised in profit or loss	187	(88)	99
Remeasurements			
Actuarial (gain)/loss on obligations	(42)	13	(29)
Total amount recognised in other comprehensive income	(42)	13	(29)
Benefits Paid	(95)	95	-
Contributions	-	(81)	(81)
Balance as on March 31, 2018	1,285	(1,211)	74

B Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Present Value of funded obligation as at the year end	1,285	1,235
Fair Value of Plan Assets as at the end of the year	1,211	1,150
Present Value of unfunded obligation as at the year end	74	85
Unrecognised Actuarial (gains)/losses	-	-
Unfunded Net Liability Recognised in Balance Sheet	74	85

C Amount recognised in the Balance Sheet

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Present Value of Obligation at the end of the year	1,285	1,235
Fair value of plan assets	(1,211)	(1,150)
Liability recognised in the Balance Sheet	74	85

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
D Actuarial assumptions		
i Valuations in respect of Gratuity has been carried out by an independent actuary, as at the Balance sheet date, based on the following assumptions:		
Discount Rate and Expected Return on Plan Assets (per annum)	7.66%	7.66%
Rate of increase in Salary growth rate	7.25%	7.25%

Note: The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

ii Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Impact on defined benefit obligation (In ₹ Lakhs)			
	As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(61)	67	(61)	66
Future salary growth (0.5% movement)	67	(62)	66	(61)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii Percentage of each category of Plan Assets to total Fair Value of Plan Assets

The Plan Assets are administered by Life Insurance Corporation of India ("LIC") as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority ('IRDA') regulations.

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Insured fund in LIC	1211	1150
iv Expected gratuity contribution for the next years	164	177
E Compensated Absences		
Non-current provisions (Refer note 18A)	-	304
Current provisions (Refer note 18B)	439	112

19 OTHER NON CURRENT LIABILITIES

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Air charter service income received in advance	178	-
Total	178	-

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
20 CURRENT BORROWINGS		
Unsecured		
Bank Overdraft (payable on demand and interest rate i.e. MCLR +0.35%)	252	708
Total	252	708
21 TRADE PAYABLES		
Trade Payables:		
Total outstanding dues of Micro enterprises and Small Enterprises (Refer Note 34)	39	13
Total outstanding dues of creditors other than Micro enterprises and small enterprises:		
Trade payable other than related parties	3,238	2,584
Trade payables to related parties (Refer Note 33)	2,476	1,184
Other Payables	1,085	1,075
Total	6,838	4,856
22 OTHER FINANCIAL LIABILITIES		
Current maturities of Term Loan from Blue Dart Express Limited (Refer Note 16)	1,903	2,441
Current maturities of Unsecured term loan from Financial Institutions (Refer Note 16)	1,000	625
Deposit Received from DHL Express (India) Private Limited	150	150
Employee benefits payable	759	696
Total	3,812	3,912
23 OTHER CURRENT LIABILITIES		
Statutory dues (including Provident Fund, Employees' State Insurance and Tax Deducted at Source)	1,335	361
Air charter service income received in advance	178	98
Total	1,513	459
24 REVENUE FROM OPERATIONS		
Express Air Charter Services [Refer Note 3(e)]	65,706	60,555
Other Operating Revenue		
Business Support Services [Refer Note 3(e)]	869	806
Total	66,575	61,361

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	Year ended March 31, 2018 in ₹ Lakhs	Year ended March 31, 2017 in ₹ Lakhs
25 OTHER INCOME		
Sale of Spares / Services	261	119
Unwinding interest on security deposit	86	69
Net Gain on Foreign Currency Transactions and Translation [Refer Note 3(f)]	-	167
Provision/Liabilities no longer required written back	-	16
Miscellaneous Income	211	152
Total	558	523
26 OPERATING COSTS		
Aircraft Fuel	19,356	17,229
Aircraft and Engine Lease Rentals [Refer Note 3(h)]	8,013	7,896
Navigation Charges	4,114	3,963
Engineering Maintenance Costs	1,439	1,249
Loss on sale/scrapping of Rotables/Components & Overhaul written off [Refer Note 4A]	223	218
Consumption of Consumables and Tools	1,175	1,061
Provision for aircraft redelivery obligation [Refer Note 18]	124	84
Provision for slow-moving inventory	92	165
Aircraft Insurance	224	200
Handling and Clearing	691	776
Interline Expenses	296	265
Total	35,747	33,106
27 EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Leave Encashment	11,863	11,259
Contribution to provident and other funds	353	342
Gratuity	99	94
Staff Welfare Expenses	871	884
Total	13,186	12,579
28 FINANCE COSTS		
Interest Expense:		
- On Term loan from bank	-	477
- On Term loans from financial institutions	1,464	102
- On Unsecured term loan and inter corporate deposits from Blue Dart Express Limited	561	982
- Unwinding of interest on provisions/payload deposits	207	-
- On Others	4	225
Total	2,236	1,786

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	Year ended March 31, 2018 in ₹ Lakhs	Year ended March 31, 2017 in ₹ Lakhs
29 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible assets	6,486	5,493
Amortisation on Intangible assets	454	481
Total	6,940	5,974
30 OTHER EXPENSES		
Rent	4,647	4,462
Electricity	376	360
Repairs and Maintenance - Others	826	805
Communication Expenses	90	94
Directors sitting fees	20	13
Legal and Professional Expenses	154	99
Payment to Auditors		
Statutory Audit fees	9	16
Tax Audit fees	1	4
Other Matter	-	1
Reimbursement of Expenses*	1	-
Rates and taxes	64	80
Insurance	175	143
Lease and Hire charges	53	38
Loss on Sale/Scrapping of Assets	65	20
Net Loss on Foreign Currency Transactions and Translation	234	-
Printing and Stationery	227	212
Subscriptions Charges	268	314
Travelling Expenses	421	443
Miscellaneous expenses	878	880
Total	8,509	7,984
* Amount is below the rounding off norm adopted by the Company		
31 EARNINGS PER SHARE		
Profit for the year	256	311
Weighted average number of shares (Nos.)	24,000,000	24,000,000
Basic and Diluted Earnings Per Share (In ₹)	1.06	1.29
Nominal value of shares outstanding (In ₹)	10	10

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
32 TAX EXPENSE		
A. Amounts recognised in profit and loss		
(a) Income tax expense		
Current Tax		
Current tax on profits for the year	313	561
Total current tax expense	313	561
Deferred tax		
Decrease (increase) in deferred tax	(54)	(417)
Total deferred tax expense/(benefit)	(54)	(417)
Income tax expense	259	144
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	515	455
Tax at the Indian tax rate of 34.608% (2016-2017 – 34.608%) *	179	158
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Others	80	(14)
Income tax expense	259	144

B. Movement in deferred tax balances

	March 31, 2018				(in ₹ Lakhs)		
	Net balance March 31, 2017	Recognised in Profit and Loss	Recognised in OCI	Others	Net deferred tax asset / liability	Deferred tax asset	Deferred tax liability
Deferred tax asset							
Property, plant and equipment and intangible assets	(2,493)	(193)	-	-	(2,686)	(2,686)	-
Provision for Compensated Absences	(144)	(8)	-	-	(152)	(152)	-
Provision for Bonus	(42)	31	-	-	(11)	(11)	-
Provision for Gratuity	(30)	(6)	-	-	(36)	(36)	-
Remeasurement of Net Defined Benefit plans	-	-	10	-	10	10	-
Other items	(575)	122	-	-	(453)	(453)	-
Tax (Assets) / Liabilities	(3,284)	(54)	10	-	(3,327)	(3,327)	-

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	March 31, 2017				(in ₹ Lakhs)		
	Net balance March 31, 2016	Recognised in Profit and Loss	Recognised in OCI	Others	Net deferred tax asset / liability	Deferred tax asset	Deferred tax liability
Deferred tax liability							
Property, plant and equipment and intangible assets	(2,132)	(361)	-	-	(2,493)	(2,493)	-
Provision for Compensated Absences	(133)	(10)	-	-	(143)	(143)	-
Provision for Bonus	(66)	25	-	-	(42)	(42)	-
Provision for Gratuity	(33)	3	-	-	(30)	(30)	-
Remeasurements of the net defined benefit plans	-	-	-	-	-	-	-
Other items	(503)	(73)	-	-	(576)	(576)	-
Tax (Assets) / Liabilities	(2,867)	(417)	-	-	(3,284)	(3,284)	-

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets.

The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

33 RELATED PARTY DISCLOSURES

A) NAME OF RELATED PARTIES AND NATURE OF RELATIONSHIP:

i) Enterprises where control exists

Ultimate Holding Company	Deutsche Post AG, Germany
Holding Company	Blue Dart Express Limited

Name	Type	Place of Incorporation	Ownership Interest	
			March 31, 2018	March 31, 2017
Blue Dart Express Limited and its nominees	Holding Company	India	100%	100%

ii) Key Management Personnel

Ms. Tulsi Nowlakha Mirchandaney	Managing Director
Mr. Tushar K. Jani	Non-Executive Director
Mr. Clyde C Cooper	Non-Executive Director
Air Marshal M. McMahon (Retd.)	Independent Director
Air Marshal Vijay Achyut Patkar (Retd.)	Independent Director
Mr. Lars Winkelbauer	Non-Executive Director
Mr. Surendra Sheth	Alternate Director
Mr. Sharad Upasani	Non-Executive Director

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

iii) Entities under common control where transaction have taken place

Concorde Air Logistics Limited
 DHL Express India Private Limited
 European Air Transport, Leipzig GmbH
 DHL Aviation (Netherlands) B.V.
 DHL Logistics Private Limited
 DHL Aviation EEMEA, Kingdom of Bahrain
 DHL Worldwide Network NV/SA

iv) Entities in which a Director is interested, where transaction have taken place

Cargo Service Center India Private Limited
 Delhi Cargo Service Center Private Limited

*Key management personnel compensation

Particulars	Year ended March 31, 2018 in ₹ Lakhs	Year ended March 31, 2017 in ₹ Lakhs
Name : Ms Tulsi Nowlakha Mirchandaney		
Short-term employee benefits	279	243
Post-employment benefits	11	7
Other long-term benefits - Leave Encashment	16	1
Total	306	251

B) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:

NATURE OF TRANSACTIONS:	Year ended March 31, 2018 in ₹ Lakhs	Year ended March 31, 2017 in ₹ Lakhs
i) With Blue Dart Express Limited		
Express Air Charter Service Income (including service income accrued in advance)	65,706	60,555
Interest charges incurred on Inter-corporate Deposit	124	208
Interest charges incurred on Term Loan	437	774
Courier charges incurred	26	32
Inter Corporate deposits accepted during the year	8,735	7,568
Inter Corporate deposits repaid during the year	8,735	7,568
Unsecured Term Loan repaid during the year	2,441	3,911
Purchase / (Sale) of Plant, property and equipment	12	1
ii) Directors Sitting Fees		
Mr. Tushar K. Jani	4	4
Mr. Clyde C Cooper	1	1
Air Marshal M. McMahon (Retd.)	5	4
Air Marshal Vijay Achyut Patkar (Retd.)	5	4
Mr. Surendra Sheth	3	0
Mr. Sharad Upasani	2	0

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	Year ended March 31, 2018 in ₹ Lakhs	Year ended March 31, 2017 in ₹ Lakhs
iii) Entities under common control :		
(a) Concorde Air Logistics Limited:		
Clearing and Forwarding charges	91	136
Agency charges incurred for customs clearing	11	16
(b) With DHL Express India Private Limited		
Business support services income	869	806
Other income	79	73
Courier charges incurred	326	202
Tax Functional Cost	11	13
Other Reimbursements (Expenses)	1	-
(c) With European Air Transport, Leipzig GmbH		
Expenses towards Aircraft spares /Repairs	18	33
(d) With DHL Aviation (Netherlands) B.V.		
Aircraft Dry Lease	7,187	7,026
Received towards capital expenditure on return of aircraft	-	818
Technical Services	15	-
(e) With DHL Aviation EEMEA, Kingdom of Bahrain		
Received towards Sale of Aircraft parts	3	-
(f) With DHL Logistics Private Limited		
Freight Charges	26	-
(g) With Delhi Cargo Service Centre Pvt., Ltd.,		
Interline Expenses	6	6
(h) With Cargo Service Centre India Pvt., Ltd.,		
Interline Expenses	6	4
(i) With DHL Worldwide Network NV/SA		
Reimbursement of Freight charges	15	-
AMC charges for Engineering & Maintenance ERP	38	80
*Amount is below the rounding off norm adopted by the Company		

C) RELATED PARTY BALANCES:

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
(i) Receivable/(Payable) from/to subsidiary/Fellow Subsidiaries Company		
a) Blue Dart Express Limited		
Aircraft Payload Deposit (including service income accrued in advance)	2,150	2,150
Account payable	4	-
Account Receivable(net)	216	-
Outstanding Unsecured Term Loan	2,996	5,437
b) DHL Express India Private Limited		
Outstanding Security Deposit	948	1,098
Receivables towards Other operating income(net)	98	91
Payable towards freight charges	18	46

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
c) DHL Aviation (Netherlands) B.V.		
Payable towards Aircraft Dry Lease charges	2,440	1,123
d) Concorde Air Logistics Limited		
Payable	13	13
e) Cargo Service Center India Private Limited		
Payable towards Interline	-	1
f) Delhi Cargo Service Center Private Limited		
Security Deposit	1,314	-
Payable towards Interline	1	1
g) Payable to Key Management Personnel		
Ms. Tulsi Nowlakha Mirchandaney	125	113

D) Notes:

- i) The terms and conditions of transactions with related parties were no more favorable than those available, or which might be expected to be available, in similar transactions with non related parties on an arm's length basis. All balances outstanding with related parties are unsecured.

34 DUES TO MICRO AND SMALL ENTERPRISES

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	39	13
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Principal amounts paid to suppliers registered under the 'MSMED Act beyond the appointed day during the year	Nil	Nil
Interest paid, other than under Section 16 of MSMED Act 'to suppliers registered under the MSMED Act beyond the appointed day during the period	Nil	Nil
Interest paid, under Section 16 of MSMED Act to suppliers 'registered under the MSMED Act beyond the appointed day during the period	Nil	Nil
Interest due and payable towards suppliers registered 'under MSMED Act for payments already made	Nil	Nil
Further interest remaining due and payable for earlier years	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises given in Note 21 - Trade Payables has been determined to the extent such parties have been identified on the basis of information available with the Company.

35 COMMITMENTS

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
i) CAPITAL COMMITMENTS		
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	7,783	2,731

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

ii) OPERATING LEASES [Refer Note 3(h)]

The Company has entered into various non-cancellable operating lease agreements for acquiring aircrafts, aircraft engine and premises. These lease agreements are for a period of 4 to 14 years. Future minimum lease rentals payable under non-cancellable operating leases are as follows:

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Operating Lease – Aircraft / Aircraft Engines		
Period		
Upto one year	7,776	7,182
One to five years	23,600	23,200
Above five years	17,739	20,048
Charge for the year	8,013	7,896
Operating Lease – Leasehold Land and Premises		
Period		
Upto one year	3,332	928
One to five years	13,040	5,169
Above five years	25,842	18,640
Charge for the year	4,647	4,462

Company has entered into various cancellable leasing arrangements for motor cars, office equipment's and official premises. The lease rentals for motor cars is ₹ 85 Lakhs [March 31, 2017 ₹ 82 Lakhs], the same has been included under the head "Employee Benefits Expense - Salaries, Wages and Bonus" under note 27 forming part of the Statement of Profit and Loss. Lease rentals for office equipment's of ₹ 53 Lakhs [March 31, 2017 ₹ 38 (Lakhs)] has been included under the head "Other Expenses - Lease and Hire charges"

36 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

	March 31, 2018	Note No.	Carrying amount			Total
			FVPL	FVOCI	Amortised Cost	
in ₹ Lakhs						
Financial assets						
(i) Trade receivables (Refer Note 1 below)		10	-	-	437	437
(ii) Cash and cash equivalents (Refer Note 1 below)		11	-	-	33	33
(iii) Others financial assets (Refer Note 2 below)		5 and 12	-	-	1,234	1,234
			-	-	1,704	1,704
Financial liabilities						
(i) Borrowings (Refer Note 3 below)		16, 20 and 22	-	-	27,998	27,998
(ii) Trade payables (Refer Note 1 below)		21	-	-	6,838	6,838
(iii) Other financial liabilities (Refer Note 1 below)		17 and 22	-	-	3,694	3,694
			-	-	38,530	38,530

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

March 31, 2017	Note No.	Carrying amount			
		FVPL	FVOCI	Amortised Cost	Total
Financial assets					
(i) Trade receivables (Refer Note 1 below)	10	-	-	94	94
(ii) Cash and cash equivalents (Refer Note 1 below)	11	-	-	84	84
(iii) Others financial assets (Refer Note 2 below)	5 and 12	-	-	829	829
		-	-	1,007	1,007
Financial liabilities					
(i) Borrowings (Refer Note 3 below)	16, 20 and 22	-	-	21,145	21,145
(ii) Trade payables (Refer Note 1 below)	21	-	-	4,856	4,856
(iii) Other financial liabilities (Refer Note 1 below)	17 and 22	-	-	4,012	4,012
		-	-	30,013	30,013

Note 1: The carrying value of Trade receivables, cash and cash equivalents, trade payables, other financial liability are considered to be the same as their fair values due to their short term nature.

Note 2: Difference between carrying amounts and fair values of other financial assets measured at amortised cost is not significantly different in each of the year presented.

Note 3: Borrowings are taken at variable interest rate which is reviewed and reset periodically considering the market trend and hence the carrying amount is not materially different from their fair values.

B Financial Risk management

i. Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the policies and processes. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the management is responsible for overseeing the Company's risk assessment and management policies and processes.

ii. 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 obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company does not have any financial assets that are past due but not impaired.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	March 31, 2018	March 31, 2017
Neither past due nor impaired		
Past due but not impaired		
Past due 1–90 days	434	92
Past due 91–180 days	3	2
	437	94

Of the above total balances of ₹ 437 lakhs, the related party balances is ₹ 314 lakhs and the remaining is ₹ 123 lakhs.

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

Expected credit loss assessment for customers as at March 31, 2017 and March 31, 2018

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. As company's customer are its holding company and group company hence impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of no credit losses. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of ₹ 30 Lakhs and ₹ 82 Lakhs as at March 31, 2018 and March 31, 2017 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by the Company as at March 31, 2018 and March 31, 2017. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of March 31, 2018, the Company had working capital of ₹ (9219) lakhs including inventories of ₹ 1685 lakhs, cash and cash equivalents of ₹ 33 lakhs, trade receivables of ₹ 437 lakhs, other current assets of ₹ 1554 lakhs, borrowings of ₹ 252 lakhs, trade payables of ₹ 6838 lakhs, employee benefit obligation of ₹ 513 lakhs and other current liabilities of ₹ 5325 lakhs.

As of March 31, 2017, the Company had working capital of ₹ (6,360) lakhs including inventories of ₹ 1,912 lakhs, cash and cash equivalents of ₹ 84 lakhs, trade receivables of ₹ 94 lakhs, other current assets of ₹ 1,682 lakhs, borrowings of ₹ 708 lakhs, trade payables of ₹ 4,856 lakhs, employee benefit obligation of ₹ 197 lakhs and other current liabilities of ₹ 4,371 lakhs.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

in ₹ Lakhs

March 31, 2018	Contractual cash flows						More than 5 years
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	
Non-derivative financial liabilities							
Borrowings	27,998	32,468	607	4,677	11,286	15,898	-
Trade payables	6,838	6,838	6,838	-	-	-	-
Other financial liabilities	3,694	3,694	15	892	363	2,424	-
Total	38,530	43,000	7,460	5,569	11,649	18,322	-

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

in ₹ Lakhs

March 31, 2017	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	21,145	24,480	286	4,420	5,672	14,102	-
Trade payables	4,856	4,856	4,856	-	-	-	-
Other financial liabilities	4,012	4,012	696	150	271	498	2,397
Total	30,013	33,348	5,838	4,570	5,943	14,600	2,397

iv Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to deposits and borrowings from bank and financial institutions.

For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 16 and Note 20 of these financial statements.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

	Profit or loss	
	100 bp increase	100 bp decrease
As at March 31, 2018		
Variable-rate instruments	(277)	277
sensitivity	(277)	277
As at March 31, 2017		
Variable-rate instruments	(204)	204
sensitivity	(204)	204

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

b) Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar and Euro, against the functional currency of the Company.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	in ₹ Lakhs	
	March 31, 2018	March 31, 2017
Other receivables (in USD)	93	-
Trade payables (in GBP)	13	-
Trade payables (in USD)	2,647	1,956
Trade payables (in Euro)	2,147	997
Net statement of financial position exposure	4,714	2,953

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in ₹ Lakhs	Profit or loss	
	Strengthening	Weakening
March 31, 2018		
USD	(132)	132
EUR	(107)	107
	(239)	239

Effect in ₹ Lakhs	Profit or loss	
	Strengthening	Weakening
March 31, 2017		
USD	(98)	98
EUR	(50)	50
	(148)	148

(Note: The impact is indicated on the profit/loss and equity before tax basis)

37 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital regularly.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2018

The Company's adjusted net debt to equity ratio at March 31, 2018 was as follows:

	As at March 31, 2018 in ₹ Lakhs	As at March 31, 2017 in ₹ Lakhs
Total external borrowings	27,998	21,145
Less : Cash and cash equivalent	33	84
Adjusted net debt	27,965	21,061
Total equity	4,962	4,687
Adjusted net debt to adjusted equity ratio	5.64	4.49

38 RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. Based on the preliminary assessment performed, the Company does not anticipate a material impact on the financial statements.

39 SEGMENT INFORMATION

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) comprises of Managing Director and Chief Financial Officer evaluates the Company's performance and reviews the segment business. The Company is primarily engaged in a single segment business to operate aircraft and provide aircraft maintenance services within India for the business of integrated air and ground transportation and distribution of time-sensitive packages of Blue Dart Express Limited. All assets of the Company are domiciled in India and the Company earns entire revenue from its operations in India. Revenue of ₹ 65,706 lakhs (March 31, 2017: ₹ 60,555 lakhs) is derived from the holding company.

Signatures to Notes 1 to 39 form an integral part of the financial statements.

As per our report of even date	For and on behalf of the Board of Directors		
<p>For S.R.Batliboi & Associates LLP ICAI Firm registration number: 101049W/E300004 Chartered Accountants</p> <p>per Kalpesh Jain Partner Membership No. 106406</p> <p>Place: Mumbai Date: May 8, 2018</p>	<p>Tushar K. Jani Chairman DIN:00192621</p> <p>Air Marshal M . McMahon (Retd.,) Director DIN:00234293</p> <p>N. Palaniappan Company Secretary & Sr. Manager-Finance</p> <p>Place: Mumbai Date: May 8, 2018</p>	<p>Tulsi Nowlakra Mirchandaney Managing Director DIN:01842520</p> <p>Sharad Upasani Director DIN:01739334</p> <p>P. Parameshwaran Chief Financial Officer</p>	<p>Surendra Sheth Alternate Director DIN:00089981</p> <p>Air Marshal Vijay Achyut Patkar (Retd.,) Director DIN:07037116</p>