

## 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
Sharad P. Upasani	Director
Geoffrey Kehr	Additional Director
Surendra G. Sheth	Alternate Director to Mr. Clyde C. Cooper

### KEY MANAGERIAL PERSONNEL

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

### BANKERS

Axis Bank Ltd.  
Bank of America N.A.  
Citi Bank N.A.  
Yes Bank Ltd.

### AUDITORS

S.R.Batliboi & Associates LLP

### REGISTERED OFFICE

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

### HEAD OFFICE

Blue Dart Aviation Terminal,  
Gate No.6, Old International Airport,  
Meenambakkam, Chennai – 600 027

## DIRECTORS' REPORT

### To the Members

Your Directors have a great pleasure in presenting the Twenty Sixth Annual Report of your Company for the financial year ended March 31, 2020.

### FINANCIAL RESULTS

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ in Lakhs)		
Revenues:		
Revenue from Operations	80,686	75,209
Other Income	395	602
Less: Operating Expenses	(52,035)	(64,026)
Operating Profit (EBIDTA)	29,046	11,785
Less: Interest cost (Net)	8,797	3,230
Depreciation / Amortisation	19,448	7,985
Earnings before tax	801	570
Less: Provision for Income tax	1,161	355
(Loss)/Earnings after tax	(360)	215
Other Comprehensive Income	(201)	24
Total Comprehensive (Loss)/ Income for the year	(561)	239

During the year under review, your Company has recorded a profit before tax of ₹ 801 lakhs as compared to profit before tax of ₹ 570 lakhs for the 12 months which ended on March 31, 2019.

### REVIEW OF PERFORMANCE

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

Your Company posted an On Time Performance of 87.98 % and a Technical Dispatch Reliability of 99.2%, with an average fleet life of 24.5 years, despite infrastructure constraints, ATC congestion and runway closures. Your Company handled 42 charters, during the year and uplifted 93,854 tonnes on its network during the 12 month period which ended on March 31, 2020. This was made possible with additional operations of 120 flights and a total of 711.50 hours, supplementing the scheduled night operations.

During the year, your company has carried out four major checks and completed an engine shop visit (ESV). ESV costs were controlled by procuring life limited parts (LLPs) and other components from the open market. A few hundred LLPs were shortlisted for procurement from hundreds of parts identified by the purchase team and reviewed by technical services, which helped to control the ESV cost.

Your Company has carried out the avionics upgrade modification

work in-house, enhancing the capability of our entire fleet to operate in the mandated RNP-1 airspace without any restrictions. The Electronic Flight Bag (EFB) project, aimed at making our cockpits paperless, was fully implemented during the year and stands completely integrated into our operations. This resulted in a reduced weight of 42kgs on each aircraft and corresponding fuel and load efficiency, improved enhanced situational awareness of our pilots, printing cost savings and reduced carbon footprint, adding to our Go Green effort.

Your Company had successfully initiated the "As One Project" during the year 2017 at Hyderabad station, and further extended to the Kolkata and Bangalore stations in 2018. During the Year 2019, the above project was streamlined and integrated into combined operations successfully. The duplications in inbound and outbound operations were eliminated, enabling better, efficient last mile connectivity and improved delivery.

### DIRECTORS/ KEY MANAGERIAL PERSONNEL

As on March 31, 2020, Your Company's Board has a strength of 8 (Eight) Directors including 1(one) Woman Director, 1 (one) Alternate Director, 1 (one) Additional 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. Sharad Upasani	Director
7.	Mr. Geoffrey Kehr	Additional Director
8.	Mr. Surendra Sheth	Alternate Director to Mr. Clyde Christopher Cooper

Mr. Geoffrey Kehr has been appointed as an Additional Director of the Company with effect from July 31, 2019.

Mr. Surendra Sheth (DIN 89981) was appointed as an Alternate Director to Mr. Clyde C Cooper (DIN 382001) on October 16, 2018 and he vacated office on May 12, 2019 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 C Cooper on May 18, 2019.

During the year under review, in terms of the requirements under the Companies Act, 2013, all Independent Directors have provided

## DIRECTORS' REPORT

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.

Pursuant to Ministry of Corporate Affairs notification dated October 22, 2019, Independent Directors have successfully registered their names in the databank maintained by the Indian Institute of Corporate Affairs at Manesar (Haryana), in accordance with the requirements of law.

In accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company, Mr. Sharad Upasani (DIN :01739334), 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 6 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.	16.05.2019
2.	30.07.2019
3.	31.10.2019
4.	04.12.2019
5.	17.01.2020
6.	26.03.2020

### 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. Geoffrey Kehr, Additional Director, Mr. P. Parameshwaran, Chief Financial Officer are the permanent invitees to the Audit Committee Meetings. Mr. N. Palaniappan, Company Secretary & General 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. The internal control system is well established with robust internal audit processes, both at the business and corporate level, and the adequacy and effectiveness of the internal control environment across the Company and status of compliance with operating systems, internal policies and regulatory requirements are continuously monitored. 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 & General 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

## DIRECTORS' REPORT

The Company has posted "Whistle Blower Policy" on its website viz <https://bluedartaviation.com>

The web link of the Whistle Blower Policy is <https://bluedartaviation.com/aviation.htm>

### SEXUAL HARASSMENT OF WOMEN 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 the 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.

Your company constituted an internal committee consisting of Dr. (Mrs). Prasanna Gettu, External Consultant, Ms. Esha Reddy, Office Manager, Ms. Sowmya G, Dy. Maintenance Manager, Mr. N. Krishnamoorthy, Chief Quality Manager and Mr. N. Palaniappan, Company Secretary and General Manager-Finance as its members to accept complaints pertaining to sexual harassment. There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding for redressal as on March 31, 2020.

### COST AUDIT

During the year under review, provisions of cost audit as stated under Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014 were not applicable to the Company.

### 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, is the permanent invitee 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.

### CSR COMMITTEE

The CSR Committee of the Company comprises of Air Marshal M. McMahon (Retd.), as Chairman of the Committee and Mr Tushar

K Jani and Ms. Tulsi Nowlakha Mirchandaney as members of the Committee. The CSR Committee, along with the CSR Implementation and Management Committee, is responsible for formulating and implementing the CSR Policy of the Company.

Mr. N. Palaniappan, Company Secretary & General Manager-Finance acts as Secretary to the Committee.

### CSR INITIATIVES / CSR POLICY

Corporate Social Responsibility is an integral part of our strategy. We are committed to our responsibility towards society, community and the environment. Our endeavor is to make a positive contribution to our world by using our knowledge and domestic / global presence in a way that benefits the planet and its people.

In accordance with the provisions of Section 135 of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formulated and posted the CSR Policy on website of the company viz; <https://bluedartaviation.com>.

During the year, your Company has continued its support for the Government Higher Secondary School, K.K. Nagar, Chennai towards promotion of education. Further, your Company has adopted the Government Boy's Higher Secondary School at Padappai, which is a sub-urban area of Chennai, and has expended great effort and expenditure towards development of a more hygienic, comfortable and conducive study infrastructure and environment to support the education and development of the students who are the future of our country. The CSR activity has been well appreciated by the faculty and students and provided great motivation.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as 'Annexure A' to the Board's Report.

### COMMENTS ON AUDITORS' REPORT/SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S.R.Batlboi & Associates LLP, Statutory Auditors, in their report, and by M/s. Mohan Kumar & 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.

# DIRECTORS' REPORT

## 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 B'.

## 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 appointed a new Secretarial Auditor, Company Secretary in Practice to undertake the secretarial audit of the Company for the year ended March 31, 2020.

The Secretarial Audit Report is annexed herewith as an 'Annexure C'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. No fraud has been reported by the auditors to the audit committee or the Board.

## REPORTING OF FRAUD BY AUDITORS

The auditors of the company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

## 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 D'.

## 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 & General 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 Eighth 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 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.

## DIRECTORS' REPORT

Your Company has received necessary certificate from M/s. S. R. Battiboi & 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 2019-20, does not contain any qualification, reservation or adverse remarks.

No fraud has been reported by the auditors to the audit committee or the Board.

### 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 E' 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: 0192621

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

**Sharad Upasani**  
Director  
DIN: 01739334

**Surendra Sheth**  
Alternate Director  
DIN: 0089981

Mumbai,  
May 26, 2020

**Tulsi Nowlakha Mirchandaney**  
Managing Director  
DIN: 01842520

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

**Geoffrey Kehr**  
Additional Director  
DIN: 08391983

# ANNEXURES TO DIRECTORS' REPORT

## 'ANNEXURE - A'

### ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Corporate Social Responsibility is an integral part of our strategy. We are committed to our responsibility towards society, community and the environment. We endeavour to make a positive contribution to our world by using our knowledge and domestic / global presence in a way that benefits the planet and its people.

2. Web-Link to the CSR Policy - <https://bluedartaviation.com/csr.pdf>

3. The Composition of the CSR Committee.

The CSR Committee of the Board comprises of the following:

- Air Marshal M.McMahon (Retd.) Chairman of the Committee
- Mr. Tushar K. Jani, Member of the Committee
- Ms. Tulsi Nowlakha Mirchandaney, Member of the Committee.

4. Average net profit of the company for last three financial years -

₹ 775 Lakhs

5. Prescribed CSR Expenditure (2% of the amount as in item 4 above) -

₹ 16 Lakhs

6. Details of CSR spent during the financial year

- a) Total amount to be spent for the financial year; - ₹ 16 Lakhs  
 b) Amount unspent, if any; - ₹ 3,87,975 /-  
 c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Adoption of Government School Higher Secondary School, K.K. Nagar to improve amenities	Promoting Education	Chennai	₹ 1,00,000	₹ 1,00,000/-	₹ 1,00,000/-	Direct
2.	Adoption of Government Boy's Higher Secondary School, Padappai, Chennai to improve amenities	Promoting Education, Hygiene & Sanitation and Environment Sustainability	Chennai	₹ 15,00,000	₹ 15,00,000/-	₹ 15,00,000/-	Direct

7. In case the Company has failed to spend the two percent of the average net profit of the last three financial three years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

Out of the outlay of Rs.15 lakhs for the Government Boys' Higher Secondary School, Padappai, Chennai, Tamil Nadu for enhancing the infrastructure and amenities to promote education, hygiene, sanitation and environment sustainability, the Company was not in a position to spend Rs.3.87 lakhs owing to the outbreak of the COVID 19 pandemic in the month of March 2020. However, the same has been fully utilised for completion of the CSR project prior to May 26, 2020.

8. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and policy of the company.

For and on behalf of the Board of Directors,

**Air Marshal M. McMahon (Retd.)**  
 Chairman  
 DIN: 00234293

**Tushar K. Jani**  
 Director  
 DIN: 0192621

**Tulsi Nowlakha Mirchandaney**  
 Managing Director  
 DIN: 1842520

Mumbai,  
 May 26, 2020

# ANNEXURES TO DIRECTORS' REPORT

## 'ANNEXURE - B' 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, 2020, 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. Renewal of Aircraft Crew Maintenance Insurance (ACMI) Agreement with Blue Dart Express Limited.
2. Transshipment of General Cargo Agreement with Mumbai Cargo Service Center Airport Private Limited.
3. Cargo Handling agreement with 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                           | - | 01.04.2020 to 31.03.2025 |
| 2. Mumbai Cargo Service Center Airport Private Limited | - | 01.04.2019 to 31.03.2020 |
| 3. Cargo Service Center India Private Limited          | - | 01.04.2019 to 31.03.2020 |
| 4. DHL Express (India) Private Limited                 | - | 01.01.2020 to 31.12.2020 |
| 5. DHL Express (India) Private Limited                 | - | 01.01.2020 to 31.12.2020 |

#### 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 :

- |   |   |                   |
|---|---|-------------------|
| Mumbai Cargo Service Center Airport Private Limited | - | May 16, 2019      |
| Cargo Service Center India Private Limited          | - | May 16, 2019      |
| DHL Express (India) Private Limited                 | - | December 04, 2019 |
| DHL Express (India) Private Limited                 | - | January 17, 2020  |
| Blue Dart Express Limited                           | - | January 17, 2020  |

#### f. Amount paid as advances, if any : NIL

### For and on behalf of the Board of Directors,

**Tushar K. Jani**  
Chairman  
DIN: 0192621

**Tulsi Nowlakha Mirchandaney**  
Managing Director  
DIN: 01842520

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

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

**Sharad Upasani**  
Director  
DIN: 01739334

**Geoffrey Kehr**  
Additional Director  
DIN: 08391983

**Surendra Sheth**  
Alternate Director  
DIN: 0089981

Mumbai,  
May 26, 2020

# ANNEXURES TO DIRECTORS' REPORT

'ANNEXURE - C'

FORM NO. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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") bearing Corporate Identification Number **U35303MH1994PLC078691**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company'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, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, 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 March 31, 2020 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 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.

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

I further report that the applicable financial laws, such as Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory auditor and by other designated professionals.

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

## ANNEXURES TO DIRECTORS' REPORT

### I Further Report That

- a) 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.
- b) Adequate notice is given to all Directors to schedule the board meetings, agenda and detailed notes on agenda 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.
- c) Majority decision is carried through where there were no dissenting member.
- d) 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) Foreign Technical Collaborations
- (iv) Merger / amalgamation / reconstruction etc.

Place : Chennai

Date : May 26, 2020

UDIN: F004347B000319521

Signature:

**For Mohan Kumar & Associates**

A. Mohan Kumar  
Practicing Company Secretary  
FCS No. 4347  
COP No: 19145

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 letter.

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 my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices, I have followed provide a reasonable basis for my 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 procedure 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 26, 2020

UDIN: F004347B000319521

Signature:

**For Mohan Kumar & Associates**

A. Mohan Kumar

Practicing Company Secretary

FCS No. 4347

COP No: 19145

# ANNEXURES TO DIRECTORS' REPORT

## 'ANNEXURE D'

### EXTRACT OF ANNUAL RETURN

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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 : Blue Dart Aviation Terminal, Gate No.6, Old International Airport, Meenambakkam, Chennai – 600 027, India Tel. No. +91 044 22568200
vi. Whether listed company Yes / No	:	No
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C 101, First Floor, 247 Park, L.B.S Marg, Vikhroli West, Mumbai-400 083 Tel. No. +91 22 49186270 E mail : mt.helpdesk@linkintime.co.in

#### 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)

## ANNEXURES TO DIRECTORS' REPORT

### 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, 2019 i.e. on the basis of Shareholding Pattern of March 31, 2019)				No. of Shares held at the end of the year (as on March 31, 2020 i.e. on the basis of Shareholding Pattern of March 31, 2020)				% 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
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) FIIs	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

## ANNEXURES TO DIRECTORS' REPORT

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
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
<b>Sub-Total (B)(2):</b>	0	0	0	0	0	0	0	0	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	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, 2019 i.e. on the basis of Shareholding Pattern of March 31, 2019)		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	No change during the year			
2.	Bought / Sold during the year				
3.	At the End of the year (31/03/2020)				

## ANNEXURES TO DIRECTORS' REPORT

### 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

### (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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	43592	0	43592
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	43592	0	43592
<b>Change in Indebtedness during the financial year</b>				
• Addition	0	33144	0	33144
• Reduction	0	(31236)	0	(31236)
<b>Net Change</b>	0	1908	0	1908
<b>Indebtedness at the end of the financial year</b>		45500		45500
i) Principal Amount	0	45500	0	45500
ii) Interest due but not paid	0	53	0	53
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	45553	0	45553

## ANNEXURES TO DIRECTORS' REPORT

### 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.	<b>Gross salary</b>	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	238.16
	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...	-
5.	Others, please specify	-
	<b>Total (A)</b>	238.45
	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	3.0	8.1
	- Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (B) (1)</b>	5.1	3.0	8.1
(2)	Non – Executive Directors			
		Tushar K Jani	Clyde C. Cooper	
	- Fee for attending board / committee meetings	3.3	0.9	4.2
	- Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (B) (2)</b>	3.3	0.9	4.2
(3)	Non – Executive Directors			
		Sharad Upasani	Surendra Sheth-Alternate Director	
	- Fee for attending board / committee meetings	1.5	1.5	3.0
	- Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (B) (3)</b>	1.5	1.5	3.0
	<b>Total (B) = (B) (1) + (B) (2) + (B) (3)</b>			15.3

## 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	Mr. N. Palaniappan	
		Chief Financial Officer	Company Secretary	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66.39	30.34	96.73
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.23	0.29	0.52
	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)	66.62	30.63	97.25

### 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)
<b>Company</b> Penalty Punishment Compounding			None		
<b>Directors</b> Penalty Punishment Compounding			None		
<b>Other officers in Default</b> Penalty Punishment Compounding			None		

# ANNEXURES TO DIRECTORS' REPORT

## 'ANNEXURE - E'

### 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, 2020 was ₹ 179 Lakhs.  
(March 31, 2019: ₹ 127 Lakhs)

#### B) Expenditure in Foreign Currency

Expenditure in foreign currency during year ended March 31, 2020 was ₹ 22,169 Lakhs.  
(March 31, 2019: ₹ 27,096 Lakhs)

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF BLUE DART AVIATION LIMITED

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

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, 2020, 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 notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2020, its losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

#### Information other than the Financial Statements and Auditors Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management 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 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 the 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) Rules, 2015, as amended. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF BLUE DART AVIATION LIMITED

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### 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 purposes 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, the 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) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. 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  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Sunil Gaggar  
Partner  
Membership Number: 104315  
UDIN – 20104315AAAABA2333

Place: Bengaluru  
Date: May 26, 2020

## 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:

Re: Blue Dart Aviation Limited (the "Company")

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified 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 Companies (Auditor's report) Order, 2016 (the "Order") are not applicable to the Company and hence not commented upon.
- 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 Companies Act, 2013 ("the Act"). Accordingly, the provisions of paragraph 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. Accordingly, the provision of clause 3(iv) of the Order is not 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 products / services of the Company.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it. The provision of sales-tax, value added 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, duty of custom, value added tax, goods and service 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 provision of sales-tax, value added tax and duty of excise are not applicable to the Company.
- (c) According to information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- 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 by way of initial public offer or further public offer or debt instruments and term loans; Hence reporting under paragraph 3 (ix) of the order is not applicable to the Company and hence 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 paragraph 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 Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- 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 paragraph 3(xiv) of the order are not applicable to the Company and hence 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. Battiboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Sunil Gaggar  
Partner  
Membership Number: 104315  
UDIN – 20104315AAAAABA2333

Place: Bengaluru  
Date: May 26, 2020

## ANNEXURE 2 TO INDEPENDENT AUDITORS' REPORT

Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Blue Dart Aviation Limited

### **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, 2020 in conjunction with our audit of the standalone Ind AS 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 with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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 and, 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 with reference to these standalone financial statements 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 with reference to these standalone Ind AS financial statement and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statement, 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 over financial reporting with reference to these standalone Ind AS financial statements.

#### **Meaning of Internal Financial Controls over Financial Reporting with Reference to these Standalone Ind AS Financial Statements**

A company's internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements 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 with reference to these Standalone Financial Statements 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.

## ANNEXURE 2 TO INDEPENDENT AUDITORS' REPORT

### **Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these Standalone Ind AS Financial Statements**

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 with reference to these Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements were operating effectively as at March 31, 2020, 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.

Place: Bengaluru  
Date: May 26, 2020

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

per Sunil Gaggar  
Partner  
Membership Number: 104315  
UDIN – 20104315AAAABA2333

**BLUE DART AVIATION LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2020**

	Notes	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4A	109,345	39,729
Capital work-in-progress	4A	1,375	4,498
Other Intangible Assets	4B	982	963
Other Financial Assets	5	869	831
Deferred Tax Assets (Net)	6	3,740	3,558
Non-Current Tax Assets (Net)	7	1,806	2,414
Other Non-Current Assets	8	335	2,539
<b>TOTAL NON-CURRENT ASSETS</b>		<b>118,452</b>	<b>54,532</b>
<b>CURRENT ASSETS</b>			
Inventories	9	2,326	2,012
Financial Assets			
Trade Receivables	10	4,815	2,044
Cash and Cash equivalents	11	109	83
Other Financial Assets	12	370	484
Other Current Assets	13	1,748	3,027
<b>TOTAL CURRENT ASSETS</b>		<b>9,368</b>	<b>7,650</b>
<b>TOTAL ASSETS</b>		<b>127,820</b>	<b>62,182</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	14	2,400	2,400
Other Equity	15	2,240	2,801
<b>TOTAL EQUITY</b>		<b>4,640</b>	<b>5,201</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	16	35,750	35,000
Lease Liabilities	17	56,923	-
Other Financial Liabilities	18	3,257	2,794
Provisions	19	495	362
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>96,425</b>	<b>38,156</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Trade Payables	21		
Total Outstanding dues of Micro and Small Enterprise		80	263
Total Outstanding dues of Creditors other than Micro and Small Enterprise		4,859	6,305
Lease Liabilities	17	7,360	-
Other Financial Liabilities	22	11,251	9,611
Provisions	19	148	218
Employee Benefit Obligation	20	806	438
Other Current Liabilities	23	2,251	1,990
<b>TOTAL CURRENT LIABILITIES</b>		<b>26,755</b>	<b>18,825</b>
<b>TOTAL LIABILITIES</b>		<b>123,180</b>	<b>56,981</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>127,820</b>	<b>62,182</b>
Summary of significant accounting policies.	3	-	-

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

As per our report of even date.

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

per **Sunil Gaggar**  
Partner  
Membership No. 104315

Place: Bengaluru  
Date: May 26, 2020

For and on behalf of the Board of Directors

**Tushar K. Jani**  
Chairman  
DIN: 00192621

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

**Geoffrey Kehr**  
Additional Director  
DIN: 08391983

Place: Mumbai  
Date: May 26, 2020

**Tulsi Nowlakra Mirchandaney**  
Managing Director  
DIN: 01842520

**Surendra Sheth**  
Alternate Director  
DIN: 00089981

**N. Palaniappan**  
Company Secretary &  
General Manager-Finance

**Sharad Upasani**  
Director  
DIN: 01739334

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

**P. Parameshwaran**  
Chief Financial Officer

**BLUE DART AVIATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

	Notes	Year ended March 31, 2020 in ₹ Lakhs	Year ended March 31, 2019 in ₹ Lakhs
<b>INCOME</b>			
Revenue from Operations	24	80,686	75,209
Other Income	25	395	602
<b>TOTAL INCOME</b>		<b>81,081</b>	<b>75,811</b>
<b>EXPENSES</b>			
Operating Costs	26	29,475	40,219
Employee Benefits Expense	27	15,633	14,517
Finance Costs	28	8,797	3,230
Depreciation and Amortisation Expense	29	19,448	7,985
Other Expenses	30	6,927	9,290
<b>TOTAL EXPENSES</b>		<b>80,280</b>	<b>75,241</b>
<b>PROFIT BEFORE TAX</b>		<b>801</b>	<b>570</b>
Income Tax Expense	32		
Current Tax		1,276	520
Adjustment of tax relating to earlier year		-	78
Deferred Tax Credit		(115)	(243)
Total Tax Expense		1,161	355
<b>(LOSS)/ PROFIT FOR THE YEAR</b>		<b>(360)</b>	<b>215</b>
<b>OTHER COMPREHENSIVE INCOME ('OCI')</b>			
OCI not to be reclassified to Statement of Profit or Loss in subsequent periods			
- Remeasurement gains/ (loses) on defined benefit plans		(268)	36
- Income tax effect		67	(12)
<b>TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR</b>		<b>(561)</b>	<b>239</b>
Earnings Per Equity Share	31		
[Nominal value of share ₹ 10 each]			
Basic and Diluted (in ₹)		(1.50)	0.90

The above Statement of Profit and Loss 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.Batlboi & Associates LLP**  
 ICAI Firm registration number: 101049W/E300004  
 Chartered Accountants

**Tushar K. Jani**  
 Chairman  
 DIN:00192621

**Tulsi Nowlakra Mirchandaney**  
 Managing Director  
 DIN:01842520

**Sharad Upasani**  
 Director  
 DIN: 01739334

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

**Surendra Sheth**  
 Alternate Director  
 DIN: 00089981

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

**per Sunil Gaggar**  
 Partner  
 Membership No. 104315

**Geoffrey Kehr**  
 Additional Director  
 DIN: 08391983

**N. Palaniappan**  
 Company Secretary &  
 General Manager-Finance

**P. Parameshwaran**  
 Chief Financial Officer

Place: Bengaluru  
 Date: May 26, 2020

Place: Mumbai  
 Date: May 26, 2020

**BLUE DART AVIATION LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

	Notes	Year ended March 31, 2020 in ₹ Lakhs	Year ended March 31, 2019 in ₹ Lakhs
<b>A. Cash flows from Operating activities:</b>			
Profit before tax		801	570
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortisation expenses	29	19,448	7,985
Loss on sale/ scrapping of property, plant and equipment (net)	30	23	57
Finance costs	28	8,797	3,058
Rotables/Components & overhaul written off	26	103	203
Unrealised loss / (gain) on foreign currency transactions and translation	30	2,098	(104)
Unwinding interest on security deposit	25	(77)	86
Provision for slow moving Inventory	26	107	121
<b>Operating profit before changes in operating assets and liabilities</b>		<b>31,300</b>	<b>11,976</b>
<b>Adjustments for changes in operating assets and liabilities:</b>			
(Increase) in trade receivables		(2,771)	(1,607)
(Increase) in inventories		(421)	(448)
(Decrease) / increase in trade payables		(1,840)	147
Decrease / (increase) in other current financial assets		5	(223)
Decrease in other current assets		691	749
(Increase) / decrease in other non-current Financial assets		(38)	142
(Increase) in other non-current assets		(245)	(1,228)
Increase in current provisions and Employee Benefit Obligation		30	179
(Decrease) / increase in non-current provisions and Employee Benefit Obligation		133	(74)
Increase in other current liabilities		261	477
(Decrease) in other non-current liabilities		-	(178)
Increase in other financial liabilities		243	110
Increase / (decrease) in other non-current financial liabilities		463	(77)
<b>Cash generated from Operations</b>		<b>27,811</b>	<b>9,945</b>
Taxes paid (net of refunds)	7	(668)	(1,264)
<b>Net cash flows from operating activities</b>		<b>27,143</b>	<b>8,681</b>
<b>B. Cash flows from / (used in) Investing activities:</b>			
Purchase of property, plant and equipment and other intangible assets		(14,365)	(21,205)
Proceeds from sale of property, plant and equipment		191	37
<b>Net cash flows used in Investing activities</b>		<b>(14,174)</b>	<b>(21,168)</b>
<b>C. Cash flows from / (used in) Financing activities:</b>			
Proceeds from borrowings		30,500	21,500
Repayment of borrowings		(28,592)	(5,653)
Inter Corporate deposits accepted from Blue Dart Express		2,644	17,782
Inter Corporate deposits repaid to Blue Dart Express		(2,644)	(17,782)

**BLUE DART AVIATION LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED March 31, 2020**

Notes	Year ended March 31, 2020 in ₹ Lakhs	Year ended March 31, 2019 in ₹ Lakhs
Payment of principal portion of Lease liabilities	(6,293)	-
Interest Paid	(8,558)	(3,058)
<b>Net cash flows from / (used) in financing activities</b>	<b>(12,943)</b>	<b>12,789</b>
<b>Net increase in Cash and cash equivalents</b>	<b>26</b>	<b>302</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>83</b>	<b>(219)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>109</b>	<b>83</b>
Note : There are no changes in liability arising from financing, activities due to non cash changes		
<b>Cash and cash equivalents comprise of :</b>		
Balances with banks in current accounts	107	81
Cash on hand	2	2
	<b>109</b>	<b>83</b>

**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 Sunil Gaggar**  
 Partner  
 Membership No. 104315

Place: Bengaluru  
 Date: May 26, 2020

For and on behalf of the Board of Directors

**Tushar K. Jani**  
 Chairman  
 DIN:00192621

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

**Geoffrey Kehr**  
 Additional Director  
 DIN: 08391983

Place: Mumbai  
 Date: May 26, 2020

**Tulsi Nowlakra Mirchandaney**  
 Managing Director  
 DIN:01842520

**Surendra Sheth**  
 Alternate Director  
 DIN: 00089981

**N. Palaniappan**  
 Company Secretary &  
 General Manager-Finance

**Sharad Upasani**  
 Director  
 DIN: 01739334

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

**P. Parameshwaran**  
 Chief Financial Officer

## BLUE DART AVIATION LIMITED

### STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED MARCH 31, 2020

A. Equity Share Capital	in ₹ Lakhs
Balance as at April 1, 2018	2,400
Changes in equity share capital	-
<b>Balance as at March 31, 2019</b>	<b>2,400</b>
Changes in equity share capital	-
<b>Balance as at March 31, 2020</b>	<b>2,400</b>

B. Other Equity	in ₹ Lakhs		
Particulars	Reserves & Surplus		
	Securities Premium	Retained earnings	Total Other Equity
Balance as at April 1, 2018	600	1,962	2,562
Profit for the year	-	215	215
Other comprehensive income	-	24	24
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>239</b>	<b>239</b>
<b>As at March 31, 2019</b>	<b>600</b>	<b>2,201</b>	<b>2,801</b>
Loss for the year	-	(360)	(360)
Other comprehensive income	-	(201)	(201)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(561)</b>	<b>(561)</b>
<b>As at March 31, 2020</b>	<b>600</b>	<b>1,640</b>	<b>2,240</b>

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

As per our report of even date

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

per **Sunil Gagar**  
Partner  
Membership No. 104315

Place: Bengaluru  
Date: May 26, 2020

For and on behalf of the Board of Directors

**Tushar K. Jani**  
Chairman  
DIN:00192621

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

**Geoffrey Kehr**  
Additional Director  
DIN: 08391983

Place: Mumbai  
Date: May 26, 2020

**Tulsi Nowlakra Mirchandaney**  
Managing Director  
DIN:01842520

**Surendra Sheth**  
Alternate Director  
DIN: 00089981

**N. Palaniappan**  
Company Secretary &  
General Manager-Finance

**Sharad Upasani**  
Director  
DIN: 01739334

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

**P. Parameshwaran**  
Chief Financial Officer

# SCHEDULES

## Notes to the financial statements for the year ended March 31, 2020

### 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 Blue Dart Centre, Sahar Airport Road, Andheri East, Mumbai - 400 099. 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 26, 2020.

### 2. Basis of preparation of Financial Statements

#### a. Statement of compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (amended) under the provisions of the Companies Act, 2013 (the 'Act').

#### 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 5,12,17,18 & 19).

#### 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 20]
- (iii) Estimation of provision for inventories
- (iv) Estimation of contingent liabilities [Refer Note 3(l)]
- (v) Estimation of lease term of contract [Refer Note 35 (ii)]

#### 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 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.

## SCHEDULES

### Notes to the financial statements for the year ended March 31, 2020

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.

#### 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

₹ 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.

#### e. Revenue Recognition

##### Express Air Charter Services:

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:

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 ('EIR') 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

## SCHEDULES

### Notes to the financial statements for the year ended March 31, 2020

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 balance sheet date 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 the statement of profit and loss.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of balance sheet date are treated as other long term employee benefits for measurement purposes. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Remeasurements, comprising of actuarial losses/ gains are recognised immediately in the balance sheet with corresponding debit or credit to retained earnings through OCI in the period in which they occur.

The Company presents the leave as a short term employee benefit obligation in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

##### (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.

##### 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

# SCHEDULES

## Notes to the financial statements for the year ended March 31, 2020

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 Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease

payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3(c) Impairment of non-financial assets.

### Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Company calculates its incremental borrowing rate by using the Government's Zero coupon yield rates adjusted for the financial spreads for AA rated bonds at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term.

### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings, equipments (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of buildings, equipments that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 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 Other Comprehensive Income ('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.

# SCHEDULES

## Notes to the financial statements for the year ended March 31, 2020

### 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.

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.

# SCHEDULES

## Notes to the financial statements for the year ended March 31, 2020

### 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 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 including, in the case of financial assets not recorded at fair value through profit or loss, transaction 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.

## SCHEDULES

### Notes to the financial statements for the year ended March 31, 2020

#### 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.

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 canceled 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 Company 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.

#### 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).

## SCHEDULES

(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
- 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.

**3.1 Changes in accounting policies and disclosures**

**New and amended standards**

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

The Company adopted Ind AS 116 using the modified retrospective approach of adoption as per para C8(b)(ii) read with C8(a) and C5(b) of Ind AS 116, with the date of initial application on 1 April 2019. For leases previously classified as operating leases under Ind AS 17, the Company :

- Recognized a lease liability measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate
- Measured the right-of-use asset on a lease-by-lease basis at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019 and considered only contracts those were recognised as lease under erstwhile standard Ind AS 17. The Company also used practical expedient to not to recognise leases for which the lease term ends within 12 months of the date of initial application,

these leases are accounted as short term leases.

Critical judgements and estimates evaluation on implementation:

(i) In case of leases having a contractual lease term more than non-cancellable period, company has opted to consider the entire contractual lease term, as the company's intention is to continue the lease till the end of contractual lease term based on one or more of the following factors:-

- (a) The uniqueness of purpose or location of the asset which is taken on lease
- (b) No availability of a comparable replacement asset
- (c) The existence and materiality of leasehold improvements
- (d) Cost of relocation involved
- (e) Company's past practice of not exiting a contract without having any economic disincentive

(ii) In case of leases containing both lease and non-lease components, company has decided to separate the amount if the bifurcation is mentioned in the contract and in other cases the non-lease components shall be assumed to be zero and entire amount will be considered as lease rentals.

Please refer note 3(h) for Accounting Policy on Leases.

**The effect of adoption Ind AS 116 as at 1 April 2019 (increase/ (decrease)) is, as follows:**

Assets	in ₹ Lakhs
Right-of-use assets	63,645
Other Assets (Net book value of Bangalore premises- Refer note 38)	(2,338)
Prepaid expenses	(941)
<b>Total</b>	<b>60,366</b>

The following table presents the reconciliation of lease liability:

Assets	in ₹ Lakhs
Operating lease commitments as at 31 March 2019	86,064
Less: Commitments relating to short-term leases & low-value assets	(1,457)
Undiscounted Lease liabilities as at 1 April 2019	84,607
Weighted average incremental borrowing rate as at 1 April 2019	8.44%
Lease liabilities as at 1 April 2019	60,366

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

### 4A. PROPERTY, PLANT AND EQUIPMENT

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE
	Opening Balance as at April 1, 2019	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2020	Upto April 1, 2019	For the Year	Deductions/ Adjustments	Upto March 31, 2020	Closing Balance as at March 31, 2020
<b>Tangible Assets:</b>									
Leasehold Improvements	2,288	18	50	2,256	196	175	-	371	1,885
Aircraft Rotable Parts	5,995	1,389	130	7,254	2,112	655	50	2,717	4,537
Aircraft Components and Overhaul	36,781	13,644	1,690	48,735	12,577	7,107	1,610	18,074	30,661
Ground Equipment	7,529	742	44	8,227	2,040	645	23	2,662	5,565
Office Equipment	632	113	9	736	150	128	8	270	466
Electrical Equipment	1,980	374	26	2,328	450	219	12	657	1,671
Computers	429	155	4	580	186	83	4	265	315
Furniture and Fittings	2,296	533	93	2,736	530	275	25	779	1,957
Vehicles	70	9	15	64	30	9	12	27	37
<b>Total Tangible Assets (A)</b>	<b>58,000</b>	<b>16,977</b>	<b>2,061</b>	<b>72,916</b>	<b>18,271</b>	<b>9,296</b>	<b>1,744</b>	<b>25,822</b>	<b>47,094</b>
<b>Right of use ('ROU') Assets</b>									
Buildings	-	39,163	-	39,163	-	4,711	-	4,711	34,452
Aircraft	-	32,412	-	32,412	-	4,931	-	4,931	27,481
Vehicle	-	436	-	436	-	118	-	118	318
<b>Total ROU Assets (B)</b>	<b>-</b>	<b>72,011</b>	<b>-</b>	<b>72,011</b>	<b>-</b>	<b>9,760</b>	<b>-</b>	<b>9,760</b>	<b>62,251</b>
<b>Total Tangible &amp; ROU Assets (A+B)</b>	<b>58,000</b>	<b>88,988</b>	<b>2,061</b>	<b>144,927</b>	<b>18,271</b>	<b>19,056</b>	<b>1,744</b>	<b>35,582</b>	<b>109,345</b>
Capital work-in-progress	4,498	-	-	-	-	-	-	-	1,375

**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 Property, Plant & Equipment and hence net block carrying amount has been considered as the gross block carrying amount on April 1, 2015.

### 4B. INTANGIBLE ASSETS

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE
	Opening Balance as at April 1, 2019	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2020	Upto April 1, 2019	For the Year	Deductions/ Adjustments	Upto March 31, 2020	Closing Balance as at March 31, 2020
Computers - Software	707	3	-	710	449	116	-	565	146
Type Certification Course	1,489	407	225	1,671	784	276	225	835	836
<b>Total Intangible Assets</b>	<b>2,196</b>	<b>410</b>	<b>225</b>	<b>2,381</b>	<b>1,233</b>	<b>392</b>	<b>225</b>	<b>1,400</b>	<b>982</b>

**Notes :**

In 2016-17, on transition to IND AS, the Company has availed the deemed cost exemption in relation to Property, Plant & Equipment and hence net block carrying amount has been considered as the gross block carrying amount on 1st April 2015.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

### 4A. PROPERTY, PLANT AND EQUIPMENT

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE
	Opening Balance as at April 1, 2018	Additions	"Deductions/ Adjustments"	Closing Balance as at March 31, 2019	Upto April 1, 2018	For the Year	Deductions/ Adjustments	Upto March 31, 2019	Closing Balance as at March 31, 2019
<b>Tangible Assets:</b>									
Leasehold Improvements	3,400	2,115	3,227	2,288	822	118	744	196	2,092
Aircraft Rotable Parts	4,841	1,270	116	5,995	1,553	588	29	2,112	3,883
Aircraft Components and Overhaul	26,350	13,009	2,578	36,781	8,939	5,806	2,168	12,577	24,204
Ground Equipment	5,752	1,846	69	7,529	1,493	567	20	2,040	5,489
Office Equipment	183	451	2	632	86	68	4	150	482
Electrical Equipment	756	1,264	40	1,980	312	163	25	450	1,530
Computers	345	86	2	429	116	71	1	186	243
Furniture and Fittings	1,003	1,386	93	2,296	393	208	71	530	1,766
Vehicles	49	23	2	70	19	12	1	30	40
<b>Total Tangible Assets</b>	<b>42,679</b>	<b>21,450</b>	<b>6,129</b>	<b>58,000</b>	<b>13,733</b>	<b>7,601</b>	<b>3,063</b>	<b>18,271</b>	<b>39,729</b>
Capital work-in-progress	5,257	-	-	-	-	-	-	-	4,498

**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 Property, Plant & Equipment and hence net block carrying amount has been considered as the gross block carrying amount on April 1, 2015.

### 4B. INTANGIBLE ASSETS

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE
	Opening Balance as at April 1, 2018	Additions	"Deductions/ Adjustments"	Closing Balance as at March 31, 2019	Upto April 1, 2018	For the Year	Deductions/ Adjustments	Upto March 31, 2019	Closing Balance as at March 31, 2019
Computers - Software	628	98	19	707	340	118	9	449	258
Type Certification Course	1,350	368	229	1,489	729	266	211	784	705
<b>Total Intangible Assets</b>	<b>1,978</b>	<b>466</b>	<b>248</b>	<b>2,196</b>	<b>1,069</b>	<b>384</b>	<b>220</b>	<b>1,233</b>	<b>963</b>

**Notes :**

In 2016-17, on transition to IND AS, the Company has availed the deemed cost exemption in relation to Property, Plant & Equipment and hence net block carrying amount has been considered as the gross block carrying amount on 1st April 2015.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>5 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
(Unsecured, considered good, unless otherwise stated)		
Deposits	869	831
<b>Total</b>	<b>869</b>	<b>831</b>
<b>6 DEFERRED TAX ASSET [Refer Note 3 (i) and Note 32]</b>		
<b>Deferred Tax Assets</b>		
Property, Plant and Equipment and intangible assets	2,090	2,817
Other timing differences	1,650	741
<b>Total</b>	<b>3,740</b>	<b>3,558</b>
<b>7 NON-CURRENT TAX ASSETS (NET)</b>		
<b>Opening balance</b>	2,414	1,748
Less: Current tax payable for the year	1,276	520
Less: Adjustment of tax relating to earlier year	-	78
Less: Refund received	422	271
Less: Advance Tax adjusted related to earlier year	579	-
Add: Tax provision adjusted related to earlier year	579	-
Add: Taxes paid	1,090	1,535
<b>Closing balance</b>	<b>1,806</b>	<b>2,414</b>
Advance income tax	4,094	4,005
Provision for tax	2,288	1,591
Advance income tax (Net of provision for tax)	<b>1,806</b>	<b>2,414</b>
<b>8 OTHER NON-CURRENT ASSETS</b>		
Capital Advances	273	175
Prepaid Expenses	62	274
Other non-current asset (Refer Note 38)	-	2,090
<b>Total</b>	<b>335</b>	<b>2,539</b>
<b>9 INVENTORIES</b>		
Consumables/Spares*	2,108	1,803
Loose Tools	218	209
<b>Total</b>	<b>2,326</b>	<b>2,012</b>
* Net of provision for slow-moving items of ₹ 809 Lakhs, (March 31, 2019 - ₹ 702 Lakhs)		
<b>10 TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Trade receivables	14	20
Receivables from related parties (Refer Note 33)	4,801	2,024
<b>Total</b>	<b>4,815</b>	<b>2,044</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>11 CASH AND CASH EQUIVALENTS</b>		
Balances with banks in current accounts	107	81
Cash on hand	2	2
<b>Total</b>	<b>109</b>	<b>83</b>
<b>12 OTHER CURRENT FINANCIAL ASSETS</b>		
(Unsecured, considered good, unless otherwise stated)		
Deposits	370	484
<b>Total</b>	<b>370</b>	<b>484</b>
<b>13 OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Prepaid Expenses	675	1,657
Balance with Government Authorities	787	1,034
Others	286	336
<b>Total</b>	<b>1,748</b>	<b>3,027</b>
<b>14 EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
40,000,000 Equity Shares(March 31, 2019- 40,000,000 of ₹ 10 each	4,000	4,000
<b>Issued, Subscribed and Fully Paid up</b>		
24,000,000 Equity Shares (March 31, 2019 : 24,000,000 of ₹ 10 each fully paid-up	2,400	2,400
<b>Total</b>	<b>2,400</b>	<b>2,400</b>

### i. Reconciliation of the number of shares

	As at March 31, 2020		As at March 31, 2019	
	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.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>iii. Shares held by Holding Company</b>		
Blue Dart Express Limited, the Holding Company	2,400	2,400
24,000,000 (March 31, 2019- 24,000,000) 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, 2020		As at March 31, 2019	
	Number of shares	%	Number of shares	%
Blue Dart Express Limited ('BDEL') and its nominees	24,000,000	100%	24,000,000	100%
<b>Total</b>	<b>24,000,000</b>	<b>100%</b>	<b>24,000,000</b>	<b>100%</b>

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>15 OTHER EQUITY</b>		
<b>Reserves and Surplus</b>		
Securities Premium	600	600
Retained earnings	1,640	2,201
<b>Total</b>	<b>2,240</b>	<b>2,801</b>
<b>i) Securities Premium</b>		
<b>Balance as at the beginning and end of the year</b>	<b>600</b>	<b>600</b>
<b>ii) Retained Earnings</b>		
Balance as at the beginning of the year	2,201	1,962
Net (loss) / Profit for the year	(360)	215
Remeasurements of defined benefit obligations, (net of tax)	(201)	24
<b>Balance as at the end of the year</b>	<b>1,640</b>	<b>2,201</b>
<b>Total of Other Equity</b>	<b>2,240</b>	<b>2,801</b>

**Nature and purpose of reserve:**

**Security Premium**

Securities Premium is used to record the premium received on issue of shares. This reserve can be utilised only in accordance with the provisions of the Company Act. 2013.

**16 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS**

**Term loans**

**Unsecured**

(a) Term Loan from financial institutions (Refer note (a) )	10,500	17,500
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## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
(b) Term Loan from banks (Refer note (b) and (c))	25,250	17,500
(c) Term Loan from Blue Dart Express Limited (Refer note (d) and (e))	-	-
<b>Total</b>	<b>35,750</b>	<b>35,000</b>

#### Security and Salient Terms:

- a) During the year, the Company has taken additional unsecured term loan of ₹10,500 lakhs from Citicorp Finance India Ltd ('Citicorp') on various dates, having a moratorium period of 24 months and repayable in four equal instalments over a period of 36 months, with an interest rate of 7.45% p.a. Also, the Company has repaid the term loan of ₹ 7,500 lakhs as per its repayment schedule and ₹ 10,000 lakhs ahead of its repayment schedule.
- b) During the year, the Company has taken further unsecured term loan from Bank of America of ₹ 20,000 lakhs (two tranches of ₹10,000 lakhs each) at interest rate of 7.48% p.a. and 7.30% each p.a., respectively, for the purposes of capital expenditure including reimbursements/ refinancing of loan taken earlier for capital expenditure.
- c) During the year, the Company has fully repaid the term loan of ₹ 10,000 lakhs availed from Federal Bank ahead of its repayment schedule.
- d) During the year, the Company has repaid ₹ 1,092 lakhs towards the unsecured interest bearing loan borrowed from Blue Dart Express Limited. The outstanding amount as at March 31, 2020 is ₹ Nil.
- e) During the year, the Company has taken unsecured Inter Corporate Deposit of ₹ 2,644 lakhs and same has been repaid fully during the year itself.
- f) Blue Dart Express Limited, the holding company, has provided the Letter of Comfort to the banks/ financial institutions in respect of credit facilities provided by the banks/ financial institutions to the Company.

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>17 CURRENT LEASE LIABILITIES</b>	7,360	-
<b>Total</b>	<b>7,360</b>	<b>-</b>
<b>NON CURRENT LEASE LIABILITIES</b>	56,923	-
<b>Total</b>	<b>56,923</b>	<b>-</b>
<b>18 OTHER FINANCIAL LIABILITIES</b>		
Aircraft Payload Deposit from Blue Dart Express Limited (refer note 33)	2,150	1,964
Deposit Received from DHL Express (India) Private Limited (refer note 33)	498	648
Employee Benefits Payable	609	182
<b>Total</b>	<b>3,257</b>	<b>2,794</b>
<b>19 CURRENT PROVISIONS</b>		
Provision for aircraft redelivery obligation	148	218
<b>Total</b>	<b>148</b>	<b>218</b>
<b>NON-CURRENT PROVISIONS</b>		
Provision for aircraft redelivery obligation	495	362
<b>Total</b>	<b>495</b>	<b>362</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>20 CURRENT EMPLOYEE BENEFITS OBLIGATION</b>		
<b>Provision for Employee Benefits:</b>		
[Refer notes 3 (g)]		
Provision for Gratuity	273	(7)
Provision for Compensated absences	533	445
<b>Total</b>	<b>806</b>	<b>438</b>

### 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, 2020 in ₹ Lakhs	For the Year ended March 31, 2019 in ₹ Lakhs
- Employer's Contribution to Provident Fund	242	205
- Employer's Contribution to Employees' State Insurance	25	34
- Employer's Contribution to Employees' Pension Scheme 1995	162	112

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
<b>Balance as on April 1, 2018</b>	<b>1,285</b>	<b>(1,211)</b>	<b>74</b>
Interest Cost	101	-	101
Current Service Cost	91	-	91
Expected Return on Plan Assets	-	(96)	(96)
<b>Total amount recognised in profit or loss</b>	<b>192</b>	<b>(96)</b>	<b>96</b>
Liability Transferred In/ Acquisitions	59	(59)	-
Actuarial (gain)/loss on obligations	(46)	10	(36)
<b>Total amount recognised in other comprehensive income</b>	<b>13</b>	<b>(49)</b>	<b>(36)</b>
Benefits Paid	(80)	80	-
Contributions	-	(141)	(141)
<b>Balance as on March 31, 2019</b>	<b>1,410</b>	<b>(1,417)</b>	<b>(7)</b>
Interest Cost	110	(110)	-
Current Service Cost	99	-	99
Expected Return on Plan Assets	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>209</b>	<b>(110)</b>	<b>99</b>

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	Present value of obligation	Fair value of plan assets	Net defined benefit (asset) /liability
Liability Transferred In/ Acquisitions	4	(4)	-
Remeasurements	(1)	1	-
Actuarial (gain)/loss on obligations	257	11	268
<b>Total amount recognised in other comprehensive income</b>	<b>260</b>	<b>8</b>	<b>268</b>
Benefits Paid	(90)	90	-
Contributions	-	(87)	(87)
<b>Balance as on March 31, 2020</b>	<b>1,789</b>	<b>(1,516)</b>	<b>273</b>

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

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
Present Value of funded obligation as at the year end	1,789	1,410
Fair Value of Plan Assets as at the end of the year	(1,516)	(1,417)
Present Value of unfunded obligation as at the year end	273	(7)
Unrecognised Actuarial (gains)/losses	-	-
<b>Unfunded Net Liability Recognised in Balance Sheet</b>	<b>273</b>	<b>(7)</b>

#### C Amount recognised in the Balance Sheet

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
Present Value of Obligation at the end of the year	1,789	1,410
Fair value of plan assets	(1,516)	(1,417)
Liability recognised in the Balance Sheet	273	(7)

#### 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:

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
Discount Rate and Expected Return on Plan Assets (per annum)	6.82%	7.78%
Rate of increase in Salary growth rate	7.75%	7.25%
Rate of employee turnover	1.00%	1.00%

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.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

### Impact on defined benefit obligation (In ₹ Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Increase (0.5%)	Decrease (0.5%)	Increase (0.5%)	Decrease (0.5%)
Discount rate (0.5% movement)	(90)	98	(65)	71
Future salary growth (0.5% movement)	96	(89)	71	(66)
Employee Turnover (0.5% movement)	(8)	8	3	(3)

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, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
Insured fund in LIC	1516	1417

### iv Expected gratuity contribution for the next year

	213	92
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### E Compensated Absences

Non-current provisions (Refer note 20)	-	-
Current provisions (Refer note 20)	533	445

## 21 TRADE PAYABLES

Trade Payables:

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
Total outstanding dues of Micro enterprises and Small Enterprises (Refer Note 34)	80	263
Total outstanding dues of creditors other than Micro enterprises and small enterprises:		
Trade payable other than related parties	1,454	4,449
Trade payables to related parties (Refer Note 33)	2,699	670
Other Payables	706	1,186
<b>Total</b>	<b>4,939</b>	<b>6,568</b>

## 22 OTHER FINANCIAL LIABILITIES

Current maturities of term loan from Blue Dart Express Limited (Refer Note 16)	-	1,092
Current maturities of unsecured term loan from Financial Institutions (Refer Note 16)	7,500	7,500
Current maturities of unsecured term loan from Banks (Refer Note 16)	2,250	-
Interest accrued and due but not paid on borrowings	53	-
Deposit received from DHL Express (India) Private Limited	150	150
Employee benefits payable	1,298	869
<b>Total</b>	<b>11,251</b>	<b>9,611</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>23 OTHER CURRENT LIABILITIES</b>		
Statutory dues	2,251	1,814
Air charter service income received in advance	-	176
<b>Total</b>	<b>2,251</b>	<b>1,990</b>
<b>24 REVENUE FROM OPERATIONS</b>		
Express Air Charter Services [Refer Note 3(e)]	79,812	74,315
<b>Other Operating Revenue</b>		
Business Support Services [Refer Note 3(e)]	874	894
<b>Total</b>	<b>80,686</b>	<b>75,209</b>
<b>25 OTHER INCOME</b>		
Sale of Spares / Services	276	265
Unwinding interest on security deposit	77	86
Net Gain on Foreign Currency Transactions and Translation [Refer Note 3(f)]	-	89
Miscellaneous Income	42	162
<b>Total</b>	<b>395</b>	<b>602</b>
<b>26 OPERATING COSTS</b>		
Aircraft Fuel	21,071	23,845
Aircraft and Engine Lease Rentals [Refer Note 3(h)]	680	8,458
Navigation Charges	3,445	3,651
Engineering Maintenance Costs	1,088	1,246
Loss on sale/scraping of Rotables/Components & Overhaul written off	103	203
Consumption of Consumables and Tools	1,279	1,154
Provision for aircraft redelivery obligation	63	144
Provision for slow-moving inventory	107	121
Aircraft Insurance	237	229
Handling and Clearing	1,005	871
Interline Expenses	397	297
<b>Total</b>	<b>29,475</b>	<b>40,219</b>
<b>27 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Bonus and compensated absences	14,199	13,104
Contribution to provident and other funds	456	372

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	Year ended March 31, 2020 in ₹ Lakhs	Year ended March 31, 2019 in ₹ Lakhs
Gratuity	99	96
Staff Welfare Expenses	879	945
<b>Total</b>	<b>15,633</b>	<b>14,517</b>
<b>28 FINANCE COSTS</b>		
Interest Expense:		
On Term loan from bank	1,812	702
On Term loans from financial institutions	1,700	2,023
On Unsecured term loan and inter corporate deposits from Blue Dart Express Limited	77	320
Unwinding of interest on provisions/payload deposits	186	179
On Lease	5,012	-
On Others	10	6
<b>Total</b>	<b>8,797</b>	<b>3,230</b>
<b>29 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Tangible assets	19,056	7,601
Amortisation on Intangible assets	392	384
<b>Total</b>	<b>19,448</b>	<b>7,985</b>
<b>30 OTHER EXPENSES</b>		
Rent	929	5,455
Electricity	352	392
Repairs and Maintenance - Others	993	881
Communication Expenses	87	100
Directors sitting fees	15	13
Legal and Professional Expenses	146	111
Payment to Auditors		
Statutory Audit fees	11	9
Tax Audit fees	1	1
Reimbursement of Expenses	5	12
Rates and taxes	177	147
Insurance	187	192
Lease and Hire charges	30	55
Loss on Sale/Scrapping of Assets (net)	23	57
Loss on Foreign Currency Transactions (net)	2,098	-
Printing and Stationery	193	187
Subscriptions Charges	293	297
Travelling Expenses	414	438

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	Year ended March 31, 2020 in ₹ Lakhs	Year ended March 31, 2019 in ₹ Lakhs
Expenditure towards Corporate Social Responsibility Activities (Refer note below)	16	9
Miscellaneous expenses	957	934
<b>Total</b>	<b>6,927</b>	<b>9,290</b>
Note:- Expenditure on Corporate Social Responsibility Activities		
a) Gross amount required to be spent by the Company during the year	16	9
b) Amount spent during the year on (in cash): Expenditure on Educational programmes	12	9
c) Amount unspent carried forward to next year	4	-
<b>31 EARNINGS PER SHARE</b>		
(Loss) / Profit for the year	(360)	215
Weighted average number of shares (Nos.)	24,000,000	24,000,000
Basic and Diluted Earnings Per Share (In ₹)	(1.50)	0.90
Nominal value of shares outstanding (In ₹)	10	10
<b>32 TAX EXPENSE</b>		
<b>A. Amounts recognised in profit and loss</b>		
<b>(a) Income tax expense</b>		
<b>Current Tax</b>		
Current tax on profits for the year	1,276	520
Adjustment of tax relating to earlier year	-	78
<b>Total current tax expense</b>	<b>1,276</b>	<b>598</b>
<b>Deferred tax</b>		
Decrease (increase) in deferred tax (net)	(115)	(243)
<b>Total deferred tax expense/(benefit)</b>	<b>(115)</b>	<b>(243)</b>
<b>Income tax expense</b>	<b>1,161</b>	<b>355</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit before income tax expense	<b>801</b>	<b>570</b>
<b>Tax at the Indian tax rate of 25.17% (2018-2019 – 34.96%)</b>	<b>202</b>	<b>199</b>
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax adjustment impact due to change in tax rate in deferred tax	995	-
Others	(36)	156
<b>Income tax expense</b>	<b>1,161</b>	<b>355</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

### B. Movement in deferred tax balances

(in ₹ Lakhs)					
	Net balance March 31, 2019	Recognised in Profit and Loss	Recognised in OCI	Net deferred tax asset / liability	Deferred tax asset March 31, 2020
<b>Deferred Tax Assets</b>					
Depreciation	(2,817)	727	-	(2,090)	(2,090)
Provision for Compensated Absences	(156)	21	-	(135)	(135)
Provision for Bonus	(4)	9	-	5	5
Provision for Gratuity	2	(71)	-	(69)	(69)
Others	(583)	(801)	(67)	(1,451)	(1,451)
<b>(Tax assets)</b>	<b>(3,558)</b>	<b>(115)</b>	<b>(67)</b>	<b>(3,740)</b>	<b>(3,740)</b>

(in ₹ Lakhs)					
	Net balance March 31, 2018	Recognised in Profit and Loss	Recognised in OCI	Net deferred tax asset / liability	Deferred tax asset March 31, 2019
<b>Deferred Tax Assets</b>					
Depreciation	(2,686)	(131)	-	(2,817)	(2,817)
Provision for Compensated Absences	(152)	(4)	-	(156)	(156)
Provision for Bonus	(11)	7	-	(4)	(4)
Provision for Gratuity	(36)	38	-	2	2
Others	(443)	(153)	12	(583)	(583)
<b>(Tax assets)</b>	<b>(3,327)</b>	<b>(243)</b>	<b>12</b>	<b>(3,558)</b>	<b>(3,558)</b>

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.

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.

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 at the rate of 25.17 % and re-measured its deferred tax asset basis the said rate.

### 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, 2020	March 31, 2019
Blue Dart Express Limited and its nominees	Holding Company	India	100%	100%

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2020

#### ii) Key Management Personnel

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

#### 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  
 Mumbai Cargo Service Center Airport Private Limited

#### Key management personnel compensation

Name : Ms Tulsi Nowlakha Mirchandaney

Particulars	Year ended March 31, 2020 in ₹ Lakhs	Year ended March 31, 2019 in ₹ Lakhs
Short-term employee benefits	302	233

#### B) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:

NATURE OF TRANSACTIONS:	Year ended March 31, 2020 in ₹ Lakhs	Year ended March 31, 2019 in ₹ Lakhs
<b>i) With Blue Dart Express Limited</b>		
Express Air Charter Service Income (including service income accrued in advance)	(79,812)	(74,315)
Interest charges incurred on Term Loan	59	189
Interest charges incurred on Inter corporate Deposit	18	131
Courier charges incurred	43	30
Inter Corporate deposits accepted during the year	2,644	17,782
Inter Corporate deposits repaid during the year	(2,644)	(17,782)
Unsecured Term Loan repaid during the year	(1,092)	(1,903)
Purchase / (Sale) of Plant, property and equipment/Consultancy Charges	12	-

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	Year ended March 31, 2020 in ₹ Lakhs	Year ended March 31, 2019 in ₹ Lakhs
<b>ii) Directors Sitting Fees</b>		
Mr. Tushar K. Jani	3	3
Mr. Clyde C Cooper	1	-
Air Marshal M. McMahan (Retd.)	5	4
Air Marshal Vijay Achyut Patkar (Retd.)	3	3
Mr. Surendra Sheth	2	1
Mr. Sharad Upasani	2	1
<b>iii) Entities under common control :</b>		
<b>(a) With Concorde Air Logistics Limited:</b>		
Clearing and Forwarding charges	83	151
Agency charges incurred for customs clearing	12	14
<b>(b) With DHL Express India Private Limited</b>		
Business support services income	(874)	(894)
Other income	(95)	(98)
Courier charges incurred	604	503
Professional fees	13	15
<b>(c) With European Air Transport, Leipzig GmbH</b>		
Expenses towards Aircraft spares /Repairs	25	45
Sale of C Duct	(22)	-
<b>(d) With DHL Aviation (Netherlands) B.V.</b>		
Aircraft Dry Lease	7,098	7,750
Technical Services	17	17
<b>(e) With DHL Air UK Limited</b>		
Purchase of spares	13	-
<b>(f) With DHL Aviation EEMEA, Kingdom of Bahrain</b>		
Purchase of Aircraft parts	5	-
<b>(g) With DHL Logistics Private Limited</b>		
Freight Charges	1	60
<b>(h) With Delhi Cargo Service Centre India Private Limited</b>		
Rent	1,613	775
Civil Work	-	44
Electricity /Water/De stuffing charges	138	115
<b>(i) With Cargo Service Centre India Private Limited</b>		
Interline Expenses	13	12
<b>(j) With DHL Worldwide Network NV/SA</b>		
AMC charges for Engineering & Maintenance ERP	-	42
<b>(k) DHL ECOMMERCE (SINGAPORE) PTE LTD</b>		
Re-imburement of go getter award expenses	-	4
<b>(l) Mumbai Cargo Service Center Airport Private Limited</b>		
Cargo handling charges	154	31

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2020

#### C) RELATED PARTY BALANCES:

(i) Receivable/(Payable) from/to subsidiary/Fellow Subsidiaries Company	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>a) Blue Dart Express Limited</b>		
Aircraft Payload Deposit	(2,150)	(2,150)
Account payable	-	(5)
Account Receivable(net)	4,448	1,838
Outstanding Unsecured Term Loan	-	(1,092)
<b>b) DHL Express India Private Limited</b>		
Outstanding Security Deposit (refer note 18 & 22)	(648)	(798)
Receivables towards other operating income (net)	353	186
Payable towards freight charges	(12)	(31)
<b>c) DHL Aviation (Netherlands) B.V.</b>		
Payable towards Aircraft Dry Lease charges	(2,671)	(624)
<b>d) Concorde Air Logistics Limited</b>		
Payable	(1)	(1)
<b>e) Cargo Service Center India Private Limited</b>		
Payable towards Interline	(1)	(1)
<b>f) Delhi Cargo Service Center Private Limited</b>		
Security Deposit	1,314	1,314
Payable towards Interline	(8)	(8)
<b>g) European Air Transport, Leipzig GmbH</b>		
Payable towards Aircraft spares/Repairs	-	(1)
<b>h) Mumbai Cargo Service Center Airport Private Limited</b>		
Payable towards cargo handling charges	(6)	(9)
<b>i) Payable to Key Management Personnel</b>		
Ms. Tulsi Nowlakha Mirchandaney	110	72

#### D) Notes:

- i) The terms and conditions of transactions with related parties were no more favourable 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, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
Principal amount due to suppliers registered under the Micro, Small And Medium Enterprises Development ('MSMED') Act and remaining unpaid as at year end	80	263
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

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
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, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
<b>i) CAPITAL COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	5,725	1,540

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

##### Company as lessee

The Company has lease contracts for various items of aircraft, buildings & vehicles used in its operations. Leases of aircraft generally have lease terms between 5 to 7 years, while building & vehicles generally have lease terms in excess of 1 year and upto 15 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases of buildings & vehicle with lease terms of 12 months or less or low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

**Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:**

	As at March 31, 2020 in ₹ Lakhs			
	Opening net carrying balance	Additions	Depreciation	Closing net carrying balance
Aircraft	29,221	3,191	4,931	27,481
Building	34,076	5,087	4,711	34,452
Vehicle	348	88	118	318
<b>Total</b>	<b>63,645</b>	<b>8,366</b>	<b>9,760</b>	<b>62,251</b>

##### Lease liabilities: other financial liability

	As at March 31, 2020 in ₹ Lakhs
Lease liabilities - Current	7,360
Lease liabilities - Non-current	56,923
<b>Total lease liabilities</b>	<b>64,283</b>

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2020

#### Maturity analysis of contractual undiscounted cash flow

	As at March 31, 2020			
	in ₹ Lakhs			
	Less than 1 year	1 - 5 years	More than 5 Years	Total
Aircraft	6,564	23,284	8,888	38,736
Building	5,548	21,921	20,321	47,790
Vehicle	125	248	-	373
<b>Total undiscounted lease liabilities</b>	<b>12,237</b>	<b>45,453</b>	<b>29,209</b>	<b>86,899</b>

The effective interest rate for lease liabilities is from 7.40 % to 8.60 %, with maturity between 2021-2031.

#### For the year ended March 31, 2020 in ₹ Lakhs

#### The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	9,760
Interest expense on lease liabilities	5,012
Expense relating to short-term leases & low-value assets (included in operating cost, Employee benefit expenses & other expenses)	960
Variable lease payments (included in other expenses)	-
<b>Total amount recognised in profit or loss</b>	<b>15,732</b>

### 36 FINANCIAL INSTRUMENTS – FAIR VALUE 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, 2020	Note No.	FVPL	Carrying amount		in ₹ Lakhs
			FVOCI	Amortised Cost	Total
<b>Financial assets</b>					
(i) Trade receivables (Refer Note 1 below)	10	-	-	4,815	4,815
(ii) Cash and cash equivalents (Refer Note 1 below)	11	-	-	109	109
(iii) Others financial assets (Refer Note 2 below)	5 and 12	-	-	1,239	1,239
		-	-	<b>6,163</b>	<b>6,163</b>
<b>Financial liabilities</b>					
(i) Borrowings (Refer Note 3 below)	16 and 22	-	-	45,500	45,500
(ii) Trade payables (Refer Note 1 below)	21	-	-	4,939	4,939
(iii) Lease Liability	17	-	-	64,283	64,283
(iv) Other financial liabilities (Refer Note 1 below)	18 and 22	-	-	4,758	4,758
		-	-	<b>119,480</b>	<b>119,480</b>

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2020

March 31, 2019	Note No.	FVPL	Carrying amount		in ₹ Lakhs
			FVOCI	Amortised Cost	Total
<b>Financial assets</b>					
(i) Trade receivables (Refer Note 1 below)	10	-	-	2,044	2,044
(ii) Cash and cash equivalents (Refer Note 1 below)	11	-	-	83	83
(iii) Others financial assets (Refer Note 2 below)	5 and 12	-	-	1,315	1,315
		-	-	<b>3,442</b>	<b>3,442</b>
<b>Financial liabilities</b>					
(i) Borrowings (Refer Note 3 below)	16 and 22	-	-	43,592	43,592
(ii) Trade payables (Refer Note 1 below)	21	-	-	6,568	6,568
(iii) Other financial liabilities (Refer Note 1 below)	18 and 22	-	-	3,813	3,813
		-	-	<b>53,973</b>	<b>53,973</b>

**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 analyse 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, 2020	March 31, 2019
Neither past due nor impaired		
<b>Past due but not impaired</b>		
Past due 1–90 days	4,726	2,042
Past due 91–180 days	89	2
	<b>4,815</b>	<b>2,044</b>

Of the above total balances of ₹ 4815 lakhs, the related party balances is ₹ 4801 lakhs and the remaining is ₹ 14 lakhs.

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2020

#### Expected credit loss assessment for customers as at March 31, 2019 and March 31, 2020

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 behaviour 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 ₹ 107 Lakhs and ₹ 81 Lakhs as at March 31, 2020 and March 31, 2019 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, 2020 and March 31, 2019. 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, 2020, the Company had working capital of ₹ (17387) lakhs including inventories of ₹ 2326 lakhs, cash and cash equivalents of ₹ 109 lakhs, trade receivables of ₹ 4815 lakhs, other assets of ₹ 2118 lakhs, trade payables of ₹ 4939 lakhs, provisions for aircraft redelivery obligation ₹ 148 lakhs, employee benefit obligation of ₹ 806 lakhs, lease liability of ₹ 7360 lakhs and other current liabilities of ₹ 13502 lakhs.

As of March 31, 2019, the Company had working capital of ₹ (11174) lakhs including inventories of ₹ 2012 lakhs, cash and cash equivalents of ₹ 83 lakhs, trade receivables of ₹ 2044 lakhs, other assets of ₹ 3511 lakhs, trade payables of ₹ 6568 lakhs, provisions for aircraft redelivery obligation ₹ 218 lakhs, employee benefit obligation of ₹ 438 lakhs and other current liabilities of ₹ 11600 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, 2020	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Borrowings	45,500	50,514	1,799	10,948	27,321	10,446	-
Trade payables	4,939	4,939	4,939	-	-	-	-
Lease Liability	64,283	86,898	2,040	10,197	11,454	33,998	29,209
Other financial liabilities	4,758	4,758	1,193	308	578	2,679	-
<b>Total</b>	<b>119,480</b>	<b>147,109</b>	<b>9,971</b>	<b>21,453</b>	<b>39,353</b>	<b>47,123</b>	<b>29,209</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2020

in ₹ Lakhs

March 31, 2019	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Borrowings	43,592	43,592	-	8,592	25,417	9,583	-
Trade payables	6,568	6,568	6,568	-	-	-	-
Other financial liabilities	3,813	3,813	-	3,165	150	498	-
<b>Total</b>	<b>53,973</b>	<b>53,973</b>	<b>6,568</b>	<b>11,757</b>	<b>25,567</b>	<b>10,081</b>	<b>-</b>

#### 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 22 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 analysis 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
<b>As at March 31, 2020</b>		
Variable-rate instruments sensitivity	(455)	455
	<b>(455)</b>	<b>455</b>
<b>As at March 31, 2019</b>		
Variable-rate instruments sensitivity	(436)	436
	<b>(436)</b>	<b>436</b>

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2020

#### 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, GBP 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, 2020	March 31, 2019
Lease Liability(in USD)	4,693	-
Lease Liability(in Euro)	25,503	-
Trade payables(in GBP)	4	4
Trade payables(in USD)	1,440	3,374
Trade payables(in Euro)	2,092	520
<b>Net statement of financial position exposure</b>	<b>33,732</b>	<b>3,898</b>

#### 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
<b>March 31, 2020</b>		
USD	(307)	307
EUR	(1,380)	1,380
	<b>(1,687)</b>	<b>1,687</b>

Effect in ₹ Lakhs	Profit or loss	
	Strengthening	Weakening
<b>March 31, 2019</b>		
USD	(169)	169
EUR	(26)	26
	<b>(195)</b>	<b>195</b>

(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, 2020

The Company's adjusted net debt to equity ratio at March 31, 2020 was as follows:

	As at March 31, 2020 in ₹ Lakhs	As at March 31, 2019 in ₹ Lakhs
Total external borrowings	45,500	43,592
Less : Cash and cash equivalent	109	83
Adjusted net debt	45,391	43,509
Total equity	4,640	5,201
Adjusted net debt to adjusted equity ratio	9.78	8.37

### 38 SURRENDER AND TRANSFER DEED

During the previous year, the Company entered in to Surrender and Transfer Deed and new Sub Lease agreement with Bangalore International Airport Limited ('BIAL') whereby Company surrendered the existing building / premises built on land taken on lease from BIAL in earlier periods and taken on lease new premises from BIAL at preferred rent. The net book value of premises surrendered ₹ 2,350 Lakhs has been reclassified from the fixed assets and has been classified under Other non assets amounting to ₹ 2090 Lakhs & Other current assets amounting to ₹ 260 Lakhs as at March 31, 2019 representing the value of concession in rent to be received over the period of lease agreement.

During the current year, on the first time implementation of IND AS 116, the Company has transferred the said net book value of premises amounting to ₹ 2,350 Lakhs to ROU assets on April 01, 2019.

### 39 A NOTE ON COVID 19

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, The Ministry of Home Affairs vide order No.40-3/2020 dated 24.03.2020 notified first ever nation-wide lockdown in India to contain the outbreak of COVID 19 which impacted the overall economy and the business activities of the Company. The Company's performance for the month of March 2020 has been partially impacted. The impact on our business will depend on future developments that cannot be reliably predicted. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Company will closely monitor any material changes to future economic conditions.

### 39 B SUBSEQUENT EVENT

The Company has changed its Leave Policy effective April 1, 2020. The Company is in the process of evaluating the effect of the revised leave policy on its financial statement.

### 40 CONTINGENT LIABILITY - Nil

### 41 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 Rs.79,812 lakhs (March 31, 2019: Rs. 74,315 lakhs) is derived from the holding company.

As per our report of even date

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

**per Sunil Gaggar**  
Partner  
Membership No. 104315

Place: Bengaluru  
Date: May 26, 2020

For and on behalf of the Board of Directors

**Tushar K. Jani**  
Chairman  
DIN: 00192621

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

**Geoffrey Kehr**  
Additional Director  
DIN: 08391983

Place: Mumbai  
Date: May 26, 2020

**Tulsi Nowlakha Mirchandaney**  
Managing Director  
DIN: 01842520

**Surendra Sheth**  
Alternate Director  
DIN: 00089981

**N. Palaniappan**  
Company Secretary &  
General Manager-Finance

**Sharad Upasani**  
Director  
DIN: 01739334

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

**P. Parameshwaran**  
Chief Financial Officer