

## BOARD OF DIRECTORS

### BLUE DART AVIATION LIMITED

#### BOARD OF DIRECTORS

Tushar Kumudrai Jani	Chairman
Tulsi Nowlakha Mirchandaney	Managing Director
Clyde Christopher Cooper	Director
Air Marshal Michael McMahon (Retd.)	Director
Air Marshal Vijay Achyut Patkar (Retd.)	Director
Lars Winkelbauer	Director
Sharad Upasani	Additional Director
Surendra Sheth	Alternate Director to Mr. Clyde Christopher Cooper

#### KEY MANAGERIAL PERSONNEL

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

#### PRINCIPAL BANKERS

Yes Bank Limited

#### AUDITORS

Price Waterhouse

#### REGISTERED OFFICE

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

## DIRECTORS' REPORT

### To the Members

Your Directors have great pleasure in presenting the Twenty Third Annual Report of your Company for the 12 months ended March 31, 2017.

### FINANCIAL RESULTS

	Year ended March 31, 2017	Year ended March 31, 2016
(₹ in Lakhs)		
<b>Revenues:</b>		
Revenue from Operations	61,361	58,428
Other Income	523	1,202
Less: Operating Expenses	(53,669)	(50,734)
Operating Profit (EBIDTA)	8,215	8,896
Less: Interest cost (Net)	1,786	1,907
Depreciation / Amortisation	5,974	6,188
Earnings before tax	455	801
Less: Provision for Income tax	144	270
Earnings after tax	311	531
Other Comprehensive Income	(4)	(228)
Total Comprehensive Income for the year	307	303

During the year under review, your Company has recorded a profit before tax of ₹ 455 lakhs as compared to profit before tax of ₹ 801 lakhs for the 12 months ended March 31, 2016.

### REVIEW OF INDIAN ECONOMY AND AVIATION INDUSTRY

Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST) and the action to demonetise the two highest denomination notes. The GST will create a common Indian market, improve tax compliance and governance and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism. Demonetisation has had short-term impediments but holds the potential for long term benefits.

India's civil aviation industry is on a high-growth trajectory. The Civil Aviation industry has ushered in a new era of expansion, driven by factors such as low-cost carriers (LCCs), modern airports, Foreign Direct Investment (FDI) in domestic airlines, advanced information technology (IT) interventions and growing emphasis on regional

connectivity. India is the ninth-largest civil aviation market in the world, with a market size of around US\$ 16 billion. India is expected to become the third largest aviation market by 2020.

The civil aviation sector is hugely susceptible to oil price volatility, economic cycles, natural disasters, epidemics and political upheavals. Indian civil aviation industry has exhibited tremendous resilience to the global economic slowdown. The report from Centre for Asia Pacific Aviation (CAPA), an aviation think-tank in the year 2016 reviews India's status as the fastest growing aviation market in the world which creates tremendous opportunities, but risks are also heightened as the inadequacy of India's infrastructure planning, a fast emerging shortage of skills, flawed policy initiatives, and weak regulatory oversight threaten to become major stumbling blocks. The potential is enormous, but unless the government takes suitable measures, this will be seriously constrained.

### REVIEW OF PERFORMANCE

Your Company is the only scheduled domestic cargo airline network in the Indian skies, with a fleet of six Boeing 757-200 freighters. During the year, your Company has celebrated its 20th anniversary and you will be proud to know that your Company is just the third airline in India to cross this laudable milestone, apart from being the only cargo airline in the country to have done so. This is a proud achievement and result of great teamwork across department in your Company.

Your Company has posted an excellent On Time Performance of 86.58% and a Technical Dispatch Reliability of 99.42%, both of which are the best in the industry despite severe infrastructure constraints and an average fleet life of 22 years. Your Company has handled 41 charters during the year and has uplifted 94,394 tonnes on its network during the period of 12 months ended March 31, 2017. This was made possible with an unprecedented additional operation of 622 sector and 1419 hours in addition to scheduled night operations.

During the year, VT-BDB, our first aircraft with winglets was successfully inducted into operations and your Company has received IATA approval for its Dangerous Goods training facility and DGCA approval for the flight operations Airline Type Rating Program. A major achievement during the year has been securing of your Company's own airside facilities at Delhi and Mumbai, allotment of space for relocation of the facility at Kolkata airport and progress towards allocation of an airport facility at Chennai after an engagement with various authorities over a period of 8 years.. The allocation of these facilities would service to control the annual cost increases from an average of between 37.6% & 73.6% to 7.5%. The completion of these facilities in the next 12 to 15 months, should greatly improve the work environment and relieve some of the acute space constraints at these facilities.

Your Company has experienced many challenges during the year. Cyclone Vardah caused considerable devastation at Chennai, and extensive damage to your Company's aircraft, VT-BDO, parked at Chennai International Airport leading to consequential grounding of the aircraft. However, your Company's engineering team proved

## DIRECTORS' REPORT

their capability once again, restoring the aircraft and operations in record time and with great cost-efficiency. Your Company rose to the challenge of its customer capacity demand during the year unwaveringly, especially during the festive season, with upto three additional flights per day apart from the scheduled night operations within existing planned resources.

Your Company continues to engage with Government on various policy related matters and has made innumerable representation on the areas involving development of Air Cargo Sector. Based on your Company's representation, Government of India(GOI) has made prominent changes to National Civil Aviation Policy like award of space by Airport Operators for at least 10-year lease to operators of express cargo freighters, extension of benefit under Regional Connectivity Scheme to Cargo Airlines, amendment of 'Substantial Ownership and Effective Control' clause in Air Service Agreements with other countries, etc.,

### DIRECTORS/ KEY MANAGERIAL PERSONNEL

As on March 31, 2017, Your Company's Board has a strength of 7 (Seven) Directors including 1(one) Woman Director and 2 (two) Independent Directors.

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

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

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company would be considered as material subsidiary of Blue Dart Express Limited and Blue Dart Express Limited needs to appoint at least one of its Independent Director in the Board of your Company. Blue Dart Express Limited through letter dated August 03, 2016 has nominated its Independent Director Mr. Sharad Upasani (DIN: 01739334) to the Board of your Company subject to requisite approvals from the Ministry of Civil Aviation. Ministry of Civil Aviation vide letter dated February 28, 2017 has given necessary security clearance for the appointment of Mr. Sharad Upasani (DIN: 01739334) as Director in your Company. Based on said security clearance, Board of Directors through Circular resolution has appointed Mr. Sharad Upasani as an Additional Director of your Company with effect from March 15, 2017.

Mr. Clyde C. Cooper, Director has requested the Board of Directors to appoint Mr. Surendra Sheth(DIN: 89981) as his alternate during his absence from India. Your Company had obtained Security Clearance from Ministry of Civil Aviation for appointment of Mr. Surendra Sheth as Alternate Director and has appointed Mr. Surendra Sheth on March 15, 2017 as Alternate Director to Mr. Clyde Cooper during his absence from India for a period exceeding 3 months, who shall vacate his office as and when Mr. Clyde C. Cooper returns to India.

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

In accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company, Mr.Lars Winkelbauer (DIN:07021941), Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment

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

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

### 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.	15.04.2016
2.	28.07.2016
3.	12.10.2016
4.	24.11.2016
5.	15.12.2016
6.	07.02.2017

### 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.

## DIRECTORS' REPORT

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

### INTERNAL FINANCIAL CONTROL SYSTEMS

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

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

Sr. No.	Reporting Channel	Contact Information	Availability
4.	Post	PO Box No. 71, DLF Phase 1, Qutub Enclave, Gurgaon – 122002	24 hours a day
5.	Web	www.in.kpmg.com/ethicshelpline	24 hours a day

### SEXUAL HARASSMENT OF WOMAN AT WORKPLACE

The Company values dignity of individuals and strives to provide a safe and respectable work environment for all its employees. The Company is committed to providing an environment which is free of discrimination, intimidation and abuse. Pursuant to requirements of 'Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013' and rules made thereunder, the Company has formulated a Policy for Prevention of Sexual Harassment of Women in the Company. There was no complaint received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on March 31, 2017 for redressal.

### NOMINATION AND REMUNERATION COMMITTEE

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

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

### NOMINATION AND REMUNERATION POLICY

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

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

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Price Waterhouse, Statutory Auditors, in their report, and by M/s. P. Sriram & Associates, Company Secretary in Practice, in his secretarial Audit Report.

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

# DIRECTORS' REPORT

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE Company**

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

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

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

## **RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the Financial Year were at arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

- vi. They have devised systems to ensure compliance with the provisions of all applicable laws and that they were adequate and operating effectively.

## **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has reappointed M/s. P. Sriram & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2017.

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

## **EXTRACT OF ANNUAL RETURN**

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

## **RISK MANAGEMENT**

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

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

## **FIXED DEPOSITS**

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

## **AUDITORS**

The existing Statutory Auditors, M/s. Price Waterhouse, Chartered Accountants, (Firm Registration no. 301112E) will retire at conclusion of forthcoming Annual General Meeting of the Company. Pursuant to provisions of the Companies Act, 2013 requiring rotation of auditors, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) are being recommended by the Audit Committee and Board of Directors for appointment as Statutory Auditors in place of M/s. Price Waterhouse.

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants have confirmed that their appointment, if made, will be in accordance with the provisions of Section 139 of the Companies Act, 2013 and they satisfy the criteria provided under section 141 of the Companies Act, 2013.

## DIRECTORS' REPORT

The Board of Directors has placed on record their appreciation for the services rendered by M/s. Price Waterhouse during their association with the Company as Statutory Auditors.

The Board of Directors has recommended appointment of M/s. S.R.Batliboi & Associates LLP, Chartered Accountants, (Firm Registration no. 101049W/E00004), as Statutory Auditors of the Company from the conclusion of the Twenty Third Annual General Meeting upto the conclusion of the Twenty Eighth Annual General Meeting, subject to necessary approval by the Shareholders of the Company at the ensuing Annual General Meeting and ratification by the Shareholders each year.

The Auditors' Report for the financial year 2016-17, does not contain any qualification, reservation or adverse remarks.

### HUMAN RESOURCE DEVELOPMENT

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

During the year, various trainings were carried out across the Company. These ranged from the mandated training to training like First Aid, Fire Fighting, Mindfulness, Goal Setting, Supervisory Skill and PeP training.

Considering the need for and importance of employee health, your Company has organized employee health camps with a follow-up by doctors. Employees had been counseled on the importance of maintaining their health. Acupressure and Acupuncture sessions were held in Chennai, which evinced great interest from your Company employees.

During the year, your Company had conducted inter departmental cricket, football and carom matches for its employees. Your Company's Kolkata team has won the prestigious CC&FC Corporate Football tournament. At Chennai, your Company team was runners up in a private tournament which consisted of a number of league players.

### EMPLOYEES

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

Information on the particulars of employees' remuneration as per Section 197 of the Companies Act, 2013, read with Rule 5(2) of

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

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

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

### ACKNOWLEDGEMENT

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

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

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

**Tushar K. Jani**  
Chairman  
DIN: 192621

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

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

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

**Lars Winkelbuaer**  
Director  
DIN: 07021941

**Sharad Upasani**  
Additional Director  
DIN: 01739334

**Surendra Sheth**  
Alternate Director  
DIN: 00089981

Mumbai,  
May 19, 2017

# ANNEXURES TO DIRECTORS' REPORT

## 'ANNEXURE - A'

### FORM NO. AOC - 2

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, 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

##### b. Nature of contracts/arrangements/transactions

- Aircraft Crew Insurance Maintenance (ACMI) Agreement with Blue Dart Express Limited.
- Cargo handling agreement with Cargo Service Center India Private Limited.
- Cargo Movement Services Agreement with DHL Express (India) Private Limited.

##### c. Duration of the contracts / arrangements/transactions

1. Blue Dart Express Limited - 01st October 2016 to 30th September 2017.
2. Cargo Service Center India Private Limited - 01st April 2016 to 31st March 2018.
3. DHL Express (India) Private Limited - 01st August 2016 to 31st July 2017.
4. DHL Express (India) Private Limited - 01st January 2017 to 31st December 2018.
5. DHL Express (India) Private Limited - 01st January 2017 to 31st December 2017.

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

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

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

- Blue Dart Express Limited - April 15, 2016
- Cargo Service Center India Private Limited - July 28, 2016.
- DHL Express India Private Limited - October 12, 2016.
- DHL Express India Private Limited - December 15, 2016.
- DHL Express India Private Limited - December 15, 2016.

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

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

**Tushar K. Jani**  
Chairman  
DIN: 192621

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

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

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

**Lars Winkelbuaer**  
Director  
DIN: 07021941

**Sharad Upasani**  
Additional Director  
DIN: 01739334

**Surendra Sheth**  
Alternate Director  
DIN: 00089981

Mumbai,  
May 19, 2017

# ANNEXURES TO DIRECTORS' REPORT

'ANNEXURE - B'

FORM NO. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,  
**The Members,**  
**Blue Dart Aviation Limited**

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

Based on my verification of Blue Dart Aviation Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, functional heads, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

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

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

I have examined the systems and procedures of the Company as placed to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them. The Company has duly complied with the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) during the audit period.

## ANNEXURES TO DIRECTORS' REPORT

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

### **I Further Report That**

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

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

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

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

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

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

Place : Chennai

Date : May 19, 2017

Signature:

**P. Sriram & Associates**

FCS No. 4862

C P No: 3310

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

## ANNEXURES TO DIRECTORS' REPORT

'Annexure A'

**To  
The Members,  
Blue Dart Aviation Limited**

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

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

Place : Chennai

Date : May 19, 2017

Signature:

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

# ANNEXURES TO DIRECTORS' REPORT

## 'ANNEXURE C'

### EXTRACT OF ANNUAL RETURN

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

#### FORM NO. MGT – 9

#### I. REGISTRATION AND OTHER DETAILS:

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Blue Dart Express Limited	L61074MH1991PLC061074	Holding	100%	2(46)

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

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2016 i.e. on the basis of Shareholding Pattern of March 31, 2016)				No. of Shares held at the end of the year (as on March 31, 2017 i.e. on the basis of Shareholding Pattern of March 31, 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0

## ANNEXURES TO DIRECTORS' REPORT

b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	17760000	17760000	74.00	0	24000000	24000000	100.00	26.00
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	17760000	17760000	74.00	0	24000000	24000000	100.00	26.00
(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	17760000	17760000	74.00	0	24000000	24000000	100.00	26.00
<b>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corporate	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	0	3120000	3120000	13.00	0	0	0	0	(13.00)
c) Others (specify)	0	0	0	0	0	0	0	0	0
1. Clearing Member									
2. NRI	0	3120000	3120000	13.00	0	0	0	0	(13.00)

## ANNEXURES TO DIRECTORS' REPORT

3. Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
4. OCB	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2):</b>	0	6240000	6240000	26.00	0	0	0	0	(26.00)
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	6240000	6240000	26.00	0	0	0	0	(26.00)
<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	17760000	74	0	24000000	100	0	26

### (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, 2016 i.e. on the basis of Shareholding Pattern of March 31, 2016)		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	177,60,000	74	177,60,000	74
2.	<u>Brought during the year</u> November 24, 2016	62,40,000	26	62,40,000	26
3.	At the End of the year			240,00,000	100

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

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

## ANNEXURES TO DIRECTORS' REPORT

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>1.</b>	<b>Mr. Tushar K. Jani</b>				
	At the beginning of the year	3120000	13.00	3120000	13.00
	Date wise Increase / (Decrease) in Share holding during the year (24.11.2016)	(3120000)	(13.00)	(3120000)	(13.00)
	At the End of the year	-	-	-	-
<b>2.</b>	<b>Mr. Clyde C. Cooper</b>				
	At the beginning of the year	3120000	13.00	3120000	13.00
	Date wise Increase / (Decrease) in Share holding during the year (24.11.2016)	(3120000)	(13.00)	(3120000)	(13.00)
	At the End of the year	-	-	-	-
None of the Key Managerial Personnel hold shares in the Company					

### (v) INDEBTEDNESS

₹ in Lakhs

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	15348	0	15348
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	15348	0	15348
<b>Change in Indebtedness during the financial year</b>				
• Addition	0	9000	0	9000
• Reduction	0	3911	0	3911
<b>Net Change</b>	0	11089	0	11089
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	20437	0	20437
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	20437	0	20437

## 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	235.67
	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>	235.96
	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	4.2	4.2	8.4
	- Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (B) (1)</b>	4.2	4.2	8.4
(2)	Non – Executive Directors			
		Tushar K Jani	Clyde C. Cooper	
	- Fee for attending board / committee meetings	3.6	0.6	4.2
	- Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (B) (2)</b>	3.6	0.6	4.2
	<b>Total (B) = (B) (1) + (B) (2)</b>			12.6

## ANNEXURES TO DIRECTORS' REPORT

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

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. P. Parameshwaran Chief Financial Officer	Mr. N. Palaniappan Company Secretary	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	58.39	25.15	83.54
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.22	0.51
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify...	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
	Total (C)	58.67	25.36	84.03

### 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 - D'

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

#### A) Earnings in Foreign Currency

Earnings in foreign currency during year ended March 31, 2017 was ₹ 3 Lakhs.

(March 31, 2016: ₹ 848 Lakhs)

#### B) Expenditure in Foreign Currency

Expenditure in foreign currency during year ended March 31, 2017 was ₹ 9,399 Lakhs.

(March 31, 2016: ₹ 8,365 Lakhs)

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF BLUE DART AVIATION LIMITED

### REPORT ON THE INDIAN ACCOUNTING STANDARDS (Ind AS) FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of Blue Dart Aviation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE Ind AS FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### OTHER MATTER

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated April 15, 2016 and May 7, 2015 respectively. The adjustments to

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF BLUE DART AVIATION LIMITED

those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of the above matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - (i) The Company does not have any pending litigations as at March 31, 2017 which would impact its financial position;
    - (ii) The Company has long-term contracts as at March 31, 2017, for which there were no material foreseeable losses. The Company does not have any derivative contract as at March 31, 2017;
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017;
    - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 39.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Mehul Desai  
Partner  
Membership Number: 103211

Place: Mumbai  
Date: May 5, 2017

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Blue Dart Aviation Limited on the Ind AS financial statements for the year ended March 31, 2017

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls over financial reporting of Blue Dart Aviation Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. 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 (ICAI). 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 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.

### AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Blue Dart Aviation Limited on the Ind AS financial statements for the year ended March 31, 2017

### OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Place: Mumbai  
Date: May 5, 2017

Mehul Desai  
Partner  
Membership Number: 103211

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Blue Dart Aviation Limited on the Ind AS financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company does not own any immovable properties as disclosed in Note 4 on fixed assets to the Ind AS financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The physical verification of inventory of consumables and loose tools has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are

no dues of income-tax, duty of customs, duty of excise, sales tax, value added tax which have not been deposited on account of any dispute. The particulars of dues of service tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amt* ₹ in Lakhs	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax (excluding interest and penalty, as applicable)	3,434	FY 2008-09 to FY 2013-14	Central Excise and Service Tax Appellate Tribunal

\*Net of amounts paid.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. Further, there are no loans or borrowings from Government or debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Further, according to the information and explanation given to us, term loans have been applied, on an overall basis, for the purpose for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Blue Dart Aviation Limited on the Ind AS financial statements as of and for the year ended March 31, 2017

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Place: Mumbai  
Date: May 5, 2017

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Mehul Desai  
Partner  
Membership Number: 103211

**BLUE DART AVIATION LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2017**

	Notes	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	4A	22,417	19,753	21,569
Capital work-in-progress	4A	3,343	94	190
Other Intangible Assets	4B	1,183	1,279	1,150
Other Financial Assets	5	602	595	450
Deferred Tax Assets (Net)	6	3,284	2,867	2,149
Non-Current Tax Assets (Net)	7	881	668	409
Other Non-Current Assets	8	460	241	234
<b>TOTAL NON-CURRENT ASSETS</b>		<b>32,170</b>	<b>25,497</b>	<b>26,151</b>
<b>CURRENT ASSETS</b>				
Inventories	9	1,912	1,592	1,480
Financial Assets				
Trade Receivables	10	94	281	1,732
Cash and Cash equivalents	11	84	22	97
Other Financial Assets	12	227	818	-
Other Current Assets	13	1,455	927	803
<b>TOTAL CURRENT ASSETS</b>		<b>3,772</b>	<b>3,640</b>	<b>4,112</b>
<b>TOTAL ASSETS</b>		<b>35,942</b>	<b>29,137</b>	<b>30,263</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	14	2,400	2,400	2,400
Other Equity	15	2,287	1,980	1,677
<b>TOTAL EQUITY</b>		<b>4,687</b>	<b>4,380</b>	<b>4,077</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	16	17,371	11,437	15,348
Other Financial Liabilities	17	3,166	3,257	3,118
Provisions	18A	586	456	355
Other Non Current liabilities	19	-	-	97
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>21,123</b>	<b>15,150</b>	<b>18,918</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	20	708	309	-
Trade Payables	21	4,856	3,890	3,188
Other Financial Liabilities	22	3,912	4,779	3,511
Provisions	18B	197	205	107
Other Current Liabilities	23	459	424	462
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,132</b>	<b>9,607</b>	<b>7,268</b>
<b>TOTAL LIABILITIES</b>		<b>31,255</b>	<b>24,757</b>	<b>26,186</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,942</b>	<b>29,137</b>	<b>30,263</b>

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

As per our report of even date.

**For Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Mehul Desai**  
Partner  
Membership No. 103211

Place: Mumbai  
Date: May 5, 2017

For and on behalf of the Board of Directors

**Tushar K. Jani**  
Chairman  
DIN:192621

**Air Marshal M. McMahon (Retd.)**  
Director  
DIN:234293

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

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

**Sharad Upasani**  
Additional Director  
DIN:01739334

**P. Parameshwaran**  
Chief Financial Officer

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

**Surendra Sheth**  
Alternate Director  
DIN:00089981

Place: Mumbai  
Date: May 5, 2017

**BLUE DART AVIATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

	Notes	Year ended March 31, 2017 in ₹ Lakhs	Year ended March 31, 2016 in ₹ Lakhs
<b>INCOME</b>			
Revenue from Operations	24	61,361	58,428
Other Income	25	523	1,202
<b>Total Income</b>		<b>61,884</b>	<b>59,630</b>
<b>EXPENSES</b>			
Operating Costs	26	33,106	30,623
Employee Benefits Expense	27	12,579	12,867
Finance Costs	28	1,786	1,907
Depreciation and Amortisation Expense	29	5,974	6,188
Other Expenses	30	7,984	7,244
<b>Total Expenses</b>		<b>61,429</b>	<b>58,829</b>
<b>PROFIT BEFORE TAX</b>		<b>455</b>	<b>801</b>
Income Tax Expense: [Refer Note 3(i)]			
Current Tax		561	867
Deferred Tax		(417)	(597)
Total Tax Expense		144	270
<b>PROFIT FOR THE YEAR</b>		<b>311</b>	<b>531</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to Statement of Profit and Loss			
Actuarial loss arising from remeasurements of post employment benefit obligation		(6)	(348)
Income tax relating to this item		2	120
<b>Total comprehensive income for the year</b>		<b>307</b>	<b>303</b>
<b>Earnings Per Equity Share</b> [Refer note 31]			
[Nominal value of share ₹ 10 each] (Previous Year - ₹ 10)			
Basic Earnings Per Share (in ₹)		1.29	2.21
Diluted Earnings Per Share (in ₹)		1.29	2.21

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

As per our report of even date

**For Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Mehul Desai**  
Partner  
Membership No. 103211

Place: Mumbai  
Date: May 5, 2017

For and on behalf of the Board of Directors

**Tushar K. Jani**  
Chairman  
DIN:192621

**Air Marshal M. McMahon (Retd.,)**  
Director  
DIN:234293

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

Place: Mumbai  
Date: May 5, 2017

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

**Sharad Upasani**  
Additional Director  
DIN:01739334

**P. Parameshwaran**  
Chief Financial Officer

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

**Surendra Sheth**  
Alternate Director  
DIN:00089981

**BLUE DART AVIATION LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017**

		Year ended March 31, 2017 in ₹ Lakhs	Year ended March 31, 2016 in ₹ Lakhs
<b>A. Cash flows from Operating activities:</b>			
Profit before tax		455	801
<b>Adjustments for:</b>			
Depreciation and Amortisation Expense	29	5,974	6,188
Loss on sale/ scrapping of property, plant and equipment (net)	30	20	22
Finance Costs	28	1,786	1,916
Rotables/Components & Overhaul written off	26	218	344
Unrealised loss / (gain) on Foreign Currency Transactions and Translation		(43)	(11)
Unwinding interest on security deposit	25	(69)	(57)
Liabilities no longer required written back	25	(16)	(51)
Provision for Slow moving Inventory	9	165	133
<b>Operating profit before changes in operating assets and liabilities</b>		<b>8,490</b>	<b>9,285</b>
<b>Adjustments for changes in operating assets and liabilities:</b>			
Decrease in trade receivables		187	1,451
(Increase) in inventories		(301)	(245)
Increase in trade payables		812	575
(Increase)/ Decrease in other current financial assets		591	(818)
(Increase) in other current assets		(527)	(124)
(Increase)/Decrease in other non-current Financial assets		63	(88)
(Increase)/Decrease in other non-current assets		(260)	63
Increase/(decrease) in current provisions		(14)	(249)
Increase in non-current provisions		130	101
Increase/ (Decrease) in other current liabilities		36	(39)
Increase/ (Decrease) in other non-current liabilities		-	(97)
Increase/ (Decrease) in other financial liabilities		(22)	565
Increase/ (Decrease) in other non-current financial liabilities		(91)	139
<b>Cash generated from Operations</b>		<b>9,094</b>	<b>10,519</b>
Taxes paid (net of refunds)	7	(774)	(1,126)
<b>Net cash generated from Operating activities</b>		<b>8,320</b>	<b>9,393</b>
<b>B. Cash flows from / (used in) Investing activities:</b>			
Payments for Property, Plant and Equipments & other Intangible assets		(12,208)	(4,931)
Proceeds from sale of Property, Plant and Equipments		34	90
<b>Net cash (used in) Investing activities</b>		<b>(12,174)</b>	<b>(4,841)</b>
<b>C. Cash flows from / (used in) Financing activities:</b>			
Proceeds from borrowings		15,000	-
Repayment of borrowings		(9,911)	(3,208)
Inter Corporate deposits accepted from Blue Dart Express		7,568	-

**BLUE DART AVIATION LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017**

	Year ended March 31, 2017 in ₹ Lakhs	Year ended March 31, 2016 in ₹ Lakhs
Inter Corporate deposits repaid from Blue Dart Express	(7,568)	-
Interest Paid	(1,572)	(1,728)
<b>Net cash from / (used) in Financing activities</b>	<b>3,517</b>	<b>(4,936)</b>
<b>Net (decrease) in Cash and Cash Equivalents</b>	<b>(337)</b>	<b>(384)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(287)</b>	<b>97</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(624)</b>	<b>(287)</b>
<b>Cash and cash equivalents comprise of :</b>		
Cash and cash equivalents	84	22
Bank Overdraft	(708)	(309)
	<b>(624)</b>	<b>(287)</b>

**Notes:**

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS-7) on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- 2 The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note (Refer note 42).
3. The above Statement of Cash flows should be read in conjunction with the accompanying notes.

This is the Cash Flow Statement referred to in our report of even date.

As per our report of even date

For and on behalf of the Board of Directors

**For Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Tushar K. Jani**  
Chairman  
DIN:192621

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

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

**Mehul Desai**  
Partner  
Membership No. 103211

**Air Marshal M. McMahon (Retd.,)**  
Director  
DIN:234293

**Sharad Upasani**  
Additional Director  
DIN:01739334

**Surendra Sheth**  
Alternate Director  
DIN:00089981

Place: Mumbai  
Date: May 5, 2017

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

**P. Parameshwaran**  
Chief Financial Officer

Place: Mumbai  
Date: May 5, 2017

# BLUE DART AVIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED MARCH 31, 2017

### A. Equity Share Capital

in ₹ Lakhs

<b>Balance as at April 1, 2015</b>	<b>2,400</b>
Changes in equity share capital	-
<b>Balance as at March 31, 2016</b>	<b>2,400</b>
Changes in equity share capital	-
<b>Balance as at March 31, 2017</b>	<b>2,400</b>

### B. Other Equity

in ₹ Lakhs

	Reserves & Surplus		
	Securities Premium Reserve	Retained earnings	Total Other Equity
<b>Balance as at April 1, 2015</b>	<b>600</b>	<b>1,077</b>	<b>1,677</b>
Profit for the year	-	531	531
Other comprehensive income	-	(228)	(228)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,380</b>	<b>1,380</b>
<b>Balance as at March 31, 2016</b>	<b>600</b>	<b>1,380</b>	<b>1,980</b>

	Reserves & Surplus		
	Securities Premium Reserve	Retained earnings	Total Other Equity
<b>Balance as at March 31, 2016</b>	<b>600</b>	<b>1,380</b>	<b>1,980</b>
Profit for the year	-	311	311
Other comprehensive income	-	(4)	(4)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,687</b>	<b>1,687</b>
<b>Balance as at March 31, 2017</b>	<b>600</b>	<b>1,687</b>	<b>2,287</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 and on behalf of the Board of Directors

**For Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Tushar K. Jani**  
Chairman  
DIN:192621

**Tulsi Nowlakra Mirchandaney**  
Managing Director  
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Alternate Director  
DIN:00089981

Place: Mumbai  
Date: May 5, 2017

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

**P. Parameshwaran**  
Chief Financial Officer

Place: Mumbai  
Date: May 5, 2017

# SCHEDULES

## Notes to the financial statements for the year ended March 31, 2017

### 1. General Information

Blue Dart Aviation Limited ('the Company') was incorporated in India on May 31, 1994. 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 Company principal place of business is Chennai, India. The Company is a wholly owned subsidiary of Blue Dart Express Limited, India.

### 2 Basis of preparation of Financial Statements

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

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

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

Accordingly, the transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") is considered as the "Previous GAAP" for purposes of Ind AS 101- First time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note 40. These financial statements are the first financial statements of the Company prepared under Ind AS.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

#### 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.

#### 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
- (ii) Estimation of defined benefit obligation
- (iii) Estimation of provision for inventories
- (iv) Estimation of contingent liabilities

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet at April 1, 2015 for the purposes of the transition to Ind AS, unless otherwise stated.

#### a. Property, plant and equipment

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

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. 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 fixed assets that are not yet ready for their intended use as at the balance sheet date.

Losses arising from the retirement of, and gains or losses arising from the disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

#### Transition to Ind AS

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

#### Depreciation/Amortisation

Depreciation is provided on a pro-rata basis on the straight-line method over the useful life of the assets as estimated

## SCHEDULES

### Notes to the financial statements for the year ended March 31, 2017

by Management or as per the useful life prescribed under schedule II of the Companies Act, 2013, whichever is lower, except in respect of the following assets where the estimated useful life of the assets is based on the technical evaluation. These have not undergone a change on account of transition to the Companies Act, 2013:

Asset	Useful Life
Leasehold Improvements	Over period of lease
Aircraft Rotable Parts	10 years
Computers (Hardware)	3 to 6 years

The useful lives of the above assets have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Aircraft components and overhaul includes the cost of engines overhaul, components and modifications of airframes owned 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

#### b. Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation. 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.

#### Transition to Ind AS

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

#### 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 (net of service tax):

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

##### Business Support Services (net of service tax):

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

##### Interest Income:

Interest income is recognised using the effective interest rate method.

#### 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

# SCHEDULES

## Notes to the financial statements for the year ended March 31, 2017

Indian Rupee (₹), 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.

#### (ii) Other long-term employee benefit obligations

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

#### Compensated absences:

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

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

#### (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 assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

#### 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.

# SCHEDULES

## Notes to the financial statements for the year ended March 31, 2017

### h. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rental payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### i. Income Taxes

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

#### Current tax

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

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

#### Deferred tax

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to deferred tax assets when they are realised or deferred tax liabilities when they are settled, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax

consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset 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. Trade and other payables

These amounts represent liabilities for services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per contractual terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### k. 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,

# SCHEDULES

## Notes to the financial statements for the year ended March 31, 2017

after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

### I. Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, 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. The increase in the provision due to the passage of time is recognised as interest expense.

### m. 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. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

### n. 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 or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### o. Trade receivables

Trade receivables are recognised initially at fair value, less provision for impairment.

### p. Financial Instruments

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

#### A) Financial assets

##### i) Classification

The Company shall classify 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) Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

##### 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.

# SCHEDULES

## Notes to the financial statements for the year ended March 31, 2017

### iv) Impairment of financial assets

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

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

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

### B) Financial liabilities

#### i) Classification

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

#### ii) Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

#### iii) Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

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

#### iv) Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### v) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial

## SCHEDULES

### Notes to the financial statements for the year ended March 31, 2017

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.

#### q. 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.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable

inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

#### r. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period.

#### s. 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.

#### t. 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.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

### 4A. PROPERTY, PLANT AND EQUIPMENT

in ₹ Lakhs

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

**Notes:**

- a. 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.
- b. Deductions/Adjustments include reclassification from one category to another category of asset.

### 4B. INTANGIBLE ASSETS

in ₹ Lakhs

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

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

### 4A. PROPERTY, PLANT AND EQUIPMENT

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION			NET CARRYING VALUE
	Deemed Cost as at April 1, 2015	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2016	For the year	Deductions/ Adjustments	Closing Balance as at March 31, 2016	Closing Balance as at March 31, 2016
<b>Tangible Assets:</b>								
Leasehold Improvements	3,400	-	-	3,400	298	-	298	3,102
Aircraft Rotable Parts	4,075	518	266	4,327	1,003	40	963	3,364
Aircraft Components and Overhaul	7,843	3041	179	10,705	3,430	10	3,420	7,285
Ground Equipment	4,453	610	70	4,993	606	27	579	4,414
Office Equipment	71	57	-	128	38	-	38	90
Electrical Equipment	593	52	1	644	121	-	121	523
Computers	157	118	-	275	50	-	50	225
Furniture and Fittings	875	6	2	879	191	-	191	688
Vehicles	102	-	6	96	36	2	34	62
<b>Total Tangible Assets</b>	<b>21,569</b>	<b>4,402</b>	<b>524</b>	<b>25,447</b>	<b>5,773</b>	<b>79</b>	<b>5,694</b>	<b>19,753</b>
Capital work in progress	190		96	94			-	94

**Notes:**

- Company has charged accelerated depreciation on certain rotables parts which are unserviceable / retired from active use for operation and accordingly, depreciation charge for the current year is higher by ₹ 301 lakhs for 'Aircraft Rotables Parts'.
- As a prudent practice, Company has been depreciating full value of the assets, though the assets will have residual value and Companies Act, 2013, also allows upto 5% to be retained as a residual value.
- Deductions/Adjustments include reclassification from one category to another category of asset.
- The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the previous GAAP

in ₹ Lakhs

DESCRIPTION	Leasehold Improvements	Aircraft Rotable Parts	Aircraft Components and Overhaul	Ground Equipment	Office Equipment	Electrical Equipment	Computers	Furniture and Fittings	Vehicles	Total
Gross Block	5,551	11,550	15,437	7,274	282	1,079	757	1,816	570	44,316
Accumulated Depreciation/ Amortisation	2,151	7,475	7,594	2,821	211	486	600	941	468	22,747
<b>Net Block</b>	<b>3,400</b>	<b>4,075</b>	<b>7,843</b>	<b>4,453</b>	<b>71</b>	<b>593</b>	<b>157</b>	<b>875</b>	<b>102</b>	<b>21,569</b>

### 4B. INTANGIBLE ASSETS

in ₹ Lakhs

Description of Assets	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION			NET CARRYING VALUE
	Deemed Cost as at April 1, 2015	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2016	For the year	Deductions/ Adjustments	Closing Balance as at March 31, 2016	Closing Balance as at March 31, 2016
Computers - Software	442	131	-	573	115	-	115	458
Type Certification Course	708	424	14	1,118	300	3	297	821
<b>Total Intangible Assets</b>	<b>1,150</b>	<b>555</b>	<b>14</b>	<b>1,691</b>	<b>415</b>	<b>3</b>	<b>412</b>	<b>1,279</b>

**Notes:**

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the previous GAAP

in ₹ Lakhs

DESCRIPTION	Computers - Software	Type Certification Course	Total
Gross Block	1,062	1,080	2,142
Accumulated Depreciation/ Amortisation	620	372	992
<b>Net Block</b>	<b>442</b>	<b>708</b>	<b>1,150</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>5 OTHER NON-CURRENT FINANCIAL ASSETS</b>			
(Unsecured, considered good, unless otherwise stated)			
Long term deposits with banks with maturity period more than 12 months	1	1	4
<b>Advances</b>			
Deposits	601	594	446
<b>Total</b>	<b>602</b>	<b>595</b>	<b>450</b>
<b>6 DEFERRED TAX ASSET/(LIABILITIES) (NET) [Refer Note 3 (i) and Note 38B]</b>			
<b>Deferred Tax Liability</b>	-	-	-
<b>Gross Deferred Tax Liability</b>	-	-	-
<b>Deferred Tax Assets</b>			
Property, Plant and Equipment and intangible assets	2,493	2,132	1,667
Other timing differences	791	735	482
<b>Gross Deferred Tax Assets</b>	<b>3,284</b>	<b>2,867</b>	<b>2,149</b>
<b>7 NON-CURRENT TAX ASSETS (NET)</b>			
<b>Opening balance</b>	668	409	172
Less: Current tax payable for the year	561	867	2,098
Add: Taxes paid	774	1,126	2,335
<b>Closing balance</b>	<b>881</b>	<b>668</b>	<b>409</b>
Advance income tax	4,879	4,105	2,979
Provision for tax	3,998	3,437	2,570
Advance income tax (Net of provision for tax)	<b>881</b>	<b>668</b>	<b>409</b>
<b>8 OTHER NON-CURRENT ASSETS</b>			
Capital Advances	39	80	10
Prepaid Expenses	421	161	224
<b>Total</b>	<b>460</b>	<b>241</b>	<b>234</b>
<b>9 INVENTORIES [Refer note 3(d)](*)</b>			
Consumables/Spares	1,620	1,313	1,245
Loose Tools	292	279	235
<b>Total</b>	<b>1,912</b>	<b>1,592</b>	<b>1,480</b>
* Net of provision for slow-moving items of ₹ 803 Lakhs, (March 31, 2016 - ₹ 638 Lakhs)			
<b>10 TRADE RECEIVABLES</b>			
(Unsecured, considered good)			
Trade receivables	3	28	18
Receivables from related parties (Refer Note 33)	91	253	1,714
<b>Total</b>	<b>94</b>	<b>281</b>	<b>1,732</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>11 CASH AND CASH EQUIVALENTS</b>			
Balances with banks in current accounts	82	19	93
Cash on hand	2	3	4
<b>Total</b>	<b>84</b>	<b>22</b>	<b>97</b>
<b>12 OTHER CURRENT FINANCIAL ASSETS</b>			
(Unsecured, considered good, unless otherwise stated)			
Deposits	227	-	-
Others receivables from related party	-	818	-
Interest Accrued on deposits*	-	-	-
* Amount is below the rounding off norm adopted by the Company.			
<b>Total</b>	<b>227</b>	<b>818</b>	<b>-</b>
<b>13 OTHER CURRENT ASSETS</b>			
(Unsecured, considered good)			
Prepaid Expenses	696	696	569
Balance with Government Authorities	285	93	118
Others	474	138	116
<b>Total</b>	<b>1,455</b>	<b>927</b>	<b>803</b>
<b>14 EQUITY SHARE CAPITAL</b>			
<b>Authorised</b>			
4,00,00,000 Equity Shares(March 31, 2016- 40,000,000 and April 1, 2015- 40,000,000) of Rs. 10 each	4,000	4,000	4,000
<b>Issued, Subscribed and Fully Paid up</b>			
2,40,00,000 Equity Shares (March 31, 2016 : 24,000,000 and April 1, 2015 : 24,000,000)of Rs. 10 each fully paid-up	2,400	2,400	2,400
<b>Total</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>

**i. Reconciliation of the number of shares**

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount (₹ In Lakhs)	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	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	24,000,000	2,400

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

#### 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.

#### iii. Shares held by Holding Company

Blue Dart Express Limited, the Holding Company

24,000,000 (March 31, 2016- 17,760,000 and April 1, 2015-17,760,000)  
equity shares of ₹ 10 each fully paid up

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
	2,400	1,776	1,776

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	%	Number of shares	%	Number of shares	%
Blue Dart Express Limited ('BDEL') and its nominees	24,000,000	100%	17,760,000	74%	1,17,60,000	49%
Mr. Tushar K. Jani*	-	-	3,120,000	13%	40,80,000	17%
Mr. Clyde C.Cooper*	-	-	3,120,000	13%	40,80,000	17%
Trinity Finsec Private Limited*	-	-	-	-	40,80,000	17%
<b>Total</b>	<b>24,000,000</b>	<b>100%</b>	<b>24,000,000</b>	<b>100%</b>	<b>2,40,00,000</b>	<b>100%</b>

\* During the year, Mr.Clyde C. Cooper and Mr. Tushar K. Jani each have transferred 31,20,000 shares to Blue Dart Express Limited on November 24, 2016. During the previous year, Trinity Finsec Private Limited had transferred 40,80,000 shares to Blue Dart Express Limited on June 22, 2015 and similarly Mr.Clyde C. Cooper and Mr.Tushar K. Jani each have transferred 9,60,000 shares to Blue Dart Express Limited on June 22, 2015 and July 29, 2015 respectively.

### 15 OTHER EQUITY

#### Reserves and Surplus

Securities Premium Reserve

Retained earnings

**Total**

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
	600	600	600
	1,687	1,380	1,077
	<b>2,287</b>	<b>1,980</b>	<b>1,677</b>

#### i) Securities Premium Reserve

Balance as at the beginning and end of the year

	<b>600</b>	<b>600</b>	<b>600</b>
--	------------	------------	------------

#### ii) Retained Earnings

Balance as at the beginning of the year

Net Profit for the year

Items of other comprehensive income recognised directly in retained earnings

	1,380	1,077	994
	311	531	83

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
Remeasurements of defined benefit obligations, net of tax	(4)	(228)	-
<b>Balance as at the end of the year</b>	<b>1,687</b>	<b>1,380</b>	<b>1,077</b>
<b>Total of Other Equity</b>	<b>2,287</b>	<b>1,980</b>	<b>1,677</b>

### Nature and purpose of reserve:

#### Security Premium

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

## 16 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

### Term loans

#### Unsecured

(a) Term Loan from Bank (Refer note (c))	-	6,000	6,000
(b) Term Loan from Financial Institutions (Refer note (a) and (b))	14,375	-	-
(c) Term Loan from Blue Dart Express Limited (Refer note (d))	2,996	5,437	9,348
<b>Total</b>	<b>17,371</b>	<b>11,437</b>	<b>15,348</b>

### Security and Salient Terms:

- a) During the FY 2016-17, the Company has taken an unsecured term loan of ₹ 10,000 (Lakhs) in two tranches: ₹ 6,000 Lakhs on 30th January, 2017 and ₹ 4,000 Lakhs on 8th March, 2017 from Standard Chartered Investments and Loans (India) Limited (SCILL) for refinancing of existing financial indebtedness and meeting its capital expenditure obligations. The loan is repayable over a period of 60 months from the date of draw down. Repayment of the loan is in equal quarterly installments, commences from the 15th month (initial 12 months being the moratorium period). Both the tranches carry interest rate of 8.1% and 7.9% respectively subject to reset from time to time.
- b) During the FY 2016-17, the Company has taken an unsecured term loan of ₹ 5,000 (Lakhs) from CitiCorp Finance (India) Limited (CFIL) on 31st March, 2017 for capital expenditure including reimbursement/refinancing of loans taken earlier for capital expenditure. The loan is repayable over a period of 36 months from the date of draw down. Repayment of the loan is in equal quarterly installments, commences from the date of draw down on 27th month, 30th month, 33rd month and 36th month (initial 24 months being the moratorium period). Interest rate on the loans will be agreed with CFIL from time to time and the same is subject to the annual reset during the tenor of the loan.
- c) During the FY 2013-14, the Company had taken an unsecured term loan of ₹ 6,000 (Lakhs) from Barclays Bank Plc for refinancing of existing financial indebtedness for meeting its capital expenditure obligations. The loan is repayable over a period of sixty months. Repayment of the loan is in equal quarterly installments, commences from the 39th month (initial 38 months being the moratorium period). The loan carries interest at the rate of 9.7% per annum for the first 34 months, subject to reset after the end of the 34th month. For the said loan facility, the debt covenants are to be met by Blue Dart Express Limited. The same is fully repaid in the current year.
- d) During the year, the Company has repaid ₹ 3,911 Lakhs (31st March 2016 - ₹ 3,208 Lakhs and 31st March 2015 - ₹ 6,943 Lakhs which includes one time repayment ₹ 3,373 Lakhs over and above amortization of loan schedule) towards the unsecured interest bearing loan borrowed from Blue Dart Express Limited. As at 31st March 2017, the outstanding loan balance is ₹ 5,437 Lakhs (Previous year ₹ 9,348 Lakhs) of which ₹ 2,441 Lakhs (Previous period ₹ 3,991 Lakhs) is payable within 12 months of the balance sheet date. In respect of the aforesaid loans which have been granted in various tranches, the principal amount for one tranche is repayable over three years with the first year as moratorium and for the balance tranches, principal amount is repayable over seven years with the first two years as moratorium. Interest rate is linked to the average based rate of IDBI Bank and ICICI Bank subject to reset on bi-annually basis.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>17 OTHER FINANCIAL LIABILITIES</b>			
Aircraft Payload Deposit from Blue Dart Express Limited	2,049	2,049	1,861
Deposit Received from DHL Express (India) Private Limited	948	1,098	1,248
Deposit Received from DHL Logistics Private Limited	-	-	9
Employee Benefit Payable	169	110	-
<b>Total</b>	<b>3,166</b>	<b>3,257</b>	<b>3,118</b>
<b>18 A NON-CURRENT PROVISIONS</b>			
<b>Provision for Employee Benefits:</b>			
[Refer notes 3 (g) ]			
Provision for Compensated Absences	304	275	175
<b>Others</b>			
Provision for aircraft redelivery obligation (refer below note)	282	181	180
<b>Total</b>	<b>586</b>	<b>456</b>	<b>355</b>
<b>18 B CURRENT PROVISIONS</b>			
<b>Provision for Employee Benefits:</b>			
[Refer notes 3 (g) ]			
Provision for Gratuity	85	94	33
Provision for Compensated absences	112	111	74
<b>Total</b>	<b>197</b>	<b>205</b>	<b>107</b>
<b>Movement in provision for aircraft redelivery obligation:</b>			
<b>Opening Balance</b>	<b>181</b>	<b>180</b>	<b>180</b>
Additions during the year (including interest expenses of ₹ 17 lakhs ( March 31, 2016: ₹1 Lakh disclosed under Finance Cost)	101	1	-
Utilisation during the year	-	-	-
<b>Closing Balance</b>	<b>282</b>	<b>181</b>	<b>180</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, 2017 in ₹ Lakhs	For the Year ended March 31, 2016 in ₹ Lakhs	For the Year ended April 1, 2015 in ₹ Lakhs
- Employer's Contribution to Provident Fund	223	199	128
- Employer's Contribution to Employees' State Insurance	21	14	15
- Employer's Contribution to Employees' Pension Scheme 1995	98	90	70

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

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

### 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, 2015</b>	<b>725</b>	<b>(692)</b>	<b>33</b>
Interest Cost	58	-	58
Current Service Cost	54	-	54
Expected Return on Plan Assets	-	(56)	(56)
<b>Total amount recognised in profit or loss</b>	<b>112</b>	<b>(56)</b>	<b>56</b>
Remeasurements			
Actuarial (gain)/loss on obligations	369	(21)	348
<b>Total amount recognised in other comprehensive income</b>	<b>369</b>	<b>(21)</b>	<b>348</b>
Benefits Paid	(90)	90	-
Contributions	-	(343)	(343)
<b>Balance as on March 31, 2016</b>	<b>1,116</b>	<b>(1,022)</b>	<b>94</b>
Interest Cost	89	-	89
Current Service Cost	86	-	86
Expected Return on Plan Assets	-	(81)	(81)
<b>Total amount recognised in profit or loss</b>	<b>175</b>	<b>(81)</b>	<b>94</b>
Remeasurements			
Actuarial (gain)/loss on obligations	10	(4)	6
<b>Total amount recognised in other comprehensive income</b>	<b>10</b>	<b>(4)</b>	<b>6</b>
Benefits Paid	(66)	66	-
Contributions	-	(109)	(109)
<b>Balance as on March 31, 2017</b>	<b>1,235</b>	<b>(1,150)</b>	<b>85</b>

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>B Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets</b>			
Present Value of funded obligation as at the year end	1,235	1,116	725
Fair Value of Plan Assets as at the end of the year	1,150	(1,022)	(692)
Funded Status	85	94	33
Present Value of unfunded Obligation as at the year end	85	94	33
Unrecognised Actuarial (gains)/losses	Nil	Nil	Nil
<b>Unfunded Net Liability Recognised in Balance Sheet</b>	<b>85</b>	<b>94</b>	<b>33</b>

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>C Amount recognised in the Balance Sheet</b>			
Present Value of Obligation at the end of the year	1,235	1,116	725
Fair value of plan assets	(1,150)	(1,022)	(692)
Liability recognised in the Balance Sheet	85	94	33

### 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, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
Discount Rate and Expected Return on Plan Assets (per annum)	7.66%	7.96%	8.03%
Rate of increase in Salary growth rate	7.25%	7.25%	7.25%

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

### ii Sensitivity analysis

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

	Impact on defined benefit obligation (In ₹ Lakhs)			
	As at March 31, 2017		As at March 31, 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(61)	66	(55)	59
Future salary growth (0.5% movement)	66	(61)	59	(55)

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, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
Insured fund in LIC	1150	1021	692
<b>iv Expected gratuity contribution for the next years</b>	<b>177</b>	<b>176</b>	<b>87</b>
<b>E Compensated Absences</b>			
Non-current provisions (Refer note 18A)	304	275	175
Current provisions (Refer note 18B)	112	111	74

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>19 OTHER NON CURRENT LIABILITIES</b>			
Air charter service income received in advance	-	-	97
<b>Total</b>	<b>-</b>	<b>-</b>	<b>97</b>
<b>20 CURRENT BORROWINGS</b>			
<b>Unsecured</b>			
Bank Overdraft (payable on demand and interest rate i.e. Yes Bank base rate +0.5%)	708	309	-
<b>Total</b>	<b>708</b>	<b>309</b>	<b>-</b>
<b>21 TRADE PAYABLES</b>			
Trade Payables:			
Total outstanding dues of Micro enterprises and Small Enterprises (Refer Note 34)	13	15	5
Total outstanding dues of creditors other than Micro enterprises and small enterprises:			
Trade payable other than related parties	2,584	1,010	1,507
Trade payables to related parties (Refer Note 33)	1,184	1,839	1,003
Other Payables	1,075	1,026	673
<b>Total</b>	<b>4,856</b>	<b>3,890</b>	<b>3,188</b>
<b>22 OTHER FINANCIAL LIABILITIES</b>			
Current maturities of Term Loan from Blue Dart Express Limited (Refer Note 16)	2,441	3,911	3,208
Current maturities of Unsecured term loan from Financial Institutions (Refer Note 16)	625	-	-
Deposit Received from DHL Express (India) Private Limited	150	150	150
Employee benefits payable	696	718	153
<b>Total</b>	<b>3,912</b>	<b>4,779</b>	<b>3,511</b>
<b>23 OTHER CURRENT LIABILITIES</b>			
Statutory dues (including Provident Fund, Employees' State Insurance and Tax Deducted at Source)	361	327	270
Air charter service income received in advance	98	97	192
<b>Total</b>	<b>459</b>	<b>424</b>	<b>462</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	Year ended March 31, 2017 in ₹ Lakhs	Year ended March 31, 2016 in ₹ Lakhs
<b>24 REVENUE FROM OPERATIONS</b>		
Express Air Charter Services [Refer Note 3(e)]	60,555	57,670
<b>Other Operating Revenue</b>		
Business Support Services [Refer Note 3(e)]	806	758
<b>Total</b>	<b>61,361</b>	<b>58,428</b>
<b>25 OTHER INCOME</b>		
Interest on deposits with banks* [Refer Note 3(e)]	-	-
Sale of Spares / Services	119	208
Capital Expenditure Reimbursement on return of aircraft	-	750
Unwinding interest on security deposit	69	57
Net Gain on Foreign Currency Transactions and Translation [Refer Note 3(f)]	167	-
Provision/Liabilities no longer required written back	16	51
Miscellaneous Income	152	136
<b>Total</b>	<b>523</b>	<b>1,202</b>
* Amount is below the rounding off norm adopted by the Company		
<b>26 OPERATING COSTS</b>		
Aircraft Fuel	17,229	16,571
Aircraft and Engine Lease Rentals [Refer Note 3(h)]	7,896	6,640
Navigation Charges	3,963	3,553
Engineering Maintenance Costs	1,249	1,174
Loss on sale/scrapping of Rotables/Components & Overhaul written off [Refer Note 4A]	218	344
Consumption of Consumables and Tools	1,061	1,165
Provision for aircraft redelivery obligation [Refer Note 18A]	84	-
Provision for slow-moving inventory	165	133
Aircraft Insurance	200	206
Handling and Clearing	776	553
Interline Expenses	265	284
<b>Total</b>	<b>33,106</b>	<b>30,623</b>
<b>27 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Bonus and Leave Encashment	11,259	11,655
Contribution to provident and other funds	342	303
Gratuity [Refer Note 18B)]	94	56
Staff Welfare Expenses	884	853
<b>Total</b>	<b>12,579</b>	<b>12,867</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	Year ended March 31, 2017 in ₹ Lakhs	Year ended March 31, 2016 in ₹ Lakhs
<b>28 FINANCE COSTS</b>		
Interest Expense:		
- On Term loan from bank	477	584
- On Term loans from financial institutions	102	-
- On Unsecured term loan and inter corporate deposits from Blue Dart Express Limited	982	1,121
- Unwinding of interest on provisions/payload deposits	214	189
- On Others	11	13
<b>Total</b>	<b>1,786</b>	<b>1,907</b>
<b>29 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Tangible assets	5,493	5,773
Amortisation on Intangible assets	481	415
<b>Total</b>	<b>5,974</b>	<b>6,188</b>
<b>30 OTHER EXPENSES</b>		
Rent [Refer Note 35(ii)]	4,462	3,711
Electricity	360	341
Repairs and Maintenance - Others	805	808
Communication Expenses	94	100
Directors sitting fees	13	12
Legal and Professional Expenses	99	108
Payment to Auditors		
Statutory Audit fees	16	16
Tax Audit fees	4	4
Other Matter	1	-
Reimbursement of Expenses*	-	-
Rates and taxes	80	73
Insurance	143	154
Lease and Hire charges [Refer Note 3(h) & Note 35(ii)]	38	29
Loss on Sale/Scrapping of Assets	20	22
Net Loss on Foreign Currency Transactions and Translation [Refer Note 3(f)]	-	129
Printing and Stationery	212	214
Subscriptions Charges	314	276
Travelling Expenses	443	493
Miscellaneous expenses	880	754
<b>Total</b>	<b>7,984</b>	<b>7,244</b>

\* Amount is below the rounding off norm adopted by the Company

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	Year ended March 31, 2017 in ₹ Lakhs	Year ended March 31, 2016 in ₹ Lakhs
<b>31 EARNINGS PER SHARE</b>		
Profit for the year	311	531
Weighted average number of shares (Nos.)	24,000,000	24,000,000
Basic and Diluted Earnings Per Share (In ₹)	1.29	2.21
Nominal value of shares outstanding (In ₹)	10	10

### 32 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 approximately ₹ 60,555 lakhs (March 31, 2016: ₹ 57,670 lakhs) is derived from the holding company.

### 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 {Effective from June 22, 2015}

Name	Type	Place of incorporation	Ownership Interest		
			March 31, 2017	March 31, 2016	April 1, 2015
Blue Dart Express Limited and its nominees	Holding Company	India	100%	74%	49%

##### ii) Key Management Personnel

Ms. Tulsi Nowlakha Mirchandaney	Managing Director
Mr. Tushar K. Jani	Non-Executive Director
Mr. Clyde C Cooper	Non-Executive Director
Air Marshal M. McMahon (Retd.)	Non-Executive Director
Air Marshal Vijay Achyut Patkar (Retd.)	Non-Executive 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

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

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

Cargo Service Center India Private Limited

Delhi Cargo Service Center Private Limited

\*Key management personnel compensation comprised the following:

Particulars	Year ended March 31, 2017 in ₹ Lakhs	Year ended March 31, 2016 in ₹ Lakhs
Short-term employee benefits	243	220
Post-employment benefits	7	6
Other long-term benefits - Leave Encashment	1	1
<b>Total</b>	<b>251</b>	<b>227</b>

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

NATURE OF TRANSACTIONS:	Year ended March 31, 2017 in ₹ Lakhs	Year ended March 31, 2016 in ₹ Lakhs
<b>i) With Blue Dart Express Limited</b>		
Express Air Charter Service Income (including service income accrued in advance)	60,555	57,670
Interest charges incurred on Inter-corporate Deposit	208	-
Interest charges incurred on Term Loan	774	1,121
Courier charges incurred	32	26
Inter Corporate deposits accepted during the year	7,568	-
Inter Corporate deposits repaid during the year	7,568	-
Unsecured Term Loan repaid during the year	3,911	3,208
Sale of Plant, property and equipment	1	-
<b>ii) Directors Sitting Fees</b>		
Mr. Tushar K. Jani	4	4
Mr. Clyde C Cooper	1	1
Air Marshal M. McMahon (Retd.)	4	4
Air Marshal Vijay Achyut Patkar (Retd.)	4	3
<b>iii) Entities under common control :</b>		
<b>(a) Concorde Air Logistics Limited:</b>		
Clearing and Forwarding charges	136	97
Agency charges incurred for customs clearing	16	12
<b>(b) With DHL Express India Private Limited</b>		
Business support services income	806	758
Other income	73	82
Courier charges incurred	202	156
Other Reimbursements (Expenses)	13	8

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	Year ended March 31, 2017 in ₹ Lakhs	Year ended March 31, 2016 in ₹ Lakhs
<b>(c) With European Air Transport, Leipzig GmbH</b>		
Expenses towards Aircraft spares /Repairs	33	12
<b>(d) With DHL Aviation (Netherlands) B.V.</b>		
Aircraft Dry Lease	7,026	5,964
Received towards capital expenditure on return of aircraft	818	-
<b>(e) With DHL Aviation EEMEA, Kingdom of Bahrain</b>		
Received towards Sale of Aircraft parts	-	38
Purchase of Aircraft parts (Payable)*	-	-
<b>(f) With DHL Logistics Private Limited</b>		
Rental Income	-	31
<b>(g) With Delhi Cargo Service Centre Pvt., Ltd.,</b>		
Interline Expenses	6	9
<b>(h) With Cargo Service Centre India Pvt., Ltd.,</b>		
Interline Expenses	4	15
<b>(i) With DHL Worldwide Network NV/SA</b>		
Payment towards Engineering & Maintenance ERP	-	277
AMC charges for Engineering & Maintenance ERP	80	-
*Amount is below the rounding off norm adopted by the Company		

### C) RELATED PARTY BALANCES:

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>a) Blue Dart Express Limited</b>			
Aircraft Payload Deposit (including service income accrued in advance)	2,150	2,150	2,150
Account Receivable(net)	-	182	1,603
Outstanding Unsecured Term Loan	5,437	9,348	12,556
<b>b) DHL Express India Private Limited</b>			
Outstanding Security Deposit	1,098	1,248	1,398
Receivables towards Other operating income(net)	91	71	111
Payable towards freight charges	46	11	5
<b>c) DHL Logistics Private Limited</b>			
Outstanding Security Deposit	-	-	9
<b>d) DHL Aviation (Netherlands) B.V.</b>			
Payable towards Aircraft Dry Lease charges	1,123	1,825	978
Receivable towards capital expenditure on return of Aircraft	-	818	-
<b>e) Concorde Air Logistics Limited</b>			
Payable	13	1	7
<b>f) Cargo Service Center India Private Limited</b>			
Payable towards Interline	1	1	1
<b>g) Delhi Cargo Service Center Private Limited</b>			
Payable towards Interline	1	1	1

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>h) European Air Transport, Leipzig GmbH</b>			
Payable towards Aircraft spares/Repairs	-	-	11

#### D) Notes:

- i) Corporate Guarantee provided by Blue Dart Express Limited on behalf of the Company and outstanding as at the year end amounts to ₹ NIL [March 31, 2016 ₹ 6,000 (Lakhs), April 1, 2015 ₹ 10,600 (Lakhs)]
- ii) As referred in Note 16, with respect to unsecured term loan of ₹ 6,000 (lakhs) taken from Barclays Bank Plc during the year 2013-14, for which the debt covenants are to be met by Blue Dart Express Limited.
- iii) The terms and conditions of transactions with related parties were no more favorable than those available, or which might be expected to be available, in similar transactions with non related parties on an arm's length basis. All balances outstanding with related parties are unsecured.

### 34 DUES TO MICRO AND SMALL ENTERPRISES

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	13	15	5
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil	Nil
Principal amounts paid to suppliers registered under the 'MSMED Act beyond the appointed day during the year	Nil	Nil	Nil
Interest paid, other than under Section 16 of MSMED Act 'to suppliers registered under the MSMED Act beyond the appointed day during the period	Nil	Nil	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	Nil
Interest due and payable towards suppliers registered 'under MSMED Act for payments already made	Nil	Nil	Nil
Further interest remaining due and payable for earlier years	Nil	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, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 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)	2,731	183	305
<b>ii) OPERATING LEASES [Refer Note 3(h)]</b>			

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

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
<b>Operating Lease – Aircraft / Aircraft Engines</b>			
<b>Period</b>			
Upto one year	7,182	6,787	6,067
One to five years	23,200	23,944	23,775
Above five years	20,048	15,938	19,160
<b>Charge for the year</b>	<b>7,896</b>	<b>6,640</b>	<b>6,821</b>
<b>Operating Lease – Leasehold Land</b>			
<b>Period</b>			
Upto one year	928	344	312
One to five years	5,169	442	785
Above five years	18,640	-	-
<b>Charge for the year</b>	<b>344</b>	<b>313</b>	<b>284</b>

Company has entered into various cancellable leasing arrangements for motor cars, office equipment's and official premises. The lease rentals for motor cars is ₹ 82 (Lakhs) [March 31, 2016 ₹ 82 (Lakhs)], the same has been included under the head "Employee Benefits Expense - Salaries, Wages and Bonus" under note 27 forming part of the Statement of Profit and Loss. Lease rentals for office equipment's of ₹ 38 (Lakhs) [March 31, 2016 ₹ 29 (Lakhs)] has been included under the head "Other Expenses - Lease and Hire charges" and lease rentals for official premises is ₹ 4,462 (Lakhs) [March 31, 2016 ₹ 3,711 (Lakhs)] has been included under the head "Rent" under Note 30 forming part of the Statement of Profit and Loss.

### 36 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

#### A Accounting classification and fair values

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

		Carrying amount					Fair value disclosure			
March 31, 2017	Note No.	FVPL	FVOCI	Amortised Cost	Derivatives designated as hedges	Total	"Quoted prices in active markets (Level 1)"	Significant observable inputs (Level 2)	"Significant unobservable inputs (Level 3)"	Total
<b>Financial assets</b>										
(i) Trade receivables	10	-	-	94	-	94	-	-	94	94
(ii) Cash and cash equivalents	11	-	-	84	-	84	-	-	84	84
(iii) Others financial assets	5 and 12	-	-	829	-	829	-	-	829	829
		-	-	<b>1,007</b>	-	<b>1,007</b>	-	-	<b>1,007</b>	<b>1,007</b>
<b>Financial liabilities</b>										
(i) Borrowings*	16, 20 and 22	-	-	21,145	-	21,145	-	-	21,145	21,145
(ii) Trade payables	21	-	-	4,856	-	4,856	-	-	4,856	4,856
(iii) Other financial liabilities	17 and 22	-	-	4,012	-	4,012	-	-	4,012	4,012
		-	-	<b>30,013</b>	-	<b>30,013</b>	-	-	<b>30,013</b>	<b>30,013</b>

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

March 31, 2016	Note No.	Carrying amount					Fair value disclosure			
		FVPL	FVOCI	Amortised Cost	Derivatives designated as hedges	Total	"Quoted prices in active markets (Level 1)"	Significant observable inputs (Level 2)	"Significant unobservable inputs (Level 3)"	Total
<b>Financial assets</b>										
(i) Trade receivables	10	-	-	281	-	281	-	-	281	281
(ii) Cash and cash equivalents	11	-	-	22	-	22	-	-	22	22
(iii) Others financial assets	5 and 12	-	-	1,413	-	1,413	-	-	1,413	1,413
		-	-	<b>1,716</b>	-	<b>1,716</b>	-	-	<b>1,716</b>	<b>1,716</b>
<b>Financial liabilities</b>										
(i) Borrowings*	16, 20 and 22	-	-	15,657	-	15,657	-	-	15,657	15,657
(ii) Trade payables	21	-	-	3,890	-	3,890	-	-	3,890	3,890
(iii) Other financial liabilities	17 and 22	-	-	4,125	-	4,125	-	-	4,125	4,125
		-	-	<b>23,672</b>	-	<b>23,672</b>	-	-	<b>23,672</b>	<b>23,672</b>

April 1, 2015	Note No.	Carrying amount					Fair value disclosure			
		FVPL	FVOCI	Amortised Cost	Derivatives designated as hedges	Total	"Quoted prices in active markets (Level 1)"	Significant observable inputs (Level 2)	"Significant unobservable inputs (Level 3)"	Total
<b>Financial assets</b>										
(i) Trade receivables	10	-	-	1,732	-	1,732	-	-	1,732	1,732
(ii) Cash and cash equivalents	11	-	-	97	-	97	-	-	97	97
(iii) Others financial assets	5 and 12	-	-	450	-	450	-	-	450	450
		-	-	<b>2,279</b>	-	<b>2,279</b>	-	-	<b>2,279</b>	<b>2,279</b>
<b>Financial liabilities</b>										
(i) Borrowings*	16, 20 and 22	-	-	18,556	-	18,556	-	-	18,556	18,556
(ii) Trade payables	21	-	-	3,188	-	3,188	-	-	3,188	3,188
(iii) Other financial liabilities	17 and 22	-	-	3,421	-	3,421	-	-	3,421	3,421
		-	-	<b>25,165</b>	-	<b>25,165</b>	-	-	<b>25,165</b>	<b>25,165</b>

\*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.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed debt instruments that have quoted price. The fair value of all debt instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

#### B Financial Risk management

##### i. Risk management framework

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

##### ii. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected credit loss in respect of trade and other receivables. 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, 2017	March 31, 2016	April 1, 2015
Neither past due nor impaired			
<b>Past due but not impaired</b>	<b>92</b>	<b>279</b>	<b>1,697</b>
Past due 1–90 days	2	2	35
Past due 91–180 days	94	281	1,732

##### Expected credit loss assessment for customers as at April 1, 2015, March 31, 2016 and March 31, 2017

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 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

##### Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of ₹ 82, ₹ 19 Lakhs and ₹ 93 Lakhs as at March 31, 2017, March 31, 2016 and April 1, 2015 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, 2017, March 31, 2016 and April 1, 2015. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

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

As of March 31, 2016, the Company had working capital of ₹ (5,967) lakhs including inventories of ₹ 1,592 lakhs, cash and cash equivalents of ₹ 22 lakhs, trade receivables of ₹ 281 lakhs, other current assets of ₹ 1,745 lakhs, borrowings of ₹ 309 lakhs, trade payables of ₹ 3,890 lakhs, provisions of ₹ 205 lakhs and other current liabilities of ₹ 5,203 lakhs.

As of April 1, 2015, the Company had working capital of ₹ (3,156) lakhs including inventories of ₹ 1,480 lakhs, cash and cash equivalents of ₹ 97 lakhs, trade receivables of ₹ 1,732 lakhs, other current assets of ₹ 803 lakhs, trade payables of ₹ 3,188 lakhs, provisions of ₹ 107 lakhs and other current liabilities of ₹ 3,973 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, 2017	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	21,145	24,480	286	4,420	5,672	14,102	-
Trade payables	4,856	4,856	4,856	-	-	-	-
Other financial liabilities	4,012	4,012	696	150	271	498	2,397
<b>Total</b>	<b>30,013</b>	<b>33,348</b>	<b>5,838</b>	<b>4,570</b>	<b>5,943</b>	<b>14,600</b>	<b>2,397</b>

in ₹ Lakhs

March 31, 2016	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	15,657	17,307	246	10,922	2,886	3,253	-
Trade payables	3,890	2,863	2,863	-	-	-	-
Other financial liabilities	4,125	4,125	696	150	260	450	2,569
<b>Total</b>	<b>23,672</b>	<b>24,295</b>	<b>3,805</b>	<b>11,072</b>	<b>3,146</b>	<b>3,703</b>	<b>2,569</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

in ₹ Lakhs

April 1, 2015	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	18,556	22,332	308	4,626	11,214	6,184	-
Trade payables	3,188	3,188	3,188	-	-	-	-
Other financial liabilities	3,421	3,421	-	159	150	450	2,662
<b>Total</b>	<b>25,165</b>	<b>28,941</b>	<b>3,496</b>	<b>4,785</b>	<b>11,364</b>	<b>6,634</b>	<b>2,662</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 20 of these financial statements.

#### Interest rate sensitivity - variable rate instruments

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

	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>As at March 31, 2017</b>				
Variable-rate instruments	(204)	204	-	-
<b>sensitivity</b>	<b>(204)</b>	<b>204</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2016</b>				
Variable-rate instruments	(153)	153	-	-
<b>sensitivity</b>	<b>(153)</b>	<b>153</b>	<b>-</b>	<b>-</b>

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

#### b) Currency risk

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

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

#### Exposure to currency risk

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

	in ₹ Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
Other receivables(in Euro)	-	818	-
Trade payables(in USD)	1,956	1,250	1,444
Trade payables(in Euro)	997	1,285	528
<b>Net statement of financial position exposure</b>	<b>2,953</b>	<b>1,717</b>	<b>1,972</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		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2017</b>				
USD	(98)	98	-	-
EUR	(50)	50	-	-
	<b>(148)</b>	<b>148</b>	<b>-</b>	<b>-</b>

Effect in ₹ Lakhs	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2016</b>				
USD	(63)	63	-	-
EUR	(23)	23	-	-
	<b>(86)</b>	<b>86</b>	<b>-</b>	<b>-</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, 2017

The Company's adjusted net debt to equity ratio at March 31, 2017 was as follows:

	As at March 31, 2017 in ₹ Lakhs	As at March 31, 2016 in ₹ Lakhs	As at April 1, 2015 in ₹ Lakhs
Total external borrowings	21,145	15,657	18,556
Less : Cash and cash equivalent	84	22	97
Adjusted net debt	21,229	15,679	18,653
Total equity	4,687	4,380	4,077
Adjusted net debt to adjusted equity ratio	4.53	3.58	4.58

### 38 TAX EXPENSE

#### A. Amounts recognised in profit and loss

##### a. Income tax expense

##### Current Tax

Current tax on profits for the year	561	833
Adjustments for current tax of prior periods	-	34

##### Total current tax expense

561      867

##### Deferred tax

Decrease (increase) in deferred tax assets	(417)	(597)
(Decrease) increase in deferred tax liabilities	-	-

##### Total deferred tax expense/(benefit)

(417)      (597)

##### Income tax expense

144      270

##### b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Profit before income tax expense

455      801

##### Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%) \*

158      277

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Others

14      7

##### Income tax expense

144      270

#### B. Movement in deferred tax balances

	March 31, 2017					in ₹ Lakhs	
	Net balance March 31, 2016	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset / liability	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset</b>							
Property, plant and equipment and intangible assets	(2,132)	(361)	-	-	(2,493)	(2,493)	-
Other items	(735)	(56)	-	-	(791)	(791)	-
<b>Tax assets (Liabilities)</b>	<b>(2,867)</b>	<b>(417)</b>	<b>-</b>	<b>-</b>	<b>(3,284)</b>	<b>(3,284)</b>	<b>-</b>

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	March 31, 2016					in ₹ Lakhs	
	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Others	Net deferred tax asset / liability	Deferred tax asset	Deferred tax liability
Property, plant and equipment and intangible assets	(1,667)	(465)	-	-	-	(2,132)	-
Remeasurements of the net defined benefit plans	-	120	(120)	-	-	-	-
Other items	(482)	(252)	-	-	-	(735)	-
<b>Tax assets (Liabilities)</b>	<b>(2,149)</b>	<b>(597)</b>	<b>(120)</b>	<b>-</b>	<b>-</b>	<b>(2,867)</b>	<b>-</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 and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

#### 39 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particular	in ₹ Lakhs		
	Specified Bank Notes*	Other notes	Total
<b>Closing cash on hand as on November 8, 2016</b>	<b>2</b>	<b>3</b>	<b>5</b>
Add : Receipts for permitted transactions	1	5	6
Less : Paid for permitted transactions	1	5	6
Less : Deposited in bank accounts	2	-	2
<b>Closing cash on hand as on December 30, 2016</b>	<b>-</b>	<b>3</b>	<b>3</b>

\* For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

#### FIRST-TIME ADOPTION OF IND AS

#### 40 TRANSITION TO IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

For the purposes of reporting as set out in Note 2, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("previous GAAP") to Ind AS. The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 1, 2015 (the "transition date"). In preparing our opening Ind AS balance sheet, we have adjusted the amounts reported in financial statements prepared in accordance with previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under previous GAAP except where required by Ind AS.

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### A1 Ind AS optional exemptions

##### Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

#### A2 Ind AS mandatory exceptions

##### Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

#### B Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### Reconciliation of equity as at transition date (1 April 2015)\*

				in ₹ Lakhs
	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a). Property, Plant and Equipment		21,569	-	21,569
(b). Capital Work-in-Progress		190	-	190
(c). Other Intangible Assets		1,150	-	1,150
(d). Other Financial Assets	1	667	(217)	450
(e). Deferred Tax Assets (Net)	8	1,966	183	2,149
(f). Non-Current Tax Assets (Net)		409	-	409
(g). Other Non-Current Assets	1	99	135	234
		<b>26,050</b>	<b>101</b>	<b>26,151</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

				in ₹ Lakhs
	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
<b>CURRENT ASSETS</b>				
(a) Inventories		1,480	-	1,480
(b) Financial Assets				
(i) Trade Receivables		1,732	-	1,732
(ii) Cash and Cash equivalents		97	-	97
(iii) Other financial assets		-	-	-
(c) Other Current Assets	1	754	49	803
		<b>4,063</b>	<b>49</b>	<b>4,112</b>
<b>TOTAL</b>		<b>30,113</b>	<b>150</b>	<b>30,263</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital		2,400	-	2,400
(b) Other Equity	7	2,032	(355)	1,677
		<b>4,432</b>	<b>(355)</b>	<b>4,077</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
(a) Financial liabilities				
(i) Borrowings		15,348	-	15,348
(ii) Other Financial Liabilities	2	3,407	(289)	3,118
(b) Provisions	3	175	180	355
(c) Other Non Current liabilities	2	-	97	97
		<b>18,930</b>	<b>(12)</b>	<b>18,918</b>
<b>CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade Payables	5	2,863	325	3,188
(iii) Other Financial liabilities		3,511	-	3,511
(b) Provisions		107	-	107
(c) Other Current Liabilities	2	270	192	462
		<b>6,751</b>	<b>517</b>	<b>7,268</b>
<b>TOTAL</b>		<b>30,113</b>	<b>150</b>	<b>30,263</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2017

Reconciliation of equity as at transition date (31 March 2016)*				in ₹ Lakhs
	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a). Property, Plant and Equipment		19,753	-	19,753
(b) Capital Work-in-Progress		94	-	94
(c) Other Intangible Assets		1,279	-	1,279
(d) Other Financial Assets	1	794	(199)	595
(e) Deferred Tax Assets (Net)	8	2,679	188	2,867
(f) Non-Current Tax Assets (Net)		668	-	668
(g) Other Non-Current Assets	1	106	135	241
		<b>25,373</b>	<b>124</b>	<b>25,497</b>
<b>CURRENT ASSETS</b>				
(a) Inventories		1,592	-	1,592
(b) Financial Assets				
(i) Trade Receivables		281	-	281
(ii) Cash and Cash equivalents		22	-	22
(iii) Other financial assets		818	-	818
(c) Other Current Assets	1	898	29	927
		<b>3,611</b>	<b>29</b>	<b>3,640</b>
<b>TOTAL</b>		<b>28,984</b>	<b>153</b>	<b>29,137</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital		2,400	-	2,400
(b) Other Equity	7	2,344	(364)	1,980
		<b>4,744</b>	<b>(364)</b>	<b>4,380</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
(a) Financial liabilities				
(i) Borrowings		11,437	-	11,437
(ii) Other Financial Liabilities	2	3,358	(101)	3,257
(b) Provisions	3	275	181	456
(c) Other Non Current liabilities	2	-	-	-
		<b>15,070</b>	<b>80</b>	<b>15,150</b>
<b>CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings		309	-	309
(ii) Trade Payables	5	3,550	340	3,890
(iii) Other Financial liabilities		4,779	-	4,779

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
(b) Provisions		205	-	205
(c) Other Current Liabilities	2	327	97	424
		<b>9,170</b>	<b>437</b>	<b>9,607</b>
<b>TOTAL</b>		<b>28,984</b>	<b>153</b>	<b>29,137</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

### Reconciliation of total comprehensive income for the year ended 31 March 2016\*

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
<b>REVENUE</b>				
Revenue from operations	2	58,236	192	58,428
Other income	1	1,145	57	1,202
<b>Total Revenue</b>		<b>59,381</b>	<b>249</b>	<b>59,630</b>
<b>EXPENSES</b>				
Operating Costs		30,623	-	30,623
Employee Benefits Expense	4	13,215	(348)	12,867
Finance Costs	2 and 3	1,718	189	1,907
Depreciation and Amortisation Expense		6,188	-	6,188
Other Expenses	1 and 5	7,171	73	7,244
<b>Total Expenses</b>		<b>58,915</b>	<b>(86)</b>	<b>58,829</b>
<b>PROFIT BEFORE TAX</b>		<b>466</b>	<b>335</b>	<b>801</b>
Tax expense:				
Current tax		867	-	867
Deferred tax	8	(713)	116	(597)
<b>PROFIT FOR THE YEAR</b>		<b>312</b>	<b>219</b>	<b>531</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified to Statement of profit and loss	4 and 9	-	(348)	(348)
Income tax relating to items that will not be reclassified to Statement of profit and loss	8 and 9	-	120	120
<b>Total comprehensive income for the period</b>		<b>312</b>	<b>(9)</b>	<b>303</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

#### Equity reconciliation:

#### Reconciliation of Total Equity as at March 31, 2016 and April 1, 2015

Description	Notes to first time adoption	March 31, 2016 in ₹ Lakhs	April 1, 2015 in ₹ Lakhs
Total Equity (shareholder's fund) as per previous GAAP		4,744	4,432
<b>Adjustments</b>			
Fair valuation of security deposits	1	(36)	(34)
Fair valuation of payload deposits	2	5	1
Discounting for provision for aircraft redelivery obligation	3	(181)	(180)
Straight lining of lease rentals	5	(341)	(327)
Tax effect of adjustments	8	189	183
<b>Total adjustments</b>		<b>(364)</b>	<b>(355)</b>
<b>Total equity as per Ind AS</b>		<b>4,380</b>	<b>4,077</b>

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

#### Reconciliation of total comprehensive income for the year ended March 31, 2016

	Notes to first time adoption	in ₹ Lakhs
<b>Profit after tax as per previous GAAP</b>		<b>312</b>
Adjustments:		
Fair valuation of security deposits	1	(2)
Fair valuation of payload deposits	2	4
Discounting for provision for aircraft redelivery obligation	3	(1)
Straight lining of lease rentals	5	(14)
Remeasurements of the net defined benefit plans	4	348
Tax effect of adjustments	8	(116)
<b>Profit after tax as per Ind AS</b>		<b>531</b>
Remeasurements of the net defined benefit plans	4	(348)
Tax effect of remeasurements of the net defined benefit plans	8	120
Other comprehensive income		(228)
<b>Total comprehensive income as per Ind AS</b>		<b>303</b>

#### Cash flow reconciliation:

The impact on cash flow from operating, investing and financing activities for the year ended March 31, 2016 on transition to Ind AS is as follows:-

Financial Year ended March 31, 2016	Notes to first time adoption	Previous GAAP	Adjustments	in ₹ Lakhs Ind AS
Net cash inflow from operating activities		9,380	-	9,380
Net cash (used in) investing activities		(4,838)	-	(4,838)
Net cash (used in) financing activities	6	(4,617)	(309)	(4,926)
Net increase/(decrease) in cash and cash equivalents		<b>(75)</b>	<b>(309)</b>	<b>(384)</b>
Cash and cash equivalents as at April 1, 2015		97	-	97
Cash and cash equivalents as at March 31, 2016		<b>22</b>	<b>(309)</b>	<b>(287)</b>

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2017

Analysis of changes in cash and cash equivalents for the purposes of statement of cash flows under Ind AS:

Particulars	Notes to first time adoption	March 31, 2016	April 1, 2015
Cash and cash equivalents as per previous GAAP		22	97
Bank overdrafts	6	(309)	-
<b>Cash and cash equivalents for the purpose of statement of cash flows</b>		<b>(287)</b>	<b>97</b>

#### C Notes to first-time adoption:

##### Note 1: Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value on initial recognition. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by ₹ 199 Lakhs as at March 31, 2016 (April 1, 2015 – ₹ 217 Lakhs). The prepaid rent increased by ₹ 164 Lakhs as at March 31, 2016 (April 1, 2015 - ₹ 184 Lakhs). Total equity decreased by ₹ 34 Lakhs as on April 1, 2015. The profit for the year and total equity as at March 31, 2016 decreased by ₹ 2 Lakhs due to amortisation of the prepaid rent of ₹ 59 Lakhs which is fully off-set by the notional interest income of ₹ 57 Lakhs recognised on security deposits.

##### Note 2: Aircraft Pay load Security deposits

Under the previous GAAP, interest free aircraft pay load security deposits received (that are payable in cash) are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value on initial recognition. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as Advance Service Income. Consequent to this change, the amount of aircraft pay load security deposits decreased by ₹ 101 Lakhs as at March 31, 2016 (April 1, 2015 – ₹ 289 Lakhs). The other non-current/current liability increased by ₹ 97 Lakhs as at March 31, 2016 (April 1, 2015 - ₹ 289 Lakhs). Total equity increased by ₹ 1 lakh as on April 1, 2015. The profit for the year and total equity as at March 31, 2016 increased by ₹ 4 Lakhs due to recognition of service income of ₹ 192 Lakhs which is partially off-set by the notional interest expenses of ₹ 188 Lakhs recognised on security deposits.

##### Note 3: Provision for aircraft redelivery obligation

Under the previous GAAP, company makes provisions, including long-term provision, at the undiscounted amount. Under Ind AS, provision for redelivery cost has to be measured at discounted amounts, if the effect of time value is material. Accordingly, the company has discounted the provision for redelivery cost to be incurred at the end of the lease term. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost. This change increased the non-current provisions as at March 31, 2016 by ₹ 1 lakh (April 1, 2015 - ₹ 180 Lakhs). Consequent to the same, the profit for the year and equity as at March 31, 2016 and April 1, 2015 increased by an equivalent amount.

##### Note 4: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by ₹ 348 Lakhs. There is no impact on the total equity as at March 31, 2016 and April 1, 2015.

##### Note 5: Leases

Under Ind AS, payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. This change increased the other current liabilities by ₹ 341 Lakhs as at March 31, 2016 (April 1, 2015 - ₹ 326 Lakhs). Consequently to the same, the profit for the year and total equity decreased by ₹ 15 Lakhs as at March 31, 2016 and by ₹ 326 Lakhs as at April 1, 2015.

# SCHEDULES

## Notes forming part of Financial Statements as of and for the year ended March 31, 2017

### Note 6: Bank Overdrafts

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by ₹ 309 Lakhs as at March 31, 2016 (April 1, 2015 – ₹ Nil) and cash flows from financing activities for the year ended March 31, 2016 have also reduced by ₹ 309 Lakhs to the effect of the movements in bank overdrafts.

### Note 7: Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### Note 8: Deferred tax

Under Ind AS, deferred tax has been recognised on the adjustments made on transition to Ind AS.

### Note 9: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

## 41 RECENT ACCOUNTING PRONOUNCEMENTS

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7: 'Statement of cash flows'

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is not likely to be significant.

## 42 Previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year's classification.

Signatures to Notes 1 to 42 form an integral part of the financial statements.

As per our report of even date	For and on behalf of the Board of Directors		
<b>For Price Waterhouse</b> Firm Registration Number: 301112E Chartered Accountants	<b>Tushar K. Jani</b> Chairman DIN:192621	<b>Tulsi Nowlakra Mirchandaney</b> Managing Director DIN:1842520	<b>Air Marshal Vijay Achyut Patkar (Retd.)</b> Director DIN:07037116
<b>Mehul Desai</b> Partner Membership No. 103211	<b>Air Marshal M . McMahon (Retd.)</b> Director DIN:234293	<b>Sharad Upasani</b> Additional Director DIN:01739334	<b>Surendra Sheth</b> Alternate Director DIN:00089981
Place: Mumbai Date: May 5, 2017	<b>N. Palaniappan</b> Company Secretary & Sr. Manager-Finance  Place: Mumbai Date: May 5, 2017	<b>P. Parameshwaran</b> Chief Financial Officer	