

## 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	Director
Air Marshal Vijay Achyut Patkar	Director
Lars Winkelbauer	Director

#### 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 Second Annual Report of your Company for the 12 months ended March 31, 2016.

### FINANCIAL RESULTS

	Year ended March 31, 2016	Year ended March 31, 2015
(₹ in Lacs)		
<b>Revenues:</b>		
Revenue from Operations	58,236	65,563
Other Income	1,145	357
Less: Operating Expenses	(51,009)	(56,291)
Operating Profit (EBIDTA)	8,372	9,629
Less: Interest cost (Net)	1,718	2,322
Depreciation / Amortisation	6,188	6,813
Profit before tax	466	494
Less: Provision for Income tax	154	55
Profit after tax	312	439

During the year under review, your Company has recorded a profit before tax of ₹ 466 lacs as compared to profit before tax of ₹ 494 lacs for the 12 months ended March 31, 2015.

### REVIEW OF INDIAN ECONOMY AND AVIATION INDUSTRY

The global macroeconomic landscape is currently chartering a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by (i) declining prices of a number of commodities (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behaviour of global investors, thus putting many, and in particular, commodity exporting economies under considerable stress. The rupee has depreciated vis-à-vis the US dollar, like many other currencies in the world, although to a reduced magnitude. At the same time, it has appreciated against a number of other major currencies. Even in these trying and uncertain circumstances, India's growth story has largely remained positive on the strength of domestic consumption, and the country has registered a steady pace of economic growth in 2015-16 as it did in 2014-15.

During the calendar year 2015, the civil aviation sector witnessed an improvement of 22% in domestic passenger traffic and 9% in international passenger traffic compared to calendar year 2014. Domestic cargo grew by 7% and international cargo declined by 2% for the same period.

The prospects for the Indian aviation sector have improved following the fall in prices of aviation turbine fuel, which accounted for nearly 40 per cent of the operating expenses of airlines in India, the liberalization of FDI policies in civil aviation, and the strong growth in passenger traffic which is expected to continue into the near future.

### REVIEW OF PERFORMANCE

Your Company, the only scheduled domestic cargo airline network in the Indian skies, with a fleet of five Boeing 757-200 freighters, has continued to support the air express leadership position of Blue Dart Express Limited during the year with a sustained focus on safety and high standards of service quality. Your Company has posted an excellent on Time Performance of 89.79% and a Technical Dispatch Reliability of 99.46%, which is best in the industry despite severe infrastructure constraints and an average fleet life of 21 years. Your Company has handled 26 charters during the year and has uplifted 95,185 tonnes on its network during the period of 12 months ended March 31, 2016. This was made possible with an unprecedented 294 day flights in addition to scheduled night operations. The additional operations of 2057 supplementary hours were the equivalent of augmenting our fleet with another aircraft induction, and they were undertaken within the limited current resources.

Your Company has augmented its fleet with a sixth Boeing 757-200 freighter during the month of March 2016 to meet the growing demand and to improve the premium service quality.

Your Company, with meticulous planning and direct involvement in procurement of spares and preparation of work scope, reduced the engine overhaul costs by 35% below budget, which was substantial considering the capex incurred for engine overhauls. Through a new Power By the Hour (PBH) contract, maintenance cost has declined by 18.6% with the added benefits of lower base maintenance material cost, capital purchase of rotables, beyond-economic-repair write-offs and inclusion of any maintenance spikes.

The ongoing fuel consumption savings project, viz. 'Golden Drops' continued to lower fuel consumption, resulting in a significant savings in fuel costs. During the year, your Company has carried out base maintenance, including C Checks, and complex modifications on its fleet of B757s in a timely and cost effective manner. The Company had negotiated an off airport warehouse at Delhi and in a short span of time, the facility has been made operational to handle the increased volumes, especially during the peak season, more effectively. As part of its ongoing focus to optimize space utilization, your Company has surrendered space at airports to reduce lease rentals considerably.

During the year, your Company has successfully completed the elaborate process of recertification to the CAP 3100 mandatory requirements successfully. Significant progress was made in consolidating the implementation of Safety Management System (SMS). The safety indicators and target of your Company were aligned with the State Safety Plan (SSP) as spelt out by DGCA, and a coordinated plan of action has been developed for its monitoring and implementation.

## DIRECTORS' REPORT

During the year, the third training conducted by the Company at its Aviation Security Training Institute (ASTI) has produced results of 100% success rates, which is a first in the history of any ASTI. Since your Company has established its own training institute, it has the ability to train a maximum number of your Company Security personnel from all stations, overcoming the lengthy delays and waiting period for seat allotment by the BCAS. Further, ASTI has helped your Company to save significant fees in the training of our own personnel.

The city of Chennai, where your company's main maintenance base is located, was battered with torrential rains since mid-November 2015, most severely between 30 November to 04 December 2015, when water released from the Chembarambakkam reservoir and overflowing rivers inundated large parts of the city. Chennai airport was flooded and declared closed from 01 to 05 December 2015. Facilities adjacent to your Company's office were evacuated due to collapse of the ceiling, but your Company's ageing facilities were safe, thanks to the pre-monsoon preventive maintenance and clearing of drains carried out by your Company's Administration Department in a periodic manner. Flight operations for the rest of the network continued uninterrupted.

Despite the severity of the floods at Chennai, the Company's facilities and aircraft were secured, loads safely palletized, aircraft maintenance undertaken, and operations areas cleared of waterlogging by your Company's employees who braved the flooded streets to report to duty. Your Company was amongst the first to resume operations once the airport was declared open on 06 December 2015.

50 of your Company's employees and 72 contract staff were severely affected by the flood disaster at Chennai, with many losing their possessions and some their homes. Employees donated generously towards their colleagues in distress, and the funds were distributed to all those affected. Your Directors take this opportunity to thank each one of our people for their commitment and dedication to support your Company during the crisis caused by the floods, without any major financial loss.

### DIRECTORS/ KEY MANAGERIAL PERSONNEL

As on March 31, 2016, Your Company's Board has a strength of 6 (six) Directors including 1(one) Woman Director and 2 (two) Independent Directors.

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. Tushar K. Jani (DIN: 192621), Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment

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

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

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

### Number of Meetings of the Board

During the year, the Board of Directors of your Company has met 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.	07.05.2015
2.	22.06.2015
3.	29.07.2015
4.	20.10.2015
5.	14.12.2015
6.	10.02.2016

### AUDIT COMMITTEE

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

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

Ms. Tulsi Nowlakha Mirchandaney, Managing Director, Mr. Clyde C. Cooper, Director, Mr. 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; 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.

# DIRECTORS' REPORT

## 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, General Manager - Quality. The Policy is applicable to all the 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
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

## 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 the 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.

## 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' REPORT

## 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 systems to ensure compliance with the provisions of all applicable laws and that they were adequate and operating effectively.

## 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 re-appointed M/s. P. Sriram & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2016.

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 Nowlakra 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 Statutory Auditors, M/s. Price Waterhouse, Chartered Accountants, (Firm Registration no. 301112E), retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received necessary certificate from them confirming that their re-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.

The Board of Directors recommends re-appointment of M/s. Price Waterhouse, Chartered Accountants, (Firm Registration no. 301112E), as Statutory Auditors of the Company subject to necessary approval by the Shareholders of the Company at the ensuing Annual General Meeting.

The Board is requested to note that the appointment of M/s. KPMG as the Company's Internal Auditors is due for renewal with effect from April 1, 2016.

## HUMAN RESOURCE DEVELOPMENT

During the year, your Company has been holding yoga sessions, medical camps, Aadhaar campaign, cricket and football tournaments for its employees. Your Company has an Employee Engagement Committee (EEC), which has representation from all departments. The EEC has been actively organizing celebrations of most of the major festivals with great fanfare. Following the recent floods in Chennai, your Company has organized a medical camp which addressed likely illness arising out of natural calamities like floods.

Your Company has, under the banner of Go Green, planted 150 saplings and in support of Go Teach, has organized teaching sessions in six schools. Contributing to Go Help, Your Company has conducted blood donation camps, cleaning drives, visiting of orphanages and old age homes, and assisted in traffic management.

## 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

## DIRECTORS' REPORT

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 Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 136 (I) 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: 234293

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

Mumbai,  
April 15, 2016

## 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, 2016, 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

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

- Aircraft, Crew, Maintenance and Insurance (ACMI) Agreement.
- Charter Fee Income - ₹ 57,478 Lacs through ACMI Agreement
- Loans (existing) - ₹ 9,348 Lacs
- Corporate Guarantee (existing) – ₹ 6,000 Lacs
- Aircraft Payload deposit – ₹ 2,150 Lacs

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

ACMI Agreement has been Renewed/extended till September 30, 2016. Loans and Corporate Guarantees are existing till repayment.

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

The Company is providing dedicated air carriage capacity to Blue Dart Express Limited through ACMI Agreement.

##### e. Date(s) of approval by the Board, if any : January 29, 2015

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

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: 234293

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

Mumbai,  
April 15, 2016

# ANNEXURES TO DIRECTORS' REPORT

'ANNEXURE - B'

FORM NO. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[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, 2016 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, 2016 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 in place 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, and Standards etc., mentioned as above.

### **I Further Report That**

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

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

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

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

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

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

Place : Chennai

Date : April 15, 2016

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 : April 15, 2016

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, 2016

[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
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	74%	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, 2015 i.e. on the basis of Shareholding Pattern of March 31, 2015)				No. of Shares held at the end of the year (as on March 31, 2016 i.e. on the basis of Shareholding Pattern of March 31, 2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0

## ANNEXURES TO DIRECTORS' REPORT

d) Bodies Corp.	0	11760000	11760000	49.00	0	17760000	17760000	74.00	25.00
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	11760000	11760000	49.00	0	17760000	17760000	74.00	25.00
(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	11760000	11760000	49.00	0	17760000	17760000	74.00	25.00
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corporate	0	0	0	0	0	0	0	0	0
i) Indian	0	4080000	4080000	17.00	0	0	0	0	-17.00
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	4080000	4080000	17.00	0	3120000	3120000	13.00	-4.00
c) Others (specify)	0	0	0	0	0	0	0	0	0
1. Clearing Member									
2. NRI	0	4080000	4080000	17.00	0	3120000	3120000	13.00	-4.00
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

## ANNEXURES TO DIRECTORS' REPORT

<b>Sub-Total (B)(2):</b>	0	12240000	12240000	51.00	0	6240000	6240000	26.00	-25.00
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	12240000	12240000	51.00	0	6240000	6240000	26.00	-25.00
<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	11760000	49	0	17760000	74	0	25

### (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, 2015 i.e. on the basis of Shareholding Pattern of March 31, 2015)		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	117,60,000	49	117,60,000	49
2.	<u>Brought during the year</u>				
	June 22, 2015	40,80,000	17	158,40,000	66
	June 22, 2015	9,60,000	4	168,00,000	70
	July 29, 2015	9,60,000	4	177,60,000	74
3.	At the End of the year			177,60,000	74

### 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.	Trinity Finsec Private Limited	4080000	17.00	0	4080000	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	4080000	17.00	4080000	17.00
	Date wise Increase / (Decrease) in Share holding during the year (29.07.2015)	(960000)	(4.00)	3120000	13.00
	At the End of the year	3120000	13.00	3120000	13.00
<b>2.</b>	<b>Mr. Clyde C. Cooper</b>				
	At the beginning of the year	4080000	17.00	4080000	17.00
	Date wise Increase / (Decrease) in Share holding during the year (22.06.2015)	(960000)	(4.00)	3120000	13.00
	At the End of the year	3120000	13.00	3120000	13.00
	None of the Key Managerial Personnel hold shares in the Company				

### (v) INDEBTEDNESS

₹ in lacs

#### 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	6000	12556	0	18556
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>	6000	12556	0	18556
<b>Change in Indebtedness during the financial year</b>				
• Addition	0	0	0	0
• Reduction	0	3208	0	3208
<b>Net Change</b>	0	3208	0	3208
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6000	9348	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>	6000	9348	0	15348

## ANNEXURES TO DIRECTORS' REPORT

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in lacs

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	213.51
	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>	213.80
	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 lacs

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
(1)	Independent Directors			
		Air Marshal Michael McMahon	Air Marshal VA Patkar	
	- Fee for attending board / committee meetings	4.2	3.0	7.2
	- Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (1)</b>	4.2	3.0	7.2
(2)	Other Non – Executive Directors & Non-Independent Directors			
		Tushar K Jani	Clyde C. Cooper	
	- Fee for attending board / committee meetings	3.6	0.9	4.5
	- Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (2)</b>	3.6	0.9	4.5
	<b>Total (1) + (2)</b>			11.7

## ANNEXURES TO DIRECTORS' REPORT

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

₹ in lacs

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	51.00	22.50	73.50
	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
	<b>Total</b>	<b>51.29</b>	<b>22.72</b>	<b>74.01</b>

### 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, 2016 was ₹ 848 lacs.

(March 31, 2015: ₹ 3,562 lacs)

##### **B) Expenditure in Foreign Currency**

Expenditure in foreign currency during year ended March 31, 2016 was ₹ 8,365 lacs.

(March 31, 2015: ₹ 8,789 lacs)

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF BLUE DART AVIATION LIMITED

### REPORT ON THE 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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. 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 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 financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit 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 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

### OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016, and its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. 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 (hereinafter referred to as 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.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF BLUE DART AVIATION LIMITED

10. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, 2016 which would impact its financial position;
  - (ii) The Company has long-term contracts as at March 31, 2016, for which there were no material foreseeable losses. The Company does not have any derivative contract as at March 31, 2016;
  - (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, 2016.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Sumit Seth  
Partner  
Membership Number: 105869

Place: Mumbai  
Date: April 15, 2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Blue Dart Aviation Limited on the financial statements for the year ended March 31, 2016

### 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, 2016 in conjunction with our audit of the 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 judgment, including the assessment of the risks of material misstatement of the 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 10(f) of the Independent Auditors' Report of even date to the members of Blue Dart Aviation Limited on the financial statements for the year ended March 31, 2016

### 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, 2016, 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: April 15, 2016

Sumit Seth  
Partner  
Membership Number: 105869

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Blue Dart Aviation Limited on the financial statements as of and for the year ended March 31, 2016

- 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 12 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The inventory which consist of consumables and loose tools have 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, sales-tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of service tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amt ₹ in Lacs	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax (excluding interest and penalty, as applicable)	3,571	FY 2008-09 to FY 2013-14	Central Excise and Service Tax Appellate Tribunal

- 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. According to the information and explanations given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Sections 196 and 197 read together with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014. In this regard, the appointment and terms of managerial remuneration of the Company's Managing Director was approved by the Company's shareholders vide a special resolution dated March 10, 2015. Though such managerial remuneration is in excess of the limits specified in section 197 read with Schedule V to the Act, as explained to us, the Central Government approval is not required, since the Company's shareholders had already appointed and approved such managerial remuneration prior to the Company becoming a subsidiary of a listed company. The Company has also notified the same to the Ministry of Corporate Affairs in July 2015.

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Blue Dart Aviation Limited on the financial statements as of and for the year ended March 31, 2016

- 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 financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Place: Mumbai  
Date: April 15, 2016

Sumit Seth  
Partner  
Membership Number: 105869

**BLUE DART AVIATION LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

	Note	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	2,400	2,400
Reserves and Surplus	4	2,344	2,032
		4,744	4,432
<b>NON-CURRENT LIABILITIES</b>			
Long-term Borrowings	5	11,437	15,348
Other Long-term Liabilities	7	3,248	3,407
Long-term Provisions	8	275	175
		14,960	18,930
<b>CURRENT LIABILITIES</b>			
Trade Payables	9		
Total outstanding dues of Micro enterprises and small enterprises		15	5
Total outstanding dues of creditors other than of Micro enterprises and small enterprises		2,849	2,510
Other Current Liabilities	10	6,211	4,129
Short-term Provisions	11	205	107
		9,280	6,751
<b>TOTAL</b>		<b>28,984</b>	<b>30,113</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	12	19,753	21,569
Intangible Assets	12	1,279	1,150
Capital Work-in-Progress		94	190
		21,126	22,909
Deferred Tax Asset (Net)	6	2,679	1,966
Long-term Loans and Advances	13	1,567	1,171
Other Non-Current Assets	14	1	4
		25,373	26,050
<b>CURRENT ASSETS</b>			
Inventories	15	1,592	1,480
Trade Receivables	16	281	1,732
Cash and Bank Balances	17	22	97
Short-term Loans and Advances	18	898	754
Other Current Assets	19	818	-
		3,611	4,063
<b>TOTAL</b>		<b>28,984</b>	<b>30,113</b>

The accompanying notes are an integral part of these financial statements.

As per our report of even date

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

**Sumit Seth**  
Partner  
Membership No. 105869

Place: Mumbai  
Date: April 15, 2016

For and on behalf of the Board of Directors

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

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

Place: Mumbai  
Date: April 15, 2016

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

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

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

**P. Parameshwaran**  
Chief Financial Officer

**BLUE DART AVIATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

	Note	Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
<b>REVENUE</b>			
Revenue from Operations	20	58,236	65,563
Other Income	21	1,145	357
<b>Total Revenue</b>		<b>59,381</b>	<b>65,920</b>
<b>EXPENSES</b>			
Operating Costs	22	30,623	39,770
Employee Benefits Expense	23	13,215	10,771
Finance Costs	24	1,718	2,322
Depreciation and Amortisation Expense	25	6,188	6,813
Other Expenses	26	7,171	5,750
<b>Total Expenses</b>		<b>58,915</b>	<b>65,426</b>
<b>PROFIT BEFORE TAX</b>		<b>466</b>	<b>494</b>
Tax Expense: [Refer Note 2(k)]			
Current Tax		867	2,098
Deferred Tax		(713)	(2,043)
<b>PROFIT FOR THE YEAR</b>		<b>312</b>	<b>439</b>
<b>Earnings Per Equity Share</b> [Refer note 27]			
[Nominal value of share ₹ 10 each] (Previous Year - ₹ 10)			
Basic Earnings Per Share (in ₹)		1.30	1.83
Diluted Earnings Per Share (in ₹)		1.30	1.83

The accompanying notes are an integral part of these financial statements.

As per our report of even date

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

**Sumit Seth**  
 Partner  
 Membership No. 105869

Place: Mumbai  
 Date: April 15, 2016

For and on behalf of the Board of Directors

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

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

Place: Mumbai  
 Date: April 15, 2016

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

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

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

**P. Parameshwaran**  
 Chief Financial Officer

**BLUE DART AVIATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

	Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
<b>A. Cash flows from Operating activities:</b>		
Profit before Tax	466	494
<b>Adjustments for:</b>		
Depreciation / Amortisation	6,188	6,813
Loss on sale/scraping of fixed assets (Net)	22	-
Interest expense	1,718	2,322
Interest income	-	(4)
Rotables/Components & Overhaul written off	344	3,294
Unrealised loss/(gain) on Foreign Currency Transactions and Translation	(11)	21
Liabilities no longer required written back	(51)	(187)
Provision for Slow moving Inventory	133	305
Provision for Gratuity	61	33
Provision for Compensated absences	137	51
<b>Operating profit before working capital changes</b>	<b>9,007</b>	<b>13,142</b>
<b>Adjustments for changes in working capital:</b>		
(Increase) / Decrease in Inventories	(245)	(161)
(Increase) / Decrease in Trade Receivables	1,451	(823)
(Increase) / Decrease in Other Receivables	(991)	(55)
Increase / (Decrease) in Trade Payables and other current liabilities	1,284	(1,924)
<b>Cash generated from Operations</b>	<b>10,506</b>	<b>10,179</b>
Taxes paid (net)	(1,126)	(2,335)
<b>Net cash generated from Operating activities</b>	<b>(A) 9,380</b>	<b>7,844</b>
<b>B. Cash flows used in Investing activities:</b>		
Purchase of tangible/ intangible assets	(5,027)	(3,724)
Changes in capital work in progress	96	585
Proceeds from sale/ disposal of tangible assets	90	3,660
Proceeds from maturity of Bank Fixed Deposit	3	1
Interest received	-	13
<b>Net cash used in Investing activities</b>	<b>(B) (4,838)</b>	<b>535</b>
<b>C. Cash flows from / (used in) Financing activities:</b>		
Bank Overdraft facility (net)	309	-
Repayment /settlement of Unsecured Term Loan from Blue Dart Express Limited	(3,208)	(6,943)
Interest paid	(1,718)	(2,322)
<b>Net cash used in Financing activities</b>	<b>(C) (4,617)</b>	<b>(9,265)</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>(A+B+C) (75)</b>	<b>(886)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>97</b>	<b>983</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>22</b>	<b>97</b>

**BLUE DART AVIATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

**Cash and Cash Equivalents Comprise of:**

Cash on hand  
 Balance with Scheduled Banks on current accounts

Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
3	4
19	93
<b>22</b>	<b>97</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard on Cash Flow Statements (AS-3) as notified under the Companies Act, 1956 (the "Act") read with Section 133 of the Companies Act, 2013 and Rule 7 of the Companies Act, (Accounts) Rules 2014.
- Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's classification (Refer note 39).

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 Nowlakha Mirchandaney**  
 Managing Director  
 DIN:1842520

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

**Sumit Seth**  
 Partner  
 Membership No. 105869

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

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

**P. Parameshwaran**  
 Chief Financial Officer

Place: Mumbai  
 Date: April 15, 2016

Place: Mumbai  
 Date: April 15, 2016

# SCHEDULES

## Notes forming part of Financial Statements as of and for the year ended March 31, 2016

### 1. General Information

Blue Dart Aviation Limited ('the Company') was incorporated on May 31, 1994. The Company is authorised by the Director General of Civil Aviation 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.

### 2 Significant Accounting Policies

#### a. Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs( MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016.

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. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

#### c. Fixed Assets and Depreciation/Amortisation

##### Tangible Assets:

Tangible assets are stated at acquisition cost less accumulated depreciation.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital work-in-progress represents fixed assets that are not yet ready for their intended use at the reporting date.

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

Depreciation is provided on a pro-rata basis on the straight-line method over the useful life of the assets as estimated by Management or as per the useful life prescribed under schedule II of the Companies Act, 2013, whichever is lower, as follows:

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

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.

##### 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.

#### d. 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

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2016

impaired and is written down to its recoverable amount. Impairment losses are recognised in the Statements 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 reversals, if any, are recorded in the Statement of Profit and Loss for the year.

#### e. Borrowing costs

General and specific borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expense in the Statement of Profit and Loss in the period in which they are incurred.

#### f. Inventories

Inventory of consumables 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.

#### g. 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 Service Income (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 on a time proportion basis taking into account the amount outstanding at applicable interest rate.

#### h. Foreign Currency Transactions

##### Initial Recognition:

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transactions.

Exchange differences on restatement and settlement of monetary assets and liabilities denominated in foreign

currencies are recognised in the Statement of Profit and Loss.

#### i. Employee Benefits

##### Defined Contribution Plans:

Contribution towards Provident Fund is made to the regulatory authorities. 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 contributes to 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 when the contributions are due.

##### Defined Benefit Plans:

**Gratuity:** The Company provides for gratuity, under 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.

Liability for Defined Benefit Plan is provided on the basis of valuations, as at the Balance Sheet Date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

##### 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.

The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year.

Actuarial losses/ gains comprise experience adjustments and the effects of changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the year in which they arise.

#### j. Leases

Leases in which a significant portion of the risks and

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2016

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.

#### k. Current Tax and Deferred 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 during the relevant assessment year.

Deferred tax is recognised for all timing differences, subject to consideration of prudence, in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised for unabsorbed depreciation and carry forward of losses to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

#### l. Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a realisable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

#### 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. 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.

#### o. Use of Estimates

The preparation of Financial Statements in accordance with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of Financial Statements and the reported amount of expenses of the year. Actual results could differ from these estimates. Any revision to such accounting estimates is recognised in the accounting period in which such revision takes place.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
<b>3. Share Capital</b>		
Authorised		
4,00,00,000 Equity Shares of ₹ 10 each	4,000	4,000
Issued, Subscribed and Fully Paid up		
2,40,00,000 Equity Shares of ₹10 each fully paid-up	2,400	2,400
<b>Total</b>	<b>2,400</b>	<b>2,400</b>

a. Reconciliation of the number of shares	Year ended March 31, 2016		Year ended March 31, 2015	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
Balance as at the beginning of the year	2,40,00,000	2,400	2,40,00,000	2,400
Additions/Deletions during the year	-	-	-	-
Balance as at the end of the year	2,40,00,000	2,400	2,40,00,000	2,400

**b. 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.

**c. Shares held by holding company**

Out of the above equity shares issued by the Company, shares held by the holding company:

	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
Blue Dart Express Limited, the Holding Company		
1,77,60,000 (Previous Year: 1,17,60,000) equity shares of ₹ 10 each fully paid up	1,776	1,176

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

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% held as at	Number of shares	% held as at
Blue Dart Express Limited ('BDEL') and its nominees	1,77,60,000	74%	1,17,60,000	49%
Mr. Tushar K. Jani	31,20,000	13%	40,80,000	17%
Mr. Clyde C.Cooper	31,20,000	13%	40,80,000	17%
Trinity Finsec Private Limited*	-	-	40,80,000	17%
<b>Total</b>	<b>2,40,00,000</b>	<b>100%</b>	<b>2,40,00,000</b>	<b>100%</b>

\* During the 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 have transferred 9,60,000 shares to Blue Dart Express Limited on June 22, 2015 and July 29, 2015 respectively.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
<b>4 RESERVES AND SURPLUS</b>		
<b>Securities Premium Reserve</b>		
Balance as at the beginning of the year	600	600
Addition/utilisation during the year	-	-
<b>Balance as at the end of the year</b>	<b>600</b>	<b>600</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	1,432	1,140
Add/(Less): Additional Depreciation(net of tax of Rs 76 Lacs) pursuant to enactment of Schedule II of the Companies Act 2013 [Refer Note 12]	-	(147)
Net Profit for the year	312	439
<b>Balance as at the end of the year</b>	<b>1,744</b>	<b>1,432</b>
<b>Total</b>	<b>2,344</b>	<b>2,032</b>
<b>5 LONG TERM BORROWINGS</b>		
<b>Unsecured</b>		
Term Loan from Bank (Refer note below)	6,000	6,000
Term Loan from Blue Dart Express Limited (Refer note 34)	5,437	9,348
<b>Total</b>	<b>11,437</b>	<b>15,348</b>
<b>Security and Salient Terms:</b>		
During the FY 2013-14, the Company has taken an unsecured term loan of Rs 6,000 (lacs) from Barclays Bank Plc and 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 instalments, 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.		
<b>6. DEFERRED TAX ASSET/(LIABILITIES) (NET) [Refer Note 2(k)]</b>		
<b>Deferred Tax Assets</b>		
Depreciation/ Amortisation	2,132	1,667
Other timing differences	547	299
<b>Total</b>	<b>2,679</b>	<b>1,966</b>
<b>7. OTHER LONG-TERM LIABILITIES</b>		
Aircraft Payload Deposit from Blue Dart Express Limited	2,150	2,150
Deposit Received from DHL Express (India) Private Limited	1,098	1,248
Deposit Received from DHL Logistics Private Limited	-	9
<b>Total</b>	<b>3,248</b>	<b>3,407</b>
<b>8. LONG-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits:</b>		
[Refer notes 2 (i) and 23]		
Provision for Compensated Absences	275	175
<b>Total</b>	<b>275</b>	<b>175</b>
<b>9. TRADE PAYABLES</b>		
Trade Payables [Refer note 31 for details of dues to Micro and Small Enterprises]		
Total outstanding dues of Micro enterprises and small enterprises	15	5
Total outstanding dues of creditors other than outstanding dues of Micro enterprises and small enterprises	2,849	2,510
<b>Total</b>	<b>2,864</b>	<b>2,515</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
<b>10. OTHER CURRENT LIABILITIES</b>		
Current maturities of Term Loan from Blue Dart Express Limited (Refer note 34)	3,911	3,208
Bank Overdraft	309	-
Employee benefits payable	828	153
Statutory dues (including Provident fund, Employees' State Insurance and Tax Deducted at Source)	327	270
Deposit Received from DHL Express (India) Private Limited	150	150
Other payables	686	348
<b>Total</b>	<b>6,211</b>	<b>4,129</b>
<b>11. SHORT TERM PROVISIONS</b>		
<b>Provision for Employee Benefits:</b>		
[Refer notes 2 (i) and 23]		
Provision for Gratuity	94	33
Provision for Compensated absences	111	74
<b>Total</b>	<b>205</b>	<b>107</b>

### 12. FIXED ASSETS

[Refer Notes 2(c), 2(d) and 25]

in ₹ Lacs

Description of Assets	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK
	Opening Balance as at April 1, 2015	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2016	Opening Balance as at April 1, 2015	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	5,551	-	-	5,551	2,151	298	-	2,449	3,102
Aircraft Rotable Parts (Refer Note (a) below)	11,550	518	2,120	9,948	7,475	1,003	1,894	6,584	3,364
Aircraft Components and Overhaul	15,437	3,041	2,176	16,302	7,594	3,430	2,007	9,017	7,285
Ground Equipment	7,274	610	477	7,407	2,821	606	434	2,993	4,414
Office Equipment	282	57	17	322	211	38	25	224	98
Electrical Equipment	1,079	52	66	1,065	486	121	59	548	517
Computers	757	118	192	683	600	50	190	460	223
Furniture and Fittings	1,816	6	383	1,439	941	191	381	751	688
Vehicles	570	-	95	475	468	36	91	413	62
<b>Total Tangible Assets</b>	<b>44,316</b>	<b>4,402</b>	<b>5,526</b>	<b>43,192</b>	<b>22,747</b>	<b>5,773</b>	<b>5,081</b>	<b>23,439</b>	<b>19,753</b>

Description of Assets	GROSS BLOCK (At Cost)				AMORTISATION				NET BLOCK
	Opening Balance as at April 1, 2015	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2016	Opening Balance as at April 1, 2015	For the Year	Deductions/ Adjustments	Closing Balance as at March 31, 2016	Closing Balance as at March 31, 2016
<b>Intangible Assets:</b>									
Computers - Software	1,062	131	241	952	620	115	241	494	458
Type Certification Course	1,080	424	123	1,381	372	300	112	560	821
<b>Total Intangible Assets</b>	<b>2,142</b>	<b>555</b>	<b>364</b>	<b>2,333</b>	<b>992</b>	<b>415</b>	<b>353</b>	<b>1,054</b>	<b>1,279</b>

**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 lacs 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.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

### 12. FIXED ASSETS

[Refer Notes 2(c), 2(d) and 25]

in ₹ Lacs

Description of Assets	GROSS BLOCK (At Cost)				DEPRECIATION					NET BLOCK
	Opening Balance as at April 1, 2014	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2015	Opening Balance as at April 1, 2014	For the Year	Retained Earnings adjustment (refer note 'd' below)	Deductions/ Adjustments	Closing Balance as at March 31, 2015	Closing Balance as at March 31, 2015
<b>Tangible Assets:</b>										
Leasehold Improvements	5,551	-	-	5,551	1,852	299	-	-	2,151	3,400
Aircraft Rotable Parts (Refer Note (a) below)	10,383	1,337	170	11,550	6,241	1,350	-	116	7,475	4,075
Aircraft Components and Overhaul	21,222	962	6,747	15,437	7,180	3,920	-	3,506	7,594	7,843
Ground Equipment	6,899	443	68	7,274	2,256	506	127	68	2,821	4,453
Office Equipment	402	49	4	447	144	63	76	4	279	168
Electrical Equipment	880	79	11	948	341	105	5	8	443	505
Computers	688	64	29	723	553	51	-	29	575	148
Furniture and Fittings	1,525	294	3	1,816	760	174	9	2	941	875
Vehicles	580	-	10	570	414	57	6	9	468	102
<b>Total Tangible Assets</b>	<b>48,130</b>	<b>3,228</b>	<b>7,042</b>	<b>44,316</b>	<b>19,741</b>	<b>6,525</b>	<b>223</b>	<b>3,742</b>	<b>22,747</b>	<b>21,569</b>

Description of Assets	GROSS BLOCK (At Cost)				AMORTISATION					NET BLOCK
	Opening Balance as at April 1, 2014	Additions	Deductions/ Adjustments	Closing Balance as at March 31, 2015	Opening Balance as at April 1, 2014	For the Year	Retained Earnings adjustment (refer note 'd' below)	Deductions/ Adjustments	Closing Balance as at March 31, 2015	Closing Balance as at March 31, 2015
<b>Intangible Assets:</b>										
Computers - Software	951	111	-	1,062	529	91	-	-	620	442
Type Certification Course	655	425	-	1,080	175	197	-	-	372	708
<b>Total Intangible Assets</b>	<b>1,606</b>	<b>536</b>	<b>-</b>	<b>2,142</b>	<b>704</b>	<b>288</b>	<b>-</b>	<b>-</b>	<b>992</b>	<b>1,150</b>

**Notes:**

- a. Company has charged accelerated depreciation on certain aircraft components and overhaul and rotables parts which are unserviceable / retired from active use for operation and accordingly, depreciation charge for the current year is higher by ₹ 829 lacs for 'Aircraft Component and Overhaul' and ₹ 456 lacs for 'Aircraft Rotables Parts'.
- b. During the year, two 'C' Type aircraft engines encountered technical snag and hence, resulted in unscheduled removal from the operation. This has resulted into removal / adjustment to gross block of 'Aircraft Component and Overhaul' amounting to ₹ 4,870 lacs (accumulated depreciation of ₹ 2,371 lacs) and the remaining unabsorbed written down value of ₹ 2,499 lacs is written off and disclosed under Note 22 as 'Rotables / Component & Overhaul write off'.
- c. During the year, the Company has returned one leased Aircraft to the lessor. The improvements made on such leased aircraft which were capitalised under 'Aircrafts Component and Overhaul' amounting to ₹ 1,877 lacs (accumulated depreciation of ₹ 1,136 lacs) have been removed and the remaining unabsorbed written down value of ₹ 741 lacs is written off and disclosed under Note 22 as 'Rotables / Component & Overhaul write off'.
- b. In accordance with the provisions of Schedule II of the Act, in case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) amounting to ₹ 147 lacs (net of deferred tax of ₹ 76 lacs) as a transitional provision has been recognised in the Retained Earnings.
  - Further, in case of assets acquired prior to 1st April 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April, 2014
  - Depreciation and amortization expenses for the year would have been lower by ₹ 410.92 lacs, had the Company continued with the previous assessment of useful life of such assets which were largely in line with Schedule XIV of the Companies Act, 1956.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good, unless otherwise stated)		
Advance Tax (Net of Provision of ₹ 3438 (lacs), previous year ₹ 2570 (lacs))	668	409
Deposits	793	663
Capital Advances	80	10
Other Loans and Advances:		
Prepaid Expenses	26	89
<b>Total</b>	<b>1,567</b>	<b>1,171</b>
<b>14. OTHER NON-CURRENT ASSETS</b>		
Long term deposits with banks with maturity period more than 12 months (Refer note (a) below)	1	4
<b>Total</b>	<b>1</b>	<b>4</b>
Note : a) An amount of Rs. 1 (in lacs) [Previous year Rs. 4 (in lacs)] in the deposit accounts above were given as security against certain facilities availed from the Airports Authority of India.		
<b>15. INVENTORIES [Refer note 2(f)]</b>		
Consumables(@)	1,313	1,245
Loose Tools	279	235
<b>Total</b>	<b>1,592</b>	<b>1,480</b>
@ Net of provision for slow-moving items of ₹ 638 (lacs), (Previous Period - ₹ 505 lacs)		
<b>16. TRADE RECEIVABLES</b>		
(Unsecured considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	281	1,732
<b>Total</b>	<b>281</b>	<b>1,732</b>
<b>17. CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	3	4
Balances with banks		
In current accounts	19	93
<b>Total</b>	<b>22</b>	<b>97</b>
<b>18. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Prepaid Expenses	667	520
Balance with Government Authorities	93	118
Others	138	116
<b>Total</b>	<b>898</b>	<b>754</b>
<b>19. OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Interest Accrued on Deposits*	-	-
Other receivables arising from Return of Aircraft	818	-
*Amount is below the rounding off norm adopted by the Company		
<b>Total</b>	<b>818</b>	<b>-</b>

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
<b>20. REVENUE FROM OPERATIONS</b>		
Express Air Charter Services [Refer Note 2(g)]	57,478	64,831
<b>Other Operating Income</b>		
Business Support Service Income [Refer Note 2(g)]	758	732
<b>Total</b>	<b>58,236</b>	<b>65,563</b>
<b>21. OTHER INCOME</b>		
Interest on deposits with banks* [Refer Note 2(g)]	-	4
Sale of Spares / Services	208	101
Capital Expenditure Reimbursement on return of aircraft	750	-
Provision/Liabilities no longer required written back	51	187
Miscellaneous Income	136	65
<b>Total</b>	<b>1,145</b>	<b>357</b>
* Amount is below the rounding off norm adopted by the Company		
<b>22. OPERATING COSTS</b>		
Aircraft Fuel	16,571	22,308
Aircraft and Engine Lease Rentals [Refer Note 2(j)]	6,640	6,822
Navigation Charges	3,553	3,166
Engineering Maintenance Costs	1,174	1,798
Loss on sale/scraping of Rotables/Components & Overhaul written off [Refer Note 12]	344	3,294
Consumption of Stores and Spare Parts	1,165	1,055
Provision for slow-moving inventory	133	305
Aircraft Insurance	206	197
Handling and Clearing	553	495
Interline Expenses	284	330
<b>Total</b>	<b>30,623</b>	<b>39,770</b>
<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Bonus and Leave Encashment	11,655	9,730
Contribution to provident and other funds	303	213
Gratuity	404	106
Staff Welfare Expenses	853	722
<b>Total</b>	<b>13,215</b>	<b>10,771</b>

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

	Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
<b>I. Defined Contribution Plans</b>		
- Employer's Contribution to Provident Fund	199	128
- Employer's Contribution to Employees' State Insurance	14	15
- Employer's Contribution to Employees' Pension Scheme 1995	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, 2016

### II. Defined Benefit Plan

Valuations in respect of Gratuity has been carried out by an independent actuary, as at the Balance sheet date, based on the following assumptions:

	Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
Discount Rate (per annum)	7.96%	8.03%
Rate of increase in Compensation levels	7.25%	7.25%
Rate of Return on Plan Assets	7.96%	8.03%

#### A) Changes in the Present Value of Obligation

Present Value of Obligation at the beginning of the year	725	544
Interest Cost	58	51
Current Service Cost	54	42
Benefits Paid	(90)	(32)
Actuarial (gain)/ loss on obligations	369	121
<b>Present Value of Obligation as at year end</b>	<b>1,116</b>	<b>725</b>

#### (B) Changes in the Fair value of Plan Assets

Fair Value of Plan Assets at the beginning of the year	692	605
Expected Return on Plan Assets for the year	56	56
Actuarial Gains on Plan Assets for the year	21	(9)
Contributions for the year	343	72
Benefits Paid for the year	(90)	(32)
<b>Fair Value of Plan Assets at year end</b>	<b>1,022</b>	<b>692</b>

#### (C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

Present Value of funded obligation as at the year end	(1,116)	(725)
Fair Value of Plan Assets as at the end of the year	1,022	692
Funded Status	(94)	(33)
Present Value of unfunded Obligation as at the year end	Nil	Nil
Unrecognised Actuarial (gains)/ losses	Nil	Nil
<b>Unfunded Net Asset/ (Liability) Recognised in Balance Sheet</b>	<b>-</b>	<b>-</b>

#### (D) Amount recognised in the Balance Sheet

Present Value of Obligation at the end of the year	(1,116)	(725)
Fair Value of Plan Assets as at the end of the year	1,022	692
<b>Asset / (Liability) recognised in the Balance Sheet</b>	<b>(94)</b>	<b>(33)</b>

#### E ) Expenses recognised in the Statement of Profit and Loss

Current service cost for the year	54	42
Past service cost for the year	-	-
Interest cost for the year	58	50
Expected return on plan assets for the year	(56)	(56)
Curtailement cost/ (credit)	Nil	Nil
Settlement cost/ (credit)	Nil	Nil
Net actuarial (gain)/ loss recognised in the year	348	129
<b>Total Expenses / (Gain) recognised in the Statement of Profit and Loss for the year *</b>	<b>404</b>	<b>166</b>

\*Excess payment of ₹ 60 lacs made to the Gratuity Fund in FY 2013-14 is adjusted in the FY 2014-15

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2016

#### F) 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 and Regulatory Development Authority (IRDA) regulations.

#### G) (i) Expected gratuity contribution for the next year is aggregating Rs.176.48 lacs (Previous Period is Rs 87 lacs)

(ii) Net Asset / (Liability recognised in Balance Sheet) :

#### I. Net Asset / (Liability) recognised in Balance Sheet:

	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	15 Months Period ended 31 March, 2013	As at 31 December 2011
	<b>in ₹ Lacs</b>				
Present Value of Obligation at the close of the year	(1,116)	(725)	(544)	(598)	(372)
Fair Value of Plan Assets at the close of the year	1,022	692	604	501	406
Asset / (Liability) recognised in the Balance Sheet	(94)	(33)	Nil	(97)	34
<b>Change in Defined Benefit Obligation (DBO) during the year ended</b>					
Actuarial (gain) / loss for the year	369	121	(132)	178	(66)
<b>Change in the Fair Value of Plan Assets</b>					
Actuarial (gain) / loss for the year	21	9	6	39	5
<b>Experience Adjustments</b>					
Experience Adjustment on plan liabilities gain / (loss) for the year	361	124	(53)	148	(33)
Experience Adjustment on plan assets gain / (loss) for the year	21	9	6	39	6
<b>II. Actuarial Assumptions:</b>					
Discount Rate	7.96%	8.03%	9.31%	8.50%	8.25%
Expected Return on Plan Assets	7.96%	8.03%	9.31%	8.50%	8.25%
Salary Growth Rate	7.25%	7.25%	7.25%	7.25%	7.25%
Attrition Rate	1.00%	1.00%	1.00%	1.00%	1.00%

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.

#### H) Other Long-term Employee Benefits

The liabilities for Compensated Absences as at the year end were Rs. 386 (Lacs) [Previous Period Rs.249 (Lacs)]

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
<b>24. FINANCE COSTS</b>		
Interest Expense:		
- On Term loans	584	583
- On Unsecured term Loan from Blue Dart Express Limited	1,121	1,738
- On Others	13	1
<b>Total</b>	<b>1,718</b>	<b>2,322</b>
<b>25. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Tangible assets	5,773	6,525
Amortisation on Intangible assets	415	288
<b>Total</b>	<b>6,188</b>	<b>6,813</b>
<b>26. OTHER EXPENSES</b>		
Rent [Refer Note 28]	3,638	2,664
Electricity	341	310
Repairs and Maintenance - Others	808	593
Communication Expenses	100	94
Directors sitting fees	12	7
Legal and Professional Expenses	108	71
Payment to Auditors		
As Auditor:		
Statutory Audit fees	16	14
Tax Audit fees	4	4
Reimbursement of Expenses*	0	0
Rates and taxes	73	68
Insurance	154	139
Lease and Hire charges [Refer Note 2(j) & Note 28]	29	23
Loss on Sale/Scrapping of Assets*	22	-
Net Loss on Foreign Currency Transactions and Translation [Refer Note 2(h)]	129	212
Printing and Stationery	214	196
Subscriptions Charges	276	236
Travelling Expenses	493	474
Miscellaneous expenses	754	645
<b>Total</b>	<b>7,171</b>	<b>5,750</b>
* Amount is below the rounding off norm adopted by the Company		
<b>27. EARNINGS PER SHARE</b>		
Profit for the year	312	439
Weighted average number of shares (Nos.)	2,40,00,000	2,40,00,000
Basic and Diluted Earnings Per Share (In ₹)	1.30	1.83
Nominal value of shares outstanding (In ₹)	10	10
<b>28. OPERATING LEASES [Refer Note 2(j)]</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 7 to 12 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, 2016

	Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
<b>Operating Lease – Aircraft / Aircraft Engines</b>		
<b>Period</b>		
Upto one year	6,787	6,067
One to five years	23,944	23,775
Above five years	15,938	19,160
Charge for the year	6,640	6,821
<b>Operating Lease – Leasehold Land</b>		
<b>Period</b>		
Upto one year	344	312
One to five years	442	785
Above five years	-	-
Charge for the year	313	284

Company has entered into various cancellable leasing arrangements for motor cars, office equipments and for official premises. The lease rentals for motor cars is ₹ 82 (lacs) [Previous period ₹ 86 (lacs)], the same has been included under the head “Employee Benefits Expense Salaries, Bonus and Leave Encashment” under note 23 forming part of the Statement of Profit and Loss. Lease rentals for office equipments of ₹15 (lacs) [Previous period ₹ 5(lacs)] has been included under the head “Other Expenses - Lease and Hire charges” and lease rentals for official premises for the current period is ₹ 3638 (lacs) [Previous period ₹ 2,664 (lacs)] has been included under the head “Rent” under Note 26 forming part of the Statement of Profit and Loss.

### 29. 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.

### 30. RELATED PARTY DISCLOSURES

#### (a) NAME OF RELATED PARTIES AND NATURE OF RELATIONSHIP:

##### (i) Holding Company

Blue Dart Express Limited {Effective from June 22, 2015}

##### (ii) Key Management Personnel

Ms. Tulsi Nowlakra Mirchandaney

Managing Director

##### (iii) Entities under common control where transaction have taken place

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

##### (iv) Entities in which a Director is interested

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

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
<b>(B) TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:</b>		
<b>NATURE OF TRANSACTIONS:</b>		
<b>(i) <u>With Blue Dart Express Limited</u></b>		
Express Air Charter Service Income	57,478	64,831
Interest charges incurred on Term Loan	1,121	1,738
Courier charges incurred	26	36
Unsecured Term Loan repaid during the year	3,208	6,943
<b>(ii) <u>With Key Management Personnel</u></b>		
Remuneration paid :		
Ms. Tulsi Nowlakha Mirchandaney	220	205
<b>(iii) <u>Entities under common control :</u></b>		
<b>a) <u>Concorde Air Logistics Limited:</u></b>		
Clearing and Forwarding charges	97	175
Agency charges incurred for customs clearing	12	19
<b>b) <u>With DHL Express India Private Limited</u></b>		
Business support services income	758	732
Other income	82	54
Courier charges incurred	156	229
Other Reimbursements	8	10
<b>c) <u>With European Air Transport, Leipzig GmbH</u></b>		
Aircraft spares /Repairs	12	26
<b>d) <u>With DHL Aviation (Netherlands) B.V.</u></b>		
Aircraft Dry Lease	5,964	6,822
<b>e) <u>With DHL Aviation EEMEA, Kingdom of Bahrain</u></b>		
Received towards Sale of Aircraft parts	38	65
Purchase of Aircraft parts (Payable)	0	12
<b>f) <u>With DHL Logistics Private Limited</u></b>		
Rental Income	31	39
Clearing and Forwarding charges	-	8
<b>g) <u>With Delhi Cargo Service Centre Pvt., Ltd.,</u></b>		
Interline Expenses	9	10
<b>h) <u>With Cargo Service Centre India Pvt., Ltd.,</u></b>		
Interline Expenses	15	5
<b>i) <u>With DHL WorldWide Network NV/SA</u></b>		
Payment towards Engineering & Maintenance ERP	277	-
<b>(C) RELATED PARTY BALANCES:</b>		
<b>(a) <u>Blue Dart Express Limited</u></b>		
Aircraft Payload Deposit	2,150	2,150
Account Receivable(net)	182	1,603
Outstanding Unsecured Term Loan	9,348	12,556
<b>(b) <u>DHL Express India Private Limited</u></b>		
Outstanding Security Deposit	1,248	1,398
Receivables towards Other income(net)	71	111
<b>(c) <u>DHL Logistics Private Limited</u></b>		
Outstanding Security Deposit	-	9

## SCHEDULES

### Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	Year ended March 31, 2016 in ₹ Lacs	Year ended March 31, 2015 in ₹ Lacs
<b>(d) DHL Aviation (Netherlands) B.V.</b>		
Payable towards Aircraft Dry Lease charges	1,825	978
Receivable towards capital expenditure on return of Aircraft	818	-
<b>(e) Concorde Air Logistics Limited</b>		
Payable	1	7
<b>(f) Cargo Service Center India Private Limited</b>		
Payable towards Interline	1	1
<b>(g) Delhi Cargo Service Center Private Limited</b>		
Payable towards Interline	1	1
<b>(h) European Air Transport, Leipzig GmbH</b>		
Payable towards Aircraft spares/Repairs	-	11
<b>(D) Corporate Guarantee provided by Blue Dart Express Limited on behalf of the Company and outstanding as at the year end amounts to Rs. 6,000 (Lacs) [Previous Period Rs.10,600 (Lacs)]</b>		
<b>(E) As referred in Note 5, with respect to unsecured term loan of Rs 6,000 (lacs) taken from Barclays Bank Plc during the year 2013-14, for which the debt covenants are to be met by Blue Dart Express Limited.</b>		

### 31. DUES TO MICRO AND SMALL ENTERPRISES

Particulars	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	15	5
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	Nil	Nil
Principal amounts paid to suppliers registered under the 'MSMED Act beyond the appointed day during the period	Nil	Nil
Interest paid, other than under Section 16 of MSMED Act 'to suppliers registered under the MSMED Act beyond the appointed day during the period	Nil	Nil
Interest paid, under Section 16 of MSMED Act to suppliers 'registered under the MSMED Act beyond the appointed day during the period	Nil	Nil
Interest due and payable towards suppliers registered 'under MSMED Act for payments already made	Nil	Nil
Further interest remaining due and payable for earlier years	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises given in Note 9 - Trade Payables has been determined to the extent such parties have been identified on the basis of information available with the Company.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
<b>32. CAPITAL AND OTHER COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	183	305

### 33. DETAILS OF FOREIGN CURRENCY BALANCES NOT HEDGED:

Particulars	Foreign Currency Denomination	Foreign Currency	
		Amount in ₹ Lacs	Amount in ₹ Lacs
<b>Assets (Receivables)</b>			
Current Year	USD	-	-
Previous Year	USD	-	-
Current Year	EURO	11	818
Previous Year	EURO	-	-
<b>Liabilities (Payables)</b>			
Current Year	USD	19	1,250
Previous Year	USD	23	1,444
Current Year	EURO	17	1,285
Previous Year	EURO	8	528
Current Year	GBP	0	7
Previous Year	GBP	0	9

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

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Accounting Standard 11- 'The effects of Changes in Foreign Exchange Rates (Revised 2003)'.

34. During the year, the Company has repaid ₹ 3,208 lacs (Previous period ₹ 6,943 lacs which includes one time repayment ₹ 3,373 lacs over and above amortization of loan schedule) towards the unsecured interest bearing loan borrowed from Blue Dart Express Limited. As at March 31, 2016 the outstanding loan balance is ₹ 9,348 (lacs), [Previous period ₹ 12,556 (lacs)] of which ₹ 3,911 (lacs) [Previous period ₹ 3,208 (lacs)] is payable within 12 months of balance sheet date. In respect of the aforesaid loans which have been granted in 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.

	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
<b>35. VALUE OF IMPORTS CALCULATED ON C I F BASIS</b>		
<b>Consumables:</b>		
Consumables and Loose Tools*	1,169	1,108
<b>Capital Good:</b>		
Aircraft Rotable Parts (Capital Goods)	518	1,335
Components and Overhaul	3,041	807
Computer Software	48	66
Office Equipment	32	-
Ground Handling Equipment	433	277
<b>Total</b>	<b>5,241</b>	<b>3,593</b>

\* The above information is disclosed on C & F basis since the Company has taken a global insurance policy for all stocks & it is not possible to allocate the same to individual purchases.

## SCHEDULES

Notes forming part of Financial Statements as of and for the year ended March 31, 2016

	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
<b>36. EXPENDITURE IN FOREIGN CURRENCY</b>		
Consultancy Services	0	38
Conference Expenses	10	-
Lease rental	6,640	6,822
Foreign travel	116	83
Repairs of Rotables, Aircraft parts and maintenance	908	1,082
Training	403	251
Engine Repair	-	248
Ferry Flight Expenses	-	32
Membership and Subscriptions	271	232
Navigation Expenses	17	1
<b>Total</b>	<b>8,365</b>	<b>8,789</b>

	As at March 31, 2016 in ₹ Lacs	%	As at March 31, 2015 in ₹ Lacs	%
<b>37. VALUE OF IMPORTED AND INDIGENOUS STORES AND SPARES CONSUMED</b>				
Imported	884	76	815	77
Indigenous	281	24	240	23
<b>Total</b>	<b>1165</b>	<b>100</b>	<b>1055</b>	<b>100</b>

	As at March 31, 2016 in ₹ Lacs	As at March 31, 2015 in ₹ Lacs
<b>38. EARNINGS IN FOREIGN CURRENCY</b>		
Capital Expenditure reimbursement	750	3,476
Other Reimbursement	16	13
Others	5	-
Flight Safety Training	4	2
Sales of Aircraft Parts	43	71
Overlap of Lease Rentals	30	-
<b>Total</b>	<b>848</b>	<b>3,562</b>

### 39. PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

The previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's classification.

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

As per our report of even date.

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

**Sumit Seth**  
Partner  
Membership No. 105869

Place: Mumbai  
Date: April 15, 2016

For and on behalf of the Board of Directors

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

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

Place: Mumbai  
Date: April 15, 2016

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

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

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

**P. Parameshwaran**  
Chief Financial Officer