



# **CONCOR AIR LIMITED**

**(A Wholly Owned Subsidiary of CONCOR)**

**4<sup>th</sup> Annual Report  
(2015-16)**

## ***VISION***

Our vision is to expand our span of operations and establish ourselves as market leader in the Air Cargo industry.

## ***MISSION***

Our mission is to provide quality air cargo logistics services and solutions at cost effective prices thereby enabling us to deliver consistent value to our community partners and also ensuring profitability and growth.

## ***CORPORATE OBJECTIVES***

- To carry on the business of multimodal transport operators, general carrier of the international and domestic cargo within India and abroad by all modes and mixes such as road, rail, sea, air, inland water transport and ropeways.
- To set up and manage consolidation and air cargo handling terminals such as Air Freight Stations (AFSs) and undertake bonded trucking of air cargo at suitable and feasible locations for facilitating export from inland locations.
- To provide warehousing facilities for import, export and domestic cargo at suitable locations in India and abroad.
- To carry out value added services in supply chain like clearing and forwarding for facilitating air cargo movements within India and abroad.

**CONCOR AIR LIMITED**  
**(A Wholly Owned Subsidiary of CONCOR)**  
**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

SHRI ANIL KUMAR GUPTA	CHAIRMAN
DR. P. ALLI RANI	DIRECTOR
SHRI V. KALYANA RAMA (w.e.f.09.12.2015)	DIRECTOR
SHRI KAMAL JAIN (w.e.f.09.12.2015 & upto 16.06.2016)	DIRECTOR
SHRI.SHARAT SUDHAKAR CHANDRAYAN (w.e.f.27.07.2016)	DIRECTOR
MAJOR GENERAL (RETD.) RAJ KRISHAN MALHOTRA (w.e.f.28.04.2016)	DIRECTOR (INDEPENDENT)
SHRI SANJEEV S.SHAH (w.e.f.28.04.2016)	DIRECTOR (INDEPENDENT)

**STATUTORY AUDITORS**

SANJEEV SAXENA & CO.  
FLAT NO.110GF 4855/24 ANSARI ROAD  
NEW DELHI- 110002

**REGD. OFFICE**

CONCOR BHAWAN, C-3,  
MATHURA ROAD,  
NEW DELHI- 110076

**BANKERS**

VIJAYA BANK  
YES BANK

**FOUR YEAR FINANCIAL / PHYSICAL PERFORMANCE (YEAR WISE DATA)**

**FINANCIAL PERFORMANCE**

SL.NO	PARTICULARS	2012-13	2013-14	2014-15	2015-16
1	Total Income ( Including Other Income)	1,005,487	414,325,341	3,043,050,079	3,433,734,545
2	Expenditure	128,351	358,936,823	2,754,792,086	3,073,878,573
3	Operating Margin( 1-2)	877,136	55,388,518	288,257,993	359,855,972
4	Interest Expenses	-	54,089,982	116,375,096	116,375,000
5	Depreciation	-	2,460,276	10,397,873	12,580,855
6	Profit Before Tax	877,136	1,298,536	171,882,897	243,480,972
7	Profit After Tax	566,441	982,690	113,416,204	150,990,205
8	Dividend				-52,933,449
9	Profit & Loss Account Balance	566,441	1,549,131	114,965,335	213,022,092
10	General Reserve				
11	Term Loan				
12	Reserve & Surplus ( 9+10)	566,441	1,549,131	114,965,335	213,022,092
13	Fixed Assets ( Gross Block)	18,256,411	80,056,807	185,097,133	377,761,528
14	Sundry Debtors	-	79,982,478	84,385,580	128,817,750
15	Foreign Exchange Earnings				
16	Share Capital	366,500,000	366,500,000	366,500,000	366,500,000
17	Capital Employed	366,500,000	366,500,000	366,500,000	366,500,000
18	Government Investment				
19	Net Worth ( 12+16)	367,066,441.00	368,049,131.36	481,465,335.15	579,522,091.62
20	Profit Before Tax to Capital Employed	0.24	0.35	46.90	66.43
21	Operating Margin to Capital Employed	0.24	15.11	78.65	98.19
22	Profit After Tax to Share Capital	0.15	0.27	30.95	41.20
23	Expenditure to Income	12.77	86.63	90.53	89.52
24	Number of Employee	7	10	16	19
25	Income per Employee	143,641	41,432,534	190,190,630	180,722,871
26	Foreign Exchange Earning per Employee	0	0	0	0
27	Current Ratio	0	2.10	1.67	1.48
28	Debt Equity Ratio	0	3.41	3.41	3.41
29	Investment	0	0	0	0
	<b>PHYSICAL PERFORMANCE ( In MT)</b>				
1	International Handling	0	35,976	308,583	320,190
2	Domestic Handling	0	57,692	69,216	70,507
3	Total ( 1+2)	0	93,668	377,798	390,698

**CONCOR AIR LIMITED**  
**(A Wholly Owned Subsidiary of CONCOR)**

**04<sup>th</sup> Annual Report (2015-16)**

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कॉनकोर एअर लिमिटेड  
(भारत सरकार का उद्यम)  
**CONCOR AIR LIMITED**  
(A Govt. of India Enterprise)  
(A fully owned subsidiary of CONCOR, Ministry of Railways)

2nd Floor, Heavy Cargo Building, CSIA,  
Air Cargo Complex, Sahar,  
Andheri (E), Mumbai- 400 099.  
Tel.: 6685 9841, 6685 9840, Fax : 6685 9842,  
E-mail : ops@concorair.in

## NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the Shareholders of the Company will be held as under:

Day : Tuesday  
Date : 09<sup>th</sup> August, 2016  
Time : 10:00 Hrs.  
Venue : Conference Room, CONCOR Bhawan,  
C-3, Mathura Road, New Delhi - 110076.

to transact, with or without modifications, as may be permissible, the following business:

### ORDINARY BUSINESS:

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2016, Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To confirm the payment of dividend on equity shares for the financial year ended March 31, 2016.
3. To appoint a Director in place of Shri Anil Kumar Gupta, who retires by rotation and being eligible, offer himself for reappointment.
4. To appoint a Director in place of Dr. P. Alli Rani, who retires by rotation and being eligible, offer herself for reappointment.
5. To take note of the appointment of M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution :

"RESOLVED that the appointment of M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company for the financial year 2015-16 in terms of

शुभ  
क्षेत्रीय कार्यालय : 5वीं मंजिल, न्यू एडमिनिस्ट्रेटिव बिल्डिंग, सेंट्रल रेलवे, डी. एन. रोड, मुंबई-400 001. • दूरभाष : 2262 2053/2054 • फैक्स : 2262 4497  
Regional Office : 5th Floor, New Administrative Building, Central Railway, D.N. Road, Mumbai - 400 001. • Tel. : 2262 2053/2054 • Fax : 2262 4497  
पंजीकृत कार्यालय : कॉनकोर भवन, सी-3, मथुरा रोड, अपोलो अस्पताल के सामने, नई दिल्ली - 110 076. • दूरभाष : 4167 3093/94/95/96 • फैक्स : 4167 3112  
Corp. Off.: CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi - 110 076. • Tel.: 4167 3093/94/95/96 • Fax : 4167 3112

the order no. CA.V/COY/CENTRAL GOVERNMENT/CONAIR(0)/216 dated 08.07.2015 of Comptroller & Auditor General of India be and is hereby noted.

RESOLVED FURTHER THAT the Board of directors of the company be and is hereby authorized to determine and approve the fees for the statutory audit or any other audit as may be required under any law for the time being in force for the Financial year 2015-16 and onwards."

SPECIAL BUSINESS:

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:

6. "RESOLVED that the appointment of Shri V. Kalyana Rama w.e.f. 09.12.2015, by the Board of directors be and is hereby confirmed and shall be liable to retire by rotation."
7. "RESOLVED that the appointment of Maj. Gen. (Retd.) Raj Krishan Malhotra w.e.f. 28.04.2016, by the Board of directors be and is hereby confirmed and shall be liable to retire by rotation."
8. "RESOLVED that the appointment of Shri Sanjeev S. Shah w.e.f. 28.04.2016, by the Board of directors be and is hereby confirmed and shall be liable to retire by rotation."
9. "RESOLVED that the appointment of Shri Sharat Sudhakar Chandrayan w.e.f. 27.07.2016, by the Board of directors be and is hereby confirmed and shall be liable to retire by rotation."

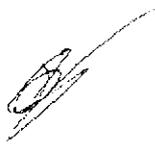
To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**10. CONSIDERATION OF SHIFTING OF REGISTERED OFFICE FROM NCT OF DELHI TO STATE OF MAHARASHTRA**

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013, and other applicable provisions, if any, and subject to confirmation/ approval by the Regional Director or any other authorities, if any, the registered office of the Company be shifted from the NCT of Delhi to the State of Maharashtra.

RESOLVED FURTHER THAT Clause II of the Memorandum of Association of the Company be and is hereby substituted with the following new Clause:

II. The Registered Office of the Company will be situated in the State of Maharashtra.



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to make necessary application and/or petition with the Regional Director or any other concerned authorities, if any, and to agree to such conditions or modifications that may be imposed, required or suggested by Regional Director or any other authorities, if any, or that may otherwise be deemed fit or proper by the Board and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters and things as may be required, necessary, proper or expedient, to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate all or any of the abovementioned authorities to any Director(s) or to any one or more advisors or consultants to act on behalf of the Company."

Date : .....2016  
Place : New Delhi

By order of Board of  
CONCOR AIR LIMITED

(Anil K. Sonawane)  
(Chief Executive Officer)



NOTES:

(a) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.6

As per the provisions of clause 86(b) of the Articles of Association of the company, subject to the provisions of the Companies Act, 2013 and government guidelines in force, the members of the

Board of the company shall be appointed by CONCOR who shall also determine the period for which they may hold their office.

Accordingly, CONCOR has appointed Shri V. Kalyana Rama, on the Board of the company as a Director.

In terms of Section 152 of the Companies Act, 2013, the above appointment is required to be confirmed in this Annual General Meeting.

None of the Directors, except Shri V. Kalyana Rama is concerned or interested in the resolution.

**Item No.7**

As per the provisions of clause 86(b) of the Articles of Association of the company, subject to the provisions of the Companies Act, 2013 and government guidelines in force, the members of the Board of the company shall be appointed by CONCOR who shall also determine the period for which they may hold their office.

Accordingly, CONCOR has appointed Maj. Gen. (Retd.) Raj Krishan Malhotra, on the Board of the company as an Independent Director.

In terms of Section 152 of the Companies Act, 2013, the above appointment is required to be confirmed in this Annual General Meeting.

None of the Directors, except Maj. Gen. (Retd.) Raj Krishan Malhotra is concerned or interested in the resolution.

**ITEM NO. 8**

As per the provisions of clause 86(b) of the Articles of Association of the company, subject to the provisions of the Companies Act, 2013 and government guidelines in force, the members of the Board of the company shall be appointed by CONCOR who shall also determine the period for which they may hold their office.

Accordingly, CONCOR has appointed Shri Sanjeev S. Shah, on the Board of the company as an Independent Director.

In terms of Section 152 of the Companies Act, 2013, the above appointment is required to be confirmed in this Annual General Meeting.

None of the Directors, except Shri Sanjeev S. Shah is concerned or interested in the resolution.

**Item No.9**

As per the provisions of clause 86(b) of the Articles of Association of the company, subject to the provisions of the Companies Act, 2013 and government guidelines in force, the members of the

Board of the company shall be appointed by CONCOR who shall also determine the period for which they may hold their office.

Accordingly, CONCOR has appointed Shri Sharat Sudhakar Chandrayan, on the Board of the company as a Director.

In terms of Section 152 of the Companies Act, 2013, the above appointment is required to be confirmed in this Annual General Meeting.

None of the Directors, except Shri Sharat Sudhakar Chandrayan is concerned or interested in the resolution.

**ITEM NO. 10**

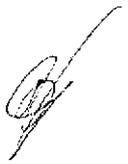
**CONSIDERATION OF SHIFTING OF REGISTERED OFFICE FROM NCT OF DELHI TO STATE OF MAHARASHTRA**

The registered office of the Company is presently situated at CONCOR Bhawan, C-3 Mathura Road, Opposite Apollo Hospital, New Delhi - 110076. All Domestic and International Cargo operations dealt by the company are based in Mumbai, Maharashtra. Company has recently developed and inaugurated a new facility i.e. SACT at Mumbai Airport on 06.06.2016. The SACT has all the facilities such as office space, warehouse etc. and full-fledged operations have also started. Keeping in view the administrative convenience, cost effectiveness, growth potential and the opportunities existing, it is feasible and advisable for the Company to maintain its registered office at Mumbai, Maharashtra.

Accordingly, the Board is proposing to shift the registered office of the Company from the NCT of Delhi to the State of Maharashtra by amending clause II of the Memorandum.

Approval of the members of the Company, by way of Special Resolution, is required to give effect to the proposed shifting of the Registered Office. The proposal will be effective only on the confirmation by the Regional Director or any other concerned authorities, if any. The Company will approach the Regional Director or any other concerned authorities, if any, after passing of the aforesaid special resolution by the members.

None of the Directors are deemed to be interested or concerned in the resolution.



Details of Directors seeking re-appointment/appointment at the following Annual General Meeting

Name & Designation	Date of Birth	Date of Appointment	Qualification	Expertise in specific functional areas	List of other companies in which Directorship held (as per their last declaration)	Details of Other Committee Membership
Shri Anil Kumar Gupta DIN: 00066328	24.09.1956	16.08.2012	M.A., M. Phil. (Economics), M.B.A. (NMP)	Ex - IRTS officer with professional experience in Railway Operations, Commercial & Safety. Expertise in Container Terminal Planning and management & marketing of logistics services	3 (Note 1)	1
Dr. P. Alli Rani DIN: 02305257	15.05.1960	24.07.2012	M.A., M. Phil (Economics), MBA (Fin.), PhD in Economics	Ex IRAS officer. Worked in Railway Finance for 23 years. Had exposure to telecom finance also.	6 (Note 2)	9
Shri V. kalyana Rama DIN: 07201556	28.09.1963	09.12.2015	B. Tech (Mech.) and ICWA	Ex-Railway officer with wide experience in the field of Engineering, system design, Railways, Multi-modal logistics operations and project planning & commissioning.	3 (Note 3)	2
Maj. Gen. (Retd.) Raj Krishan Malhotra DIN:07483272	02.09.1949	28.04.2016	MPhil and MSc	Took active part in the 1971 Indo-Pak war, Recipient of the Ati Vishisht sewa Medal (AVSM) and Vishisht Sewa Medal (VSM) from the President of India, has been the member secretary of a National Level Task Force on Indigenization of defence Products and improvement of processes and policy; also served Indian Army in number of manner.	4 (Note 4)	2
Shri Sanjeev S. Shah DIN:00323163	08.06.1960	28.04.2016	Chartered Accountant, B.Sc and C.F.E.	CA in practice having experience in the area of Finance & Law, Merger & Acquisitions, Corporate Finance, Acquisition	5 (Note 5)	5

				Strategies, Due Diligence, Institutional and Private Equity, Capital Restructuring & Rehabilitation, drafting and vetting of Legal Documents.		
Shri Sharat Sudhakar Chandrayan DIN: 07565063	23.10.1968	27.07.2016	M.Sc (Physics)	Wide experience in the field of Operations, Commercial, Safety and Public Relations.	Nil	Nil

Note

- 1: Container Corporation of India Ltd., Fresh & Healthy Enterprises Ltd., SIDCUL CONCOR Infra Company Ltd.,
- 2: CMA CGM Logistics Park (Dadri) Pvt. Ltd., Himalayan Terminals Pvt. Ltd., Fresh & Healthy Enterprises Ltd., SIDCUL CONCOR Infra Company Ltd., Container Corporation of India Ltd., Punjab Logistics Infrastructure Ltd.
- 3: Container Corporation of India Ltd., Angul Sukunda Railway Limited, TCI-CONCOR Multimodal Solutions Pvt. Ltd.
- 4: Container Corporation of India Ltd., Fresh & Healthy Enterprises Ltd. , SIDCUL CONCOR Infra Company Ltd., Punjab Logistics Infrastructure Ltd.
- 5: Container Corporation of India Ltd., Morgan Fincons Pvt Ltd., Mapara Holdings Pvt Ltd., IOT Anwasha Engineering & Construction Limited, Fresh & Healthy Enterprises Ltd.



# **CONCOR AIR LIMITED (CAL)**

(A Wholly owned subsidiary of CONCOR)

## **Directors' Report**

To the shareholders

Your Directors are pleased to present their report on the business and operations of the Company together with the Audited Accounts for the financial year ending 31<sup>st</sup> March, 2016.

### **OPERATIONAL REVIEW**

- ❖ The company was incorporated on 24<sup>th</sup> July 2012, and got certificate of commencement of business on 8<sup>th</sup> March 2013.
- ❖ The company had executed the agreement with Mumbai International Airport Pvt. Ltd. (MIAL) for Concession for Domestic Cargo Common User Facility on 18/02/13. The company commenced Domestic Air cargo handling operation through CUT, Marol from 01/05/2013.
- ❖ The company had signed concession agreement with MIAL on 30<sup>th</sup> Nov 2013 and took over Operation and Management for International air cargo w.e.f 18/02/2014. The concession period is for 3 years i.e from 18/02/2014 till 17/02/2017. The Company has initiated talks with MIAL for further extension of concession period for 05 years.
- ❖ The land at Domestic Airport, earmarked for construction of Santacruz Air Cargo Terminal (SACT) was taken over by company on 11/03/13. Construction activity commenced in August 2013 and completed in March'2016. Permission from BCAS was received on 19.05.2016. SACT was inaugurated on June 06<sup>th</sup>, 2016 and commenced commercial operation on June 09<sup>th</sup>, 2016.
- ❖ The combined tonnage handled (International + Domestic) during the FY 15 - 16 is 3,90,693 MT which is 3.41 % higher as compared to FY 14 - 15 which was 3,77,797 MT.
- ❖ The Combined total income is higher by Rs. 39.07 Cr in FY 2015-16 as compared to FY 2014-15. Total Revenue for FY 2015-16 is Rs. 343.37 Cr. whereas, in FY 2014-15 it was Rs. 304.30 cr. with an increase by 12.84%.
- ❖ In Mar' 16, achieved highest ever EXIM tonnage handled at International Air Cargo in any given single month i.e. 30,386 MT and also highest ever import tonnage handled i.e. 16,999 MT respectively. Earlier highest was 29,387 MT in Mar-2014.
- ❖ 06 new schedule Airlines have started their operations during this Financial Year - Korean Air (Aug' 15), Uzbekistan Airlines (June' 15), Etihad Airways

(Aug' 15 – export carting & palletization), Malindo Air (Dec' 15) and Cargolux (Nov' 15), All Nippon Airways (Mar' 16).

- ❖ Non schedule freighters like Asiana Airlines, Air Shagoon, Hercules Aviation, Saarc Aviation, Shreeji Transport, Unitop Airlines, etc., are regularly operating at International Air Cargo. The combined cargo handled (Import + Export) by all these Airlines is around 50 MT per month.
- ❖ The cargo handling rates applicable at International Air cargo have been revised by 15% w.e.f. 15/06/2015 onwards, as per the approval received from AERA.

### **DIVIDEND**

Keeping in view the healthy earning for the financial year, the Board of the Company has decided to pay 14.4429% dividend (including an interim dividend @ 5%) on the paid up share capital of Rs.36.65 Cr.

### **FINANCIAL REVIEW**

The company has incurred a revenue expenditure of Rs.320.28 crores (including finance expenses of Rs. 11.63 Crore) and earned Rs.343.37 crores income. The company earned net profit of Rs.15.09 crore for the F.Y: 2015-16. The company has incurred capital expenses of Rs.32.97 crores towards tangible assets, intangible assets and capital work in progress during the year.

### **CAPITAL STRUCTURE**

The company has been incorporated with an Authorized Equity Share Capital of Rs. 50 Crores and Issued, Subscribed & Paid up Equity Share Capital of Rs. 36.65 Crore, with Container Corporation of India Ltd. (CONCOR) holding 100% of the Paid up Equity Share Capital of during the financial year 2015-16.

### **SECURED LOANS/ UNSECURED LOAN**

Unsecured loan of Rs.125 crores was taken during the initial year of the company i.e. 2013-14 from CONCOR, a holding company, and regular interest is being paid to CONCOR in time. The Board has decided to repay Rs. 20 crore loan to CONCOR, the holding company, by which the loan amount will stand reduced to Rs. 105 Crore.

### **PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT 2013**

During the year, the Company has not provided any loan, made any investment, or provided any guarantee under section 186 of Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014. Therefore, the information to be reported under section 186 of the Companies Act 2013 is NIL.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

During the year 2015-16, the Company has not entered into any contract / arrangement / transaction with related parties under section 188 of the Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 and, therefore, there is "NIL" information required to be reported under Form AOC-2 prescribed under clause (h) of sub-section (3) of Section 134 of the Companies Act 2013 and Rule 8 of Companies (Accounts) Rules 2014.

## **PARTICULARS OF EMPLOYEES UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

During the year under review, none of the employees of the Company has drawn remuneration exceeding the limits laid down to be disclosed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **HUMAN RESOURCE MANAGEMENT**

CONCOR has sanctioned seven officer/staff to be deputed w.e.f. 01.05.2013 apart from CEO, Associate Finance and Company Secretary, all on secondment basis for Domestic Air Cargo operations. Total 5 officers/staff were deployed for International Air Cargo operations as against sanctioned strength of 8 staff, apart from posting of Manager (C&O) for international cargo operations.

## **PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3) (m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence have not been provided.

Foreign Exchange Earnings	-	NIL
Foreign Exchange Outgo	-	NIL

## **AUDITORS**

M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi has been appointed as Statutory Auditors of the Company for the financial year 2015-16 in terms of the order no. CA.V/COY/CENTRAL GOVERNMENT/CONAIR(0)/216 dated 08.07.2015 of Comptroller & Auditor General of India be and is hereby noted.

## **BOARD OF DIRECTORS**

The Board met 4 (Four) times for transacting business of the Company during the financial year 2015-16.

Major General (Retd.) Raj Krishan Malhotra and Shri.Sanjeev S.Shah were appointed as Directors (Independent) of the company w.e.f. 28.04.2016. They have given declaration regarding independence.

The following Directors' were on Board till the date of the Report -:

- (1) Shri Anil Kumar Gupta, CMD/CONCOR & Chairman/CAL [DIN: 00066328];
- (2) Dr. P. Alli Rani, Director (Finance)/CONCOR & Director/CAL [DIN: 00066328];
- (3) Shri Yash Vardhan, Director (Intl. Marketing & Operations)/CONCOR & Director/CAL (upto 09.12.2015) [DIN: 01842119];
- (4) Shri Arun Kumar Shrivastava, ED/Engg./CONCOR & Director/CAL (upto 09.12.2015) [DIN: 06583208];
- (5) Shri Deepak Kapoor, GGM(AC & L)/CONCOR & Director/CAL (upto 09.12.2015) [DIN: 05281256];
- (6) Shri V. Kalyana Rama, Director (Projects & Services)/ CONCOR & Director/CAL (w.e.f 09.12.2015) [DIN: 07201556];
- (7) Shri Shriniwas Mudgerikar, CGM/ WR & Director/CAL (upto 27.11.2015) [DIN: 03498837];
- (8) Shri Kamal Jain CGM/WR & Director/CAL (w.e.f 09.12.2015 & upto 16.06.2016) [DIN: 07372698];
- (9) Shri Pradeep Bhatnagar, Director (Independent) (upto 05.03.2016) [DIN: 00196664];
- (10) Shri Mahipal Shorawala, Director (Independent) (upto 05.03.2016) [DIN: 02754082];
- (11) Major General (Retd.) Raj Krishan Malhotra Director (Independent) (w.e.f 28.04.2016) [DIN: 07483272];
- (12) Shri Sanjeev S.Shah Director (Independent) (w.e.f 28.04.2016) [DIN: 00323163];
- (13) Shri Sharat Sudhakar Chandrayan, CGM/WR & Director/CAL (w.e.f 27.07.2016) [DIN: 07565063].

## **RETIREMENT OF DIRECTORS BY ROTATION**

In terms of provisions of the Companies Act, 2013, Shri Anil Kumar Gupta CMD, CONCOR & Chairman/CAL [DIN: 00066328] & Dr. P. Alli Rani, Director (Finance)/CONCOR & Director/CAL [DIN: 00066328], are liable to retire by rotation and being eligible, offer themselves for re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company in pursuance of section 134 (5) of Companies Act 2013 confirms:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had 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 or loss of the company for that period;

- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis;
- (v) that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (vi) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CODE OF CONDUCT**

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of Model Code of Conduct prescribed in the guidelines issued by DPE for the financial year ended on March 31<sup>st</sup>, 2016.

### **CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance form an integral part of this report and has been placed as Annexure-A.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The detailed Management Discussion and Analysis form an integral part of this report and has been placed as Annexure-B.

### **EXTRACT OF ANNUAL RETURN**

In terms of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in the prescribed form MGT-9 is appended to the Board Report as Annexure-C.

**CONCLUSION**

Your Company acknowledges the support and understanding extended by Container Corporation of India Limited, Bankers and Auditors of the Company.

For and on behalf of the Board of Directors

Sd/-  
(Anil Kumar Gupta)  
Chairman

Place : New Delhi  
Date : 01/08/2016

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**CORPORATE GOVERNANCE REPORT**

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CONCOR Air Limited (CAL) is a Wholly Owned Subsidiary of Container Corporation of India Ltd. (CONCOR) to carry on mainly the business of Multimodal transport operators.

**BOARD OF DIRECTORS**

In terms of Article 86 (a) & 86(b) of Articles of Association of Company, CMD / CONCOR is the ex-officio Part-time Chairman on the Board of CAL and all other members of Board are nominated by CONCOR, subject to the provisions of Companies Act, 2013 and Govt. guidelines in force.

The Board of Directors of Company presently consists of six part-time Directors including Chairman (Ex-officio), nominated by CONCOR (Holding company). During the year, two independent directors have been appointed by CONCOR whose term of office concluded on March 05, 2016. To constitute the composition of the Board as per Companies Act, 2013 and DPE Guidelines, CONCOR has appointed two independent directors on April 28 2016.

The Board met 4 (Four) times for transacting business during the financial year 2015-16 on the following dates :-

<u>Board Meeting No.</u>	<u>Board Meeting Dates</u>
13	April 30, 2015
14	July 17, 2015
15	November 02, 2015
16	January 27, 2016

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of Model Code of Conduct prescribed in the guidelines for Corporate Governance by the Department of Public Enterprises (DPE) for the financial year ended March 31st, 2016.

The Composition of Directors, attendance at the Board Meetings during the year, the last Annual General Meeting, the number of other directorships and committee memberships are given below :-

Sl. No.	Category of Directorship	Name of Director	No. of Board Meetings Attended	No. of Other		No of Other	
				Membership	Chairmanship	Directorship	Chairmanship
(I)	<b>Part-time Ex-Officio/Non-Executive Chairman</b>						
1.	Managing Director, CONCOR	Sh Anil Kumar Gupta	Two	One	One	Three	Two
(II)	<b>Part-time /Non-Executive Directors</b>						
2.	Dir. (Intl. Mktg & Ops.)/CONCOR	Sh. Yash Vardhan*	Two	Three	Nil	Six	One
3.	Dir. (Finance)/CONCOR	Dr. P. Alli Rani	Four	Nine	Two	Six	Two
4.	ED (Engg.)/CONCOR	Sh. Arun Kumar Shrivastava*	Two	Nil	Nil	Nil	Nil
5.	GGM(AC&L)/CONCOR	Sh. Deepak Kapoor*	Three	Nil	Nil	One	Nil
6.	CGM/WR/CONCOR	Sh Shrinivas Mudgerikar#	Two	Nil	Nil	Nil	Nil
7.	Dir.(P&S)/CONCOR	Sh. V. Kalyana Rama**	One	Two	Nil	Three	Nil
8.	CGM/WR/CONCOR	Sh. Kamal Jain^	One	Nil	Nil	Nil	Nil
9.	Independent Director	Sh. Pradeep Bhatnagar@	Four	Two	Nil	Two	Nil
10.	Independent Director	Sh. Mahipal Shorawala@	Four	Two	Nil	Two	Nil
11.	Independent Director	Sh. Sanjeev S Shah%	-	-	-	-	-
12.	Independent Director	Maj. Gen. (Retd.) Raj Krishan Malhotra%	-	-	-	-	-
13.	CGM/WR/CONCOR	Shri Sharat Sudhakar Chandrayan^^	-	-	-	-	-

Notes:

# Resigned from directorship on 27.11.2015. Details of other Directorship/Chairmanship, other committee Membership/ Chairmanship are as per disclosure made last year.

\* Resigned from directorship on 09.12.2015. Details of other Directorship/Chairmanship, other committee Membership/ Chairmanship are as per disclosure made last year.

\*\* Appointed w.e.f 09.12.2015.

^ Appointed w.e.f 09.12.2015 and Tenure expired on 16.06.2016. Details of other Directorship/Chairmanship, other committee Membership/ Chairmanship are as per disclosure made last year

@ Tenure expired on 05.03.2016. Details of other Directorship/Chairmanship, other committee Membership/ Chairmanship are as per disclosure made last year.

% Appointed w.e.f 28.04.2016.

^^ Appointed w.e.f 27.07.2016.

All directors except Shri Yash Vardhan and Shri Shrinivas Mudgerikar attended 03<sup>rd</sup> AGM of the Company.

## **AUDIT COMMITTEE**

The constitution of Audit Committee is as under:

Shri Pradeep Bhatnagar*	- Chairman (Independent Director)
Shri Mahipal Shorawala*	- Member (Independent Director)
Shri Sanjeev S Shah**	- Chairman (Independent Director)
Maj. Gen. (Retd.) Raj Krishan Malhotra**	- Member (Independent Director)
Dr. P. Alli Rani, Director	- Member (Director)

The meetings of the audit committee were held on 30.04.2015, 17.07.2015, 02.11.2015 & 27.01.2016.

The role of audit committee is defined in the DPE guidelines on Corporate Governance.

\* upto 05.03.2016.

\*\* w.e.f 28.04.2016.

## **HR & Remuneration Committee & Policy**

The constitution of HR & Remuneration Committee is as under:

Shri. Pradeep Bhatnagar*	- Chairman (Independent Director)
Shri Mahipal Shorawala*	- Member (Independent Director)
Maj. Gen. (Retd.) Raj Krishan Malhotra**	- Chairman (Independent Director)
Shri Sanjeev S Shah**	- Member (Independent Director)
Shri V. Kalyana Rama	- Member (Director)

No remuneration is paid to any director except sitting fees for Board or committee as per Companies Act, 2013 to independent directors as they are nominated by CONCOR, holding company.

\* upto 05.03.2016.

\*\* w.e.f 28.04.2016.

## **CSR COMMITTEE**

The constitution of CSR Committee is as under:

Shri Mahipal Shorawala*	- Chairman (Independent Director)
Maj. Gen. (Retd.) Raj Krishan Malhotra**	- Chairman (Independent Director)
Dr. P. Alli Rani, Director	- Member (Director)
Shri Arun Kumar Shrivastava, Director\$	- Member (Director)
Shri Kamal Jain^	- Member (Director)
Shri Sharat Sudhakar Chandrayan^^	- Member (Director)

The constitution of the committee is in accordance with the provisions of Companies Act, 2013 and revised guidelines of DPE on this matter. The above committee has met on 17.07.2015. After the applicability of provisions of Companies Act, 2013 the committee is in process of formulation of CSR policy, hence the required CSR expenditure for the FY 2015-16 has not been spent on CSR activities.

\* upto 05.03.2016.

\*\* w.e.f 28.04.2016.

\$ upto 09.12.2015.

^ upto 16.06.2016.

^^ w.e.f 27.07.2016.

### **GENERAL BODY MEETINGS**

#### **AGM of Current FY 2015-16**

Date : 09<sup>th</sup> August, 2016  
Time : 10:00 Hrs.  
Venue : Conference Hall, Container Corporation of India Ltd.,  
CONCOR Bhawan, C-3, Mathura Road,  
Opposite Apollo Hospital, New Delhi – 110076.

#### **3<sup>rd</sup> AGM of FY 2014-15**

Date : 31<sup>st</sup> August, 2015  
Time : 14:30 Hrs.  
Venue : Conference Hall, Container Corporation of India Ltd.,  
CONCOR Bhawan, C-3, Mathura Road,  
Opposite Apollo Hospital, New Delhi – 110076.

#### **02<sup>nd</sup> AGM of FY 2013-14**

Date : 01<sup>st</sup> September, 2014  
Time : 16:00 Hrs.  
Venue : Conference Hall, Container Corporation of India Ltd.,  
CONCOR Bhawan, C-3, Mathura Road,  
Opposite Apollo Hospital, New Delhi – 110076.

#### **01<sup>st</sup> AGM of FY 2012-13**

Date : 23<sup>rd</sup> August, 2013  
Time : 12:30 Hrs.  
Venue : Conference Hall, Container Corporation of India Ltd.,  
CONCOR Bhawan, C-3, Mathura Road,  
Opposite Apollo Hospital, New Delhi – 110076.

## **DISCLOSURES**

- (i) Transactions with related parties as per requirements of Accounting Standard (AS -18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in notes forming parts of accounts.
- (ii) There were no instances of penalties / strictures imposed on the Company by any statutory authority.
- (iii) Compliance with the requirement of these guidelines are detailed in this report.
- (iv) There is no employee/ officer on the roll of CAL and officers/ employees on secondment basis from CONCOR are only working.
- (v) No Expenditure has been debited in the Books of Accounts, which is not for the purpose of business.
- (vi) The Company has not incurred any expense which is personal in nature and incurred for the Board of Directors and Top Management.

## **MEANS OF COMMUNICATION**

**Financial Results** : The financial results for FY 2015-16 forms part of Annual Report.

**Annual Report**: Fourth Annual Report containing inter-alia Audited Annual Accounts, Directors' Report, Auditors' Report and other information is circulated to members and others entitled thereto. Management Discussion & Analysis report forms a part of the Annual report.

## **RISK MANAGEMENT**

Risk management is in place to help the management in achieving performance and profitability targets and to ensure effective reporting and compliance with laws and regulations, to avoid damage to the entity's reputation and associated consequences. Procedures are in place to ensure the integration and alignment of the risk management system with the corporate and operational objectives and also that risk management is undertaken as a part of normal business practice and not as a separate task at set times.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 01/08/2016

Sd/-  
(Anil Kumar Gupta)  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry Structure & Developments:

Air Cargo industry is witnessing challenging times in light of global recession. India in particular, undergoing tremendous changes in terms of infrastructure for Air Cargo facilities, arrival of new airlines in the International & Domestic sector and shifting trends towards organized logistics sector. Overall International & Domestic air cargo business has shown a positive change in FY 2015-16. With new airlines set to enter the sector, the International & Domestic sector is expected to show growth in the current financial year 2016-17.

### 2. A SWOT analysis:

**Strength:** The biggest strength of business is high frequency of flights connecting all major global airports. Subsequently a large number of International airlines (48 airlines) are operating at Mumbai International airport. Out of this CAL is handling 39 airlines.

**Weaknesses:** Airport business scenario is still in an unorganized form which is the biggest weakness. Cargo handling infrastructure still lacks preference over airport passenger infrastructure. Trade preference for cost over quality is another deterrent for Air Cargo industry. Lackluster customs procedure also needs to be improved upon.

**Opportunities:** Rising trend of e-commerce, requiring faster deliveries, arrival of new airlines with greater cargo capacity and competitive pricing. Sothern trend in Air Turbine Fuel (ATF) may also fuel a positive growth if airline offer cheaper rates.

**Threats:** Improved infrastructure of roads, diversion of cargo to rail and other cost efficient modes. Competition from other players is always an impending threat. In coming future Delhi Mumbai Rail Corridor (DMRC)/ Dedicated Freight Corridor (DFC) may also pose a major threat to airports across Western India.

**3. Segment-wise or Product-wise Performance:** The Company has performed well in International and Domestic Air Cargo operations and had registered profit in 2015-16.

**4. Risks & Concerns:** Financial health of Carriers (Airlines), high tariffs at New Cargo terminals are few of the concerns for the Air Cargo business in times to come.

**5. Internal Control Systems and their Adequacy:** The Company has appointed internal auditors for domestic and international cargo operations.

The financial information in brief is as under:

	<b>Rs. (in Crores)</b>
UNSECURED LOAN	125.00
Fixed Assets	35.22
Terminal Rights -Domestic	1.78
International	0.77
CWIP	32.51
Inventory	Nil
Sundry Debtors (Trade Receivables)	12.88
Security deposit given to MIAL	130
Cash & Bank	48.45
Income	343.37
Expenses (including finance expenses)	320.28
Net Profit/(Loss)	15.09

For and on behalf of the Board of Directors

Sd/-  
(Anil Kumar Gupta)  
Chairman

Place: New Delhi  
Date: 01/08/2016

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	U62200DL2012GOI239207
Registration Date	24 <sup>th</sup> July, 2012
Name of the Company	CONCOR AIR LIMITED
Category / Sub-Category of the Company	Government Company, Limited by Shares
Address of the Registered office and contact details	CONCOR Bhawan, C-3 Mathura Road, New Delhi - 110076 Tel. No. 011-41673097 Fax. No. 011-41673112 Email: <a href="mailto:finance@concorair.in">finance@concorair.in</a>
Whether Listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company are given below:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	CARGO HANDLING	52243	100

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

S. No.	Name and Address	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Container Corporation of India Limited	L63011DL1988GOI030915	Holding	100%	2(87)

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 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				%Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	NIL								
b) Central Govt.	NIL								
c) State Govt (s)	NIL								
d) Bodies Corp.		3665000	3665000	100		3665000	3665000	100	Nil
e) Banks / FI	NIL								
f) Any Others	NIL								
<b>Sub-total (A) (1):-</b>		3665000	3665000	100		3665000	3665000	100	Nil
<b>(2) Foreign</b>									
a) NRIs - Individuals	NIL								
b) Other - Individuals	NIL								
c) Bodies Corp.	NIL								
d) Banks / FI	NIL								
e) Any Others	NIL								
<b>Sub-Total (A) (2):-</b>									
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>		3665000	3665000	100		3665000	3665000	100	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	NIL								
b) Banks / FI	NIL								
c) Central Govt	NIL								
d) State Govt(s)	NIL								
e) Venture Capital Funds	NIL								
f) Insurance Companies	NIL								
g) FIs	NIL								
h) Foreign Venture Capital	NIL								
i) Others	NIL								
<b>Sub-total (B) (1):-</b>									
<b>2. Non Institutions</b>									
a) Bodies Corp.	NIL								
i) Indian	NIL								
ii) Overseas	NIL								
b) Individuals	NIL								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL								
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL								
c) Others (specify)	NIL								
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>		3665000	3665000	100		3665000	3665000	100	Nil

ii. Shareholding of Promoters

Sl. No.	Shareholder's Nam	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in share holding 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	
1	Container Corporation of India Limited	36650000	100%	0.00	36650000	100%	0.00	0.00.
	<b>Total</b>	<b>36650000</b>	<b>100%</b>	<b>0.00</b>	<b>36650000</b>	<b>100%</b>	<b>0.00</b>	<b>0.00.</b>

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

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2015)		Cumulative Shareholding during the year (As on 31.03.2016)	
		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	36650000	100%	36650000	100%
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	No change during the year			
3.	At the End of the year	36650000	100%	36650000	100%

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
N.A.								

v. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
N.A.								

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount		125,00,00,000		125,00,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		125,00,00,000		125,00,00,000
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount		125,00,00,000		125,00,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		125,00,00,000		125,00,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961					
	(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					
	Total (A)					
	Ceiling as per the Act*					

\*Section 197 of the Companies Act, 2013, is exempted for government companies in terms of Ministry of Corporate Affairs notification dated 5<sup>th</sup> June 2015.

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Sh. Pradeep Bhatnagar	Sh. Mahipal Shorawala	
1.	Independent Directors			
	Fee for attending board/ committee meetings	Rs.20,000/- for each BOD & Rs.20,000/- for each each Audit Committee	Rs.20,000/- for each BOD & Rs.20,000/- for each each Audit Committee	
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	Rs.1,40,000/-	Rs.1,40,000/-	Rs.2,80,000/-
2.	Other Non-Executive Directors			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	Rs.1,40,000/-	Rs.1,40,000/-	Rs.2,80,000/-
	Total Managerial Remuneration	NA		
	Overall Ceiling as per the Act	NA		

\*Section 197 of the Companies Act, 2013, is exempted for government companies in terms of Ministry of Corporate Affairs notification dated 5<sup>th</sup> June 2015.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
1.	Gross salary	Deputed on secondment basis by holding company CONCOR and salary and all allowances are paid by holding company for which reimbursement is made by the company. Total reimbursement to holding company is disclosed in total amount.	The salary and all allowances of CS are paid by holding company for which no reimbursement is made.	Deputed on secondment basis by holding company CONCOR and salary and all allowances are paid by holding company for which reimbursement is made by the company. Total reimbursement to holding company is disclosed in total amount	
	(a) Salary as per provisions contained in section 17(1) of				
	(b) Value of perquisites u/s				
	(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</b>	<b>25.22 Lac</b>		<b>26.92 Lac</b>	<b>52.14 Lac</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>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-  
(Anil Kumar Gupta)  
Chairman

Place : New Delhi  
Date : 01/08/2016

**REPLY TO DRAFT AUDITOR'S REPORT**

OBSERVATION	Managements reply	
<p>I ) In Note no. 8 "Current Assets" sub heads 'Trade Receivables' and 'Advance tax/TDS (net of provisions) we find that the company has not fully and fairly accounted for tax deducted at source by other parties.</p> <p>The company as disclosed in Note No. 15 N for the IV (last) quarter of each Financial year accounts for tax deducted at source by parties on estimation basis. Resultantly, for the Financial Year 2014-15 we observe that tax deducted at source by other parties was excessively estimated and provided for Rs. 2,33,77,319/-. Thus during the year under review, the amount disclosed under the sub head 'Advance Income tax/TDS (net of provisions)' remains over stated and trade receivables stand under stated to the extent of above said tax deducted excessively estimated and accounted for.</p> <p>The company continues for the tax deducted at source on approximate basis for IV<sup>th</sup> Qr. of FY 2015-16, The ultimate outcome of the above estimation cannot be quantified for the current year.</p>	<p>The same has been disclosed in the Significant Accounting Policy Note 15 N. There is no impact in the Financial statement of the Company. However, the assets and liabilities both are set off each other. In subsequent year the same is reconciled.</p>	

<p>ii) In Note no. 12 the company has accounted Employee Benefit expenses. Terminal benefits like contribution to provident fund, ESI, gratuity, pension etc. have not been accounted for. The company has disclosed its practice in note no 15H(i) and also the estimated liability of terminal benefits up to FY 15-16 in note no 18 contingent liabilities. It has been further explained that the holding company account for terminal benefit of employees working on secondment basis which shall be reimbursed to the parent company on repatriation. The above said policy of the company does not comply with Accounting Standard AS-15.</p>	<p>The company has disclosed the estimated amount of Rs 1.31 Cr as terminal benefit of employees of CONCOR AIR in the Contingent Liability and it was agreed and approved in the Board that the entire payment will be reimbursed to CONCOR while employee repatriated from CONCOR AIR.</p> <p>MIAL has passed on the debit for the entire expenses of the staff deputed from MIAL along with terminal benefits.</p>	
<p>iii) The company is required to pay the license fee to Mumbai International Airport Pvt. Ltd. (in short 'MIAL') from effective date i.e. 18.02.2013 or the actual date of commencement whichever is earlier. The company is also liable to pay interest to MIAL for any delay. License fee payable to 'MIAL' upto 31.03.2016 is Rs. 3,10,68,729/-. The company has made a disclosure of</p>	<p>We have received the mail from concerned authority of MIAL on charging of License fee from April 2016 onwards. Further, bill for SACT license fee for the year 2016-17 only has been raised by MIAL.</p>	

<p>above amount in under Note 18 'Contingent Liabilities'. A Demand letter dated 23-05-2016 requiring the company to pay advance license fee for FY 2016-17 has been shown. It is claimed that said letter is waiver of earlier year license fee. As there is not even whisper of any such waiver in the said letter we are of the opinion that the company is liable to pay above said license fee accrued upto FY 2015-16, make full provision for above said license fee. In view above we are of the opinion that profits stand overstated and the current liabilities stand understated to the extent of Rs 3,10,68,729/-.</p>		
<p>iv) Board of directors of the company in its meeting dated 24.5.2016 belatedly ratified the time over run of more than 15 months and cost overrun of 7.21 crores as well as waiver of penalty for Capital work in progress relating to Santa Cruze Terminal. Cost overrun ratified 35.25% exceeds the permissible 25% prescribed in contract. In view of our technical Limitations, we are unable to quantify the financial implications, if any, for above reasons. A technically qualified independent agency may be appointed to inquire into all of the aspects.</p>	<p>The board has already ratified the cost &amp; time overrun after due deliberations.</p>	

**Emphasis of matters:**

<p>1. In note no 4 of current liabilities sub head other current liabilities, the company has provided under contractually/ reimbursable expenses, expense payable at year end in respect of international Cargo operation. These expense have been provided for in the books of account on the basis of cost sheet approved by the chairman. The cost sheet involves risks of material differences, if any which cannot be determined. The matter was also emphasized in the report on the financial statement for the year ended 31.03.2015. Our opinion, is not qualified in respect of these matter.</p>	<p>The provisions are based on the actual bill/estimated bill amount as provided by vendors directly. There is no provision based on Cost sheet in the current financial year. It may be mentioned that during FY 2014-15, there are provisions based on cost sheet as the contract/ tender could not be finalized. The last year provisions are recasted and finally written off during the year.</p>	
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<p>2. Service Tax department, Mumbai issued a demand letter to reverse/pay RS. 2,47,26,146/- being the excessive claim of CENVAT credit made for the period April 2014 to September 2014. The company filed the representation which is pending before service tax authorities. In view of above, the company has made a disclosure of above amount under Note 18 contingent liabilities. Our opinion, however, is not qualified in respect of this matter.</p>	<p>We have taken the credit through manual filing of revised return with the authority after stipulated period for on line filing of return. The return was accepted by the Authority, There is no show cause notice issued till date. We can appeal on receiving the show cause notice from the authority. Simply issuance of letter does not forfeit our genuine claim of cenvat credit .We have also disclosed the amount under contingent liability.</p>	

<p>3. The company has earned Net profit for the financial years 2013-14, 2014-15 and 2015-16. In compliance in section 135 of companies act 2013, the company has constituted the CSR Committee. The company has informed that it is in the process of adopting the CSR policies of the holding company to spend prescribed % of the net profit towards Corporate Social Responsibility. Our opinion however not qualified in respect of the matters stated above.</p>	<p>The CSR amount is being provided during the year and will be spent on the decision of the CSR committee meeting.</p>	
<p><b><u>OTHER MATTER</u></b></p> <p>We further draw attention to fact that the common facility of International Cargo Complex facility is also used by other custodian and concessionaires. As per Concessionaire agreement the company is incurring all expenses for said common facilities, although all revenue from other custodian (s) and concessionaires accrues to "Mumbai International Airport Private Limited".</p> <p>We observe that the company needs to recover appropriate amount of said expenditure attributable to other custodians from MIAL. in absence of such identification and apportionment of</p>	<p>This is as per Concession agreement entered between MIAL and CONCOR Air Ltd. for operation and management of International Cargo facility.</p>	

<p>common expenses, the expenses incurred involve an excessive charge recovered by MIAL from the company. Our opinion however is not qualified in respect of this matter.</p>		
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**AKHIL ROHATGI**  
M.Com. L.L.B. F.C.S.

**AKHIL ROHATGI & COMPANY.**  
Company Secretaries  
21, Sharnath Marg, Civil Lines,  
Delhi - 110054.  
Phone : 23926504, 9810690633  
Email : rohatgi\_co\_secy@yahoo.co.in

**CERTIFICATE**

To the Members of  
**CONCOR AIR LIMITED**

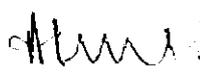
We have examined the compliance of conditions of Corporate Governance by CONCOR AIR LIMITED (The Company) for the year ended 31<sup>st</sup> March, 2016 as stipulated in the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines on corporate governance issued by the 'Department of Public Enterprises'.

We further state such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date : 24.05.2016

For Akhil Rohatgi & Co.  
  
(Akhil Rohatgi)  
Company Secretary in Practice  
F.C.S: 1600  
C.P. No. 2317



**AKHIL ROHATGI**  
M.Com. L.L.B. F.C.S

**AKHIL ROHATGI & COMPANY.**  
Company Secretaries  
21, Sharnath Marg, Civil Lines,  
Delhi - 110054.  
Phone : 011-23926504, 9810690633  
Email : rohatgi\_co\_secy@yahoo.co.in

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
CONCOR Air Limited,  
CONCOR Bhawan, C-3 Mathura Road,  
Opposite Apollo Hospital, New Delhi - 110076

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CONCOR Air 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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> 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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by CONCOR Air Limited for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act, 1999 and the rules made there under are *not applicable* as the shares of Company are not listed with any of the Stock Exchanges
- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under are *not applicable*, as the transactions



AKHIL ROHATGI  
M.Com, L.L.B, F.C.S.

AKHIL ROHATGI & COMPANY.  
Company Secretaries  
21, Sharnath Marg, Civil Lines,  
Delhi - 110054.  
Phone : 011-23926504, 9810690633  
Email : rohatgi\_co\_secy@yahoo.co.in

made by the company during the period under review did not attract the provisions/regulations/rules of the said Act. There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under are *not applicable* as the shares of Company are not registered with any of the depository mentioned under the said Act.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are *not applicable* as the shares of Company are not listed with any of the Stock Exchanges.
- (vi) Other applicable Laws, rules and Guidelines as mentioned here-in-below:
  - a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
  - b. Warehouse Development & Regulation Act,
  - c. The Legal Metrology Act 2009
  - d. Right to Information Act 2005
  - e. Shops and Establishment Act
  - f. Labor Laws as applicable

During the period under review, the Company as per explanations and clarifications given to us and representations made by the Management, has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that the Board is duly constituted. 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. There is no executive Director on the Board of the Company.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance. Further, 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.



**AKHIL ROHATGI**  
M.Com. I, L.L.B. F.C.S.

**AKHIL ROHATGI & COMPANY.**  
Company Secretaries  
21, Shamnath Marg, Civil Lines,  
Delhi - 110054.  
Phone : 011-23926504, 9810690633  
Email : rohatgi\_co\_secy@yahoo.co.in

Majority decision has been carried through in the meetings. It was informed by the management that there was no dissenting members on any of the agenda item put up before the Board for discussion.

We further report that as per the explanations given to us and representations made by the management 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.

For Akhil Rohatgi & Co



Akhil Rohatgi

Practicing Company Secretary

FCS No.: 1600

CP No: 2317

Date: 21.07.2016  
Place: New Delhi

**AKHIL ROHATGI**  
M.Com. L.L.B. F.C.S.

**AKHIL ROHATGI & COMPANY.**  
Company Secretaries  
21, Sharnath Marg, Civil Lines,  
Delhi - 110054.  
Phone : 011-23926504, 9810690633  
Email : rohatgi\_co\_secy@yahoo.co.in

Date: 21.07.2016

To,  
The Members,  
CONCOR Air Limited,  
CONCOR Bhawan, C-3 Mathura Road,  
Opposite Apollo Hospital, New Delhi - 110076

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 the secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable law, rules, regulations, standards is the responsibility of management. Our 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.

For Akhil Rohatgi & Co.

  
Akhil Rohatgi  
Practicing Company Secretary

FCS No.: 1600

CP No.: 2317

Date: 21.07.2016

Place: New Delhi

**CONCOR AIR LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2016**



Particulars	Note No.	Amount in Rs.	
		As at 31st March 2016	As at 31st March 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	1	366,500,000.00	366,500,000.00
(b) Reserves and surplus	2	213,022,091.62	114,965,335.15
		<b>579,522,091.62</b>	<b>481,465,335.15</b>
<b>(2) Non-current liabilities</b>			
(a) Long Term Borrowings	3	1,250,000,000.00	1,250,000,000.00
(b) Deferred tax liabilities (Net)		24,680,818.00	15,499,784.00
(c) Other Long term liabilities			
(d) Long-term provisions			
		<b>1,274,680,818.00</b>	<b>1,265,499,784.00</b>
<b>(3) Current Liabilities:</b>			
(a) Short Term Borrowings	4		
(b) Trade payables		60,558,515.06	3,618,221.72
(c) Other current liabilities		401,666,028.37	394,594,767.86
(d) Short-term provisions		30,877,845.00	
		<b>493,102,388.43</b>	<b>398,212,989.58</b>
<b>TOTAL</b>		<b>2,347,305,298.05</b>	<b>2,145,178,108.73</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	5	1,486,664.19	1,716,927.31
(ii) Intangible assets		25,612,910.00	33,346,958.00
(iii) Capital work-in-progress		325,120,232.74	137,072,384.62
(iv) Intangible assets under			
<b>(b) Non-current investments</b>			
(c) Deferred Tax Assets		11,360,106.00	7,916,395.00
(d) Long-term loans and advances	6	1,300,000,000.00	1,300,000,000.00
(e) Other non-current assets	7		
		<b>1,663,579,912.93</b>	<b>1,480,052,664.93</b>
<b>(2) Current assets</b>			
(a) Current Investments	8		
(b) Inventories			
(c) Trade receivables		128,817,750.17	84,385,579.74
(d) Cash and bank balances		484,586,019.49	498,684,337.80
(e) Short-term loans and advances		62,914,854.57	73,811,171.93
(f) Other current assets		7,406,760.89	8,244,354.33
		<b>683,725,385.12</b>	<b>665,125,443.80</b>
<b>Total</b>		<b>2,347,305,298.05</b>	<b>2,145,178,108.73</b>

On behalf of CONCOR AIR LIMITED

Dr. P. Alli Rani  
Director

Rajesh Kumar  
Company Secretary

Dated : 29/5/16  
Place : New Delhi

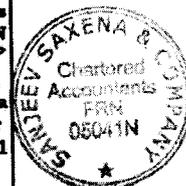
Anil Kumar Gupta  
Chairman

Anil Sonawane  
Chief Executive Officer

As per our report of even date  
For Sanjeev Saxena & Co  
Chartered Accountants  
Firm Registration No.: 005041N

Sanjeev Saxena  
Partner  
M. No. 084091

R. V. Chand  
Chief Finance Officer



**CONCOR AIR LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016**



		Amount in Rs.	
Particulars	Note No.	31st March 2016	31st March 2015
I. Revenue from operations	9	3,398,916,120.87	3,002,887,870.88
II. Other income	10	34,818,424.10	40,162,208.02
<b>III. Total Revenue (I + II)</b>		<b>3,433,734,544.97</b>	<b>3,043,050,078.90</b>
<b>IV. Expenses:</b>			
Terminal & Other Service Charges	11	2,650,807,152.00	2,329,855,452.00
Employee benefits expense	12	177,647,581.00	154,218,076.00
Finance Charges	13	116,375,000.00	116,375,096.00
Depreciation and amortization expense		12,580,855.00	10,397,873.00
Other expenses	14	245,423,839.50	260,320,685.11
<b>Total expenses</b>		<b>3,202,834,427.50</b>	<b>2,871,167,182.11</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>230,900,117.47</b>	<b>171,882,896.79</b>
VI. Exceptional Items		-	-
<b>VII. Profit before extraordinary items and tax (V- VI)</b>		<b>230,900,117.47</b>	<b>171,882,896.79</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>230,900,117.47</b>	<b>171,882,896.79</b>
<b>X Tax expense:</b>			
(1) Current tax		83,353,623.00	65,973,934.00
(2) Deferred tax		(3,443,711.00)	(7,507,241.00)
<b>XI Profit (Loss) for the period from continuing operations (X-LX)</b>		<b>150,990,205.47</b>	<b>113,416,203.79</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>150,990,205.47</b>	<b>113,416,203.79</b>
<b>XVI Earnings per equity share:</b>			
(1) Basic		4.12	3.09
(2) Diluted		4.12	3.09

On behalf of CONCOR AIR LIMITED

  
Dr. P. Allli Rani  
Director

  
Rajesh Kumar  
Company Secretary

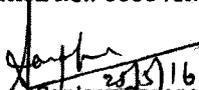
Dated : 25/5/16  
Place : New Delhi

  
Anil Kumar Gupta  
Chairman

  
Anil Sonawane  
Chief Executive Officer

  
R K Chand  
Chief Finance Officer

As per our report of even date  
For Sanjeev Saxena & Co  
Chartered Accountants  
Firm Registration No.: 005041N

  
Sanjeev Saxena  
Partner

M. No: 084091



**CONCOR AIR LIMITED**  
Cash Flow as on 31.03.2016



Particulars	Amount in Rs.	
	As at 31st March 2016	As at 31st March 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>230,900,117.47</b>	<b>171,882,896.79</b>
Adjustments for:		
Depreciation	12,580,855.00	10,397,873.00
Preliminary Expenses w/off		
Deferred Revenue Expenditure		
Dividend including DDT	(52,933,449.00)	
Interest & Finance Charges	116,375,000.00	116,375,096.00
Interest on FD	(27,860,311.08)	(27,437,998.37)
Dividend Income	48,162,094.92	99,334,970.63
<b>Operating Profit before Working Capital Changes</b>	<b>279,062,212.39</b>	<b>271,217,867.42</b>
Adjustments for:		
Decrease/(Increase) in Receivables	(32,698,259.63)	(32,754,393.15)
Decrease/(Increase) in Inventories		
Increase/(Decrease) in Payables	104,070,432.85	71,372,173.22
<b>Cash generated from operations</b>	<b>350,434,385.61</b>	<b>187,192,756.86</b>
Income Tax paid	83,353,623.00	154,438,363.71
<b>Net Cash flow from Operating activities</b>	<b>267,080,762.61</b>	<b>359,682,297.13</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(192,664,392.00)	(105,040,327.00)
Mutual Fund		
Sale of Fixed Assets		
Preliminary Expenses paid		
Increase in Advances & others	0	0
Interest on FD	27,860,311.08	27,437,998.37
Dividend Income		
<b>Net Cash used in Investing activities</b>	<b>(164,804,080.92)</b>	<b>(77,602,328.63)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital		
Proceeds from Long term Borrowings	0	0
Interest paid	(116,375,000.00)	(116,375,096.00)
<b>Net Cash used in financing activities</b>	<b>(116,375,000.00)</b>	<b>(116,375,096.00)</b>
Net increase in cash & Cash Equivalents	(14,098,318.31)	165,704,872.50
Opening Cash and Cash equivalents	498,684,337.80	332,979,465.30
	484,586,019.49	498,684,337.80
<b>Cash &amp; Cash Equivalents</b>	<b>As on 31.03.16</b>	<b>As on 31.03.15</b>
Cash in Hand	35,497.00	64,790.00
Cash at Bank	484,550,522.49	498,619,547.80
<b>Cash &amp; Cash equivalents as stated</b>	<b>484,586,019.49</b>	<b>498,684,337.80</b>

On behalf of CONCOR AIR LIMITED

Dr. P. Alli Rani  
Director

Anil Kumar Gupta  
Chairman

As per our report of even date  
For Sanjeev Saxena & Co  
Chartered Accountants  
Firm Registration No.: 005041N

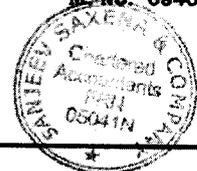
Rajesh Kumar  
Company Secretary

Anil Sonawane  
Chief Executive Officer

R K Chandra  
Chief Finance Officer

Sanjeev Saxena  
Partner  
M. No. 084091

Dated : 25/05/16  
Place : New Delhi



**CONCOR AIR LIMITED**



**NOTE 1: SHARE CAPITAL**

	As at 31.03.2016	Amount in Rs. As at 31.03.2015
<b>Authorised share capital</b>		
(50,000,000 equity shares of Rs.10 each with voting rights)	500,000,000.00	500,000,000.00
	<u>500,000,000.00</u>	<u>500,000,000.00</u>
<b>Issued, Subscribed &amp; Paid-up share capital</b>		
(36650,000 equity shares of Rs.10 each fully paid up with voting rights)	366,500,000.00	366,500,000.00
	<u>366,500,000.00</u>	<u>366,500,000.00</u>

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

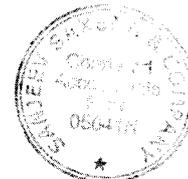
	As at 31.03.16	As at 31.03.15
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the period	36,650,000	36,650,000
Shares issued during the period		
Shares bought back during the period	-	-
Shares outstanding at the end of the period	36,650,000	36,650,000

Shares in the company held by each shareholder holding more than 5 percent shares

Name of the Shareholder	As at 31.03.16		As at 31.03.15	
	Number of the Shares held in the company	% of holding	Number of the shares held in the company	% of holding
	<b>2015-16</b>		<b>2014-15</b>	
* Container Corporation of India Ltd (The holding company)	36,650,000	100	36,650,000	100

\* includes 6 shares of face value of Rs. 10/- each held by nominees of holding company.

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CONCOR AIR LIMITED

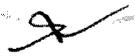


NOTE 2: RESERVES & SURPLUS

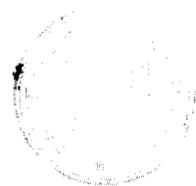
Amount in Rs.

	AS AT 31.03.2016	AS AT 31.03.2015
<b>GENERAL RESERVE</b>		
Opening Balance	-	-
Less: Capitalized by issue of Bonus Shares	-	-
Add: Transfer from Profit & Loss Account	-	-
<b>SURPLUS</b>		
<b>Statement of Profit and Loss</b>		
Opening Balance	114,965,335.15	1,549,131.36
Add: Profit during the year	150,990,205.47	113,416,203.79
Less: Interim Dividend including Dividend Distribution Tax	(22,055,604.00)	-
Less: Proposed Dividend including Dividend Distribution Tax	(30,877,845.00)	-
Less: Transfer to General Reserve	-	-
	<b>213,022,091.62</b>	<b>114,965,335.15</b>
<b>TOTAL</b>	<b>213,022,091.62</b>	<b>114,965,335.15</b>

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CONCOR AIR LIMITED



NOTE 3: NON-CURRENT LIABILITIES

Amount in Rs.

	AS AT 31.03.2016		AS AT 31.03.2015	
<b>LONG-TERM BORROWINGS</b>				
Unsecured loan from holding company M/s Container	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00
<b>OTHER LONG TERM LIABILITIES</b>				
(a) Trade Payable				
(b) Others				
Earnest Money Deposit	2,575,200.00		2,477,891.00	
Security Deposit - Contractor	20,121,006.00		12,313,833.00	
Security Deposit - Consultant	1,984,612.00	24,680,818.00	708,060.00	15,499,784.00
<b>LONG-TERM PROVISIONS</b>				
Provision for Employee's Benefits	-	-	-	-
<b>TOTAL</b>		<b>1,274,680,818.00</b>		<b>1,265,499,784.00</b>

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**CONCOR AIR LIMITED**



**NOTE 4: CURRENT LIABILITIES**

Amount in Rs.

	AS AT 31.03.2016	AS AT 31.03.2015
<b>A) SHORT TERM BORROWINGS</b>		
<b>B) TRADE PAYABLES</b>		
Micro & Small Enterprises (*)	-	-
Creditors Other Than Micro & Small Enterprises	-	-
- Sundry Creditors - Trade	57,614,346.72	3,567,498.72
- Sundry Creditors- Capital	807,561.00	50,723.00
- Others	2,136,607.34	-
	<b>60,558,515.06</b>	<b>3,618,221.72</b>
<b>C) OTHER CURRENT LIABILITIES</b>		
Interest Accrued & Due on Borrowing		73123593.88
Advances/Deposits from Customers	78,718,903.05	-
Provision for IT		-
Book Overdraft (**)	18,937,771.17	19,024,749.17
Statutory Remittance	10,997,920.43	4,444,149.48
Contractually Reimbursable Expenses	290,711,155.72	296,821,833.72
Others	2,300,278.00	1180441.61
	<b>401,666,028.37</b>	<b>394,594,767.86</b>
<b>D) SHORT-TERM PROVISIONS</b>		
Proposed Final Dividend	25,655,000.00	0.00
DDT on Proposed Dividend	5,222,845.00	0.00
Provision for Employee's Benefits	-	0.00
	<b>30877845.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>493,102,388.43</b>	<b>398,212,989.58</b>

(\*) The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosures under the said Act have been made.

4B. (\*\*) Book overdraft represents cheques issued by the company pending clearance against the flexi/other deposits with the banks.

4C. As per Accounting Standard 29, the particulars of provisions are as under:

Particulars	Property Tax	
	31.03.16 (Rs.)	31.03.15 (Rs.)
Opening Balance	25,940,928.00	3,303,403.00
Addition during the year	6,127,672.00	22,637,525.00
Amount used/ incurred	-	-
Unused amount reversed during the year	-	-
Closing Balance	32,068,600.00	25,940,928.00

(i) Property tax has been accounted in the books of the company as per concession agreement entered into with M/s Mumbai International Airports Pvt. Ltd. and the same has been accounted under the head 'Rates and Taxes'. The provision made during the current year amounting to Rs. 61,27,672 (Previous Year Rs. 2,26,37,525.00) has been done on a conservative basis as the liability is pending, as bill on this account is not received from M/s Mumbai International Airports Pvt. Ltd. The basis of provision is the concession agreement entered into with M/s Mumbai International Airports Pvt. Ltd.

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**NOTE 5  
FIXED ASSETS**



Amount in Rs.

Particulars	GROSS BLOCK		DEPRECIATION / AMORTIZATION		NET BLOCK		
	As at 01.04.2015	As at 31.03.2016	Up to 31.03.2015	For the year/ (Adjustments)	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>TANGIBLE ASSETS</b>							
AIR CONDITIONERS	226,226	226,226	23,027	18,982	42,009	184,217	203,199
MOBILE HAND SET	15,652	15,652	11,399	280	11,679	3,973	4,253
FURNITURE & FIXTURES	809,075	822,069	138,105	184,054	322,159	499,910	670,970
OFFICE EQUIPMENTS	62,093	62,093	47,261	1,940	49,201	12,892	14,832
COMPUTERS- HARDWARE	1,212,044	1,542,394	521,927	292,110	814,037	728,357	690,117
LEASEHOLD IMPROVEM	256,744	256,744	123,187	76,242	199,429	57,315	133,557
<b>TOTAL (A)</b>	<b>2,581,834</b>	<b>2,925,178</b>	<b>864,906</b>	<b>573,608</b>	<b>1,438,514</b>	<b>1,486,664</b>	<b>1,716,928</b>
<b>INTANGIBLE ASSETS</b>							
COMPUTER SOFTWARE	145,000	145,000	50,517	414	50,931	94,069	94,483
TERMINAL RIGHTS-	19,562,917	23,503,217	2,809,046	2,865,071	5,674,117	17,829,100	16,753,871
TERMINAL RIGHTS- INTE	25,735,000	26,067,900	9,236,397	9,141,762	18,378,159	7,689,741	16,498,603
<b>TOTAL (B)</b>	<b>45,442,917</b>	<b>49,716,117</b>	<b>12,095,960</b>	<b>12,007,247</b>	<b>24,103,207</b>	<b>25,612,910</b>	<b>33,346,957</b>
<b>GRAND TOTAL(A+B)</b>	<b>48,024,751</b>	<b>52,641,295</b>	<b>12,960,866</b>	<b>12,580,855</b>	<b>25,541,721</b>	<b>27,099,574</b>	<b>35,063,885</b>
CAPITAL WORK IN PROG	137,072,385	188,047,848				325,120,233	137,072,385
<b>TOTAL (C)</b>	<b>137,072,385</b>	<b>188,047,848</b>	<b>325,120,233</b>			<b>325,120,233</b>	<b>137,072,385</b>
<b>GRAND TOTAL(A+B+C)</b>	<b>185,097,136</b>	<b>192,664,392</b>	<b>12,960,866</b>	<b>12,580,855</b>	<b>25,541,721</b>	<b>352,219,807</b>	<b>172,136,270</b>
<b>PREVIOUS YEAR</b>	<b>80,056,807</b>	<b>80,056,807</b>	<b>2,562,992</b>	<b>102,715</b>	<b>2,562,992</b>	<b>77,493,815</b>	<b>-</b>

	Amt.
<b>Note 1: Terminal Rights including following expenses (Domestic)</b>	
Stamp Duty paid on Concession Agreement, Marol Space Licence Agreement and Land Lic	18,262,917
Concessional Award Cost	5,000,000
RPP Participation Fees	100,000
Professional fees for RPP Preparation	110,300
Professional fees for Registration Fees	30,000
<b>Total</b>	<b>23,503,217</b>

	Amt.
<b>Note 2: Terminal Rights including following expenses (International)</b>	
Assets Valuation Fees	190,000
Bid Development Cost	15,000,000
Stamp Duty	10,876,900
Registration Fees	1,000
<b>Total</b>	<b>26,067,900</b>

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**CONCOR AIR LIMITED**



**NOTE 6: LONG TERM LOANS AND ADVANCES**

Amount in Rs.

	AS AT 31.03.2016	AS AT 31.03.2015
<b>CAPITAL ADVANCES</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
<b>SECURITY DEPOSITS</b>		
- Govt. Authorities (considered good)	-	-
- <b>Others</b>		
- Considered good	1,300,000,000	1,300,000,000
- Considered doubtful	-	-
	<u>1,300,000,000</u>	<u>1,300,000,000</u>
Less: Allowance for bad and doubtful deposits	-	-
	<u>1,300,000,000</u>	<u>1,300,000,000</u>
<b>LOANS AND ADVANCES TO REALTED PARTIES</b>		
Loan to Wholly owned subsidiary- (Unsecured, considered good)	-	-
<b>OTHER LOANS AND ADVANCES</b>		
Loans to Employees (Secured, considered good)	-	-
Loans to Directors (Secured, considered good)	-	-
Other advances recoverable in cash or in kind or for value to be received:		
- Considered good	-	-
- Considered doubtful	-	-
	<u>-</u>	<u>-</u>
Less: Allowance for bad and doubtful advances	-	-
	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u><u>1,300,000,000</u></u>	<u><u>1,300,000,000</u></u>

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**CONCOR AIR LIMITED**



**NOTE 7: OTHER NON-CURRENT ASSETS**

**(Amount in Rs.)**

	<b>AS AT 31.03.2016</b>	<b>AS AT 31.03.2015</b>
Interest accrued on deposits, loans and advances(Unsecured, considered good)	-	-
Interest accrued on loans and advances to employees (Secured, considered good)	-	-
<u>Other Bank Balances</u>		
Bank Deposits with maturity of more than 12 months	-	-
Bank Balances held as margin money or as security against:		
- Guarantees	-	-
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

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CONCOR AIR LIMITED



NOTE 8: CURRENT ASSETS

Amount in Rs.

	AS AT 31.03.2016		AS AT 31.03.2015	
<b>(a) INVENTORIES</b> (As taken, valued & certified by the Management)				
Stores & Spare Parts (At Cost)	-	-	-	-
Less: Provision for Obsolete Stores	-	-	-	-
<b>(b) TRADE RECEIVABLES</b>				
Outstanding for period exceeding six months	-	-	126,947.00	-
Unsecured Considered good	128,086,976.17	-	84,258,632.74	-
Unsecured Considered doubtful	730,774.00	-	-	-
	128,817,750.17	-	84,385,579.74	-
Less: Allowance for doubtful debts	-	128,817,750.17	-	84,385,579.74
Others	-	-	-	-
Unsecured Considered good	-	-	-	-
	-	128,817,780.17	-	84,385,579.74
<b>(c) CASH AND BANK BALANCES</b>				
<b>(i) Cash and Cash Equivalents</b>				
Cash on hand (Including Imprest)	-	35,497.00	-	64,790.00
Remittance in Transit	-	-	-	-
Cheques in hand	-	-	-	-
Bank Balances				
- in Current Accounts	64,729,011.98	-	53,156,463.46	-
- in Deposits with original maturity upto 3 months	14,644,949.00	79,373,960.98	336,182,699.34	389,339,162.80
<b>(ii) Other Bank Balances</b>				
- Bank Deposits				
- With original maturity of more than 3 months and upto 12 months	405,176,561.5	405,176,561.51	-	109,280,385.00
Earmarked Bank Balances				
- Unpaid dividend bank account	-	-	-	-
Bank Balances held as margin money or as security against:				
- Guarantees	-	-	-	-
- Letters of Credit	-	-	-	-
	-	484,585,019.49	-	498,684,337.80
<b>(d) Short term loans and advances</b>				
<b>LOANS &amp; ADVANCES TO RELATED PARTIES</b>				
Advance to holding company (Unsecured Considered Goods)	-	-	-	-
Prepaid Exp	5,739,085.00	5,739,085.00	986,473.00	986,473.00
Loans to Employees (Secured, considered good)	-	-	-	-
Loans to Directors (Secured, considered good)	-	-	-	-
Other advances recoverable in cash or in kind or for value to be received				
- Unsecured considered good	-	-	-	-
- Unsecured considered doubtful	-	-	-	-
Less : Allowance for doubtful advances	-	-	-	-
<b>Deposits (Unsecured)</b>				
- Govt. Authorities (Considered good)	-	-	-	-
- Others				
- Balance with Govt Authorities (*)	1,737,179.70	-	-	15,636,060.91
- Considered good	-	-	-	-
- Considered doubtful	-	-	-	-
	1,737,179.70	-	-	-
Less : Allowance for doubtful deposits	-	1,737,179.70	-	-
Advance Income Tax/TDS (Net of Provisions) (**)	55438589.87	55,438,589.87	-	57,188,638.02
	-	62,914,854.57	-	73,811,171.93
<b>(e) OTHER CURRENT ASSETS</b>				
Interest Accrued on Trade Receivables	-	-	-	-
Interest accrued on deposits, loans and advances (Unsecured,	2,215,351.89	-	-	8,244,354.33
Interest accrued on loans to wholly owned subsidiaries (Unser	-	-	-	-
unbilled revenue	-	-	-	-
Others	5,191,409.00	7,406,760.89	-	-
<b>Total (a) to (e)</b>		<b>683,725,385.12</b>		<b>665,125,443.80</b>

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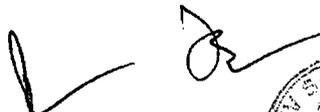
**CONCOR AIR LIMITED**

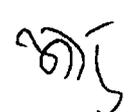


**NOTE 9: REVENUE FROM OPERATIONS**

	<b>YEAR ENDED 31.03.2016</b>	<b>Amount in Rs. YEAR ENDED 31.03.2015</b>
Domestic Cargo Terminal Revenue	<b>201,224,985.09</b>	192,380,168.75
International Cargo Terminal Income	<b>3,197,691,135.78</b>	2,810,507,702.13
Other Operating Income		
-Prior Period Income		
-Excess Provision Written Back		
-Others		
	<b><u>3,398,916,120.87</u></b>	<b><u>3,002,887,870.88</u></b>

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**CONCOR AIR LIMITED**



**NOTE 10: OTHER INCOME**

Amount in Rs.

	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
<b>INTEREST EARNED ON:</b>		
Short Term Bank Deposits /ICDs	<b>27,860,311.08</b>	27,437,998.37
Loans to Employees	-	-
Loan to Wholly Owned Subsidiary	-	-
Overdue Trade Receivables	-	-
<b>DIVIDEND INCOME</b>		
Dividend from JV Company	-	-
Dividend from Mutual Funds	-	-
<b>OTHER NON-OPERATING INCOME</b>		
Profit on Sale of Fixed Assets	-	-
Excess provision written back (*)	<b>6,263,853.00</b>	-
Profit From Sale of Investment	-	-
Tender Sale	<b>51,000.00</b>	-
Prior Period Income	-	11,881,269.53
Miscellaneous Income (**)	<b>643,260.02</b>	842,940.12
Share in Profit of Business Arrangement	-	-
<b>TOTAL</b>	<b>34,818,424.10</b>	40,162,208.02

(*) Excess Provision Written Back	2015-16	2014-15
Housekeeping Exp	39,095.00	-
Security Expenses	1,410,974.00	-
Data Entry Staff Cost	83,240.00	-
Vehicle Hire Expenses	134,087.00	-
IT Expenses	37,826.00	-
Repair & Maintenance- Electronics	19,455.00	-
Repair & Maintenance- Electrical	688,974.00	-
Repair & Maintenance- Civil	3,821,124.00	-
Printing & Stationary Exp.	29,078.00	-
	<b>6,263,853.00</b>	-

(\*\*) Reflects Penalty for cheque return, DGR training and Rounding off

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CONCOR AIR LIMITED



NOTE 11: TERMINAL & OTHER SERVICE CHARGES

	YEAR ENDED 31.03.2016	Amount in Rs. YEAR ENDED 31.03.2015
Revenue Share	2,283,270,518.00	2,020,050,032.00
Handling Expenses	367,536,634.00	309,805,420.00
Land Licence Fee	-	-
<b>Other Operating Expenses</b>	-	-
-Prior period	-	-
-Others	-	-
<b>TOTAL</b>	<b>2,650,807,152.00</b>	<b>2,329,855,452.00</b>

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CONCOR AIR LIMITED



NOTE 12: EMPLOYEE BENEFITS EXPENSE

Amount in Rs.

	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
Salary, Allowances & Other Employee Benefits	176,053,232.00	152,707,111.00
Contribution to PF, FPF, ESI & Labour Welfare Fund	-	-
Rent for Leased Accomodation (Net)	606,629.00	216,000.00
Employee Welfare & Medical	987,720.00	1,294,965.00
Gratuity	-	-
Staff Training	-	-
<b>TOTAL</b>	<b>177,647,581.00</b>	<b>154,218,076.00</b>

Note: This Cost represents cost of staff seconded from the holding company, and also for MIAL staff as well outsourced staff. Payment as per concession / contract agreement.

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<b>CONCOR AIR LIMITED</b>		
<b>NOTE 13: FINANCE EXPENSES</b>		
	<b>Amount in Rs.</b>	
	<b>YEAR ENDED 31.03.2016</b>	<b>YEAR ENDED 31.03.2015</b>
<b>INTEREST EXPENSE ON:</b>		
BORROWING FROM HOLDING COMPANY	<b>116,375,000.00</b>	<b>116,375,096.00</b>
	<u><b>116,375,000.00</b></u>	<u><b>116,375,096.00</b></u>

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**CONCOR AIR LIMITED**



**NOTE 14: OTHER EXPENSES**

	Amount in Rs.	
	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
Printing & Stationery	4,669,027.00	4,264,798.18
Traveling and Conveyance	1,018,118.00	210,486.00
	-	-
Rent and Licence fee for office building	2,608,830.00	2,426,813.00
Electricity & Water	60,954,172.00	40,781,704.00
Repairs & Maintenance :	-	-
-Buildings	29,941,897.00	47,674,616.00
-Plant & Machinery	31,979,562.00	30,996,696.00
-Others	16,826,190.00	18,365,831.00
	<b>78,747,649.00</b>	<b>97,037,143.00</b>
Security Expenses	62,249,663.00	62,208,853.00
Vehicle Running & Main. Expenses	7,084,283.00	10,688,752.00
Business Development	134,062.00	52,422.24
Postage, Telephone & Internet	14,172,117.00	16,015,154.00
Books & Periodicals	-	20,279.00
Bank Charges	20,839.50	23,480.39
Legal & Professional Charges	714,908.00	247,280.30
Insurance	1,839,168.00	1,539,585.00
IT Expenses	-	-
Advertisement	1,218,014.00	907,292.00
Auditors' Remuneration :	-	-
-Audit Fee (*)	188,940.00	100,000.00
-Tax Audit Fee	43,693.00	30,000.00
-Other services	-	-
-Out of Pocket	174,493.00	109,950.00
	<b>174,493.00</b>	<b>239,950.00</b>
Rebate & Discounts	-	-
Rates & Taxes	6,130,273.00	22,637,525.00
Data Entry Staff Cost	-	-
Bad debts written off	-	-
CSR Expenses	1,160,391.00	-
Miscellaneous Expenses	2,295,199.00	406,855.00
Exchange Variation Loss	-	-
MIAL Staff Cost	-	-
Provision for :	-	-
Doubtful Debts	-	-
Doubtful Deposits	-	-
Doubtful Advances	-	-
Obselete Assets	-	-
Doubtful Investments	-	-
Obselete Stores	-	-
Prior Period Expenses(**)	-	612,313.00
<b>TOTAL</b>	<b>245,423,839.50</b>	<b>260,320,685.11</b>

(\*) Includes Cost Audit fee of Rs. 78,390/- for F.Y. 2014-15 & 2015-16 (last year NIL)

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**CONCOR AIR LTD  
NEW DELHI**

**NOTE 15**

**SIGNIFICANT ACCOUNTING POLICIES**

**A. Accounting Convention and Concepts:**

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with the applicable mandatory Accounting Standards and relevant presentation requirement of the Companies Act 1956 and Companies Act 2013. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principles.

**B. Fixed Assets and Capital Work in Progress:**

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost of acquisition is net of interest on capital advances and duty credits and is inclusive of freight, duties, taxes and other incidental expenses. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalization is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalization of claim. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized. Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date. Advances paid to acquire fixed assets are shown as part of "Long Term Loans & Advances".

**C. Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires Management to make estimates and assumptions considered in reported amounts of assets and liabilities (including Contingent Liabilities) and the reported income and expenses of the year. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results may differ due to these estimates and the difference between actual results and the estimates are recognized in the period in which they are known/ materialize.

**D. Intangible Assets**

**Software:**

Expenditure on Computer Software which is not an integral part of hardware is capitalised as an Intangible Asset. The cost of software includes license fee and implementation cost and is capitalised in the year of its implementation. Software is amortised over five years.

**Terminal rights:**

Expenditure on acquisition of concession right to construct, operate, maintain and develop an air cargo terminal incurred by way of stamp duty, registration fees, project bidding cost etc is capitalised as an Intangible asset. It is amortized over the term of concession from the date of handing over the facilities.

**E. Borrowing costs**

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalised as part of the cost of such assets and all other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

**F. Depreciation/Amortisation**

- i. Depreciation on Fixed Assets including assets created on leasehold land is provided on "Straight Line Method" at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.
- ii. Leasehold land other than acquired on perpetual lease is amortized over the period of lease.

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**G. Impairment of assets:**

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

**H. Retirement Benefits:**

1. No provision has been made for the current financial year as there are no employees on the payroll of the company. The staff working under the company has been seconded by the the paraent company -Container corporation of India Ltd and some staff is working on deputation from MIAL. The provision for retirement benefits are made in the books of Parent Company

**I. Income from Operations (Terminal and Other Service charges):**

TSP income and related expenses are accounted for at the time of delivery of the cargo from the terminal. X-ray Income and warehousing income are accounted for after completion of screening and on receipt/at the time of release of cargo respectively on 'completed service contract method

**J. Other Income:**

Interest Income is accounted on accrual basis.

**K. Claims/Counter-claims/Penalties/Awards:**

"Claims/counter-claims/penalties/awards are accounted for in the year of its settlement".

**L. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised in respect of obligation where, based on the evidence available, their existence on the balance sheet date is considered probable.

Contingent liabilities are determined on the basis of available information. These liabilities are not provided for, and are being disclosed by way of notes to accounts.

Contingent assets are not recognised in the accounts.

**M. Taxes on Income:**

- 1) Provision for current tax is made in accordance with the provisions of the Income tax Act,1961. Disputed income tax liabilities are accounted for on the finalization of assessments.
- ii) Accounting for deferred tax is done As per Accounting Standard -22' Taxes on Income' issues by the institute of Chartered Accountants of India.

**N TDS on Payment by Customer :**

The Customer deduct Tax at Source (Income tax- TDS ) at the time of making payment. The Company accounts for the Income from Operations fully and fairly within Financial Year on accrual basis. But the customers deduct the TDS for the 4th qtr from Cargo booking after the close of the financial year, as we need to close the accounts early for consolidation at holding company level. Therefore,the TDS for fourth quarter for each financial year is recognised in successive financial year. Over all there is no financial impact. However, asset and liability both set off each other.

*[Handwritten signatures and initials]*



**CONCOR AIR LTD.**  
**NEW DELHI**

**NOTES FORMING PART OF ACCOUNTS**

**NOTE 16 Corporate Information**

A) CONCOR Air Ltd. Is a wholly owned subsidiary of Container Corporation of India Ltd, a Navratna PSU under Ministry of Railways. CONCOR Air Ltd is a SPV created to undertake project on BOT basis for construction and operation of Domestic Air Cargo Terminal at Santacruz, Mumbai Airport in terms of RFP issued by MIAL (Mumbai International Airport Pvt Ltd). MIAL has entered into an operations, Management and Development Agreement with Airport Authority of India dated Apr 04, 2006 to operate, manage, develop and perform services relating to cargo handling and provision of cargo terminals at the Chhatrapati Shivaji International Airport, Mumbai and to contract with third parties to undertake the functions of MIAL. CONCOR Air Ltd has been awarded the contract to undertake project on BOT basis vide agreement dated Feb 18,2013 for construction and operation of Domestic Air Cargo Terminal at Santacruz, Mumbai. The total estimated project cost is Rs 40 Crores and whole amount will be contributed by Container Corporation of India Ltd through equity infusion. The Domestic Operation has been taken w.e.f. 01.05.2013.

B) The company entered into an concession agreement with MIAL, for taking over the handling, Operation and Maintenance (except for some facilities under other custodian Air India and other concessioners working with MIAL) of International Air Cargo Terminal at Air Cargo Complex, Sahar, Mumbai from MIAL. The concession agreement is for the period of three years and the International Cargo facilities were from 18.02.2014.

**Note 17: Other Commitments:**

In the opinion of the management of the company there is no "Other Commitments" that warrant disclosure in financial statements.

**Amount In Rs.**

Particulars	2015-16	2014-15
Estimated Amount of Contracts remaining to be executed on Capital Account (net of Advances) and not provided for.	3,13,75,478.37	11,60,27,350.39

**Note 18: Contingent Liabilities:**

**Amount In Rs.**

Particulars	2015-16	2014-15
Stamp Duty (As per Notice recd from collector of stamp)	-	1,70,78,650.00
Interest on above stamp duty	-	17,07,865.00
Stamp Duty (Domestic Agreement)	-	90,00,000.00
Interest on Delayed Payment to MIAL	1,01,73,060.00	
Licenses Fees (SACT Project)	3,10,68,729.70	
Service Tax (Financial Year 2013-14) (*)	2,47,26,146.00	
Terminal Benefits to staff posted on the basis of secondment	1,31,07,792.00	
<b>Total</b>	<b>7,90,75,727.70</b>	<b>2,77,86,515.00</b>

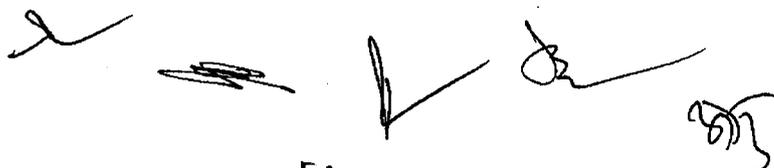
(\*) Related to Service Tax credit disallowed by the department due to manual Service Tax return filed after stipulated period of 90 days.

**Note 19: Deferred Tax (Liability)/ Assets:**

**Amount In Rs.**

Particulars	2015-16	2014-15
<b>Tax effects of items constituting deferred tax liability:</b>		
On difference between book balance and tax balance of fixed assets	40,30,763.00	2,07,815.00
Tax effect of items constituting deferred tax liability	13,93,682.00	70,636.00
<b>Tax effect of items constituting deferred tax assets:</b>		
Disallowances under Income Tax Act 1961 constituting timing difference	20,80,06,481.00	2,18,78,803.00
Tax effect of items constituting deferred tax assets:	95,57,270.00	74,36,605.00
	1,09,50,952.00	75,07,241.00

There is deferred tax asset of Rs.10,950,952.00 in the books of accounts in the current financial year.





**Note 20:** Prior Period Adjustments includes following:

Particulars	Amount in Rs.	
	2015-16	2014-15
<b>INCOME</b>		
Revenue From Operation	-	42,03,626.53
Other Income (Service Tax Receivables)	-	76,77,643.00
Excess Provision Written Back	62,63,853.00	-
<b>Total (A)</b>	<b>62,63,853.00</b>	<b>1,18,81,269.53</b>
<b>Expenses</b>		
Terminal and Other Service Charges	-	6,12,313.00
Other Expenses	-	-
<b>Total (B)</b>	<b>-</b>	<b>6,12,313.00</b>
<b>Net Prior Period Adjustment (A-B)</b>	<b>62,63,853.00</b>	<b>1,12,68,956.53</b>

**Note 21:** Balances of receivables, payables and advances from parties are subject to confirmation, letters for the same despatched.

**Note 22: Expenditure in Foreign Currencies:**

Particulars	Amount in Rs.	
	2015-16 (Rs.)	2014-15 (Rs.)
	Nil	Nil

**Note 23:** Provisions relating to disclosure of information as required by sub-clauses ii (a), ii(b), ii(d) & (iii) of clause 5 of Part - II of Schedule III to the Companies Act, 2013 are not applicable as the company has neither manufacturing nor trading activity.

**Note 24:** Annexure attached

**Note 25:** The information required under AS-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, is as under:

**A. Parent Company**

i. Container corporation of India Ltd.

a. Transactions relating to parties referred in (a) above are:

Sr. No.	Particulars	Amount in Rs.	
		2015-16	2014-15
a.	Salary of employees on secondment	2,37,69,566.00	2,01,85,482.00
b.	Advance during the year	11,74,702.00	-
c.	Balance payable	21,12,718.00	1,53,535.00

b. As per the requirement under the concession agreement entered into with MIAL, (Mumbai International Airport pvt.ltd.) , Container Corporation of India Ltd. has given a Performance Security by way of Bank Guarantee of **Rs.15 Crores** in favor of MIAL and the said bank Guarantee is valid till 17.08.2016 on behalf of CONCOR Air Ltd.

**B. Key Managerial persons:**

- i) Sh. Anil K. Sonawane - Chief Executive Officer
- ii) Sh. R. K. Chand - Chief Finance Officer
- iii) Sh. Rajesh Kumar - Company Secretary

*(Handwritten signatures and initials)*



**Annexure to Note 24**

The information required under AS-17 'Segment Reporting' notified by the Companies (Accounting Standard Rules 2006) as amended, is as under:

Primary Segments : The company is organized on into two major operating divisions- International and Domestic. The divisions are the basis on which the reports its primary segment information. Both International and Domestic divisions of the company are engaged in handling and warehousing activities. Segment revenue and expenses directly attributable to International and Domestic segments are allocated to the two segments. Joint revenue and expenses have been allocated on a reasonable basis. Segment assets include all operating assets used by a segment and consist principally of inventories, sundry debtors, cash and bank balances, loan and advances, other current assets and fixed assets net of provisions. Similarly, segment liabilities include all operating liabilities and consists principally of sundry creditors, advance from customers, other liabilities and provisions, Segment assets and liabilities do not, however, include provisions for taxes. Joint assets and liabilities have been allocated to segments on a reasonable basis.

THE INFORMATION ABOUT BUSINESS SEGMENTS ON PRIMARY REPORTING FORMAT IS AS UNDER:

**Amount in Rs.**

Sr. No.	DESCRIPTION	EXIM		DOMESTIC		TOTAL	TOTAL
		31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
I	<b>REVENUE</b>						
	SEGMENT REVENUE	3,197,691,135.78	2,810,507,702.13	201,224,985.09	192,380,168.75	3,398,916,120.87	3,002,887,870.88
II	<b>RESULT</b>						
	SEGMENT RESULT	279,812,743.28	199,988,960.44	32,643,950.09	48,719,137.33	312,456,693.37	248,708,097.77
	CORPORATE EXPENSES						
	OPERATING PROFIT					312,456,693.37	248,708,097.77
	INTEREST EXPENSES					116,375,000.00	116,375,096.00
	INTEREST AND OTHER INCOME					34,818,424.10	28,280,938.49
	INCOME TAXES					83,353,623.00	58,466,693.00
	EXTRAORDINARY ITEM	-	-	-	-	-	-
	PRIOR PERIOD ADJUSTMENTS (NET)					3,443,711.00	11,268,956.53
	NET PROFIT					150,990,205.47	113,416,203.79
III	<b>OTHER INFORMATION</b>						
	SEGMENT ASSETS	1,792,004,249.41	1,765,044,198.08	555,301,048.64	380,133,910.65	2,347,305,298.05	2,145,178,108.73
	UNALLOCATED CORPORATE ASSETS					Nil	Nil
	<b>TOTAL ASSETS</b>	1,792,004,249.41	1,765,044,198.08	555,301,048.64	380,133,910.65	2,347,305,298.05	2,145,178,108.73
	SEGMENT LIABILITIES	1,667,352,435.34	1,594,357,432.52	100,430,771.09	69,355,341.06	1,698,408,519.85	1,663,712,773.58
	UNALLOCATED CORPORATE LIABILITIES					648,896,778.20	481,465,335.15
	<b>TOTAL LIABILITIES</b>					2,347,305,298.05	2,145,178,108.73
	CAPITAL EXPENDITURE	676,244.00	550,055.00	3,940,300.00	104,490,272.00	4,616,544.00	105,040,327.00
	DEPRECIATION	9,622,597.99	8,617,808.00	2,958,256.16	1,780,065.00	12,580,854.15	10,397,873.00
	NON CASH EXPENSES OTHER THAN DEPRECIATION						

- a. Prior Period Adjustments have not been considered as related to any segment
- b. Secondary Segments : As the operations of the Company are presently confined to the Geographical territories of India, there are no reportable secondary segments.

*(Handwritten signatures and initials)*



**Note 26:** The information required under AS-19 'Leases' issued by the Institute of Chartered Accountants of India, is as under:

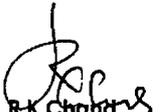
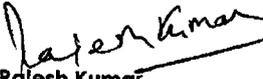
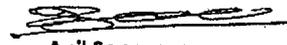
a. The total of future minimum lease payments under non cancellable operating leases for each of the following periods:

Sr. No.	Particulars	Amount in Rs.	
		2015-16	2014-15
i.	Not later than one year	2,85,63,741.30	34,82,927.50
ii.	Later than one year and not later than five years	17,39,74,766.06	13,52,78,883.40
iii.	later than five years	6,61,13,151.83	17,89,18,639.01
iv.	The operating leases are in respect of office premises and accommodation provided to staff. The period of lease arrangements varies from case to case	Nil	Nil

The payment of licence fees for lease of SACT ( Santacruz Air Cargo Terminal) will start from its scheduled commissioning date i.e 24 months from the date of agreement (Feb 18,2013). However, MIAL has granted extension of the time period till March 2016. The payment for Marol Space lease has been considered and paid for the full financial year 2015-16.

**Note 27:** The previous year's figure have been recast/ regrouped/ rearranged, wherever considered necessary to confirm to this year's.

"SIGNATURES TO NOTES 1 TO 27"

On behalf of CONCOR AIR LIMITED		As per our report of even date For Sanjeev Saxena & Co Chartered Accountants	
 Dr. P. Anil Rani Director	 Anil Kumar Gupta Chairman	 R.K. Chandra Chief Finance Officer	 Sanjeev Saxena Partner M. No. 084091
 Rajesh Kumar Company Secretary	 Anil Sonawane Chief Executive Officer		
Dated : 25/5/16 Place : New Delhi			



## INDEPENDENT AUDITORS' REPORT

The Members,  
Concor Air Limited,  
ConCor Bhawan,  
C-3, Mathura Road,  
New Delhi

### Report on the Financial Statements

We have audited the accompanying financial statements of CONCOR AIR LIMITED ("the company") which comprises the Balance Sheet as at March 31, 2016, and Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principal 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 includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatements of financial statements, whether due to fraud and error. In making those risk assessment, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Basis for qualified opinion**

(i) In Note no. 8 "Current Assets" sub heads 'Trade Receivables' and 'Advance tax/TDS (net of provisions) the company has not fully and fairly accounted for tax deducted at source by other parties.



The company has disclosed in Note No. 15N that for the IV<sup>th</sup> (last) quarter of each financial year it accounts for tax deducted at source by parties on estimated basis. Resultantly, for the Financial Year 2014-15 we observe that tax deducted at source by the other parties was excessively estimated and provided for by Rs. 2,33,77,319/-. Thus, during the year under review, the amount disclosed under the sub head 'Advance income tax/TDS (Net of provisions)' remains overstated and 'Trade receivables' stand understated to the extent of above said tax deducted excessively estimated and accounted for.

The company continues to account for the tax deducted at source on approximate basis for IV<sup>th</sup> quarter of FY 2015-16. The ultimate outcome of the above estimation cannot be quantified for the current year.

(ii) In Note no. 12 the company has accounted Employees Benefit Expenses. Terminal benefits like contribution to provident fund, ESI, gratuity, pension etc. have not been accounted for. The company has disclosed its practice in Note no. 15H(i) and also the estimated liability of terminal benefits upto FY 2015-16 in Note-18 Contingent liabilities. It has been further explained that the holding company accounts for terminal benefits of employees working on secondment basis which shall be reimbursed to the parent company on repatriation. Above said policy of company does not comply with Accounting Standard (AS)15.

(iii) The company is required to pay the licence fee to Mumbai International Airport Pvt. Ltd. (in short 'MIAL') from effective date i.e. 18.02.2013 or the actual date of commencement whichever is earlier. The company is also liable to pay interest to MIAL for any delay. Licence fee payable to 'MIAL' upto 31.03.2016 is Rs. 3,10,68,729/-. The company has made a disclosure of above amount under Note 18 'Contingent Liabilities'. A demand letter dt. 23.05.2016 requiring the company to pay advance licence fee for FY 2016-17 has been shown. It is claimed that said letter is a waiver of earlier year licence fee. As there is not even a whisper of any such waiver in the said letter we are of the opinion that the company is liable to pay above said licence fee accrued upto FY 2015-16, make full provision for above said licence fee.



In view of above we are of the opinion that the profits stand overstated and the current liabilities stand understated to the extent of Rs. 3,10,68,729/-.

(iv) Board of directors of the company in its meeting on 24.5.2016 belatedly ratified the time over run of more than 15 months and cost overrun of 7.21 crores as well as waiver of penalty for Capital work in progress relating to Santa Cruze Terminal. Cost overrun ratified 35.25% exceeds the permissible 25% prescribed in contract. In view of our technical limitations, we are unable to quantify the financial implications, if any, for above reasons. A technically qualified independent agency may be appointed to inquire into all of the aspects.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, 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 31<sup>st</sup> March 2016, and its profit and its cash flows for the year ended on that date.

#### **Emphasis of matters**

We draw attention to following matters referred to in the Notes to the financial statements:

(i) In Note 4 of "Current Liabilities", sub-head 'Other Current Liabilities', the company has provided under 'Contractually Reimbursable Expenses', expenses payable at year end in respect of International Cargo operations. These expenses have been provided for in the books of account on the basis of the cost sheet approved by the Chairman. The cost sheet involves risks of material differences, if any, which cannot be determined. The matter was also emphasized in the report on the financial statements for the year ended 31<sup>st</sup> March 2015. Our opinion, however, is not qualified in respect of this matter.



(ii) Service Tax department, Mumbai issued a demand letter to reverse/pay Rs. 2,47,26,146/- being the excessive claim of CENVAT credit made for the period April 2014 to September 2014. The company filed the representation which is pending before service tax authorities. In view of above, the company has made a disclosure of above amount under Note 18 contingent liabilities. Our opinion, however, is not qualified in respect of this matter.

(iii) The company has earned Net profit for the financial years 2013-14, 2014-15 and 2015-16. In compliance of section 135 of the Companies Act, 2013, the company has constituted the CSR Committee. The company has informed that it is in process of adopting the CSR policy of the holding company to spend prescribed percentage of the net profits towards Corporate Social Responsibility. Our Opinion, however, is not qualified in respect of the matters stated above.

#### **Other Matters**

We further draw attention to fact that the common facility of International Cargo Complex facility is also used by other custodian and concessionaires. As per concessionaire agreement the company is incurring all expenses for said common facilities, although all revenue from other custodian(s) and concessionaires accrues to "Mumbai International Airport Private Limited".

We observe that the company needs to recover appropriate amount of said expenditure attributable to other custodians from MIAL. In absence of such identification and apportionment of common expenses, the expenses incurred involve an excessive charge recovered by MIAL from the company. Our Opinion, however, is not qualified in respect of this matter.

#### **Report On Other Legal And Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of clause (42) of section 2 of the Companies Act, 2013 we give in the Annexure a statement of the matters specified in the Para 3 of the Order.





2. As required by the section 143 we report that:

a) We have obtained all the information and explanations which to the best of our knowledge and beliefs were necessary for the purpose our audit.

b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.

c) As the Company is not having any branch, this clause is not applicable.

d) The Balance Sheet, statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

e) In our opinion the aforesaid financial statements except as stated in Para (i) to (iv) of qualified opinion, comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

f) The going concern matter described in sub-paragraph (i) under the Emphasis of Matters paragraph above, in our opinion, may have adverse effect on the functioning of the company.

g) On the basis of written representation received from the directors as on 31<sup>st</sup> March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016 from being appointed as director in terms of section 164(2) of the Act.

h) The company has reached a sizable turnover and therefore need to employ its own manpower instead of depending on staff of the concessionaire to maintain accounts/other operations.

i) The company has explained that in view of limited man-power it is using the infrastructure and manpower of the holding company in relation to capital expenditure/project. It has also delegated the financial powers to officials of the holding company. The company has been subjected to internal audit, quality assurance audit, cost audit and revenue certification by external agencies who have



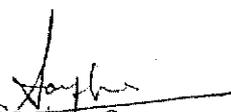
not reported any major irregularity. In view of the management representation and as required under Rule 10A of the Companies (Audit and Auditors) Rules, 2014 we observe that the company needs to develop its own internal financial controls and strengthen the existing ones.

j) 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 information and according to the explanations given to us:

- (i) There is no pending litigation that may require disclosure by the company in its financial statements.
- (ii) The Company is not required to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as there are no such contracts.
- (iii) The company is not required to transfer any amount to Investor Protection Fund.

Place: New Delhi  
Dated: 25.05.2016



  
Sanjeev Saxena  
Partner  
M.No.084091  
For and on behalf of  
Sanjeev Saxena & Co.  
Chartered Accountants  
FRN 005041N

**Annexure to Auditor's Report**

(i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets as certified by the management, have been physically verified by the internal auditors and no material discrepancies were noticed on such verification.

(c) The company does not own immovable property or land either on freehold or leasehold basis. It holds terminal rights in nature of right in immovable properties and rights in land on basis of concessionaire agreement or on licence basis for a specified tenure. The concessionaire agreement or licence agreements are registered in name of the company.

(ii) Clause (ii) is not applicable and hence is not commented.

(iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence, sub-clauses (a) to (c) are not applicable and hence not commented.

(iv) The company has not granted any loans nor made investment or provided guarantee or security referred in section 185 and 186 of the Companies Act, 2013 and hence not commented.

(v) The company has not accepted deposit; hence this clause is not applicable and is not commented.

(vi) Central Government has prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and such account in record have been maintained.



(vii) (a) The company is regular in depositing undisputed statutory dues including income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except in few instances where income tax deducted was deposited beyond due date and interest has been paid. The company has neither provided for nor paid provident fund, employee's state insurance which are reportedly borne by the holding company.

(b) There are no disputed liabilities for income tax or sales tax or duty of customs or duty of excise or value added tax or cess. The company however disputes and has represented against notice of demand by service tax department for Rs. 247,26,146/- for the year 2014-15. The representation is pending before Assistant Commissioner, Service Tax, Mumbai.

(viii) The company has not taken any loans from any financial institution, bank, government or debenture holders. However, the company had borrowed 125 Crores from its holding company on interest. There is no stipulation as to repayment of loan from holding company but the interest is paid regularly.

(ix) The clause is not applicable and not commented as the company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) No fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) The clause is not applicable and not commented as the company has neither paid nor provided any managerial remuneration.

(xii) The clause is not applicable and not commented as the company is not a Nidhi company.

Sanjeev Saxena & Co.  
Chartered Accountants



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Ansari Road, Daryaganj,  
New Delhi-110002,  
Tel: 011-23244855, 41004685,  
M- 09717031061  
E-mail: ssc01985@gmail.com

(xiii) All transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details thereof as required by the applicable accounting standard have been disclosed in the financial statements.

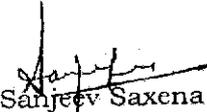
(xiv) The clause is not applicable and is not commented as the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review.

(xv) The clause is not applicable and is not commented as the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The clause is not applicable and not commented as the company is not required to be registered u/s 45 IA of the Reserve Bank of India Act, 1934.

Place: New Delhi  
Dated: 25.05.2016



  
Sanjeev Saxena  
Partner  
M.No.084091  
For and on behalf of  
Sanjeev Saxena & Co.  
Chartered Accountants  
FRN 005041N

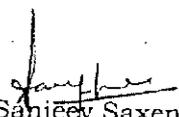


**Audit Report on directions issued u/s 143 (5) of the Companies Act, 2013**  
**by office of Comptroller & Auditor General of India**  
**[M/s. Concor Air Ltd. for year ended on 31.3.2016]**

On matters prescribed in Directions issued u/s 143(5) of the Companies Act, 2013 by the Office of the Comptroller & Auditor General of India, on financial statements of M/s ConCor Air Ltd. as at 31<sup>st</sup> March 2016, we report as under:

1. The company does not own land either on freehold or leasehold basis. The company has terminal rights in nature of right in immovable properties and rights in land on basis of concessionaire agreement or on licence basis for a specified tenure. The concessionaire agreement or licence agreements are registered in name of the company.
2. The company has not waived/written off any debts/loans/interest etc. Hence no comments are made on requirements of Direction No.2.
3. The Company is engaged in air cargo business and does not maintain any inventories of any nature either with itself or with any third party. Hence no comments are made on requirements of Direction No.3.

Place: New Delhi  
Dated: 25.05.2016

  
Sanjeev Saxena  
Partner  
M.No.084091  
For and on behalf of  
Sanjeev Saxena & Co.  
Chartered Accountants  
FRN 005041N

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF CONCOR AIR LIMITED FOR THE YEAR  
ENDED 31 MARCH 2016.**

The preparation of financial statements of Concor Air Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Concor Air Limited for the year ended 31 March 2016 under section 143 (6) (a) of the Act.

For and on the behalf of the  
Comptroller & Auditor General of India

  
(Dinesh Bhargava)  
Director General of Audit  
Railway Commercial, New Delhi

Place: New Delhi  
Dated: 15 July, 2016

**Form No. MGT-11**

**Proxy Form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	U62200DL2012GOI239207
Name of the Company	CONCOR AIR LIMITED
Registered Office	CONCOR Bhawan C-3 Mathura Road Opposite Apollo Hospital New Delhi - 110076

Name of the Member(s)	
Registered address	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the 04<sup>th</sup> Annual General Meeting of the company, to be held on the 09<sup>th</sup> day of August at 10:00 a.m. at Conference Hall, CONCOR Bhawan, C-3, Mathura Road, New Delhi – 110076 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution(s)	Option* (Please mention no. of Shares)	
		For	Against
1.	Adoption of Annual Accounts as on March 31, 2016 (Ordinary Resolution)		
2.	Confirm the payment of Dividend (Ordinary Resolution)		
3.	Re-appointment of Shri Anil Kumar Gupta, Chairman/Director of the Company. (Ordinary Resolution)		
4.	Re-appointment of Dr. P. Alli Rani, Director of the Company. (Ordinary Resolution)		
5.	To take note of the appointment of M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi as Statutory Auditors (Ordinary Resolution)		

6.	Appointment of Shri V. Kalyana Rama, Director of the Company. (Ordinary Resolution)		
7.	Appointment of Maj. Gen. (Retd.) Raj Krishan Malhotra, Director of the Company. (Ordinary Resolution)		
8.	Appointment of Shri Sanjeev S. Shah, Director of the Company. (Ordinary Resolution)		
9.	Appointment of Shri Sharat Sudhakar Chandrayan, Director of the Company. (Ordinary Resolution)		
10.	Consideration of Shifting of Registered Office from NCT of Delhi to State of Maharashtra		

Signed this \_\_\_\_ day of \_\_\_\_ 2016

Affix Revenue Stamp
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Signature of Shareholder

Signature of Proxy holder(s)

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the reeregistered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. For the details of Resolutions, Explanatory Statement and Notes, please refer to the Notice of 04th Annual General Meeting.
- \*3. It is optional to indicate your preference. If you leave the column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she think appropriate.
4. Please complete all details including details of member(s) before submission.