



CONCOR AIR LIMITED

(A Wholly Owned Subsidiary of CONCOR)

**5th Annual Report
(2016-17)**

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.

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Five Years Financials/Physical Performance (year wise data)
(Rs. in Lacs)

Sr. No.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1.	Total Income Including Other Income)	10.05	4,143.25	30,430.50	35,467.12	38,547.39
2.	Expenditure	1.28	3,564.77	27,443.94	31,893.25	35,783.93
3.	Operating Margin (1-2)	8.77	578.49	2,986.56	3,573.86	2,763.45
4.	Interest Expenses	-	540.90	1,163.75	1,163.75	1,064.27
5.	Depreciation	-	24.60	103.98	125.81	500.29
6.	Profit Before Tax	8.77	12.99	1,718.83	2,284.31	1,198.89
7.	Profit After Tax	5.66	9.83	1,134.16	1,493.75	783.52
8.	Dividend	-	-	-	220.56	308.78
9.	Profit & Loss Account Balance	5.66	15.49	1,149.65	2,307.46	2,782.20
10.	General Reserve	-	-	-	-	-
11.	Term Loan	-	-	-	-	-
12.	Reserve & Surplus (9+10)	5.66	15.49	1,149.65	2,307.46	2,782.20
13.	Fixed Assets (Gross Block)	182.56	800.57	1,850.97	3,777.62	4,364.95
14.	Sundry Debtors	-	799.82	843.86	1,288.18	1,904.79
15.	Foreign Exchange Earnings	-	-	-	-	-
16.	Share Capital	3,665.00	3,665.00	3,665.00	3,665.00	3,665.00
17.	Capital Employed	3,670.66	16,176.40	17,235.49	18,289.25	6,289.65
18.	Government Investment	-	-	-	-	-
19.	Net Worth (12+16)	3,670.66	3,680.49	4,814.65	5,972.46	6,447.20
20.	Profit Before Tax to Capital Employed	0.24	0.08	9.97	12.49	19.06
21.	Operating Margin to Capital Employed	0.24	3.58	17.33	19.54	43.94
22.	Profit After Tax to Share Capital	0.15	0.27	30.95	40.76	21.38
23.	Expenditure to Income	12.77	86.04	90.19	89.92	92.83
24.	Number of Employee	7	10	16	19	27
25.	Income per Employee	1.44	414.33	1,901.91	1,866.69	1,427.68
26.	Foreign Exchange Earning per Employee	-	-	-	-	-
27.	Current Ratio	194.77	2.10	1.67	1.50	1.13
28.	Debt Equity Ratio	0.004	3.40	2.60	2.09	1.71
29.	Investment	-	-	-	-	-
	PHYSICAL PERFORMANCE (In MT)					
1.	International Handling	0	35,976	308,583	320,190	341,455
2.	Domestic Handling	0	57,692	69,216	70,507	103,477
3.	Total (1+2)	0	93,668	377,798	390,698	444,932

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri. V. Kalyana Rama
(w.e.f. 03.10.2016) Chairman and Director

Dr. P. Alli Rani Non-Executive Director

Shri. P. K. Agrawal
(w.e.f. 06.09.2016) Non-Executive Director

Shri Sharat Chandrayan
(w.e.f. 04.07.2016) Non-Executive Director

Shri Sanjeev Shah
(w.e.f. 28.04.2016) Independent Director

Maj. Gen. Raj Krishan Malhotra
(w.e.f. 28.04.2016 to 16.06.2017) Independent Director

Shri Deepak Kapoor
Chief Executive Officer

Shri Tilak Raj Taneja
Chief Financial Officer

Shri Jignesh Gaglani
Company Secretary

REGISTERED ADDRESS

CONCOR Bhawan, C-3,
Mathura Road,
Opp. Apollo Hospital,
New Delhi 110076

STATUTORY AUDITORS

Sanjeev Saxena & Co.
Flat No. 110GF, 4855/24,
Ansari Road, Daryaganj,
New Delhi - 11002

BANKERS

Vijaya Bank
Yes Bank
State Bank of India

NOTICE

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

Day : Wednesday
Date : September 20, 2017
Time : 12.00 Noon
Venue : Conference Room, CONCOR Bhawan,
C-3, Mathura Road, Opp. Apollo Hospital,
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 Financial Statement of the Company for the year ended 31st March, 2017, including Balance Sheet as at 31st March, 2017, the Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2017
3. To appoint a Director in place of Shri V. Kalyana Rama, Chairman and Director (DIN: 07201556) who retires by rotation and being eligible, offer himself for reappointment.
4. To take note of the appointment of M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and fix their remuneration and to pass 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 2017-18 in terms of the order no. NO./CA. V/COY/CENTRAL GOVERNMENT, CONAIR(0)/429 dated 27/07/2017 of Comptroller & Auditor General of India be and is hereby noted.

RESOLVED FURTHER THAT the Board of directors of the company be and are 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 2017-18 and onwards.”

SPECIAL BUSINESS:

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

"RESOLVED THAT the appointment of Shri P K Agrawal w.e.f. 06.09.2016, by the Board of directors be and is hereby confirmed and he shall be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of section 12 and 13(4) of the Companies Act, 2013 read with Companies (Incorporation) Second Amendment Rules, 2017 and other applicable provisions, if any, and subject to confirmation of the Central Government, power vested with the Regional Director and/or such other statutory/regulatory authorities, as may be required to be obtained, consent of the members be and is hereby accorded to shift the registered office of the company from the NCT of Delhi to the State of Maharashtra.

RESOLVED FURTHER THAT subject to confirmation of concerned regulatory/statutory authorities, approval of the members be and is hereby accorded to alter Clause No. II of the Memorandum of Association of the Company by replacing the same with the following:

“II. The Registered Office of the Company will be situated in the State of Maharashtra, i.e. within jurisdiction of Registrar of Companies Maharashtra, at Mumbai.”

RESOLVED FURTHER THAT any Director or Chief Executive Officer of the Company, be and is hereby severally authorized to sign the petition, application, affidavits, power of attorney and such other documents as may be required to be filed with the Regional Director, Registrar of Companies or such other statutory/regulatory/administrative authorities and also to act as authorized officials of the company for the purpose aforesaid and in general, to do all such acts, deeds, matters and things as may be necessary, desirable and expedient for and on behalf of the Company, to give effect to this resolution which includes signing and filing of e-forms with the authorities concerned.

RESOLVED FURTHER THAT any Director of the Company, be and is hereby authorized to appoint a representative to represent the company before the Regional Director/ Central Government in the matter of petition to be filed under provisions of Companies Act, 2013 and rules made thereunder, seeking its confirmation to the proposed alteration to the situation clause of the Memorandum of Association of the Company and to make such oral and written submissions as may be required and to furnish such information and do such things, for and on behalf of the Company, as may be necessary in the said matter and/or any other matter/proceedings arising therefrom.”

**By order of Board of
CONCOR AIR LIMITED**

Date: 26.08.2017

Place: Mumbai

**Sd/-
(Jignesh Gaglani)
Company Secretary**

NOTES:

- (a) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business to be transacted at the Annual General Meeting is annexed thereto.
- (b) Pursuant to requirement of Secretarial Standard – 2(SS-2) the brief profile of the Directors proposed to be re-appointed and appointed are given in the Notice.
- (c) A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxy(ies). To attend and vote on a poll instead of himself and the proxy(ies) so appointed need not be a member of the Company. Proxy(ies) in order to be effective, must be received at the Company's registered office not less than 48 hours before the Commencement of the Meeting. Only duly completed, signed and stamped proxy will be considered valid. A Proxy form is attached herewith.
- (d) 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. In case of a member who is holding more than ten percent of the total share capital of the Company may appoint single person as proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer are Companies, societies, partnership firms etc, it shall be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization. The Proxy-holder shall prove his identity at the time of attending the Meeting.
- (e) During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member would be entitled to inspect the proxies lodged, at any time during the business hours at the Registered Office of the Company, provided that not less than three days of notice in writing is given to the Company.
- (f) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 14 September, 2017 to Wednesday 20 September, 2017 (both days inclusive) for the purpose of declaration of dividend.
- (g) The Final Dividend for the financial year ended March 31, 2017 as recommended by the board, if approved at the Annual General Meeting, will be paid within a period of thirty days from the date declaration to those

members whose name appear as Member in the Register of Member of the Company on or before Wednesday, September 13, 2017

- (h) Corporate member intending to send their authorized representative to attend the Annual General Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
- (i) Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven working days in advance of the AGM so that the information required can be made available at the meeting,
- (j) All the documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company between 11.00am to 1.00pm on all working days up to the date of the AGM. Copies thereof shall also be made available for inspection at the Meeting.

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

ITEM NO.5

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 P K Agrawal 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 P K Agrawal is concerned or interested in resolution.

ITEM NO. 6

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 developed 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 been 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 and Therefore directors are in view of shifting the registered office of the Company to Santacruz Air Cargo Terminal (SACT), Near Milan Subway, Off Western Express Highway, CTS No. 2085. Vile Parle (East), CSIA, Mumbai - 400099.

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.

Accordingly, the Board recommends passing of the resolution set forth in the Item No. 6 of the Notice as Special Resolution by the members. 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 concerned or interested in the said resolution.

**By order of Board of
CONCOR AIR LIMITED**

Date: 26.08.2017

Place: Mumbai

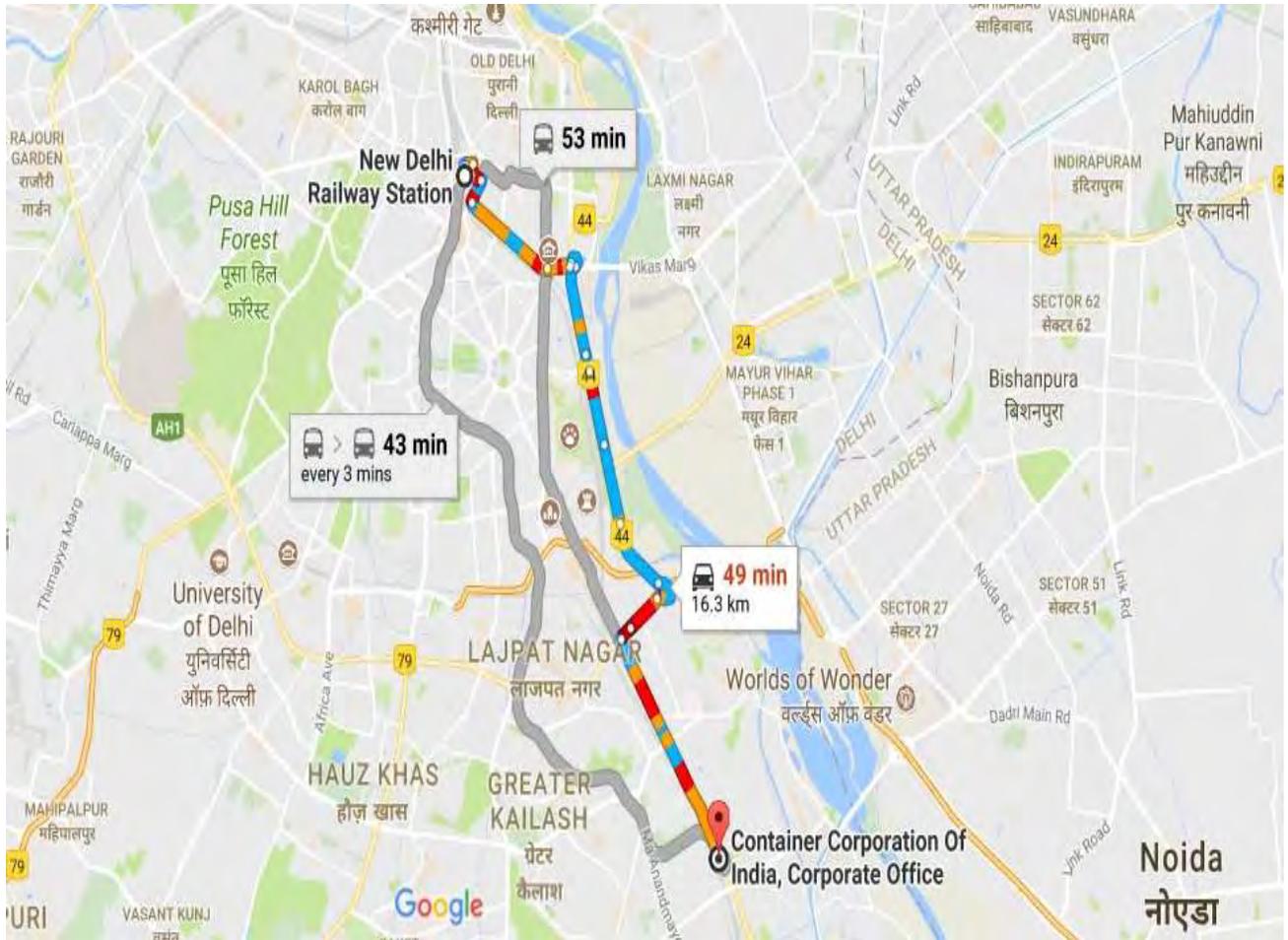
**Sd/-
(Jignesh Gaglani)
Company Secretary**

As required under Secretarial Standard – 2, details of Directors seeking re-appointment/appointment at the following Annual General Meeting (Please refer point B of Notes to Notice)

Name	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 V. Kalyana Rama DIN: 07201556	28.09.1963	09.12.2015	B. Tech (Mech.) and ICWA	He had worked in BHPV & BHEL before joining Indian Railways. Prior to joining Board of Directors of CONCOR as Director (Projects & Services), he held various assignments such as Executive Director, Chief General Manager in CONCOR. He has wide experience in the field of Engineering, System design, Railway & multi modal logistics operations and Project planning.	Container Corporation of India Ltd., Fresh & Healthy Enterprises Ltd., TCI-CONCOR Multimodal Solutions Private Limited, SIDCUL CONCOR Infra Company Ltd.	NIL
Shri Pradip Kumar Agrawal DIN: 07557080	20.01.1963	06.09.2016	Qualification – MA, LL.B and MBA (Finance)	He has worked for Indian Railways for more than 17 years on various important	Container Corporation of India Ltd., Fresh & Healthy	NIL

				<p>assignments, both at Divisional and Zonal Headquarter level covering operations, commercial, marketing and safety of Indian Railways. He has also worked as Chief Executive Officer for APM Terminals, Mumbai (GTIPL) for five years before joining as Director (Domestic Division), CONCOR. During his tenure as CEO/GTIPL, he has taken various landmark initiatives towards improving productivity, efficiency and safety of the terminals.</p>	<p>Enterprises Ltd, TCI- CONCOR Multimodal Solutions Pvt. Ltd., Panjab Logistic Infrastructu re Limited</p>	
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LOCATION OF 5TH ANNUAL GENERAL MEETING VENUE



LETTER FROM CHAIRMAN

Dear Member,

Greetings!

It gives me immense pleasure to share through this letter the achievement and highlights of your Company's performance during the previous years. For the Business of your Company 2016-17 was a tough year as import and export of the country faced many challenges. However, through various initiatives and well laid down plans, the management could navigate the Company successfully by minimizing the adverse impact of these challenges on our Business.

CAL has invested around Rupees Forty crores only (₹ 40, 00, 00,000/-) for constructing India's Largest Integrated Domestic state of the art air cargo handling facility namely Santacruz Air Cargo Terminal (SACT) at Mumbai Airport which was inaugurated in June 2016. Various facilities created at SACT have been welcomed by the trade fraternity. Majority of the domestic airlines operating out of Mumbai prefer our facility and operate out of SACT.

The roll out of GST from July 1st may see lot of changes in the logistics sector which will require business reengineering by all the stakeholders in the logistics chain. CAL is taking the necessary initiatives and gearing up for the challenges and the opportunities post GST implementation.

Company is planning to enter into the new business opportunities in the area of ground handling operations at various Airports in India

The Combined tonnage (International and Domestic) handled by Company during the FY 2016-17 was 444932 MTs as compared to handling of 390699 MTs during the corresponding period of previous financial year 2015-16. Thus registering a healthy growth of 13.8% as against an overall growth of 9.3% witnessed in total Air Cargo at all Indian Airports during the same period. During the FY 2016-17, Company achieved a gross Turnover of Rs.385.47 and net profit Rs. 7.83 crores.

I am grateful for your continuous guidance and patronage in all our initiative. I am very thankful to the Company's Board of Directors for their

valuable guidance and support. I sincerely appreciate our shareholders, esteemed customers and our business associates for having reposed faith in our efforts which has helped us to earn their confidence. I am confident that with the hard work and commitment of the entire CAL team, we would sail through all the challenges that would come in our way for reaching new heights in the future.

With best wishes,

Date: 27.07.2017
Place: New Delhi

Sd/-
V. Kalyana Rama
Chairman

Directors' Report

To the shareholders

Your Directors are pleased to present their Fifth Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ending 31st March, 2017.

FINANCIAL REVIEW

(Amount in Rupees)

Particulars	Year ended on 31st March, 2017 (Audited)	Year ended on 31st March, 2016 (Audited)
Revenue from operations	368,51,80,669	339,89,16,121
Other Income	16,95,58,171	14,77,95,597
Total Income	385,47,38,840	354,67,11,718
Less: Expenses	373,48,49,787	331,82,81,102
Profit before Tax	11,98,89,053	22,84,30,616
Less : Current Taxation	3,89,70,851	8,33,53,623
Add : Deferred Tax	(25,66,195)	(42,98,356)
Profit/(Loss) after Tax	7,83,52,007	14,93,75,349
Earning Per Equity Share	2.14	4.08

During the year under the review, the Company has earned total income of Rs. 385,47,38,840 as compared to the income of Rs. 354,67,11,718 during the previous financial year. The profit after tax as on March 31, 2017 amounted to Rs. 7,83,52,007 as against profit of Rs. 14,93,75,349 during the previous financial year.

INDIAN ACCOUNTING STANDARDS

The Ministry of corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind As) applicable to certain classes of Companies.

The following are the areas which had impact on account of transition to Ind As:

1. Discounts on Security Deposits Given.
2. Dividend and related dividend distribution Tax.

OPERATIONAL REVIEW

- ❖ The company was incorporated on 24th July 2012, and got certificate of commencement of business on 8th March 2013.
- ❖ The company has 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 has signed concession agreement with MIAL on 30th 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 which was further extended till September 30, 2017.
- ❖ The land at Domestic Airport, earmarked for construction of Santacruz Air Cargo Terminal (SACT) has been taken over by company on 11/03/13. Construction activity has commenced from August 2013 and completed in March'2016. Permission from BCAS was received on 19.05.2016. SACT was inaugurated on June 06th, 2016 and commenced commercial operation on June 9th, 2016.
- ❖ The combined tonnage handled (International + Domestic) during the FY 16 – 17 is 444932 MT which is 13.8% higher as compared to FY 15 – 16 which was 390693 MT.
- ❖ The Combined total income is higher by Rs. 30.80 Cr in FY 2016-17 as compared to FY 2015-16. Total Revenue for FY 2016-17 is Rs. 385.47 Cr. whereas, in FY 2015-16 it was Rs. 354.67 cr. with an increase by 8.68%.
- ❖ In Mar' 17, achieved highest ever EXIM tonnage handled at International Air Cargo in any given single month i.e. 37802 MT and also highest ever import tonnage handled i.e. 22166 MT respectively.
- ❖ 02 new scheduled Airlines have started their operations during this Financial Year namely All Nippon Airways and Unitop Airlines. Export carting and palletization activity of M/s Fedex has also started from July' 16 onwards thereby increasing our revenue at International operations.

- ❖ Non schedule freighters like Asiana Airlines, Air Shagoon, Hercules Aviation, Atlas Airline, Korean Air etc., have been regularly operating at ACC in FY 2016-17.
- ❖ New Export Heavy and Bonded cargo terminal has been commissioned at ACC, Sahar for exclusive handling of heavy and bonded cargo with effect from January 2017

DIVIDEND

Keeping in view the healthy earning for the financial year, the Board of the Company has decided to pay 12% dividend on the paid up share capital of Rs.36.65 Cr.

SECURED LOANS/ UNSECURED LOAN

Unsecured loan of Rs.125 crores was taken during the initial year of the company i.e. 2013-14 from Container Corporation of India Limited (CONCOR), a holding company, and regular interest are being paid to CONCOR in time. The Board has decided to repay Rs. 15 crore loan to CONCOR, the holding company, which was paid on 13.07.2016 by which the loan amount is reduced to Rs. 110 Crore.

MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments have occurred between the end of financial year of the Company and the date of this report affecting financial position of the Company as on date of this report.

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.

DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and rules made thereunder.

DETAILS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

During the year under the review, Company continues to be wholly owned subsidiary of the Container Corporation of India Limited. Further, none of the Companies became or ceased to be the Subsidiary or Associate of the Company.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Pursuant to notification dated June 5, 2015 issued by Ministry of Corporate Affairs for Government Companies, first and second proviso to sub-section (1) of Section 188 under chapter XII of the Companies Act, 2013, are not applicable to a Government Companies in respect of contract or arrangement entered into with any other Government Company.

During the period ended 31st March, 2017, Company's related party transactions were with Container Corporation of India Limited, holding Company (a PSU under Ministry of Railway) in ordinary course of business and on arm's length basis and disclosed in notes forming parts of accounts.

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

As per notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of the Annual Report.

HUMAN RESOURCE MANAGEMENT

As on March 31, 2017 employees' strength of the Company was 27 staffs including 3 Key managerial personnel (KMPs) i.e Chief Executive Officer, Chief Financial Officer, Company Secretary and DGM C&O. Except Company Secretary, all the staff including KMPs are deputed on secondment basis from CONCOR, the holding Company. 12 staffs were deployed for the Domestic Air Cargo Operations and 11 staffs were deployed for the International Air 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

STATUTORY AUDITORS

Being a Government Company, the Comptroller & Auditor General (C&AG) of India had appointed Company's Statutory Auditor for the financial year 2016-17.

M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi has been appointed as Statutory Auditors of the Company for the financial year 2016-17 in terms of letter no. CA.V/COY/CENTRAL GOVERNMENT, CONAIR(0)/222 dated 12.07.2016 of Comptroller & Auditor General of India. The Statutory Auditor of the Company is being paid an audit fees of Rs. 1,50,000.

The Statutory Auditors have audited Financial Statements of the Company for the financial year 2016-17.

DETAILS OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board met 6 (Six) times for transacting business of the Company during the financial year 2016-17, the details of which are given in the Corporate Governance report section that forms part of this Annual Report. The intervening gap between two consecutive board meetings did not exceed 120 days.

Shri Pradip Kumar Agrawal was appointed as Director of the Company w.e.f. 06.09.2016 as nominated by the CONCOR, a holding Company.

Shri Anil Kumar Gupta, Chairman and Non-executive Director of the Company on attaining the age of superannuation ceased to be director of the Company w.e.f 30.09.2016

Shri Kamal Jain ceased to be director of the Company due to Office order No. 51/2016 dated June 16, 2016 of CONCOR with regards to his transfer to M/s. Gateway Terminal Private Limited. Pursuant to said transfer order, he resigned from the Board of the Company on June 22, 2016.

Major Gen. (Retd.) Raj Krishan Malhotra, Non-Executive and Independent Director of the Company (w.e.f 28.04.2016) [DIN: 07483272] ceased to be director of the Company w.e.f 16.06.2017 due to sudden demise; Board of Directors condoled the untimely demise of Maj. Gen. Raj Krishan Malhotra and placed on record the invaluable contributions made by him.

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

- (1) Shri V. Kalyana Rama, Chairman and Non-executive non Independent Director [DIN: 07201556];
- (2) Dr. P. Alli Rani, Non-Executive and Non-Independent Director [DIN: 02305257];

- (3) Shri Pradip Kumar Agrawal, Non-Executive and Non-Independent Director (w.e.f 06.09.2016) [DIN: 07557080];
- (4) Shri Sanjeev Shah, Non-Executive and Independent Director (w.e.f 28.04.2016) [DIN: 00323163];
- (5) Shri Sharat Chandrayan, Non-Executive and Non-Independent Director (w.e.f 07.07.2016) [DIN: 07565063]

Shri Rajesh Kumar ceased to hold the position of Company Secretary with effect from June 15, 2016

Shri Jignesh Gaglani appointed as a Company Secretary of the Company with effect from February 07, 2017

Shri Anil Sonawane ceased to be Chief Executive Officer of the Company due to Office order No. 93/2016 dated August 31, 2016 of CONCOR with regards to his transfer to JNPT/CONCOR. Pursuant to said transfer order, he handed over the charge of Chief Executive Officer of the Company w.e.f. September 02, 2016.

Shri Deepak Kapoor was appointed as a Chief Executive Officer of the Company with effect from April 10, 2017 on secondment basis.

Shri R K Chand ceased to hold the position of Chief Financial Officer of the Company with effect from May 12, 2017

Shri Tilak Raj Taneja appointed as Chief Financial Officer of the Company with effect from May 12, 2017

RETIREMENT OF DIRECTORS BY ROTATION

In terms of provisions of the Companies Act, 2013, Shri V. Kalyana Rama Chairman and Director, [DIN: 07201556] is liable to retire by rotation and being eligible, offer himself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013

INDEPENDENT DIRECTORS' MEETING AND PERFORMANCE EVALUATION OF BOARD MEMBERS

The Independent Directors met on March 07, 2017 without the attendance of Non-Independent Directors and members of the Management. All Independent Directors were present at the Meeting.

As per Ministry of Corporate Affairs Notification dated 5th June, 2015 provisions of Section 134(3)(p) shall not apply in case the directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company. Your Company being the wholly owned subsidiary of CONCOR, Government of India Undertaking under Ministry of Railway. The appointment of Directors of your Company is done by CONCOR. Performance of the Board of the Government Company is evaluated during the performance evaluation of the MOU signed with the holding Company.

In a separate meeting of the Independent Directors, directors assessed the quality, quantity and timeliness of flow of information between the company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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 system to ensure compliances 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 31st, 2017.

RISK MANAGEMENT

Pursuant to guidelines on Department of Public Enterprises (DPE) applicable to Company, Company has laid down the procedure to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically being reviewed to ensure that executive management controls risk through means of properly defined framework. Procedure is also being laid down for internal risk management as well.

SIGNIFICANT MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status and Company's operations in future.

SEXUAL HARASSMENT

During the year under review there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention Prohibition and Redressal) Act, 2013

EXTRACT OF ANNUAL RETURN

In terms of section 92(3) and 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in the prescribed form MGT-9 is appended to the Board Report as **Annexure-I**.

CORPORATE GOVERNANCE REPORT

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE SOCIAL RESPONSIBILITY

Company is in process of adopting Corporate Social Responsibility & Sustainability (CSR&S) Policy. On adoption of said Policy by the Board, Company will spent earmarked amount which are unspent in previous years towards CSR Activities in accordance with Section 135 of the Companies Act, rules made thereunder, Scheduled VII of the Act and CSR Policy. Information required to be provided in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in **Annexure - IV**

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee is duly approved by the Board of directors of the Company and is annexed to this report as **Annexure V**

The Company doesn't pay remuneration to Non-Executive Directors except for the sitting fees being paid to the Non-Executive Independent Directors. The sitting fees has been paid within the limit prescribed under the Companies Act, 2013 disclosed in the Corporate Governance Report.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act 2013 the Board has appointed M/s. Akhil Rohatgi & Company, Company Secretary in Practice, New Delhi, as its Secretarial Auditor to conduct the Secretarial Auditor of the Company for the financial year 2016-17. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his Report.

The Secretarial Audit Report in the form MR – 3 for the financial year ended March 31, 2017 is annexed to this report as **Annexure VI**

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

Place: New Delhi
Date: 27.07.2017

Sd/-
(V. Kalyana Rama)
Chairman

Form No. MGT-9

EXTRACT OF ANNUAL RETURNAs on the financial year ended on 31st March, 2017

[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 th 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. 011-41673093 Fax. No. 011-41673112 Email: finance@concorair.in
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 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				%Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	NIL								
b) Central Govt.	NIL								
c) State Govt (s)	NIL								
d) Bodies Corp.		366500	366500	100		366500	366500	100	Nil
e) Banks / FI	NIL								
f) Any Others	NIL								
Sub-total (A) (1):-		366500	366500	100		366500	366500	100	Nil
(2) Foreign									
a) NRIs - Individuals	NIL								
b) Other – Individuals	NIL								
c) Bodies Corp.	NIL								
d) Banks / FI	NIL								
e) Any Others	NIL								
Sub-Total (A) (2):-									
Total shareholding of Promoter (A)=(A)(1)+(A)(2)		366500	366500	100		366500	366500	100	Nil
B. Public Shareholding									
1. Institutions									
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								
Sub-total (B) (1):-									
2. Non Institutions									
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								
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		366500	366500	100		366500	366500	100	Nil

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% 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	3,66,50,000	100%	0.00	3,66,50,000	100%	0.00	0.00.
	Total	36650000	100%	0.00	36650000	100%	0.00	0.00.

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

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (As on 31.03.2017)	
		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	3,66,50,000	100%	3,66,50,000	100%
2.	Date wise Increase/Decrease in Promoters Shareholding 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	3,66,50,000	100%	3,66,50,000	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 (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning of the year (01.04.2016)/end of the year (31.03.2017)	% 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 (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)	% 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 (01.04.2016)				
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
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount		110,00,00,000		110,00,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		110,00,00,000		110,00,00,000

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/s 17(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*					

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Maj. Gen. Raj Krishan Malhotra	Shri Sanjeev Shah	
1.	Independent Directors			
	Fee for attending board/ committee meetings	Rs.20,000/- for each Board & Committee Meetings which was increased to Rs. 40,000 for Board and Audit and Rs. 30,000 for other Committee meetings w.e.f 16.06.2016	Rs.20,000/- for each Board & Committee meetings which was increased to Rs. 40,000 for Board and Audit and Rs. 30,000 for other Committee meetings w.e.f 16.06.2016	
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	Rs.6,00,000/-	Rs.6,20,000	Rs.12,20,000
2.	Other Non-Executive Directors			

Fee for attending board committee meetings Commission Others, please specify	–	–	–
Total (2)	–	–	–
Total (B)=(1+2)	Rs.6,00,000/-	Rs.6,20,000/-	Rs.12,20,000
Total Managerial Remuneration	NA		
Overall Ceiling as per the Act	NA		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri Anil Sonawane Chief Executive officer	Shri Jignesh Gaglani Company Secretary	Shri R K Chand Chief Financial Officer	
1.	Gross salary	Deputed on secondment basis by holding Company, CONCOR and Remuneration are being paid by holding company for which reimbursement is made by the Company. Total reimbursement to holding company is disclosed in total amount.		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	–	–	–	–
	Total	10.02	1.37	25.27 Lacs	36.66 Lac

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)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

ANNEXURE – II OF DIRECTORS REPORT

CORPORATE GOVERNANCE REPORT

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

Composition of Board

As on March 31, 2017 the Board consist of 6 Directors including one Non-Executive Chairman, three Non-executive non-independent Directors including one woman director and two Non-executive Independent Directors which are as follows.

Sr. No.	Names	Category	Designation
1.	Shri V. Kalyana Rama	Non-executive, Non independent Director	Chairman and Director
2.	Dr. P. Alli Rani	Non-executive, Non independent Director	Director
3.	Shri P. K. Agrawal	Non-executive, Non independent Director	Director
4.	Shri Sharat Chandrayan	Non-executive, Non independent Director	Director
5.	Shri Sanjeev Shah	Independent Director	Director
6.	Maj. Gen. (retd.) Raj Krishan Malhotra	Independent Director	Director

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETING AND THE PREVIOUS AGM.

Name of Director	Status	No.of Board Meeting Held during 2016-17	Meeting held during respective tenures of Directors	No. Board Meeting Attended	Attendance at last AGM
Shri Anil Kumar Gupta*	Chairman &N.E.D (Former)	6	3	3	Yes
Shri V. Kalyana Rama**	Chairman &N.E.D. (Present)	6	6	6	Yes
Dr. P. Alli Rani	N.E.D	6	6	6	Yes
Shri P. K. Agrawal#	N.E.D	6	3	3	NA
ShriSharat Chandrayan##	N.E.D	6	4	4	No
Shri Sanjeev Shah^	I.N.E.D	6	6	6	Yes
Maj.Gen.(Retd.) RajKrishan Malhotra ^^	I.N.E.D	6	6	6	No
Shri Kamal Jain ^^^	N.E.D	6	2	2	NA

N.E.D: Non-Executive Director

I.N.E.D: Independent Non-Executive Director

* Ceased w.e.f. 30.09.2016

** Chairman w.e.f 03.10.2016

Appointed w.e.f 06.09.2016

Appointed w.e.f 04.07.2016

^Appointed w.e.f 28.04.2016

^^Appointed w.e.f 28.04.2016 and ceased to be director w.e.f 16.06.2017due to his sudden and untimely demise

^^^Ceased w.e.f. 22.06.2017

BOARD MEETINGS HELD DURING THE YEAR 2016 – 17

The Board held 6(Six) meetings during the year. Board met in every calendar quarter and the intervening period between two Board meetings was well within the maximum period of 120 days as prescribed under the Section 173 of Companies Act, 2013 and in Secretarial Standard – 1 on meetings of the Board of Directors. Details of the Board Meeting are as under:

Sr. No.	Dates	Board Strength	No. of Directors Present
1.	May 24, 2016	6	6
2.	June 16, 2016	6	6
3.	July 27, 2016	6	6
4.	October 03, 2016	6	6
5.	November 10, 2016	6	6
6.	February 07, 2017	6	6

OTHER DIRECTORSHIP AND COMMITTEE MEMBERSHIP

The details of Directorship and Committee Membership & Chairmanship held by the Directors as on March 31, 2017 are as follows:

Name of Directors	No. of directorship (including CAL)		Committee (Including CAL)	
	Member	Chairman	Member	Chairman
Shri V. Kalyana Rama	5	4	-	-
Dr. P. Alli Rani	8	3	6	2
Shri P. K. Agrawal	5	-	-	-
Shri Sharat Chandrayan	1	-	-	-
Shri Sanjeev Shah	5	-	1	1
Maj.Gen.(Retd.) Raj Krishan Malhotra	5	-	1	1

RESUME OF DIRECTORS

Brief Resume of Director, nature and expertise and name of the Companies in which person holds directorships and the membership of committees of Board is appended to the Notice calling Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee which acts as a link between the management, external and internal Auditor and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process and its disclosures by providing directions to audit function and monitoring scope and quality of Internal and Statutory Auditor.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's financial reporting process and disclosures. Terms of reference of the Committee are as per the guidelines on Corporate

Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises and Section 177 of the Companies Act, 2013.

Composition

The constitution of Audit Committee as on March 31, 2017 is as under:

Shri Sanjeev Shah	- Chairman (Independent Director)
Maj. Gen. (retd.) Raj Krishan Malhotra	- Member (Independent Director)
Dr. P. Alli Rani, Director	- Member (Director)

The Company Secretary act as a Secretary to the Committee.

The Composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises.

The meetings of the audit committee were held on 18.05.2016, 24.05.2016, 06.06.2016, 16.06.2016, 27.07.2016, 03.10.2016, 10.11.2016, 23.12.2016, 10.01.2017, 07.02.2017 & 07.03.2017.

The role of audit committee is defined in the Companies Act, 2013 and DPE guidelines on Corporate Governance.

MEETING AND ATTENDANCE DURING THE YEAR

During the financial year ended 31st March, 2017, Eleven Meetings of the Committee were held. The attendance of the Committee members at the meeting was as follows:

Name of Member	Category	No. of meeting held during the year 2016-17	No. of Meeting attended
Shri Sanjeev Shah	Non-Executive - Independent Director	11	11
Maj. Gen. (Retd.) Raj Krishan Malhotra	Non Executive – Independent Director	11	10
Dr. P. Alli Rani	Non Executive Director	11	10

NOMINATION AND REMUNERATION COMMITTEE

In Compliance with the provisions of Section 178 of the Companies Act, 2013 and guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, “Nomination and Remuneration Committee” has been constituted by the Company.

Ministry of Corporate affairs, through notification dated 05.06.2015, has exempted the Government Companies from applicability of sub-section (2), (3) and (4) of 178 of Companies Act, 2013 except with regards to appointment of senior management and other employees.

As on March 31, 2017, the constitution of Nomination and Remuneration Committee is as under:

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

The meetings of the Nomination and Remuneration committee were held on 16.06.2016 and 27.07.2016 during the year under review

MEETING AND ATTENDANCE DURING THE YEAR

During the financial year ended March 31, 2017, two meetings of the committee were held. The attendance of the committee members at the meeting was as follows:

Name of the Member	No. of Meetings held during the year 2016-17	No. of Meeting Attended
Maj. Gen. (Retd.) Raj Krishan Malhotra	2	2
Shri Sanjeev Shah	2	2
Shri V. Kalyana Rama	2	2

Policy of Nomination and Remuneration Committee is part of this Annual Report.

No remuneration is paid to any director except sitting fees for attending meetings of Board and Committees of Board as per Companies Act, 2013 to independent directors.

Details of payments made towards sitting fees to Independent directors during the financial year 2016-17 are given below:

Name of the Part-time non-official Director	Sitting fees		Total
	Board Meeting	Committee Meeting	
Maj. Gen. (Retd.) Raj Krishan Malhotra	2,00,000/-	400,000/-	600,000/-
Shri Sanjeev Shah	200,000/-	4,20,000/-	6,20,000/-

CSR COMMITTEE

In Compliance with the provisions of Section 135 of the Companies Act, 2013 “Corporate Social Responsibility Committee” has been constituted and met on 24.05.2016 during the year.

The constitution of CSR Committee as on March 31, 2017 is as under:

Maj. Gen. (Retd.) Raj Krishan Malhotra	- Chairman (Independent Director)
Dr. P. Alli Rani,	- Member (Director)
Shri Sharat Chandrayan	- Member (Director)

The Committee was re-constituted during the year, wherein Shri Sharat Chandrayan was appointed as a member in place of Shri Kamal Jain.

Due to sad demise of Maj. Gen. (Retd.) Raj Krishan Malhotra, Chairman of the Committee, CSR Committee was re-constituted as mentioned hereunder:

Dr. P. Alli Rani, Director	- Chairperson (Director)
Shri Sanjeev Shah	- Member (Independent Director)
Shri Sharat Chandrayan	- Member (Director)

GENERAL BODY MEETINGS

Annual General Meetings:

Location, time and date where the three immediately preceding Annual General Meetings of the Company were held are given below:

General Meeting and Financial Year	Day & Date	Time	Venue	Special Resolution Passed
5 th AGM – 2016-17	Wednesday September 20, 2017	12.00 Noon	1 st Floor, Conference Room, CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076	Shifting of Registered office from NCT of Delhi to state of Maharashtra
4 th AGM – 2015-16	Tuesday, August 09, 2016	10.00AM	1 st Floor, Conference Room, CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076	Shifting of Registered office from NCT of Delhi to state of Maharashtra
3 rd AGM – 2014-15	Monday, August 31, 2015	02.30PM	1 st Floor, Conference Room, CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076	
2 nd AGM – 2013-14	Monday, September 01, 2014	04.00PM	1 st Floor, Conference Room, CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076	

Extra Ordinary General Meetings

No Extraordinary General Meeting was held during the year.

DISCLOSURES

- (i) During the year there was no materially significant related party transactions that may have potential conflict with the interest of Company at large. Transactions with related parties 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) No Expenditure has been debited in the Books of Accounts, which is not for the purpose of business.
- (v) The Company has not incurred any expense which is personal in nature

MEANS OF COMMUNICATION

Financial Results: The financial results for the FY 2016-17 forms part of Annual Report

Annual Report: Fifth 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.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 27.07.2017

Sd/-
(V. Kalyana Rama)
Chairman

ANNEXURE-III OF DIRECOTRS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure & Developments:

India is emerging as one of the fastest growing air cargo markets across the globe and presents abundant opportunities for industry operators. Industry analysts also predict that India will be among the ten largest international freight markets.

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 2016-17 with a growth of approx. 13.8% as compared to previous financial year. With new airlines set to enter the sector, the International & Domestic sector is expected to show growth in the current financial year 2017-18.

2. A SWOT analysis:

Strength: Many new Airlines have started operating at MIAL. Export import clearance has also witnessed drastic improvement resulting in increase in business at MIAL. With the development of facilities at ACC Sahar cargo handling capacity is increased. The biggest strength of business is high frequency of flights connecting all major global airports. Subsequently a large number of International airlines (49 airlines) are operating at Mumbai International airport. Out of this CAL is handling 38 airlines.

Weaknesses: Cargo handling infrastructure requires further improvement. Trade preference for cost over quality is another deterrent for Air Cargo industry.

Opportunities: Rising trend of e-commerce, requiring faster deliveries, arrival of new airlines with greater cargo capacity and competitive pricing. India's top export commodities like pharmaceuticals, gems and jewellery, textiles, automotive components and leather goods are using air freight.

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 2016-17.

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:

	Rs. (in Crores)
UNSECURED LOAN	110.00
Fixed Assets	35.81
Terminal Rights -Domestic	1.57
International	-
CWIP	-
Inventory	Nil
Sundry Debtors (Trade Receivables)	19.05
Security deposit given to MIAL	130
Cash & Bank	30.60
Income	385.47
Expenses (including finance expenses)	373.48
Net Profit/(Loss)	7.83

For and on behalf of the Board of Directors

Place: New Delhi
Date: 27.07.2017

Sd/-
(V. Kalyana Rama)
Chairman

ANNEXURE IV TO THE DIRECTORS REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. The Composition of CSR Committee as on March 31, 2017

Maj. Gen. (Retd.) Raj Krishan Malhotra - Chairman

Dr. P. Alli Rani – Member

Shri Sharat Chanrayan – Member

However due to sad demise of Maj. Gen. (Retd.) Raj Krishan Malhotra Chairman of the Committee, CSR Committee re-constituted is as follows:

Dr. P. Alli Rani – Chairperson

Shri Sanjeev Shah - Member

Shri Sharat Chandrryan - Member

2. Average net profit of the Company for last three financial years.

The average net profit of the Company for this purpose for last 3 years was Rs. 17.42 Crores

3. Prescribed CSR Expenditure (two percent of the amount as in item 2 above)

Two percent of the amount as in item 2 above was Rs. 34.84 Lacs

4. Details of CSR Spent during the financial year:-

(a) Total amount to be spent for the financial year is Rs. 34.84 Lacs

(b) Amount unspent is Rs. 38.54 Lacs

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified	Sector in which the Project is covered	Project or Programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs : Direct expenditure on projects	Cumulative expenditure up to the reporting period. (excluding previous years expenditure)	Amount spent: Direct or through implementing agency
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Company is in process of adopting Corporate Social Responsibility & Sustainability (CSR&S) Policy. On adoption of said Policy by the Board, Company will spent earmarked amount which are unspent in previous years towards CSR Activities in accordance with Section 135 of the Companies Act, rules made thereunder, Scheduled VII of the Act and CSR Policy.

For Concor Air Limited

Place New Delhi
Date: 27.07.2017

Sd/-
P. Allli Rani
Chairman – CSR Committee

Sd/-
V. Kalyana Rama
Chairman and Director

ANNEXURE V OF DIRECTORS REPORT

POLICY ON NOMINATION & REMUNERATION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

LEGAL FRAMEWORK

This Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company in accordance with the requirement of the provisions of Section 178 of the Companies Act, 2013 read with the Rules made thereunder.

With reference to G.S.R. 463(E) of MCA, exemption notification for the Government Companies vide dated June 5, 2015, Government Companies are exempted from the sub-sections (2),(3) and (4) of Section 178 except with regard to appointment of “Senior Management” and other employees.

This policy is intended to lay down a framework in relation to Nomination and Remuneration of Key Managerial Personnel (“KMP”), Senior Management and other employees.

PURPOSE

This Policy on Nomination and Remuneration (The “Policy”) describes the process through which candidates for possible inclusion in the Company’s recommended slate of Key Managerial Personnel and senior management (The “Candidates”) are selected. This Policy is established and administered by the Nomination and Remuneration Committee (The Committee”) of Concor Air Limited.

DEFINITIONS

1. “Act” means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactment thereof.
2. “Board of Directors” or “Board” means the Board of Directors of the Company as constituted/re-constituted from time to time.
3. “Nomination and Remuneration Committee” means a committee formed pursuant to Section 178 of the Companies Act, 2013 and DPE Guidelines for Central Public Sector Enterprises (CPSEs) constituted or reconstituted by the Board from time to time.

4. “Independent Director” means a director who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and DPE Guidelines for Central Public Sector Enterprises (CPSEs).
5. “Key Managerial Personnel” in relation to a company, means—
- (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-Time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed;(Check in the Act)
6. “Policy” means this Policy, as may be amended from time to time.
7. “Senior Management” means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
8. “The Company” means Concor Air Limited incorporated under Companies Act 1956
9. “CONCOR” means Container Corporation of India Limited, a holding Company.

MEMBERSHIP

- i) The Committee shall consist of three or more Non-Executive Directors out of which not less than one half shall be Independent Director.
- ii) A minimum of two (2) Members shall constitute a quorum for the Committee Meeting.
- iii) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON

- i) The Chairperson of the Committee shall be an Independent Director.
- ii) The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Committee but shall not chair the Committee.

- iii) In the absence of the Chairperson, the Members of the Committee present at the Meeting shall choose one amongst them to act as Chairperson.
- iv) The Chairperson of the Committee could be present at the Annual General Meeting or may nominate some other Member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The Meeting of the Committee shall be held at such regular intervals as may be required.

ROLE/TERMS OF REFERENCE OF THE COMMITTEE

The role/terms of reference of the Committee include:

The Committee shall identify persons who are qualified and who may be appointed in senior management and also nominated by the CONCOR on secondment basis from time to time, in accordance with the criteria laid down, recommend to the Board their (senior management) appointment and removal.

The Nomination and Remuneration Committee shall recommend to the Board a policy, relating to the remuneration for key managerial personnel and other employees.

Committee shall decide the Annual bonus/Variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limit.

The terms of reference of the Committee will be in accordance with the provisions of the Companies Act, 2013 and the applicable Government Guidelines.

ANNEXURE VI OF DIRECTORS REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2017

[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 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2017 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

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) Secretarial Standards issued by the Institute of Company Secretaries of India effective from 1st July 2015:
- (vii) 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. Labour 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 except that no executive Director was appointed on the Board of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice 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.

Majority decision has been carried through in the meetings. It was informed by the management that there was no dissenting member 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. During the period under review some of the returns have been filed late with ROC on payment of additional fee.

For Akhil Rohatgi & Co

Date: 27.07.2017

Place: New Delhi

Sd/-

Akhil Rohatgi

Practicing Company Secretary

FCS No.: 1600

CP No: 2317

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

Date: 27.07.2017

Place: New Delhi

Sd/-

Akhil Rohatgi

Practicing Company Secretary

FCS No.: 1600

CP No: 2317

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 31st March, 2017 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.

For Akhil Rohatgi & Co

Date: 27.07.2017
Place: New Delhi

Sd/-
Akhil Rohatgi
Practicing Company Secretary
FCS No.: 1600
CP No: 2317

Addendum to the Directors Report for FY 2016-17

Management Replies to the remark in the Auditors Report on the financial statements for FY 2016-17

Auditors Remarks	Reply of the Management
<p>Auditors report, para (i) The company records and accounts for the tax deducted at source for IVth Qr. by the customers in subsequent financial year as the amounts are not known as on date of Balance Sheet. To the extent of tax deducted at source of the IVth Qr. of FY 2016-17 not accounted for, the "Trade Receivables" under the head 'Financial Assets' of Current Assets referred in Note no. 6 stand overstated. The 'Advance tax/TDS (net of provisions) referred in Note no.10 under the head 'Financial Assets' of Current Assets to above said extent stand understated. The company continues to account for the tax deducted at source on above basis. The ultimate outcome of the above estimation cannot be quantified for the current year.</p>	<p>There is no impact in the financial statement of the company. However, the assets and liabilities both are set off each other and in subsequent year the same is reconciled.</p>
<p>Auditors report, para (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. 24 and also the estimated liability of terminal benefits up to FY 2016-17 in Note 27 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.</p>	<p>The company has disclosed the estimated amount of Rs 1.97 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. Further, MIAL has passed on the debit for the entire expenses of the staff deputed from MIAL along with terminal benefits.</p>

<p>Auditors report, para (iii)</p> <p>Board of directors of the company in its meeting on 10.11.2016 ratified the time overrun and cost overrun of 1.31 crores (from 27.70 crores to 29.01 crores) for Capital work in progress relating to Santa Cruz Terminal. The Board of Directors belatedly approved the cost overrun from original value Rs.20.49 crores to 27.70 crores. The time overrun is more than 27 months as well as cost overrun is 41.65% far in excess of permissible 25%. The management has informed to have recovered liquidated damages @ 0.60% on the cost overrun above 25%. In view of our technical limitations, we are unable to quantify the financial implications, if any, for above reasons. A technically qualified independent agency be appointed to inquire into all of the aspects including probable loss/leakage of revenue.</p>	<p>M/s Hirani enterprises was the contractor appointed by CONCOR through open tendering process and M/s RITES was the Independent competent External Consultant /Agency appointed to look after the projects and provide required advice and instruction to operate and complete the project. The deviation and changes are compiled and approved by the Independent agency i.e. M/s RITES Ltd. The same is also double checked by the engineers in charge of CONCOR before payment. In the instant case, all the variation are checked and confirmed by M/s RITES. Further, in case of variation beyond 25%, the same would attract a negotiation on the increased quantity. In this specific case company had deducted an amount of Rs.1.27 Lakh from M/s Hirani for the quantities beyond 25% (@ 0.60% negotiated by nominated committee) Further:-</p> <ol style="list-style-type: none"> 1. BOD vide meeting dated 10/11/2016 had approved the cost overrun from Rs 27.70 Cr to Rs 29.01 Cr, based on report from Independent external Agency M/s RITES Ltd. 2. Cost and time over run from Rs 20.49 Cr to Rs 27.70 Cr was in fact recommended by Audit Committee vide meeting dated 24/05/2016 to BOD based on the Report of Independent External agency M/s RITES Ltd. The same was discussed in the board meeting dated 24/05/2016 and agreed to by the board. However, recording of this was omitted from the board minutes. The same is ratified in the BOD Dated 12-05-2017.
<p>Emphasis of matters, para (i)</p> <p>The outstanding of M/S Mumbai International Airport Pvt. Ltd. (MIAL) in books of accounts of the company as at 31.03.2017 is Rs.11,54,12,008.72/- M/s. MIAL has in its balance</p>	<p>The reasons for differences between the MIAL figures and CAL figures are mainly on account of following:-</p> <ol style="list-style-type: none"> 1) Making provision of expense by CAL as per concession agreement, for which MIAL

<p>confirmation letter (confirmed by the company) shown Rs. 13,62,22,155/-. Thus, there is a difference of Rs.208,10,146.28/- being the amount short recorded by the company. The company has informed in process of reconciliation and has undertaken that it has no impact on profits for the year under review. Our opinion, however, is not qualified in respect of this matter.</p>	<p>had neither shown in their outstanding statement nor raised any bill in past. 2) MIAL has not included the liabilities of Mar-17 in the outstanding balance given by them. 3) The amount mentioned in the statement of MIAL (Rs. 13.62 crore) is inclusive of service tax.</p> <p>The balance of MIAL in the books of CAL is Rs. 11.54 crore (excluding service tax) as against their confirmation letter of Rs. 13.62 crore (inclusive of service tax).</p> <p>Further, the confirmation letter was sent to MIAL after receipt of the detailed working of Rs. 13.62 crore.</p>
<p>Emphasis of matters, para (ii) The company has earned Net Profit for the financial years 2013-14, 2014-15, 2015-16 and 2016-17. The company has not spent the prescribed amount towards Corporate Social Responsibility required under section 135 of the Companies Act, 2013. Our Opinion, however, is not qualified in respect of the matters stated above.</p>	<p>Reconstitution of CSR committee has been done in the BOD dated 27-Jul-2017. Further, during CSR committee meeting dated 27-Jul-2017, the CSR policy of CONCOR Air Ltd. was recommended and approved by BOD dated 27-Jul-2017. CAL is now therefore in position to spend towards CSR based on approved CSR policy. Company would do best efforts to spent during FY 2017-18.</p>
<p>Emphasis of matters, para (iii) The company in case of M/s Nutun Terpoline has renewed the contract during the year without following the prescribed procedure of open tendering. The amount paid during the year is Rs.2,62,94,572/-. The matter is also under investigation by CBI.</p>	<p>The contract of M/s Nutan Tarpaulin is for erection and maintenance of temporary sheds on rental basis for storage of import and export air cargo. The contract was novated to CAL by MIAL. It was understood from MIAL (through series of mail communication), there are very few vendors available in the business in Mumbai to provide such a huge covering without damaging the high value and sensitive cargo. The Vendor i.e. Nutan Tarpaulin also agreed to work on the same rates and terms and condition as it was a contract based on rental and considering</p>

	<p>the inflation and rising cost of expenditure, the contract was extended to same vendor in the same (three year old) rate with the approval of competent authority. CAL has saved the rate hike for three years by giving the contract on the same rate.</p> <p>Further, As far as payment against bill is concern, it is processed only after due verification and certification from MIAL's Engineering & Maintenance (E&M) department whose staff are on deputation to CAL as per concession agreement. The work under this work order is regularly supervised and checked by the E&M department.</p>
<p>Other Matters</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 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>	<p>This is as per concession agreement entered between MIAL and CONCOR Air Ltd. for operation and Management of international cargo facility.</p>

CONCOR Air Limited
Statement of Balance sheet
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	2	358,085,392	1,486,664	1,716,928
(b) Capital work in progress	2	-	325,120,233	137,072,385
(c) Intangible assets	2.1	15,800,704	25,612,910	33,346,957
(d) Deferred tax assets (Net)	3	15,755,374	18,321,569	14,023,214
(e) Financial Assets				
(i) Other financial assets	4	21,813,909	1,113,191,277	1,000,214,103
(f) Other non-current assets	5	23,643,577	166,693,535	282,140,210
Total non-current assets		435,098,956	1,650,426,188	1,468,513,797
(2) Current assets				
(a) Financial Assets				
(i) Trade receivables	6	190,479,062	128,817,750	84,385,580
(ii) Cash and cash equivalents	7	81,902,179	60,471,971	370,379,204
(iii) Other bank balances	8	224,102,897	405,176,561	109,280,385
(iv) Other financial assets	9	1,238,653,247	7,406,477	8,244,354
(b) Current tax assets (net)	10	53,114,356	55,438,589	57,188,638
(c) Other current assets	11	37,809,397	7,476,265	16,622,534
Total current assets		1,826,061,138	664,787,613	646,100,695
Total assets		2,261,160,094	2,315,213,801	2,114,614,492
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	12	366,500,000	366,500,000	366,500,000
(b) Other Equity	13	278,220,374	230,746,212	103,426,468
Total equity		644,720,374	597,246,212	469,926,468
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	-	1,250,000,000	1,250,000,000
(ii) Other financial liabilities	15	25,000	24,680,818	15,499,784
Total non-current liabilities		25,000	1,274,680,818	1,265,499,784
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	16	157,139,126	60,558,515	3,618,222
(ii) Other financial liabilities	17	1,404,212,394	293,011,433	298,002,275
(b) Other current liabilities	18	55,063,200	89,716,823	77,567,743
Total non-current liabilities		1,616,414,720	443,286,771	379,188,240
Total liabilities		1,616,439,720	1,717,967,589	1,644,688,024
Total equity and liabilities		2,261,160,094	2,315,213,801	2,114,614,492

The accompanying notes are an integral part of these financial statements

1 to 36

This is the Balance Sheet referred to in our report of even date

For and on behalf of CONCOR Air Limited

For Sanjeev Saxena & Co.
Chartered Accountants
Firm Registration No. : 005041N

Sanjeev Saxena
Partner
M. No. 084091

Date: 12/5/2017
Place: New Delhi



(Dr. P. Alit Rani)
Director

(Deepak Kapoor)
Chief Executive Officer

(V. Kalyana Rama)
Chairman

(R.K. Chand)
Chief Finance Officer

(Jignesh Gaglani)
Company Secretary

CONCOR Air Limited
Statement of Profit and Loss
For the year ended March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I Revenue from operations	19	36851,80,669	33989,16,121
II Other Income	20	1695,58,171	1477,95,597
III Total Income (I + II)		38547,38,840	35467,11,718
IV EXPENSES			
(a) Terminal and other service charges	21	30487,53,679	27662,53,826
(b) Finance cost	22	1064,27,330	1163,75,000
(c) Depreciation and amortization expense	23	500,28,485	125,80,855
(d) Other expenses	24	5296,40,293	4230,71,421
Total Expenses		37348,49,787	33182,81,102
V Profit/(loss) before tax (III - IV)		1198,89,053	2284,30,616
VI Tax Expense	25		
(a) Current tax		389,70,851	833,53,623
(b) Deferred tax		25,66,195	(42,98,356)
Total tax expense		415,37,046	790,55,267
VII Profit/(loss) after tax (V - VI)		783,52,007	1493,75,349
VIII Other comprehensive income		-	-
IX Total comprehensive income for the period (VII + VIII)		783,52,007	1493,75,349
X Earnings per equity share :			
(a) Basic		2.14	4.08
(b) Diluted		2.14	4.08

The accompanying notes are an integral part of these financial statements
This is the statement of profit and loss referred to in our report of
even date

1-36

For and on behalf of CONCOR Air Limited

For Sanjeev Saxena & Co.
Chartered Accountants
Firm Registration No. : 005041N
Sanjeev Saxena
Partner
M. No. 084091



Date: 12/5/2017
Place: New Delhi

(Dr. P. Alli Rani)
Director

(V. Kalyana Rama)
Chairman

(Deepak Kapoor)
Chief Executive Officer

(R.K. Chand)
Chief Finance Officer

(Jignesh Gaglani)
Company Secretary

Concor Air Limited
Cash Flow Statement
for the year ended March 31, 2017
(in Indian Rupees , unless otherwise stated)

Particulars	Notes No.	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash flow from Operating Activities:			
Net profit after tax		783,52,007	1493,75,349
Adjustments for:			
Depreciation and amortisation		500,28,485	125,80,855
Finance costs		1064,27,330	1163,75,000
Interest income		(1396,12,003)	(1408,37,484)
Amortisation expense on SD given for concession agreement		1151,31,247	1154,46,674
Provisions no longer required written back		(245,32,977)	(62,63,853)
Operating Profit before Working Capital changes		1857,94,089	2466,76,541
Adjustments for changes in Working Capital :			
- Increase/(decrease) in trade payables		(76,231)	624,47,308
- Increase/(decrease) other financial liabilities		11986,42,522	41,90,192
- Increase/(decrease) in other current liabilities		(346,53,623)	121,49,080
- (Increase)/decrease in trade receivables		(616,61,312)	(444,32,170)
- (Increase)/decrease in other current financial assets		(12312,46,770)	8,37,877
- (Increase)/decrease in other current assets		(303,33,132)	91,46,269
- Increase/(decrease) other non current financial Assets		9762,46,121	(2284,23,848)
- (Increase)/decrease in other non current assets		1456,16,153	1111,48,320
Cash generated from Operating Activities		11483,27,817	1737,39,569
- Income taxes paid/(refunded)		23,24,234	17,50,049
Net Cash from Operating Activities		11506,52,051	1754,89,618
B. Cash flow from Investing Activities:			
Purchase of fixed assets		(626,02,335)	(1919,07,554)
Interest earned on Short Term Bank Deposits		142,34,983	278,60,311
Interest income on security deposit given		1253,77,020	1129,77,173
Net Cash from Investing Activities		770,09,668	(510,70,070)
C. Cash flow from Financing Activities:			
Interest paid on loan from CONCOR		(1064,27,330)	(1163,75,000)
Repayment of loan taken from CONCOR		(12500,00,000)	-
Dividend paid		(256,55,000)	(183,25,000)
Dividend tax paid		(52,22,845)	(37,30,604)
Net Cash from Financing Activities		(13873,05,175)	(1384,30,604)
Net increase/(Decrease) in cash & cash equivalents		(1596,43,456)	(140,11,056)
Cash and cash equivalents as at 1st April (Opening Balance)	7-8	4656,48,532	4796,59,589
Cash and cash equivalents as at 31st March (Closing Balance)	7-8	3060,05,076	4656,48,532
Cash and cash equivalents comprise:			
Cash in hand	7	1,40,537	35,781
Balance with banks	7	665,97,240	457,91,241
Deposits having original maturity less than 3 months	7	151,64,402	146,44,949
Other bank balances	8		
Deposits having original maturity more than 3 months but less than 1 year		2241,02,897	4051,76,561
		3060,05,076	4656,48,532

Notes :

1 There are no non-cash transactions entered by the company.

The accompanying notes are an integral part of these financial statements

As per our report of even date

For Sanjeev Saxena & Co.
Chartered Accountants
Firm Registration No. : 005041N

Sanjeev Saxena
Partner
M. No. 084091



Date: 12/5/2017
Place: New Delhi

1 to 36

For and on behalf of CONCOR Air Limited

(Dr. P. Alli Rani)
Director

(V. Kalyana Rama)
Chairman

(Deepak Kapoor)
Chief Executive Officer

(R.K. Chand)
Chief Finance Officer

(Jignesh Gaglani)
Company Secretary

Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

a. Equity Share Capital

	Number of Shares	Equity share capital
Issued and paid up capital at April 1, 2015	366,50,000.00	3665,00,000.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2016	366,50,000.00	3665,00,000.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2017	366,50,000.00	3665,00,000.00

b. Statements of changes in equity

Particulars	Note No.	Retained earnings	Total
Balance at April 1, 2015 (as previously reported)		1149,65,335	1149,65,335
Changes on account of first time adoption of Ind AS	29	(115,38,867)	(115,38,867)
Restated balance at the beginning of the reporting period		1034,26,468	1034,26,468
Balance at April 1, 2015		1034,26,468	1034,26,468
Profit for the period		1493,75,349	1493,75,349
Payment of dividends		183,25,000	183,25,000
Payment of dividend tax		37,30,604	37,30,604
Balance at March 31, 2016		2307,46,213	2307,46,213
Profit for the period		783,52,007	783,52,007
Payment of dividends		256,55,000	256,55,000
Payment of dividend tax		52,22,845	52,22,845
Balance at March 31, 2017		2782,20,375	2782,20,375

The accompanying notes are an integral part of these financial statements 1 to 36
As per our report of even date

For Sanjeev Saxena & Co.
Chartered Accountants
Firm Registration No. : 005041N
Sanjeev Saxena
Partner
M. No. 084091



Date: 12/5/2017
Place: New Delhi

For and on behalf of CONCOR Air Limited

(Dr. P. Alli Rani)
Director

(V. Kalyana Rama)
Chairman

(Deepak Kapoor)
Chief Executive Officer

(R.K. Chand)
Chief Finance Officer

(Jignesh Gaglani)
Company Secretary

**CONCOR AIR LTD
NEW DELHI**

NOTE No. - 1

COMPANY OVERVIEW

CONCOR Air Limited ('the Company') is a wholly owned subsidiary of Container Corporation of India, a Navratna Public Sector Undertaking under the Ministry of Railways. It was incorporated on July 24, 2012 under the Companies Act, with the registration number U62200DL2012GOI239207. The Company is in the business of Constructing, Developing, Operating and Maintaining the Air Cargo Terminal at Santa Cruz Airport, Mumbai.

APPLICATION OF NEW AND REVISED IND AS

At the date of preparation of these financial statements, there were some amendments issued to the existing Ind ASs, after the initial notification issued by the MCA. The amendments and the impact of such amendments on the Company has been summarised as follows:

Recent accounting amendments:

Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) (Amendments) Rules, 2017, which are effective from April 1, 2017. These rules bring in amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities. One way to fulfil the requirement is by providing a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the balance sheet and the statement of cash flows.



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The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 2:

The amendment to Ind AS 2 is regarding the classification and measurement of share-based payment transactions. However Company does not have any share-based payments and accordingly this amendment is not applicable to the company.

SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of the Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015.

2. Basis of preparation and presentation

The financial statements have been prepared with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis as explained in the accounting policies below.

3. Property, plant and equipment

- (i) **Property, plant and equipment** is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes 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 finalisation of claim. Items such as spare parts, stand-by equipment and servicing equipment (if any), are recognized in accordance with this Ind AS 16 when they meet the definition of property, plant and equipment.



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- (ii) **Capital work in progress** includes the cost of fixed assets that are not yet ready for their intended use. The cost is measured similar to cost of property, plant and equipment.
- (iii) **Depreciation:** Property, plant and equipment are depreciated over its useful life and in the manner prescribed in Schedule II to the Companies Act 2013. Assets constructed on leasehold land, other than perpetual leases, and assets classified as finance leases are depreciated over the period of lease or useful life of such assets, as prescribed under Schedule II of Companies Act 2013, whichever is less.

The estimated useful life and deprecation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4. Intangible assets:

Computer Software:

Expenditure on computer software, which is not an integral part of hardware, is capitalized as an intangible asset. The cost of software includes license fee and implementation cost and is capitalized in the year of its implementation. Software is amortized over five years being management's estimate of life of assets over which economic benefits will be derived.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Terminal Rights

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

5. Impairment of Non-financial Assets:

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of



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the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

6. Employee Benefits and Contractual Manpower cost:

The Company's predominant manpower cost includes cost of staff deputed by Container Corporation of India - the holding company (CONCOR) and Mumbai International Airport Private Limited (MIAL). These cost are recognized as other expenses based on the contractual arrangements with CONCOR and MIAL. The company has limited employee's whose costs including short-term employee benefits, long-term employee benefits, defined contribution plans such as provident fund and family pension fund are recognized as employee benefit expenses.

7. Foreign Currency Transactions:

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
- (ii) Foreign currency monetary items denominated in foreign currencies are translated at the exchange rate prevailing at the end of financial year.
- (iii) Gains or losses due to foreign exchange fluctuations are recognized in the Statement of Profit & Loss.

8. Revenue recognition:

The company is engaged in providing logistic support to its customers which includes service related to Air Cargo Handling, Screening (X-ray) and Storage & Warehousing etc. Revenue from Air Cargo Handling and Screening (X-ray) services are recognized when the services are being rendered, when the amount can be reliably measured and when it is probable that future economic benefits will accrue to the Company. Warehousing charges / Demurrage are accounted for on receipt/at the time of release of cargo.

9. Claims/Counter-claims/Penalties/Awards:

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

10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such



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time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

11. Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax: The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax: Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in



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which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

12. Provisions, Contingent Liabilities & Contingent Assets:

- a. **Provisions:** Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

- b. **Onerous contracts:** A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.
- c. **Contingent liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

- d. **Contingent assets:** Contingent assets are not recognized in the accounts. However they are disclosed (if any), when the possible right to receive exists.

13. Earnings per share (EPS)

Basic earnings per share ('EPS') is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.



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Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive.

14. Cash and Cash Equivalent

In the cash flow statement cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

15. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee:

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Company balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



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The Company as lessor:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

16. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Subsequent measurement:

The company's financial assets represents assets whose contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and these assets are held in a business model to hold the financial asset to collect the contractual cash flows at maturity consequentially in accordance with Ind AS 109 these assets are carried at amortized cost using effective interest rate.

The Company's financial liabilities are not held for trading and are also carried at ~~amortized cost using effective interest rate.~~

De-recognition:

A financial asset and financial liabilities are de-recognised when they are discharged.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised



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

17. Impairment of financial asset

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

Trade receivable:

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rate observed over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivables are similar.

Other financial assets:

Impairment loss on other financial assets is recognised based on the difference between the present value of the expected cash flows and carrying value.

18. Key sources of uncertainties

Recoverability of deferred tax assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.
Useful life of Property plant and Equipment and Intangible assets: As described at 3 and 4 above, the Company reviews the estimated useful lives of property, plant and equipment and Intangible assets at the end of each reporting period. The estimate of useful life may be different on account of change in business environment and change in technology which could have a material impact on the financial statement.



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Note -2

Property, Plant and Equipment

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Warehouse Building	2863,83,015	-	-
Plant and Machinery	311,98,515	-	-
Air Conditioner	167,75,547	1,84,217	2,03,199
Telephone Equipments	1,68,624	3,973	4,253
Furniture and Fixtures	32,19,044	4,99,910	6,70,970
Office Equipments	63,68,770	12,892	14,832
Computer	139,67,346	7,28,357	6,90,117
Leasehold Improvement	4,531	57,315	1,33,557
Total	3580,85,392	14,86,664	17,16,928

A. Property, Plant and Equipment

Particulars	Building	Plant and Machinery	Air conditioner	Telephone Equipments	Furniture and Fixtures	Office Equipment	Computer	Leasehold Improvement	Total
At Cost or deemed cost									
Balance at April 1, 2015	-	-	2,03,199	4,253	6,70,970	14,832	6,90,117	1,33,557	17,16,928
Additions	-	-	-	-	12,994	-	3,30,350	-	3,43,344
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Balance at March 31, 2016	-	-	2,03,199	4,253	6,83,964	14,832	10,20,467	1,33,557	20,60,272
Additions	3176,11,682	335,50,393	184,27,302	1,95,002	31,44,651	75,41,038	163,44,939	-	3968,15,007
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Balance at March 31, 2017	3176,11,682	335,50,393	186,30,501	1,99,255	38,28,615	75,55,870	173,65,406	1,33,557	3988,75,279
Accumulated depreciation and impairment									
Balance at April 1, 2015	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	18,982	280	1,84,054	1,940	2,92,110	76,242	5,73,608
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Balance at March 31, 2016	-	-	18,982	280	1,84,054	1,940	2,92,110	76,242	5,73,608
Depreciation charge for the year	312,28,667	23,51,878	18,35,972	30,351	4,25,517	11,85,160	31,05,950	52,784	402,16,279
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Balance at March 31, 2017	312,28,667	23,51,878	18,54,954	30,631	6,09,571	11,87,100	33,98,060	1,29,026	407,89,887

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B. Capital work in progress

Particulars	As at <u>March 31, 2017</u>	As at <u>March 31, 2016</u>	As at <u>April 01, 2015</u>
Capital work in progress	-	3251,20,233	1370,72,385
Total	-	3251,20,233	1370,72,385

Movement in Capital work in progress (CWIP)

Particulars	As at March 31, <u>2017</u>	As at March 31, <u>2016</u>	As at <u>April 01, 2015</u>
Opening balance at the beginning of the year	3251,20,233	1370,72,385	353,54,131
Addition during the year	-	1880,47,848	1017,18,254
Capitalised during the year			
- Building	(2735,85,890)	-	-
- Plant and Machinery	(236,43,369)	-	-
- Air conditioner	(184,27,302)	-	-
- Office equipment	(44,03,749)	-	-
- Others	(50,59,923)	-	-
Balance at the end of the year	-	3251,20,233	1370,72,385

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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Note -2.1 Intangible assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amount of:			
Computer Software	66,528	94,070	94,484
Terminal Rights	157,34,176	255,18,840	332,52,473
Total	158,00,704	256,12,910	333,46,957

Particulars	Computer Software	Terminal Rights	Grand Total
At Cost or deemed cost			
Balance at April 1, 2015	94,484	332,52,473	333,46,957
Additions	-	42,73,200	42,73,200
Disposals/adjustments	-	-	-
Balance at March 31, 2016	94,484	375,25,673	376,20,157
Additions	-	-	-
Disposals/adjustments	-	-	-
Balance at March 31, 2017	94,484	375,25,673	376,20,157

Accumulated depreciation and impairment

Balance at April 1, 2015	-	-	-
Depreciation charge for the year	414	120,06,833	120,07,247
Disposals/adjustments	-	-	-
Balance at March 31, 2016	414	120,06,833	120,07,247
Depreciation charge for the year	27,542	97,84,664	98,12,206
Disposals/adjustments	-	-	-
Balance at March 31, 2017	27,956	217,91,497	218,19,453

Note 2.1.1 : Terminal Rights as on March 31, 2017 include following expenses:-

Particulars	Domestic	International	Total
Stamp duty paid on concession agreement,marol space licence agreement and land licence	162,57,347	70,92,256	233,49,603
Bid development cost	-	96,16,439	96,16,439
Assets valuation fees	-	1,21,808	1,21,808
Concession award cost	42,28,954	-	42,28,954
RFP participation fees	84,579	-	84,579
Professional fees for RFP preparation	93,290	-	93,290
Professional fees for Registration fee	30,000	1,000	31,000
Total	206,94,170	168,31,503	375,25,673

Terminal Rights as on March 31, 2016

Particulars	Domestic	International	Total
Stamp duty paid on concession agreement,marol space licence agreement and land licence	162,57,347	70,92,256	233,49,603
Bid development cost	-	96,16,439	96,16,439
Assets valuation fees	-	1,21,808	1,21,808
Concession award cost	42,28,954	-	42,28,954
RFP participation fees	84,579	-	84,579
Professional fees for RFP preparation	93,290	-	93,290
Professional fees for Registration fee	30,000	1,000	31,000
Total	206,94,170	168,31,503	375,25,673

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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Non current assets
Note - 3 : Deferred tax assets (net)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax assets (net)(Refer note 31)	157,55,374	183,21,569	140,23,214
Total	157,55,374	183,21,569	140,23,214

Note - 4 : Other financial assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good			
- Security deposits with MIAL*	213,54,909	11131,91,277	10002,14,103
- Security deposits - Others	4,59,000	-	-
Total	218,13,909	11131,91,277	10002,14,103

The Company has entered into a concession agreement with Mumal International Airport Limited (MIAL) for operation and management of the international cargo facilities and provision of the cargo handling and related services. In consideration of the grant of the concession by the MIAL to the Company, Company shall pay to MIAL a fee that is higher of minimum monthly guarantee fee Rs. 16.50 crores (2015-16: Rs. 15 crores and 2014-15: Rs. 13.50 crores) or revenue share of 69% (refer note 21 for expenses recognised)

Note 5 : Other non current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unamortised concession arrangement expense	236,43,577	1666,93,535	2821,40,210
Total	236,43,577	1666,93,535	2821,40,210



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Note - 6 : Trade Receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At amortised cost			
-Unsecured, Considered good	1904,79,062	1280,86,976	843,85,580
- Considered doubtful	-	7,30,774	-
Total	1904,79,062	1288,17,750	843,85,580

6.1 Credit Risk Management

The company's credit risk are mainly on account of its outstanding trade receivables. The company deals in two categories of customers, one being airlines and the other being customs house agents(CHAs).

The company raises invoices to airlines customers on fortnightly basis for the services provided to them with a credit period of 15 to 30 days. Also no interest is charged if there is delay in recovery. The airlines customers represents the majority of total outstanding trade receivables. However, as per past trend, there has not been any default in the payments to be made by them. The company regularly monitors for the timely recovery and also follow up for balances outstanding beyond the credit period provided to them.

The company has a policy of collecting the expected dues on advance basis in respect from Customs House Agents(CHAs). Therefore, the company has limited exposure to credit risk in case of non-airlines customers.

6.2 Credit Risk Concentration

The trade receivable balances predominantly includes domestic and international airlines, which are the Company's largest customers . The summary of the balances outstanding with them(having value more than 5% of total trade receivables as at March 31, 2017) are as follows:

Customer Name	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Amount	(%)	Amount	(%)	Amount	(%)
Jet Airways (Domestic and EXIM)	483,66,550	25.39	117,86,873	9.15	200,81,354	23.80
Go Air (Domestic)	125,67,044	6.60	63,63,037	4.94	91,06,605	10.79
Total	609,33,594	31.99	181,49,910	14.09	291,87,959	34.59



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6.3 Allowance for expected credit losses

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Based on past trends the Company has not experienced a credit loss and hence no allowance for expected credit loss is made. The ageing matrix and % of for expected credit loss applied at the end of the reporting period is as follows:-

Ageing matrix	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1 - 180 days past due	1904,79,062	1271,92,097	842,58,633
More than 180 days past due	-	16,25,653	1,26,947
Total	1904,79,062	1288,17,750	843,85,580

Allowance for expected credit loss	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1 - 180 days past due	0%	0%	0%
More than 180 days past due	0%	0%	0%
Total	-	-	-

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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Note 7 : Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balance with scheduled bank in current accounts	676,89,979	647,29,012	531,56,464
Less: Book Overdraft (*)	(10,92,739)	(189,37,771)	(190,24,749)
Deposits having original maturity less than 3 months	151,64,402	146,44,949	3361,82,699
Cash In Hand	1,40,537	35,781	64,790
Total	819,02,179	604,71,971	3703,79,204

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

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,21,000	358	1,21,358
Add: Permitted receipts	-	36,86,637	36,86,637
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	1,21,000	36,06,165	37,27,165
Closing cash in hand as on 30.12.2016	-	80,830	80,830

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

Note 8 : Other Bank Balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deposits having original maturity more than 3 months but less than 1 year	2241,02,897	4051,76,561	1092,80,385
Total	2241,02,897	4051,76,561	1092,80,385



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Note 9: Other Current Financial Assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At amortised cost(unsecured, considered good)			
Interest accrued on bank deposits (Unsecured, considered good)	14,39,859	22,15,352	82,44,354
Security Deposit to MIAL*	12172,13,388	-	-
Earnest money deposit**	200,00,000	-	-
Others	-	51,91,125	-
Total	12386,53,247	74,06,477	82,44,354

*The Company has entered into an concession agreement with Mumal International Airport Limited (MIAL) for operation and management of the international cargo facilities and provision of the cargo handling and related services. In consideration of the grant of the concession by the MIAL to the Company, Company shall pay to MIAL a fee that is higher of minimum monthly guarantee fee Rs. 16.50 crores (2015-16: Rs. 15 crores and 2014-15: Rs. 13.50 crores) or revenue share of 69% (refer note 21 for expenses recognised)

** Earnest Money Deposit is given to MIAL towards Request for Proposal for Perishable Cargo Centre at Mumbai Airport.

Note - 10: Current tax assets (net)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance income tax/TDS (net of provisions)	531,14,356	554,38,589	571,88,638
Total	531,14,356	554,38,589	571,88,638

Note - 11 : Other Current Assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Prepaid expenses	52,82,245	57,39,085	9,86,473
Unamortised concession arrangement expense	279,18,712	-	-
CENVAT credit receivable	46,08,440	17,37,180	156,36,061
Total	378,09,397	74,76,265	166,22,534



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Note 12 : Equity Share Capital

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 01, 2015
Authorised :			
50,000,000 Equity Shares of Rs. 10 each (As at March 31, 2016, 50,000,000 equity shares of Rs 10 each; As at March 31, 2015, 50,000,000 equity shares of Rs 10 each)	5000,00,000	5000,00,000	5000,00,000
	<u>5000,00,000</u>	<u>5000,00,000</u>	<u>5000,00,000</u>
Issued, Subscribed and Paid up:			
36,650,000 Equity Shares of Rs. 10 each (As at March 31, 2016 36,650,000 equity shares of Rs 10 each; As at March 31, 2015, 36,650,000 equity shares of Rs 10 each) fully paid up	3665,00,000	3665,00,000	3665,00,000
	<u>3665,00,000</u>	<u>3665,00,000</u>	<u>3665,00,000</u>

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)
Balance as at the beginning of the year	366,50,000	3665,00,000	366,50,000	3665,00,000	366,50,000	3665,00,000
Movements	-	-	-	-	-	-
Balance as at the end of the year	<u>366,50,000</u>	<u>3665,00,000</u>	<u>366,50,000</u>	<u>3665,00,000</u>	<u>366,50,000</u>	<u>3665,00,000</u>

Equity shares, which have a par value of Rs. 10 each, carry one vote per share and carry a right to dividends. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Shares held by each shareholder holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Holding Company Container Corporation of India Limited(*)	<u>366,50,000</u>	<u>100%</u>	<u>366,50,000</u>	<u>100%</u>	<u>366,50,000</u>	<u>100%</u>

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

(iii) No. of shares held by holding company and its subsidiaries

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Holding Company Container Corporation of India Limited	366,50,000	366,50,000	366,50,000



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Concor Air Limited
Notes forming part of the financial statements
(in Indian Rupees crore, unless otherwise stated)

Note 13: Other Equity

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Retained Earnings	2782,20,375	2307,46,213	1034,26,468
Total	2782,20,375	2307,46,213	1034,26,468

13.1 Retained Earnings

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	2307,46,213	1034,26,468
Profit for the year	783,52,007	1493,75,349
Payment of dividend	(256,55,000)	(183,25,000)
Payment of dividend tax	(52,22,845)	(37,30,604)
Balance at the end of the year	2782,20,375	2307,46,213



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Note 14 : Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Carried at amortised cost*			
Loan from holding company (Unsecured) -M/s Container Corporation of India Ltd.	-	12500,00,000	12500,00,000
Total	-	12500,00,000	12500,00,000

(*) Interest of 9.31% is payable on the outstanding loan . There is no repayment schedule as per contractual terms, however, the entire loan is repayable in 2017-18.

Note 15 :Other financial liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Earnest Money Deposit	-	25,75,200	24,77,891
Security Deposit - Contractor	25,000	201,21,006	123,13,833
Security Deposit - Consultant	-	19,84,612	7,08,060
Total	25,000	246,80,818	154,99,784



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Note 16 : Trade payables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables			3,567,499
- Sundry Creditors - Trade	139,726,857	57,614,347	50,723
- Sundry Creditors-Capital	9,900,000	807,561	-
- Others	7,512,270	2,136,607	-
Total	157,139,127	60,558,515	3,618,222

(*) 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.

Note 17 : Other current financial liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of loan from holding company	1,100,000,000	-	-
- M/s Container Corporation of India Ltd.			296,821,833
Contractually Reimbursable Expenses	272,415,076	290,711,155	-
Unsecured, considered good			-
Security Deposit - Contractor	26,554,613	-	-
Security Deposit - Consultant	2,394,505	-	-
Earnest Money Deposit (EMD)	2,848,200	-	-
Others	-	2,300,278	1,180,442
Total	1,404,212,394	293,011,433	298,002,275

Note 18 : Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance received from customers	47,542,413	78,718,903	73,123,594
Statutory Remittance	7,520,787	10,997,920	4,444,149
Total	55,063,200	89,716,823	77,567,743



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Revenue from operations
Note - 19 : Revenue from operations

Particulars	For year ended March 31, 2017	For year ended March 31, 2016
Handling Income - Inward	14532,84,818	12941,99,867
Handling Income - Outward	5171,83,036	4143,43,612
Demurrage Income - Inward	12628,89,097	13436,12,297
Demurrage Income - Outward	553,49,161	468,34,950
Screening Charges - Inward	86,236	-
Screening Charges - Outward	2337,21,452	1959,15,261
Other Operating Income - Inward	799,92,450	513,99,970
Other Operating Income - Outward	706,88,521	394,54,404
Packing Income - Inward	48,25,794	63,42,226
Packing Income - Outward	71,60,104	68,13,534
Total	36851,80,669	33989,16,121

Other Income
Note - 20 : Other Income

Particulars	For year ended March 31, 2017	For year ended March 31, 2016
Income from financial assets (carried at amortised cost)		
Interest earned on Short Term Bank Deposits	142,34,983	278,60,311
Interest income on security deposit given to MIAL(Refer note 9)	1253,77,020	1129,77,173
Other Income		
Miscellaneous Income (*)	35,70,893	6,43,260
Excess provision written back	245,32,977	62,63,853
Rent Income	18,24,298	-
Tender Sale	18,000	51,000
Total	1695,58,171	1477,95,597

(*) Reflects penalty for cheque return, interest on Income tax refunds, and rounding off etc.



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Terminal and other Service Charges
Note - 21 : Terminal and other Service Charges

Particulars	For year ended March 31, 2017	For year ended March 31, 2016
Revenue share against concession arrangement(Refer Note 9)	24585,06,097	22832,70,518
Concession arrangement amortisation expense(Refer Note 9)	1151,31,247	1154,46,674
Handling Expenses	4711,42,805	3675,36,634
Packing Expenses	39,73,530	-
Total	30487,53,679	27662,53,826

Finance Cost
Note - 22 : Finance Cost

Particulars	For year ended March 31, 2017	For year ended March 31, 2016
Interest expense on borrowings from holding company	1064,27,330	1163,75,000
Total	1064,27,330	1163,75,000

Depreciation Charges
Note - 23 : Depreciation Charges

Particulars	For year ended March 31, 2017	For year ended March 31, 2016
Depreciation and amortization expense	500,28,485	125,80,855
Total	500,28,485	125,80,855



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Other Expenses

Note - 24 : Other Expenses

Particulars	For year ended March 31, 2017	For year ended March 31, 2016
Printing and Stationery	4,684,243	4,669,027
Traveling and Conveyance	1,554,107	1,018,118
Rent and Licence fee for office building	25,367,554	2,608,830
Electricity and Water expenses	69,615,639	60,954,172
Repair and Maintenance charges - Building	34,463,577	29,941,897
Repair and Maintenance charges - Plant and Machinery / Electricals	35,282,863	31,979,562
Repair and Maintenance charges - Others	20,660,359	16,826,190
Security expenses	68,317,765	62,249,663
Manpower expense (*)	204,499,738	176,053,232
Rent for Leased Accomodation (Net)	428,100	606,629
Manpower Welfare and Medical expense	938,497	987,720
Vehicle Running and Maintenance expense	6,678,276	7,084,283
Business Development	677,107	134,062
Postage, Telephone and Internet	14,119,266	14,172,117
Bank Charges (**)	22,741,631	20,840
Legal and Professional Charges	980,558	714,908
Insurance Charges	2,013,974	1,839,168
Interest and Penalties	1,342,023	-
Advertisement	221,435	1,218,014
Directors Sitting Fee	1,402,500	-
Auditors' Remuneration		
Audit fees(***)	229,140	188,940
Tax Audit Fee	38,693	43,693
Auditors Out of Pocket expense	176,281	174,493
Rates and Taxes	8,307,097	6,130,273
CSR expenses	-	1,160,391
Bad Debts	730,774	-
Miscellaneous expenses	4,169,096	2,295,199
Total	529,640,293	423,071,421

(*) This cost represents cost of staff seconded from the holding company, Mumbai Airport Authority Limited (MIAL) as well as other staffs hired on contract basis.

(**) In accordance with the concession agreement entered into with Mumbai International Airport Private Limited (MIAL), MIAL incurs bank gurantee (BG) expense for submission of BG to customs against "custodian bond", which are reimbursed by the Company. The Company anticipates such expenses on the basis of confirmation received from MIAL. During the year the MIAL has levied bank charges amounting to 1,49,92,541/- for the period 2013-14 to 2015-16 which the company has recognised as expense.

(***) Includes cost audit fee of Rs. 39,195 (Rs. 78,390 for 2015-16)

Tax Expenses

Note - 25 : Tax Expenses

Particulars	For year ended March 31, 2017	For year ended March 31, 2016
Current tax	38,970,851	83,353,623
Deferred tax	2,566,195	(4,298,356)
Total	41,537,046	79,055,267



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Notes forming part of the financial statements
(In Indian Rupees , unless otherwise stated)

Note - 26 : Other Commitments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for.	100,54,729	313,75,478	1160,27,350

Note - 27 : Contingent Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Claims against company not acknowledged as debt			
Stamp duty (as per notice received from collector of stamp)	-	-	170,78,650
Interest on above stamp duty	-	-	17,07,865
Stamp duty (domestic agreement)	-	-	90,00,000
Service tax (CERA audit demand / SCN received)	378,90,774	247,26,146	-
Interest on delayed payment to MIAL	101,73,060	101,73,060	-
Sub Total	480,63,834	348,99,206	277,86,515
Other money for which company is contingently liable			
Licenses Fees (SACT Project)	-	310,68,730	-
Terminal benefits to staff posted on the basis of secondment	197,18,612	131,07,792	-
Sub Total	197,18,612	441,76,522	-
Total	677,82,446	790,75,728	277,86,515









Concor Air Limited
Notes forming part of the financial statements
(in Indian Rupees , unless otherwise stated)

Note - 28 : Earning Per Share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Basic and diluted earnings per share (Refer note 28.1 below)	2.14	4.08

28.1 Calculation of basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the year used in the calculation of basic and diluted earnings per share	783,52,007	1493,75,349
Weighted average number of equity shares (Face value Rs. 10 per share)	366,50,000	366,50,000

28.2. Impact of changes in accounting policies

There are no changes in the accounting policies which had impact on the amounts reported for earning per share.

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Concor Air Limited
Notes forming part of the financial statements
(in Indian Rupees , unless otherwise stated)

Note - 29: Segment Information

The Segment reporting disclosed by the Company in this section is presented in accordance with the disclosures requirements of Ind AS 108 "Operating Segment".

Information reported to the chief operating decision maker(CODM) for the purposes of resource allocation and assessment of segment performance focuses on the divisions operated in the company, and in respect of two major operating divisions- EXIM and Domestic. The information is further analysed based on the different classes of customers. Both EXIM and Domestic divisions of the company are engaged in handling & warehousing activities. The Company has not aggregated any operating segments for presentation purposes.

As at March 31, 2017, the operating segment of the Company are as under :

The Company is organised on into two major operating divisions - International and Domestic. The divisions are the basis on which the Company reports its primary segment information. Both International and Domestic divisions of the Company are engaged in handling and warehousing activities. Segment revenue and expense directly attributable to International and Domestic segments are allocated to the two segments. Joint revenue and expenses (if any), have been allocated on a reasonable basis. Segment assets include all operating assets used by a segment and consist principally of trade receivables, cash and bank balances, loan and advances other current / non-current assets and fixed assets net of provisions. Similarly, segment liabilities include all operating liabilities and consists principally of trade payables, advance from customers, other liabilities and provisions. Segment assets and liabilities do not, however, include provisions for taxes. Joint assets and liabilities (if any), have been allocated to segments on a reasonable basis.

As per the operations of the Company are presently confined to the geographical territories of India, there are no reportable secondary segments.

Segment revenue and results

The following is the analysis of the Company's revenue and results from continuing operations by reportable segments.

Particulars	EXIM		Domestic		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment revenue	33858,37,335	31976,91,136	2993,43,334	2012,24,985	36851,80,669	33989,16,121
Segment results						
Segment result Profit/(loss)	823,20,719	1771,46,897	244,65,978	324,43,977	1067,86,697	2095,90,874
Operating Profit	823,20,719	1771,46,897	244,65,978	324,43,977	1067,86,697	2095,90,874
Unallocated corporate expenses						
Interest and other income					1695,58,171	1477,95,597
Interest expenses					1064,27,330	1163,75,000
Depreciation and amortisation					500,28,485	125,80,855
Income tax expense					415,37,046	790,55,267
Net profit for the year					783,52,007	1493,75,349

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note-1. Segment profit represents the profit before tax earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Revenue and expenses directly identifiable to the segments have been allocated to the relatively primary reportable segments.

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Segment assets and liabilities

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	EXIM	Domestic	Total	EXIM	Domestic	Total	EXIM	Domestic	Total
Segment assets									
Non current assets	7,98,842	4343,00,114	4350,98,956	12429,11,051	4075,15,137	16504,26,188	12532,16,843	2152,96,954	14685,13,757
Current assets	17455,60,444	805,00,694	18260,61,138	5141,80,178	1506,07,435	6647,87,613	4972,11,543	1488,89,152	6461,00,695
Unallocated corporate assets	-	-	-	-	-	-	-	-	-
Total assets	17463,59,286	5148,00,808	22611,60,094	17570,91,229	5581,22,572	23152,13,801	17504,28,386	3641,86,106	21146,14,492
Segment liabilities									
Current Liabilities	15065,52,167	1098,62,553	16164,14,720	3675,36,819	757,49,952	4432,86,771	3442,83,591	349,04,649	3791,88,240
Non current liabilities	-	25,000	25,000	12500,00,000	246,80,818	12746,80,818	12500,73,841	154,25,943	12654,99,784
Unallocated corporate Liabilities	-	-	6447,20,374	-	-	5972,46,212	-	-	4699,26,468
Total liabilities	15065,52,167	1098,87,553	22611,60,094	16175,36,819	1004,30,770	23152,13,801	15943,57,432	503,30,592	21146,14,492

For the purposes of monitoring segment performance and allocating resources between segments:

- a) All assets are allocated to reportable segments. Assets used jointly by reportable segments (if any), are allocated on the basis of the revenues earned by individual reportable segments; and
- b) All liabilities are allocated to reportable segments. Liabilities for which reportable segments are jointly liable (if any), are allocated in proportion to segment expenses.
- c) Assets and liabilities which are not directly identifiable to the segments have been disclosed under unallocated.

Other segment information

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	EXIM	Domestic	Total	EXIM	Domestic	Total	Exim	Domestic	Total
Other segment information									
Capital expenditure	1,21,200	3966,93,807	3968,15,007	6,76,244	39,40,300	46,16,544	5,50,055	1044,90,272	1050,40,327
Depreciation and amortization	82,08,658	418,19,827	500,28,485	96,22,599	29,58,256	125,80,855	-	-	-
Non- cash expenses	-	7,30,774	7,30,774	-	-	-	-	-	-

Information about major customers

No single customer represents more than 10 percent or more of the entity's revenue in any of the segments during 2016-17.

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Concor Air Limited
Notes forming part of the financial statements
(In Indian Rupees , unless otherwise stated)

Note - 30 : Income Tax

30.1 Income tax recognised in profit or loss

Description	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	389,70,851	833,53,623
	389,70,851	833,53,623
Deferred tax	25,66,195	(42,98,356)
	25,66,195	(42,98,356)
Total income tax expense	415,37,046	790,55,267

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax	1198,89,053	2284,30,616
Income tax expense calculated at 34.608% (FY 2015-16 onwards:(30*112%*103%=34.608%)	414,91,204	790,55,267
Adjustments recognised in the current year in relation to the current tax of prior years	45,842	-
	415,37,046	790,55,267

The tax rate used for the 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 30% (plus applicable surcharge and cess) payable by corporate entities in India on taxable profits under the Indian tax law.



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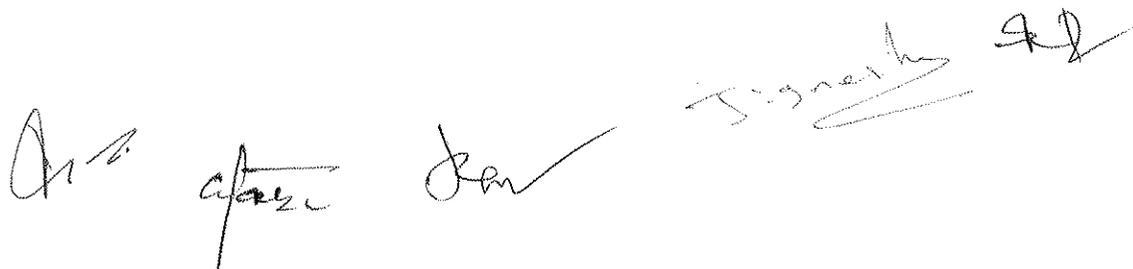
Concor Air Limited
Notes forming part of the financial statements
(In Indian Rupees , unless otherwise stated)

Note - 31 : Deferred Tax Balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Description	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	144,87,783	116,13,728	94,93,064
Deferred tax liabilities	12,67,591	67,07,841	45,30,150
Deferred tax assets / (liability) (Net)	157,55,374	183,21,569	140,23,214

Particulars	For the year ended as on March 31, 2017			For the year ended as on March 31, 2016		
	Opening balance	Recognised in profit or loss	Closing balance	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Property, plant and equipment	(2,53,623)	(18,94,393)	(21,48,016)	(15,76,669)	13,23,046	(2,53,623)
Expenditure covered by section 43B of I.T. Act, 1961	108,86,948	28,74,055	137,61,003	87,66,284	21,20,664	108,86,948
Security Deposit given recorded at amortised cost	69,61,464	(35,45,857)	34,15,607	61,06,819	8,54,645	69,61,464
Tax losses	7,26,780	-	7,26,780	7,26,780	-	7,26,780
Total	183,21,569	(25,66,195)	157,55,374	140,23,214	42,98,355	183,21,569





Concor Air Limited
Notes forming part of the financial statements
(In Indian Rupees , unless otherwise stated)

Note - 32 : STATEMENT OF TRANSACTIONS AND BALANCES WITH RELATED PARTIES

List of Related Parties

Holding Company

-Container Corporation of India Limited

Key Managerial Persons

-Sh. Anil Gupta (Till 30- Sep-2016)
-Sh. V. Kaiyan Rama (w.e.f. 01-Oct-2016)
-Dr. Smt. P. Allli Rani
-Sh. P. K. Agrawal
-Sh. Sharad Chandrayan
-Sh. Sanjeev Shah (w.e.f. 05-Apr-2016)
-Sh. R. K. Mathotra (w.e.f. 05-Apr-2016)

Chairman
Chairman
Director
Director
Director
Director
Director

Fellow subsidiary

-Fresh and Healthy Enterprises Limited

32.1. Related party transactions

Particulars	Nature of transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
Holding Company			
Container Corporation of India Limited			
	-Salary of employees on secondment	282,77,968	237,69,566
	-Interest on Loan	1064,27,330	1163,75,000
	-Travel expense reimbursement	1,19,920	-
		<u>1348,25,218</u>	<u>1401,44,566</u>
Fellow subsidiary			
Fresh & Healthy Enterprises Limited			
	-Travel expense reimbursement	21,655	-

32.2 Outstanding balances with related parties

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Holding Company			
Container Corporation of India Limited			
Balance payable (Payroll expenses)	-	21,12,718	1,53,535

32.3 Loans from related parties

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Holding Company			
Container Corporation of India Limited			
Loan from holding company	-	12500,00,000	12500,00,000
As per the requirement of concession agreement CONCOR Air Limited (CAL) have to deposit a security deposit of Rs.125 Crore. CAL have taken a loan from CONCOR for making back to back arrangement of Rs. 125 crore. An amount of Rs. 15 crore has been repaid during the year.			

32.4 Amount recoverable from related parties

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Holding Company			
Container Corporation of India Limited			
Advance given during the year	5,23,200	11,74,702	-

32.5 Terms and conditions

All the transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related party.

As per the requirement under the concession agreement entered into with MIAL (Mumbai International Airport Private Limited), Container Corporation of India Limited has given a Performance Security by way of bank guarantee of Rs. 15 crores in favour of MIAL and the said bank guarantee is valid till June, 30, 2017 on behalf of CONCOR Air Limited.

32.6. Disclosure in respect of Government Controlled Entities

The Company has entered into transactions related to operational and other expenses such as telephone expenses, air travel, fuel purchase etc. with various government related entities. These operational and other expenses are insignificant individually and collectively.

32.7 Compensation of Key management personnel

The Company's predominant manpower cost includes cost of staff deputed by Container Corporation of India – the holding company (CONCOR) and Mumbai International Airport Private Limited (MIAL). These cost are recognized as other expenses based on the contractual arrangements with CONCOR and MIAL. The company has only one company secretary for whom the employee benefit expense is very limited.



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Concor Air Limited
Notes forming part of the financial statements
(in Indian Rupees , unless otherwise stated)

Note - 33 : Operating lease arrangements

a) As a lessee

Leasing arrangements

The Company has entered into Operating leases arrangements for office premises. The details of leases are as follows:

Payments recognised as an expense

Description	For the year ended March 31, 2017	For the year ended March 31, 2016
Minimum lease payments	329,26,839	26,08,830
Sub-lease recoveries	75,59,374	

Non-cancellable operating lease commitments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Minimum Lease Payments outstanding as on			
Not later than 1 year	299,52,317	285,63,741	34,82,928
Later than 1 year and not later than 5 years	1440,22,450	1739,74,766	1352,78,883
Later than 5 years	1140,72,062	661,13,152	1789,18,639

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Note - 34 : Financial Instruments

(1) Capital management

The Company's management reviews the capital structure on an annual basis or frequently as and when need arises. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on this, the management determines the amount of capital required for annual and long-term operating plans. The funding requirements are met through equity and borrowings. The management monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital structure of the company consists of net debt (borrowings as detailed in note 14 and 17 offset by cash and bank balances) and total equity of the company.

The gearing ratio ratio enables investors to see how significant net debt is relative to equity from shareholders. The company is not exposed to any financial covenants due to external debt.

34.3(i) Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt (refer note i below)	11000,00,000	12500,00,000	12500,00,000
Cash and bank balances	(3060,05,076)	(4656,48,532)	(4796,59,589)
Net Debt	7939,94,924	7843,51,468	7703,40,411
Total equity	6447,20,374	5972,46,212	4699,26,468
Net debt to equity ratio	1.23	1.31	1.64

Note i : Debt is defined as long-term and short term borrowings.

(ii) Categories of financial instruments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Measured at amortised cost			
Cash and bank balances	3060,05,076	4656,48,532	4796,59,589
Trade and other receivables	1904,79,062	1288,17,750	843,85,580
Interest accrued on bank deposits	14,39,859	22,15,352	82,44,354
Other current financial assets	200,00,000	51,91,125	-
Security deposits (M/AI)	12390,27,297	11131,91,277	10002,14,103
Total financial assets	17569,51,295	17150,64,036	15725,03,626
Financial liabilities			
Measured at amortised cost			
Trade payables	450,41,747	605,58,515	36,18,222
Loans from holding company	11000,00,000	12500,00,000	12500,00,000
Earnest Money Deposit	28,48,200	25,75,200	24,77,891
Security Deposit - Contractor	265,79,613	201,21,006	123,13,833
Security Deposit - Consultant	23,94,505	19,84,612	7,08,060
Contractually Reimbursable Expenses	3845,12,456	2907,11,155	2968,21,833
Others	-	23,00,278	11,80,442
Total financial liabilities	15613,76,520	16282,50,767	15671,20,281

(iii) Financial risk management objectives

The Company's corporate treasury function monitors and manages the financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

(iv) Market Risk

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(v) Foreign Currency risk management

The company is not subject to significant transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations do not arise.

(vi) Interest rate risk management

The company has taken loan from its holding company. Thus, interest rate risk does not arise.



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CONCOR AIR LIMITED
Notes forming part of the financial statements
(In Indian Rupees crore, unless otherwise stated)

(viii) Credit risk management

Credit risk exposure of the company has been described in Note no. 6.1 for trade receivables.

Company has bank balances held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties.

(ix) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017;

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due after 2nd year	Total contracted cash flows
Financial Liabilities					
Trade payables	450,41,747	450,41,747	-	-	450,41,747
Loans from holding company	11000,00,000	11771,58,519	-	-	11771,58,519
Earnest Money Deposit	28,48,200	28,48,200	-	-	28,48,200
Security Deposit - Contractor	265,79,613	265,54,619	25,000	-	265,79,613
Security Deposit - Consultant	23,94,505	23,94,505	-	-	23,94,505
Contractually Reimbursable Expenses	3845,12,456	3845,12,456	-	-	3845,12,456

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2016;

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due after 2nd year	Total contracted cash flows
Financial Liabilities					
Trade payables	605,58,515	605,58,515	-	-	605,58,515
Loans from holding company	12500,00,000	1064,27,330	13271,58,519	-	14335,85,849
Earnest Money Deposit	25,75,200	-	25,75,200	-	25,75,200
Security Deposit - Contractor	201,21,006	-	201,21,006	-	201,21,006
Security Deposit - Consultant	19,84,612	-	19,84,612	-	19,84,612
Contractually Reimbursable Expenses	2907,11,155	2907,11,155	-	-	2907,11,155
Others	23,00,278	23,00,278	-	-	23,00,278

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 1, 2015 ;

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due after 2nd year	Total contracted cash flows
Financial Liabilities					
Trade payables	36,18,222	36,18,222	-	-	36,18,222
Loans from holding company	12500,00,000	1163,75,000	1064,27,330	13271,58,519	15499,60,849
Earnest Money Deposit	24,77,891	-	24,77,891	-	24,77,891
Security Deposit - Contractor	123,13,833	-	-	123,13,833	123,13,833
Security Deposit - Consultant	7,08,060	-	-	7,08,060	7,08,060
Contractually Reimbursable Expenses	2968,21,833	2968,21,833	-	-	2968,21,833
Others	11,80,442	11,80,442	-	-	11,80,442

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

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The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2017:

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Financial assets					
Trade and other receivables	1904,79,062	1904,79,062	-	-	1904,79,062
Interest accrued on bank deposits	14,39,859	14,39,859	-	-	14,39,859
Security deposits (MIAL)	12390,27,297	12500,00,000	-	500,00,000	13000,00,000

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2016:

Particulars	Carrying amount	upto 1 year	1-3 year	More than 5 year	Total contracted cash flows
Financial assets					
Trade and other receivables	1288,17,750	1288,17,750	-	-	1288,17,750
Interest accrued on bank deposits	22,15,352	22,15,352	-	-	22,15,352
Security deposits (MIAL)	11131,91,277	-	12500,00,000	500,00,000	13000,00,000

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at April 1, 2015:

Particulars	Carrying amount	upto 1 year	1-3 year	More than 5 year	Total contracted cash flows
Financial assets					
Trade and other receivables	843,85,580	843,85,580	-	-	843,85,580
Interest accrued on bank deposits	82,44,354	82,44,354	-	-	82,44,354
Security deposits (MIAL)	10002,14,103	-	12500,00,000	500,00,000	13000,00,000

(x) Fair value measurements

No any company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

(xi) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are disclosed)

Particulars	Fair value hierarchy	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
Security deposits (MIAL)	Level 2	12390,27,297	12390,27,297	11131,91,277	11143,12,831	10002,14,103	10016,29,511
Financial Liabilities							
Loan from holding company	Level 2	11000,00,000	11000,00,000	12500,00,000	11580,35,963	12500,00,000	11667,33,117

Except as disclosed above, the fair value of remaining financial assets and liabilities approximate with the carrying amount recognized in the financial statements.

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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2017
(All amounts are in Rupees unless otherwise stated)

Note - 35 : Transition to Ind-AS

The effect of the company's transition to Ind AS, described in note below, is summarized in this note as follows:

- (i) Transition election
- (ii) Reconciliation of equity as previously reported under Indian GAAP to Ind-AS
- (iii) Adjustments to the statement of cash flows.

(i) Transition election

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Particulars	Note No.
Deemed cost for property, plant and equipment, investment property and intangible assets	1
Leases	3

1. In accordance with Ind-AS transitional provisions, the company opted to consider previous GAAP carrying value of property, plant and equipment as deemed cost on transition date.

2. In accordance with Ind-AS transitional provisions, the company opted to determine whether an arrangement existing at the date of transition contains a lease on the basis of facts and circumstances existing at the date of transition rather than at the inception of the arrangement.

(ii) (a) Reconciliation of equity as previously reported under Indian GAAP to Ind-AS

Particulars	Note No.	Amount as at March 31, 2016	Amount as at April 1, 2015
Equity as reported under IGAAP		5795,22,092	4814,65,335
Adjustments:			
Proposed dividends and related distribution tax	a	308,77,845	-
Discounting of security deposit given	b	(201,15,188)	(176,45,687)
Deferred tax on above adjustments	c	69,61,464	61,06,819
Total adjustment to equity		177,24,121	(115,38,867)
Total equity under Ind AS		5972,46,213	4699,26,468



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(iii)(b) Reconciliation of total comprehensive income as previously reported under Indian GAAP to Ind-AS

Particulars	For year ended March 31, 2016
Profit/(loss) as per previous GAAP	1509,90,205
Adjustments:	
Discounting of security deposit given	b (24,69,502)
Deferred tax on above adjustment	c 8,54,645
Profit as per Ind AS	1493,75,349
Other comprehensive income for the period	-
Total comprehensive income under Ind AS	1493,75,349

Notes:

a. As per Ind-AS, dividends payable and the associated corporate dividend tax are recorded as a liability in the year in which these are declared and approved. Under previous GAAP, dividends payable are recorded as a provision in the year to which they relate.

b. As per Ind-AS, security deposit are measured at fair value at inception. Difference between the fair value and transaction value has been recognised as unamortised concession arrangement expense and amortised over the period of the underlying contracts. Subsequently, security deposit have been measured at amortised cost at each reporting date using effective interest rate method. Under previous Indian GAAP, security deposits are recorded at their transaction value.

c. Consequential deferred tax adjustments on all above.

(iii) Adjustments to the statement of cash flows .

The transition from Indian GAAP to Ind-AS had no significant impact on cash flows generated by the company. Cash flows relating to interest are classified in a consistent manner as operating, investing or financing each period.

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	2670,80,763	915,91,145	1754,89,618
Net cash flows from investing activities	(1648,04,081)	(1137,34,011)	(510,70,070)
Net cash flows from financing activities	(1163,75,000)	220,55,604	(1384,30,604)
Net increase (decrease) in cash and cash equivalents	(140,98,318)	(87,262)	(140,11,056)
Cash and cash equivalents at the beginning of the period	4986,84,338	190,24,749	4796,59,589
Other changes	-	-	-
Cash and cash equivalents at the end of the period	4845,86,020	189,37,487	4656,48,532

36. Approval of financial statements

The financial statements were approved for issue by the board of directors on May 12, 2017.



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Sanjeev Saxena & Co.
Chartered Accountants



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INDEPENDENT AUDITORS' REPORT

To the Members of Concor Air Limited,

Report on standalone Financial Statements

We have audited the accompanying IND AS Financial Statements of CONCOR AIR LIMITED ("the company") which comprises the Balance Sheet as at March 31, 2017, Statement of Profit and Loss (Including other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity 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 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Rule 7 of the Companies (Accounts) Rules, 2014 [IGAAP earlier termed as GAAP]. 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.

The company's Board of Directors is also responsible to ensure that the financial statements which have been prepared for the first time as per IND AS comply with the requirements of IND AS financial statements.



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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 any material misstatement.

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 misstatement 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) The company records and accounts for the tax deducted at source for IVth Qr. by the customers in subsequent financial year as the amounts are not known as on date of Balance Sheet. To the extent of tax deducted at source of the IVth Qr. of FY 2016-17 not accounted for, the 'Trade Receivables' under the head 'Financial Assets' of Current



Sanjeev Saxena & Co.
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Assets referred in Note no. 6 stand overstated. The 'Advance tax/TDS (net of provisions) referred in Note no. 10 under the head 'Financial Assets' of Current Assets to above said extent stand understated. The company continues to account for the tax deducted at source on above basis. 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. 24 and also the estimated liability of terminal benefits upto FY 2016-17 in Note 27 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) Board of directors of the company in its meeting on 10.11.2016 ratified the time overrun and cost overrun of 1.31 crores (from 27.70 crores to 29.01 crores) for Capital work in progress relating to Santa Cruze Terminal. The Board of directors belatedly approved the cost overrun from original value Rs. 20.49 crores to 27.70 crores. The time overrun is more than 27 months as well cost overrun is 41.65% far in excess of permissible 25%. The management has informed to have recovered liquidated damages @ 0.6% on cost overrun above 25%. In view of our technical limitations, we are unable to quantify the financial implications, if any, for above reasons. A technically qualified independent agency be appointed to inquire into all of the aspects including probable loss/leakage of revenue.

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



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Chartered Accountants



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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 31st March 2017, and its profit and its cash flows and the changes in equity 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) The outstanding of M/s Mumbai International Airport Pvt. Ltd. (MIAL) in books of accounts of the company as at 31.03.2017 is Rs. 11,54,12,008.72. M/s MIAL has in its balance confirmation letter (confirmed by the company) shown Rs. 13,62,22,155/-. Thus, there is a difference of Rs. 208,10,146.28 being the amount short recorded by the company. The company has informed in process of reconciliation and has undertaken that it has no impact on profits for the year under review. Our opinion, however, is not qualified in respect of this matter.
- (ii) The company has earned Net profit for the financial years 2013-14, 2014-15, 2015-16 and 2016-17. The company has not spent the prescribed amount towards Corporate Social Responsibility required under section 135 of the Companies Act, 2013. Our Opinion, however, is not qualified in respect of the matters stated above.
- (iii) The company in case of M/s Nutun Terpoline has renewed the contract during the year without following the prescribed procedure of open tendering. The amount paid during the year is Rs. 262,94,572/-. The matter is also under investigation by CBI.

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".



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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 and the Statement of Changes in Equity 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 (iii) 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.



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g) On the basis of written representation received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as director in terms of section 164(2) of the Act.

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

i) The company has not employed any person and all of the persons working are on secondment from the holding company. The company 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 very limited number of manpower and as required under Rule 10A of the Companies (Audit and Auditors) Rules, 2014 we observe that the internal financial controls of the company need to be strengthened.

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 explanations given to us:

(i) The company has not disclosed the financial impact of a pending litigation on account of death of three workers during construction of domestic terminal. The company has been named as principle employer in criminal proceedings. It has been informed that the liability is unascertainable and the financial impact in its financial statements shall be disclosed after obtaining legal opinion.

(ii) As regards various demands of service tax department, the company has not disclosed demand wise and statue wise status of litigation involved. The company has however disclosed the aggregate amount of above disputed demands under contingent liability.



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(iii) 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.

(iv) The company is not required to transfer any amount to Investor Protection Fund.

Place: New Delhi
Dated: 12.05.2017




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

Sanjeev Saxena & Co.
Chartered Accountants



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Annexure-A

Annexed to Auditor's Report on matters specified in Para-3 of Companies (Auditor's Report) Order, 2016

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



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(vi) Central Government has prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and such accounts and 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, CERA Audit demands Rs.1,71,41,135/- and service tax demand Rs. 7,38,888/- as per SCN dt. 27.02.2017. The representation is pending before appropriate authorities. However, an undisputed service tax demand of Rs. 56,981/- dt. 17.03.2017 remains unrepresented and unpaid. Similarly, a direction by service tax authorities to make payment of Rs.5,46,295/- out of amount lying for M/s Sun Beam Facility vide letter dt. 22.07.2015 remains unrepresented and unpaid.

(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.



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(xi) The clause is not applicable and hence 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.

(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.

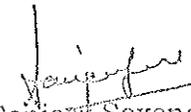
(xiv) The clause is not applicable and is not commented as the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review.

(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: 12.05.2017




Sanjeev Saxena

Partner

M.No.084091

For and on behalf of
Sanjeev Saxena & Co.
Chartered Accountants
FRN 005041N

Sanjeev Saxena & Co.
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Audit Report on directions issued u/s 143 (5) of the Companies Act, 2013

by office of the Comptroller & Auditor General of India

[M/s. Concor Air Ltd. for year ended on 31.3.2017]

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 31st March 2017, 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 waived/written off debtors Rs.7,30,774/- as bad debts. The debtors related to interest provided in 2012-13.
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: 12.05.2017



Sanjeev Saxena
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 2017.**

The preparation of financial statements of Concor Air Limited for the year ended 31 March 2017 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 12-May-2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Concor Air Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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



(B. R. Mondal)
Principal Director of Audit
Railway Commercial, New Delhi

Place: New Delhi

Dated: 07-September, 2017

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 : C-3, CONCOR Bhawan, Mathura Road,
Opp. Apollo Hospital, New Delhi – 110076

Name of Member(s)	:	
Registered Address	:	
Email ID	:	
Folio No.	:	

I/We being the member(s) of Shares of the above named Company, hereby appoint

1. Name :
Address :
Email ID :
Signature : or failing him/her
2. Name :
Address :
Email ID :
Signature : or failing him/her
3. Name :
Address :
Email ID :
Signature : or failing him/her

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 5th Annual General Meeting of the Company, to be held on the 20th day of September at 12.00 noon at C-3, CONCOR Bhawan, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution(s)	Option* (Please mention number of Shares)	
		For	Against
1.	Adoption of Annual Accounts as on March 31, 2017 (Ordinary Resolution)		

2.	To declare dividend on equity shares for the financial year ended March 31, 2017 (Ordinary Resolution)		
3.	To appoint a Director in place of Shri V. Kalyana Rama, Chairman and Director who retires by rotation and being eligible, offer himself for reappointment. (Ordinary Resolution)		
4.	To take note of the appointment of M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and fix their remuneration. (Ordinary Resolution)		
5.	Appointment of Shri P K Agrawal, Director (Ordinary Resolution)		
6.	Alteration of Clause No. II of the Memorandum of Association due to Shifting of Registered office from NCT of Delhi to State of Maharashtra (Special Resolution)		

Signed this day of 2017

Signature of Shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered 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 28th 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 may deem appropriate.
4. Please complete all details including details of member(s) before submission.