



CONCOR AIR LIMITED

(A Wholly Owned Subsidiary of CONCOR)

**6th Annual Report
(2017-18)**

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.

CONTENTS

Sr. No.	Particulars	Page No.
1.	Notice	1
2.	Letter from Chairman	10
3.	Director's Report	11
4.	Extract of Annual Return	22
5.	Corporate Governance Report	29
6.	Management discussion and Analysis	37
7.	Report on Corporate Social Responsibility	40
8.	Salient features of Nomination and Remuneration Policy	43
9.	Secretarial Auditor's Report	44
10.	Certificate on Corporate Governance	48
11.	AOC – 2	49
12.	Addendum to the Director's Report for FY 2017-18	51
13.	Audited financial statements	55
14.	Independent Auditor's Report	93
15.	Comments of Comptroller & Auditor General of India u/s 143(6)(b) of the Companies Act, 2013	105
16.	Proxy Form	107

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

Sr. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Total Income Including Other Income)	4,143.25	30,430.50	35,467.12	38,547.39	46426.28
2.	Expenditure	3,564.77	27,443.94	31,893.25	35,783.93	42960.28
3.	Operating Margin (1-2)	578.49	2,986.56	3,573.86	2,763.45	3466.00
4.	Interest Expenses	540.90	1,163.75	1,163.75	1,064.27	993.49
5.	Depreciation	24.60	103.98	125.81	500.29	550.61
6.	Profit Before Tax	12.99	1,718.83	2,284.31	1,198.89	1921.90
7.	Profit After Tax	9.83	1,134.16	1,493.75	783.52	1216.23
8.	Dividend	-	-	220.56	308.78	1043.23
9.	Profit & Loss Account Balance	15.49	1,149.65	2,307.46	2,782.20	2955.20
10.	General Reserve	-	-	-	-	-
11.	Term Loan	-	-	-	-	-
12.	Reserve & Surplus (9+10)	15.49	1,149.65	2,307.46	2,782.20	2955.20
13.	Fixed Assets (Gross Block)	800.57	1,850.97	3,777.62	4,364.95	4504.70
14.	Sundry Debtors	799.82	843.86	1,288.18	1,904.79	2899.52
15.	Foreign Exchange Earnings	-	-	-	-	-
16.	Share Capital	3,665.00	3,665.00	3,665.00	3,665.00	3665.00
17.	Capital Employed	16,176.40	17,235.49	18,289.25	6,289.65	6418.39
18.	Government Investment	-	-	-	-	-
19.	Net Worth (12+16)	3,680.49	4,814.65	5,972.46	6,447.20	6620.20
20.	Profit Before Tax to Capital Employed	0.08	9.97	12.49	19.06	29.94
21.	Operating Margin to Capital Employed	3.58	17.33	19.54	43.94	54.00
22.	Profit After Tax to Share Capital	0.27	30.95	40.76	21.38	33.18
23.	Expenditure to Income (Sr. No. 2/1*100)	86.04	90.19	89.92	92.83	92.53
24.	Number of Employee	10	16	19	27	23
25.	Income per Employee	414.33	1,901.91	1,866.69	1,427.68	2018.53
26.	Foreign Exchange Earning per Employee	-	-	-	-	-
27.	Current Ratio	2.10	1.67	1.50	1.13	1.15
28.	Debt Equity Ratio	3.40	2.60	2.09	1.71	1.51
29.	Investment	-	-	-	-	-
	PHYSICAL PERFORMANCE (In MT)					
1.	International Handling	35,976	308,583	320,190	341,455	402,234
2.	Domestic Handling	57,692	69,216	70,507	103,477	124,792
3.	Total (1+2)	93,668	377,798	390,698	444,932	527,026

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri. V. Kalyana Rama	Chairman
Shri. P. K. Agrawal	Non-Executive Director
Dr. P. Alli Rani (Ceased w.e.f. 03.10.2017)	Non-Executive Director
Shri Sharat Chandrayan	Non-Executive Director
Shri Sanjeev Shah	Independent Director
Maj. Gen. Raj Krishan Malhotra (Ceased w.e.f. 16.06.2017)	Independent Director
Ms. Vanita Seth (Appointed w.e.f. 22.12.2017)	Independent Director

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 Sixth Annual General Meeting of the Shareholders of the Company will be held as under:

Day : Thursday
Date : September 20, 2018
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 Audited Financial Statement of the Company for the year ended 31st March, 2018, together with Reports of Board of Directors and Auditors thereon.
2. To confirm the payment of Interim dividend and to declare final dividend on equity shares for the financial year ended March 31, 2018
3. To appoint a Director in place of Shri Sharat Chandrayan, Director (DIN: 07565063) who retires by rotation and being eligible, offer himself for reappointment.
4. To take note of the appointment of M/s. V K Khosla & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass following resolution as an Ordinary Resolution :

"RESOLVED that the appointment of M/s. V K Khosla & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company for the financial year 2018-19 in terms of the order no. NO./CA. V/COY/CENTRAL GOVERNMENT, CONAIR(0)/383 dated 31/07/2018 of Comptroller & Auditor General of India be and is hereby noted. They may be paid such

remuneration as may be fixed by the Board of Directors of the Company from time to time.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and rules thereunder, Ms. Vanita Seth (07944119) who was appointed as Part time Non-official (Independent) Director by the Container Corporation of India Limited, the holding Company vide it's letter CON/FA Sec/CAL/2013/35 dated 04.12.2017 and was accordingly appointed as Director of the company by the Board of Directors on 22.12.2017 and in respect of whom the Company has received a notice in writing from the director herself signifying her candidature as a director be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Kejriwal & Associates Cost Accountant, Mumbai (having firm registration no. 101363) appointed by the Board of Directors of the Company as Cost Auditor, for the financial year 2018-19 for the annual cost audit fees/remuneration of Rs. 39,000/- plus applicable Government Taxes and reimbursement of travelling and actual out of pocket expenses incurred in relation to perform of their duties, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorized to do all such acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

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

Date: 18.08.2018

Place: Mumbai

**(Jignesh Gaglani)
Company Secretary**

NOTES:

- (a) A brief resume of the Directors seeking re-appointment and appointed since last Annual General Meeting, as required under DPE Guidelines is annexed hereto and forms part of Notice.
- (b) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
- (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 carrying voting rights. In case of a member who is holding more than ten percent of the total share capital of the Company carrying voting rights may appoint single person as proxy and such person shall not act as a proxy for any other person or shareholder. The Proxy-holder shall prove his identity at the time of attending the Meeting
- (e) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send/attach a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting, along with the Proxy Form/ Attendance Slip.
- (f) Members/Proxies/Authorized Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slips(s) and copies of Annual Report. In case joint holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled.
- (g) 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.

- (h) Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books will remain close from September 14, 2018 to September 20, 2018 (both days inclusive).
- (i) Final dividend on equity shares as recommended by the Directors for the year ended on 31.03.2018, if approved by the members at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members of the Company, after giving effect to all valid Share Transfers in Physical form lodged with the Company on or before September 13, 2018
- (j) All documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company on all working days (except Saturday and Sunday) between 11.00 A.M. to 1.00 P.M upto the date of Annual General Meeting and the same along with other documents as required under the applicable law will also be available for inspection at the time of AGM of the Company at the venue of the meeting.
- (k) Members desiring any information as regards the Financial Statements are requested to write to the Company at least 15 days before the date of the meeting to enable the management to keep the information ready.

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 Container Corporation of India Limited (CONCOR), the holding Company who shall also determine the period for which they may hold their office.

CONCOR vide its letter CON/FA Sec/CAL/2013/35 dated 04.12.2017 communicated the appointment of Ms. Vanita Seth (DIN: 07944119) as a non-official Part-time (Independent) Director on the Board of Concor Air Limited. Accordingly she was appointed as Independent Directors of the Company by the Board of Directors on 22.12.2017 whose tenure shall be co-terminus with her Directorship in CONCOR. Ms. Vanita Seth will not be liable to retire by rotation under section 152 of the Companies Act 2013

Her brief resume, inter-alia, giving nature of expertise in specific functional area are provided elsewhere which forms part of this notice.

The Board of Directors considers that in view of the background and experience of Ms. Vanita Seth, it would be in the interest of the Company to appoint her as an Independent Director of the Company. The Board recommends the resolution for approval of the members.

None of the Director(s)/Key Managerial Personnel of the Company and/or their relative(s) except Ms. Vanita Seth is concerned or interested financially or otherwise in this resolution.

ITEM No. 6

The Board, as per the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. M/s. Kejriwal & Associates, Cost Accountant, Mumbai (Firm Registration no. 101363) as the Cost Auditor for conducting audit of Cost Record(s) of the Company for the Financial Year 2018-19 for the annual remuneration/Audit fees of Rs. 39,000/- plus applicable Government taxes and reimbursement of travelling and actual out of pocket expenses incurred in relation to perform of their duties.

In accordance with provision(s) of Section 148 of the Act read with Rule 14(a)ii of the Companies (Audit and Auditors) Rules, 2014, the audit fees/remuneration payable to the Cost Auditor is required to be ratified by the Shareholders of the

Company. Accordingly, consent of the members is being sought for passing an Ordinary Resolution in this regard viz. for ratification of the remuneration/audit fee of Rs. 39,000/- payable to the Cost Auditor for financial year 2018-19.

The Board recommends this resolution; hence this business is placed for seeking the approval of members by way of Ordinary Resolution.

None of the Director(s)/Key Managerial Personnel of the Company and/or their relative(s) is concerned or interested financially or otherwise in this resolution.

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

Date: 18.08.2018

Place: Mumbai

**(Jignesh Gaglani)
Company Secretary**

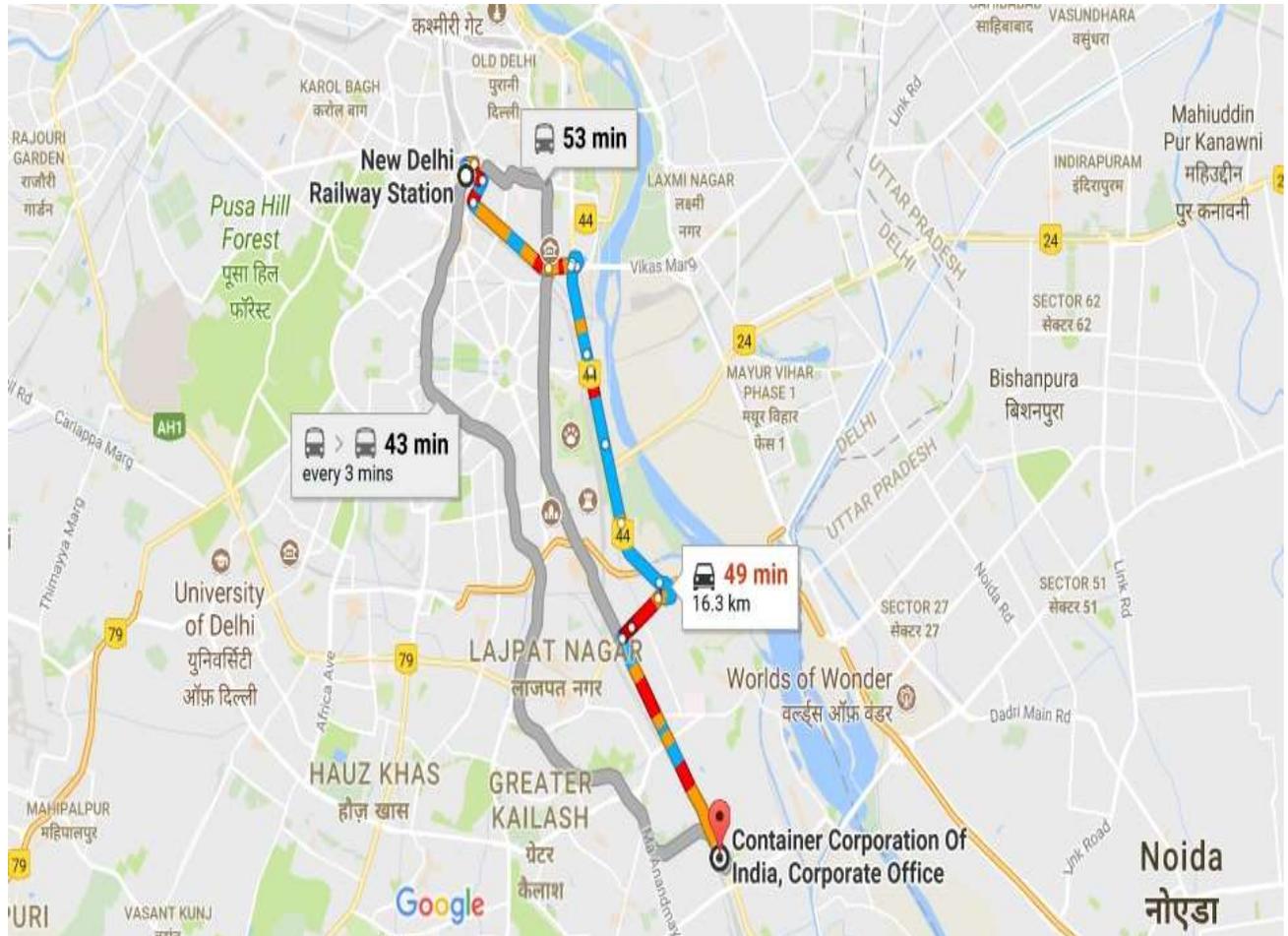
As required under DPE Guidelines, details of Directors seeking re-appointment/appointment at the following Annual General Meeting (Please refer point A of Notes to Notice)

Name	Ms. Vanita Seth
DIN	07944119
Date of Birth	20.10.1968
Date of Appointment	22.12.2017
Qualification	Master's Degree in Political Science
Expertise in specific functional areas	Ms. Vanita Seth, a familiar name in the Women Rights oriented work front, hails from Jodhpur, Rajasthan. An active member of Bharatiya Janata Party, she is the Former Women President of BJP Women Wing, Rajasthan. Her leadership qualities were utilized in the state for the activities like 'Beti Bachao Beti Padhao' movement. She is a member of a number of organizations like Social Welfare Board of India, Telephone Advisory Board and Devasthan Vibhag, Govt. of Rajasthan. Some of her key roles include providing telephone and internet connection in the remote areas of Rajasthan and also the renovation of many temples in Rajasthan.
List of other Companies in which directorship held (As per their last declaration)	Container Corporation of India Limited
Details of other Committee membership	Audit Committee – Member

Name	Shri Sharat Chandrayan
DIN	07565063
Date of Birth	23.10.1968
Date of Appointment	04/07/2016
Qualification	Master of Science (MSc), Physics
Expertise in specific functional areas	Shri Sharat S. Chandrayan, an Indian Railway Traffic Service (IRTS) officer of 1993 batch has served as Chief Public Relations Officer, Western Railway. He has strong knowledge of logistics management for efficient service

	delivery. His key expertise areas are marketing, Passenger and Freight traffic management and Public Relations. He has been serving as Chief General Manager of Western region of Container Corporation of India Limited wherein he is heading 9 terminal across Maharashtra, Madhya Pradesh and Goa.
List of other Companies in which directorship held (As per their last declaration)	Nil
Details of other Committee membership	Corporate Social Responsibility & Sustainability Committee – Member Nomination and Remuneration Committee – Member

LOCATION OF 6TH 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. Through various initiatives and well laid down plans, the management could navigate the Company successfully by minimizing the adverse impact of the challenges on our Business like GST Implementation, tumultuous economy.

During FY 2017-18, we have handled 527026 MTs as compared to handling of 444932 MTs during the corresponding period of previous financial year 2016-17. Thus registering a healthy growth of 18.45%. During the FY 2017-18, Company achieved a gross Turnover of Rs. 464.26 Cr and net profit Rs. 12.16 crores.

CAL has successfully completed its concession period with MIAL for its international Operations which ended on 15th April 2018.

CAL is now focusing on domestic operations at SACT. We are shortly expecting revised tariff approval from AERA.

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: 17.08.2018
Place: New Delhi

Sd/-
V. Kalyana Rama
Chairman

Directors' Report

To the shareholders

Your Directors are pleased to present their Sixth Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ending 31st March, 2018.

FINANCIAL REVIEW

(Amount in Rupees)

Particulars	Year ended on 31st March, 2018 (Audited)	Year ended on 31st March, 2017 (Audited)
Revenue from operations	449,86,96,404	368,51,80,669
Other Income	14,39,32,078	16,95,58,171
Total Income	464,26,28,482	385,47,38,840
Less: Expenses	445,04,38,841	373,48,49,787
Profit before Tax	19,21,89,641	11,98,89,053
Less : Current Taxation	7,13,82,700	3,89,25,013
Add : Deferred Tax	(44,26,135)	25,66,195
Tax adjustments of earlier years (net)	36,10,458	45,838
Profit/(Loss) after Tax	12,16,22,618	7,83,52,007
Earning Per Equity Share	3.32	2.14

During the year under the review, the Company has earned total income of Rs. 464,26,28,482/- as compared to the income of Rs. 385,47,38,840/- during the previous financial year. The profit after tax as on March 31, 2018 amounted to Rs. 12,16,22,618/- as against profit of Rs. 7,83,52,007/- during the previous financial year.

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 April 15, 2018.
- ❖ 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 17 – 18 is 527026 MT which is 18.45% higher as compared to FY 16-17 which was 444932 MT.
- ❖ The Combined total income is higher by Rs. 78.79 Cr in FY 2017-18 as compared to FY 2016-17. Total Revenue for FY 2017-18 is Rs. 464.26 Cr. whereas, in FY 2016-17 it was Rs. 385.47 cr. with an increase by 20.43%.
- ❖ In Mar' 18, achieved highest ever EXIM tonnage handled at International Air Cargo in any given single month i.e. 40392 MT and also highest ever import tonnage handled i.e. 23684 MT respectively.
- ❖ In Mar' 18, achieved highest ever Domestic tonnage handled at Domestic Air Cargo in any given single month i.e. 11452 MT.
- ❖ 03 new scheduled Airlines have started their operations during this Financial Year namely PT Indonesia Airasia Airlines, Rwanda Air Limited and Thai Lion Mentari Co Limited.
- ❖ 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 due to which incoming heavy cargo increased and thereby increase in revenue during the FY 2017-18

DIVIDEND

Keeping in view the healthy earning of the Company for the financial year, the Board of Directors of the Company is pleased to recommend for approval of members a final dividend of 12.85% amounting to Rs. 1.285 per equity share on paid up capital of Rs. 36.65 crores. An interim dividend @ 11.65% on paid up share capital of the Company has already been paid for which total out go was Rs. 4,26,97,250 excluding Dividend distribution tax. The total dividend (including dividend distribution tax) for the FY 2017 - 18 will be Rs. 10,80,72,141/- as compared to Rs. 5,29,33,294/- from the FY 2016-17, which is an increase of 104% over previous year.

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), the holding company, and regular interest are being paid to CONCOR in time. Company had pre-paid loan of Rs. 15 crores in previous FY i.e. 2016-17 and Rs. 10 Crores in FY 2017-18 to CONCOR, the holding Company due to which loan amount is reduced to Rs. 100 crores as on March 31, 2018. Further, an amount of Rs. 8.00 Crores pre-paid on 11.06.2018, hence loan amount stands Rs. 92 Crores as on reporting date.

MATERIAL CHANGES AND COMMITMENTS:

The Company has signed concession agreement with MIAL on 30th October, 2013 and took over Operation and Management for International air cargo w.e.f 18/02/2014. The concession period was for 3 years i.e from 18/02/2014 till 17/02/2017 which was further extended from time to time till April 15, 2018.

On cessation of International operations of the Company, major source of revenue is expected to be affected.

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.

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. Further, employees working for Concor Air Limited are deputed on secondment basis from Container Corporation of India Limited, the holding Company and therefore there are no direct employees on the roll of Company except Company Secretary.

Remuneration drawn by the Company Secretary during the year under review is disclosed in extract of Annual Report in the prescribed form MGT – 9.

HUMAN RESOURCE MANAGEMENT

As on March 31, 2018 employees' strength of the Company was 23 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. 11 staffs were deployed for the Domestic Air Cargo Operations and 8 staffs were deployed for the International Air Cargo Operations excluding KMPs and DGM/(C&O) of the Company.

Further, on cessation of international operations w.e.f April 15, 2018 substantial changes were made in strength of the total staff.

There are 11 staff working for Concor Air Limited on secondment basis from CONCOR excluding DGM/(C&O), Chief Financial Officer, Company Secretary as on date of this report. Chief General Manager of Western Region /CONCOR is looking after the functions of Chief Executive Officer of the Company.

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 2017-18.

M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi has been appointed as Statutory Auditors of the Company for the financial year 2017-18 in terms of letter No./CA.V/COY/CENTRAL GOVERNMENT, CONAIR(0)/429 dated 27.07.2017 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 2017-18. No fraud has been reported by the Auditor to the Audit Committee or the Board.

The comments of the Comptroller and Auditor General (C&AG) of India, through letter No. PDA/RC/RPSU/13-04/CONCOR Air/2018-19/57 dated 01.08.2018 on Audited Financial Statements of your Company for the financial Year ended 31.03.2018 under the Companies Act, 2013 have been received. The Comments of C&AG for the financial year 2017-18 along with the Statutory Auditors Report of your Company have been placed elsewhere in this Annual Report.

Management replies to the remark of Auditor's Report on financial statements is annexed as "Addendum to the director's Report for the FY 2017 - 18

COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013 the Board has approved the appointment/reappointment of M/s. Kejriwal & Associates Cost Accountants, Mumbai (Firm Registration no. 101363) as Cost Auditor of Company for carrying out its cost audit of Company for the FY 2018-19 for an Annual Audit Fee/Remuneration of Rs. 39,000/- plus applicable Government

Taxes and reimbursement of travelling and actual out of pocket expenses incurred in relation to performance of their duties.

Necessary Resolution for ratification for remuneration payable to Cost Auditor is included in the Notice of ensuing AGM for seeking approval of Member.

Pursuant to Section 148 of the Companies Act, 2013 and rules made thereunder as amended from time to time, Company is required to maintain the cost records. Accordingly such accounts and cost records are maintained by the Company.

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 2017-18, 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.

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 and untimely demise; Board of Directors condoled the untimely demise of Maj. Gen. Raj Krishan Malhotra and placed on record the invaluable contributions made by him.

Dr. P. Alli Rani, Non-executive director of the Company ceased to be director w.e.f October 03, 2017 on being appointed as Chairman and Managing Director of The Cotton Corporation of India Limited.

Ms. Vanita Seth appointed as non-official part time Independent director of the Company w.e.f 22.12.2017.

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) Shri Pradip Kumar Agrawal, Non-Executive and Non-Independent Director [DIN: 07557080];
- (3) Shri Sharat Chandrayan, Non-Executive and Non-Independent Director [DIN: 07565063]
- (4) Shri Sanjeev Shah, Non-Executive and Independent Director [DIN: 00323163];
- (5) Ms. Vanita Seth, Non-Executive and Independent Director (w.e.f 22.12.2017) (DIN: 07944119)

Shri Deepak Kapoor was appointed as a Chief Executive Officer of the Company with effect from April 10, 2017 on secondment basis ceased to be Chief Executive Officer due to Officer order No. 39/2018 dated April 27, 2018 with regard to his

transfer at Corporate office consequently he relinquish the charge of Chief Executive Officer of the Company w.e.f April 30, 2018

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 Sharat Chandrayan Director, [DIN: 07565063] 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 29, 2018 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 holding Company CONCOR, PSU under Ministry of Railway.

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.

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

The brief outline of the corporate social responsibility & sustainability (CSR&S) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report.

During the year under review Company has spent Rs. 12.81 Lacs towards CSR activities. Company was in process of evaluating the focus areas / Locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact.

Company had series of meeting with implementing agencies to actively support and channelize the activities/projects/programs to be undertaken by the Company in line with its CSR objectives.

Company has conducted Medical health check-up Camps through one implementing agency however said agency could not offer other projects to be undertaken as per the CSR objective of the Company.

Company could not identify suitable implementing agency for this purpose and required more time to meet other implementing agencies to achieve its CSR objectives.

The Company is committed to spend the unspent amount during next year under guidance of CONCOR, a holding Company.

NOMINATION AND REMUNERATION POLICY

The Salient features of the Nomination and Remuneration Policy 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 2017-18.

The Secretarial Auditor as well as the Auditor who has given Corporate Governance Compliance certificate had observed that the Company is not having adequate number of independent directors.

Reply of the Board on the matter is as under:

Ministry of Corporate affairs (MCA) vide its notification dated July 5, 2017 exempted wholly owned subsidiary company from requirement of appointing Independent Director's on the Board. In view of such amendments in Companies Act 2013 and rules made thereunder, CAL is not required to have at least two Independent Directors on Board. Accordingly, CONCOR being holding Company of CAL has requested to Department of Public Enterprises (DPE) for carrying necessary amendments in Corporate Governance Guidelines in make them in accordance with amended provisions of Companies Act 2013. Response of DPE on this matter is awaited.

The Secretarial Audit Report in the form MR – 3 for the financial year ended March 31, 2018 is annexed to this report as **Annexure VI**

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, 2018, 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. The same are reviewed and approved by the Audit Committee in its meetings.

The details of contracts or arrangements or transactions with Related Parties as required under Section 134(3)(h) of Companies Act, 2013, are attached in the prescribed form AOC-2 and annexed as **Annexure -VII**

CONCLUSION

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: 17.08.2018

Sd/-
(V. Kalyana Rama)
Chairman

Annexure – I of Director's Report**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2018

[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: Jignesh@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 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				%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.		3665000	3665000	100		3665000	3665000	100	Nil
e) Banks / FI	NIL								
f) Any Others	NIL								
Sub-total (A) (1):-		3665000	3665000	100		3665000	3665000	100	Nil
(2) Foreign	NIL								
a) NRIs - Individuals	NIL								
b) Other – Individuals	NIL								
c) Bodies Corp.	NIL								
d) Banks / FI	NIL								
e) Any Others	NIL								
Sub-Total (A) (2):-	NIL								
Total shareholding of Promoter		3665000	3665000	100		3665000	3665000	100	Nil
B. Public Shareholding	NIL								
1. Institutions	NIL								
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):-	NIL								
2. Non Institutions	NIL								
a) Bodies Corp.	NIL								
i) Indian	NIL								
ii) Overseas	NIL								
b) Individuals	NIL								
i) Individual shareholders holding nominal share capital upto Rs. 1	NIL								
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL								
c) Others (specify)	NIL								
Sub-total (B)(2):-	NIL								
Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL								
C. Shares held by Custodian for GDRs & ADRs	NIL								
Grand Total (A+B+C)		3665000	3665000	100		3665000	3665000	100	Nil

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% 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 01.04.2017)		Cumulative Shareholding during the year (As on 31.03.2018)	
		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 (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning of the year (01.04.2017)/ end of the year (31.03.2018)	% 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 (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning of the year (01.04.2017)/ end of the year (31.03.2018)	% 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 (01.04.2017)				
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
Change in Indebtedness during the financial year				
Addition				
Reduction		10,00,00,000		10,00,00,000
Net Change				
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount		100,00,00,000		100,00,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		100,00,00,000		100,00,00,000

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
1.	Independent Directors	Maj. Gen. Raj Krishan Malhotra	Shri Sanjeev Shah	Ms. Vanita Seth	
	Fee for attending board/committee meetings				
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (1)	Rs.1,80,000/-	Rs.5,60,000/-	Rs.1,10,000/-	8,50,000/-
2.	Other Non-Executive Directors				
	Fee for attending board committee	-	-	-	
	Total (2)	-	-	-	
	Total (B)=(1+2)	Rs.1,80,000/-	Rs.5,60,000/-	Rs.1,10,000/-	8,50,000/-

Total Managerial Remuneration	N A	
Overall Ceiling as per the Act	N A	

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Shri Deepak Kapoor Chief Executive officer	Shri Jignesh Gaglani Company Secretary	# Shri R K Chand Chief Financial	Shri Tilak Raj Taneja	
1.	Gross salary					
	(a) Salary as per provisions contained					
	(b) Value of perquisit					
	(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	*41.96	6.52	-	*27.46	75.95

* Deputed on secondment basis by Container Corporation of India Limited, a holding company and remuneration are being paid by holding Company for which reimbursement is made by the Company. Total reimbursement to the holding Company is disclosed in total amount.

Shri R K Chand ceased to be Chief Financial Officer of the Company with effect from May 12, 2017 however, he received remuneration from holding company in whole FY 2017-18

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					

For Concor Air Limited

**Sd/-
(V. Kalyana Rama)
Chairman**

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, 2018 the Board consist of 5 Directors including one Non-Executive Chairman, two Non-executive non-independent Directors and two Non-executive Independent Directors out of which one is woman director which are as follows.

Sr. No.	Names	Category	Designation
1.	Shri V. Kalyana Rama	Non-executive, Non independent Director	Chairman and 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.	Ms. Vanita Seth	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 2017-18	Meeting held during respective tenures of Directors	No. Board Meeting Attended	Attendance at last AGM
Shri V. Kalyana Rama	Chairman &N.E.D.	6	6	5	Yes
Shri P. K. Agrawal	N.E.D	6	6	5	Yes
Dr. P. Alli Rani*	N.E.D	6	3	3	Yes
ShriSharat Chandrayan	N.E.D	6	6	4	No
Shri Sanjeev Shah	I.N.E.D	6	6	6	Yes
Maj.Gen.(Retd.)** RajKrishan Malhotra	I.N.E.D	6	2	2	NA
Ms. Vanita Seth#	I.N.E.D	6	1	1	NA

N.E.D: Non-Executive Director

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

NA : Not Applicable

* Ceased w.e.f. 03.10.2017

** Ceased w.e.f 16.06.2017

Appointed w.e.f 22.12.2017

BOARD MEETINGS HELD DURING THE YEAR 2017 – 18

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.	April 10, 2017	6	4
2.	May 12, 2017	6	6
3.	June 22, 2017	5	3
4.	July 27, 2017	5	5
5.	October 31, 2017	4	4
6.	January 23, 2018	5	5

OTHER DIRECTORSHIP AND COMMITTEE MEMBERSHIP

The details of Directorship and Committee Membership & Chairmanship held by the Directors as on March 31, 2018 are as follows:

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

*Ceased to be director w.e.f 03.10.2017

#Ceased to be director w.e.f 16.06.2017

RESUME OF DIRECTORS

Brief Resume of New Director appointed/re-appointed, 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, 2018 is as under:

Shri Sanjeev Shah
Ms. Vanita Seth
Shri P K Agrawal

- Chairman (Independent Director)
- Member (Independent 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 12.05.2017, 27.07.2017, 31.10.2017, 23.01.2018, 29.03.2018.

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, 2018, Five Meetings of the Audit 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 2017-18	Meeting held during respective tenures of Members	No. of Meeting attended
Shri Sanjeev Shah	Non-Executive - Independent Director	5	5	5
Maj. Gen. (Retd.) Raj Krishan Malhotra	Non Executive - Independent Director	5	1	1
Dr. P. Alli Rani	Non Executive Director	5	2	2
Shri P K Agrawal	Non Executive Director	5	4	3
Shri Sharat Chandrayan	Non Executive Director	5	2	2
Ms. Vanita Seth	Non Executive - Independent Director	5	1	1

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, 2018, the constitution of Nomination and Remuneration Committee is as under:

Shri Sanjeev Shah	- Chairman (Independent Director)
Shri P K Agrawal	- Member (Non – Executive Director)
Shri Sharat Chandrayan	- Member (Non – Executive Director)

The meetings of the Nomination and Remuneration committee were held on 10.4.2017 and 12.05.2017 during the year under review.

MEETING AND ATTENDANCE DURING THE YEAR

During the financial year ended March 31, 2018, two meetings of the committee were held. The attendance of the committee members at the meeting was as follows:

Name of the Member	Position	No. of Meetings held during the year 2017-18	No. of Meeting Attended
Maj. Gen. (Retd.) Raj Krishan Malhotra, Chairman	Chairman	2	2
Shri Sanjeev Shah, Member	Member	2	2
Shri V. Kalyana Rama, Member	Member	2	1

Being wholly owned subsidiary of Container Corporation of India Limited (CONCOR), Government of India undertaking, Part time non official (Independent) directors are appointed by CONCOR.

The Part-time non-official Directors (Independent) are paid a sitting fees of Rs. 40,000/- per meeting of Board and Audit Committee Meeting. The fees being paid for attending other Committee meeting, including separate meeting of Independent Director is Rs. 30,000/- per meeting. In addition the incidental expenses related to their travel and stay is also borne by the Company. The details of sitting fees paid to part-time non – official (Independent) directors, for attending meetings of the Board of Directors and Committee(s) thereof, during the year are given below :

Details of payments made towards sitting fees to Independent directors during the financial year 2017-18 are given below:

Name of the Part-time non-official Director	Sitting fees		Total
	Board Meeting	Committee Meeting	
Maj. Gen. (Retd.) Raj Krishan Malhotra	80,000/-	1,00,000/-	1,80,000/-
Shri Sanjeev Shah	240,000/-	3,20,000/-	5,60,000/-
Ms. Vanita Seth	40,000/-	70,000/-	1,10,000/-

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 27.07.2017 during the year.

The Committee was re-constituted twice during the year, wherein Dr. P. Alli Rani was appointed as a Chairman in place of Maj. Gen. Raj Krishan Malhotra due to his sad and untimely demise. On cessation of Dr. P. Alli Rani from the Board and consequently as a Chairman of CSR Committee, Shri P K Agrawal was appointed as Chairman, CSR Committee.

The constitution of CSR Committee as on March 31, 2018 is as under:

Shri P K Agrawal, Director	- Chairman (w.e.f 31.10.2017)
Shri Sanjeev Shah, Independent Director	- Member (w.e.f 27.07.2017)
Shri Sharat Chandrayan, Director	- Member

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
6 th AGM – 2017-18	Thursday, September 20, 2018	12.00 Noon	1 st Floor, Conference Room, CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076	
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 due to non-compliances on any matter related to any guidelines issued by Government during last three years.
- (iii) Your Company has filed report on Corporate Governance in specified format to CONCOR (Holding Company) from time to time.
- (iv) Compliance with the requirement of these guidelines are detailed in this report.
- (v) No Expenditure has been debited in the Books of Accounts, which is not for the purpose of business.
- (vi) The Company has not incurred any expense which is personal in nature

MEANS OF COMMUNICATION

Financial Results: The financial results for the FY 2017-18 forms part of Annual Report.

Annual Report: Sixth 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: 17.08.2018

Sd/-
(V. Kalyana Rama)
Chairman

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. During FY 2017-18, air cargo traffic growth reached 3-year high, on the back of double-digit increase in both domestic and international cargo volumes. Air cargo volumes are closely linked to domestic and international macroeconomic conditions. Given the recovery in domestic economic activities post the transitional impact of Goods and Services Tax (GST) rollout, the cargo volumes have picked up. With new airlines set to enter the sector, the Domestic sector is expected to show growth in the current financial year 2018-19.

2. A SWOT analysis:

Strength: Strong macroeconomic fundamentals, growth in retail driven by rising levels of disposable income in the hands of more and more people, expansion in domestic air Network by Indian Carriers, End to End solutions by Express Service Providers, growth of new time sensitive verticals like e- Commerce, Pharmaceuticals, Healthcare, Electronics, wireless telephony, and Automotive Spares etc. are the factors responsible for the rapid growth of Domestic Air cargo logistics business. Out of total 06 Airlines operating at Domestic Airport-Mumbai, CAL is handling cargo volume of 05 Airlines i.e. acting as a common user terminal.

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 domestic commodities like pharmaceuticals, gems and jewellery, textiles, automotive components and leather goods are using air freight. With launch of UDAN Scheme by Government of India, there are opportunities for increase in cargo handled for new streams and new Airlines.

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 2017-18. However, as concession agreement between CONCOR Air Limited and MIAL for international cargo concession is ended on 15th April 2018 for handling of International cargo, we are focusing on domestic air cargo at CSI Airport.

4. Outlook: With new schemes like UDAN by Government of India may result in introduction of new Airlines from Mumbai. India being growing market Airlines are investing in new and bigger Aircrafts which would lead to additional volume handling at CAL.

5. 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.

6. 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	100.00
Fixed Assets (Net)	31.91
Terminal Rights -Domestic	1.36
International	-
CWIP	-
Inventory	Nil
Sundry Debtors (Trade Receivables)	28.99
Security deposit given to MIAL	131.39
Cash & Bank	27.25
Income	464.26
Expenses (including finance expenses)	445.04
Net Profit/(Loss)	12.16

7. Discussion on financial performance with respect to operational performance:

The combined tonnage handled (International + Domestic) during the FY 17 – 18 is 527026 MT which is 18.45% higher as compared to FY 16-17 which was 444932 MT. The Combined total income is higher by Rs. 78.79 Cr in FY 2017-18 as

compared to FY 2016-17. Total Revenue for FY 2017-18 is Rs. 464.26 Cr. whereas, in FY 2016-17 it was Rs. 385.47 cr. with an increase by 20.43%

Reasons for the differential increase in international revenues as compared to tonnage are listed as below:

1. CAL started collection of bonded demurrage from international airlines in addition to the warehouse rental charges collected by MIAL.
2. ULD control / management for international airlines was carried out thereby providing additional services and collecting the charges for the same.
3. Started collecting Freight attach consignment Charges

Further, your company has started providing value added services to customers like Palletization which is an additional revenue source for us. As airlines are investing in wide body aircrafts, the palletization business at CAL may increase and would add to our bottom line & top line.

8. Material Development in Human Resources, Industrial Relations front, including number of people employed:

As on March 31, 2018 employees' strength of the Company was 23 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. 11 staffs were deployed for the Domestic Air Cargo Operations and 8 staffs were deployed for the International Air Cargo Operations excluding KMPs and DGM/(C&O) of the Company.

Further, on cessation of international operations w.e.f April 15, 2018 substantial changes were made in strength of the total staff.

There are 11 staff working for Concor Air Limited on secondment basis from CONCOR excluding DGM/(C&O), Chief Financial Officer, Company Secretary as on date of this report. Chief General Manager of Western Region /CONCOR is looking after the functions of Chief Executive Officer of the Company.

9. Corporate Social Responsibility: Pursuant to section 135 of the Companies Act, 2013 and rules made thereunder, disclosures required to be made is disclosed in Director's Report of the Company. Further Report on Corporate Social Responsibility is also annexed as Annexure IV of Director's Report.

For and on behalf of the Board of Directors

Sd/-
(V. Kalyana Rama)
Chairman

Place: New Delhi
Date : 17.08.2018

ANNEXURE IV TO THE DIRECTORS REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken:

CAL CSR Policy – Brief Outline

In alignment with mission of the company its CSR initiatives shall aim at earning community goodwill for CAL and help enhance and reinforce its positive & socially responsibility image as a corporate citizen. CAL will follow highest standards of business ethics and transparency to fulfill its comment to its stakeholder to conduct business in an economically socially and environmentally sustainable manner. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations local communities' environment and society at large.

CSR initiatives at CAL will be based on its sensitivity to the needs of all the socially and economically downtrodden sections of the society. For spending the amount earmarked for CSR, it shall give preference to local area and areas around it where CAL operates specifically in states where it is expanding its infrastructure. The objective of these initiatives would be to endeavor for positive result over a periods of time, enhancing the quality of life & economic well-being of the local populace.

Under CAL's CSR Policy various areas have been identified as per provisions of schedule VII of Companies Act, 2013, which include promoting preventing health care and sanitation, contribution to the Swach Bharat Kosh set up by the Central Government, Eradicating hunger, Promoting education, Rural development Projects, Slum area development including areas specified in Companies Act, 2013. CAL has executed its project in area of promoting preventing health care and contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation.

2. The Composition of CSR Committee as on March 31, 2018

Shri P K Agrawal – Chairman (w.e.f 31.10.207)

Shri Sanjeev Shah – Member (w.e.f 27.07.2017)

Shri Sharat Chanrayan – Member

3. 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

4. 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

5. 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. 22.03 Lacs

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

CSR Expenditure during the Financial Year 2017 - 18

(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.	MOU signed with Mahavir International towards organising 4 Medical Health Check up at 2 places	Health	Local Area i.e Air Cargo Complex, Andheri (e) and Standracruz Air Cargo Terminal, Vileparle (e), Mumbai	2.82	2.82	2.82	Implementing Agency – Mahavir International
2.	Contribution towards	Sanitation	Government of India	10.00	10.00	Rs. 12.82	Implementing Agency –

	'Swachh Bharat Kosh'						Government of India
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6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report:

During the year under review Company has spent Rs. 12.81 Lacs towards CSR activities. Company was in process of evaluating the focus areas / Locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact.

Company had series of meeting with implementing agencies to actively support and channelize the activities/projects/programs to be undertaken by the Company in line with its CSR objectives.

Company has conducted Medical health check-up Camps through one implementing agency however said agency could not offer other projects to be undertaken as per the CSR objective of the Company.

Company could not identify suitable implementing agency for this purpose and required more time to meet other implementing agencies to achieve its CSR objectives.

The Company is committed to spend the unspent amount during next year under guidance of CONCOR, a holding Company.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

For Concor Air Limited

	Sd/-	Sd/-
Place New Delhi	P K Agrawal	V. Kalyana Rama
Date: 17.08.2018	Chairman – CSR Committee	Chairman and Director

ANNEXURE V OF DIRECTORS REPORT

SALIENT FEATURES OF NOMINATION & REMUNERATION POLICY OF CONCOR AIR LIMITED

LEGAL FRAMEWORK

This Nomination and Remuneration 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.

CHAIRPERSON

The Chairperson of the Committee shall be an Independent Director.

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 2018

[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, 2018 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, 2018 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.
- vii. 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.
- viii. Other applicable Laws, rules and Guidelines as mentioned here-in-below:
 - a) The Legal Metrology Act 2009
 - b) Right to Information Act 2005
 - c) Sexual Harassment of Women at Workplace Act 2013
 - d) Applicable laws relating to Pollution
 - e) Labour Laws as applicable

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

We further report that the Board has been duly constituted with Non Executive Directors and Independent Directors. There has been no Executive Director. 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. However, during the period under review from 16.06.2017 to 21.12.2017 there was only one Independent Director.

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,

except in case of two meetings which were convened on shorter notice. However, in those meetings one independent Director was present. 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.

For Akhil Rohatgi & Co

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

Date: 21.7.2018
Place: New Delhi

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

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

For Akhil Rohatgi & Co

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

Date: 21.07.2018
Place: New Delhi

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by CONCOR AIR LIMITED (The Company) for the year ended 31st March, 2018 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' except that during the period under review from 16.06.2017 to 21.12.2017 there was only one Independent Director on the Board. Further, notifications and agenda of the Board Meetings were sent to all the directors at least seven days in advance, except in two cases where meetings were convened by giving shorter notice. However, in those meetings one Independent Director was present.

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.

Place: New Delhi
Date : 21.07.2018

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

ANNEXURE VII OF DIRECTORS REPORT
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts / Arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
		---	---	Nil	---	---		

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:

1.	Container Corporation of India Limited	Holding Company	On Going	Interest amount paid for the loan obtained Rs. 9,93,49,178/-	Refer note below	NA
2.	Container Corporation of India Limited	Holding Company	On Going	Reimbursement of Salaries and Allowances of employees working on secondment basis Rs. 4,04,00,780/-	Refer Note below	NA
3.	Container Corporation of India Limited	Holding Company	On Going	Principal amount paid of loan obtained Rs. 10,00,00,000/-	06.05.2014	NA
4.	Container Corporation of India Limited	Holding Company	NA	Dividend paid Rs. 8,66,77,250/-	Interim Dividend 23.01.2018 Final Dividend 24.04.2018	NA

Note: Employees of Container Corporation of India Limited, a Holding Company (CONCOR) are working for Concor Air Limited on secondment basis. CONCOR decides and provides the employees to Concor Air Limited from to time as and when required. Salary paid by holding Company be reimbursed by Concor Air Limited regularly. Concor Air Limited has availed loan from CONCOR for which interest amount are being paid to CONCOR from time to time.

For Concor Air Limited

**Place : New Delhi
Date : 17.08.2018**

**V. Kalyana Rama
Chairman**

Addendum to the Directors Report for FY 2017-18

Management Replies to the remark in the Auditors Report on the financial statements for FY 2017-18

Auditors Remarks	Reply of the Management
<p>Auditors report, para (i) The company informs that it shall record and account for the tax deducted at source by the customers for the IVth Qr. of the financial year under consideration in the first Qr. of the immediately succeeding financial year.</p> <p>To the extent of tax deducted at source for the Ivth Qr. Of FY 2017-18 not accounted for by the company, "Trade Receivables" under the head 'Financial Assets' of Current Assets disclosed in Note no. 6 stand overstated. The 'Current tax assets (net)' disclosed in Note no. 10 under the head 'Financial Assets' of Current Assets to above said extent also stands understated.</p> <p>The ultimate financial impact of the above on 'Trade receivables' and 'Current tax assets (net)' cannot be quantified for the current year. To the extent stated above, the standalone Ind AS Financial Statements do not give a true and fair view of the state of affairs of the company as at 31st Mar-2018.</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>Emphasis of matters, para (i) The company has affirmed that all contractual liabilities and / or expenses accruing up to 31st Mar-2018, in relation to international operation which ceased on 15-04-2018 have been incorporated in the financial statement for year ended 31-03-2018. However there is a difference of Rs. 1,30,78,589/- between the balance confirmation as on 31-03-2018 sent by Mumbai International Airport Pvt. Limited</p>	<p>The reasons for differences between the MIAL figures and CAL figures are mainly on account of following:-</p> <p>1) Making provision of expense by CAL as per concession agreement, for which MIAL had neither shown in their outstanding statement nor raised any bill in past.</p>

<p>(MIAL) and their balance in the books of the company.</p> <p>The company has informed to be in process of reconciliation and has undertaken that the difference shall have no impact on profits for the year under review. Our opinion, however, is not qualified in respect of this matter.</p>	<p>2) MIAL has not included the liabilities of Mar-18 in the outstanding balance given by them.</p> <p>3) The amount mentioned in the statement of MIAL is inclusive of GST / Service Tax.</p> <p>The fact regarding “receivables and payables are subject to reconciliation / confirmation” has already been disclosed vide note no. 35 to the Financial statements.</p>
<p>Emphasis of matters, para (ii)</p> <p>The company has not spent the prescribed percentage of net profits towards 'Corporate Social Responsibility' and thus has violated provisions of section 135 of Companies Act 2013.</p>	<p>During the year under review Company has spent Rs. 12.81 Lacs towards CSR activities. Company was in process of evaluating the focus areas / Locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact.</p> <p>Company had series of meeting with implementing agencies to actively support and channelize the activities/projects/programs to be undertaken by the Company in line with its CSR objectives.</p> <p>Company has conducted Medical health check-up Camps through one implementing agency however said agency could not offer other projects to be undertaken as per the CSR objective of the Company.</p> <p>Company could not identify suitable implementing agency for this purpose and required more time to meet other implementing agencies to achieve its CSR objectives.</p> <p>The Company is committed to spend the unspent amount during next year under</p>

	guidance of CONCOR, a holding Company.
<p>Other Matters</p> <p>We draw attention to recover from "Mumbai International Airport Private Limited (MIAL)" an appropriate amount of expenditure attributable to common facilities of International Cargo Complex used by other custodians and concessionaires. Our Opinion, however, is not qualified in respect of this matter.</p>	This is as per concession agreement entered between MIAL and CONCOR Air Ltd. for operation and Management of international cargo facility.
<p>Annexure – 'A' to Independent Auditors Report, para (vii) (b)</p> <p>The company has not deposited following amounts of service tax aggregating Rs. 408,69,441/- disclosed in note no. 27, 'Contingent Liabilities' on account of disputes pending before below stated authorities:-</p>	
<p>Forum Where pending: Commr. (GST)</p> <p>Description: Service Tax Show Cause Notice (SCN) No. Commr. ST-V/13/2017-18 dated 31-May-2017</p> <p>Nature of Dues: Service Tax, Finance Act 1994</p> <p>Amount (Rs. Lac) : 262.25 Lac</p> <p>Period: Oct-13 to Sep-14</p>	Reply to SCN furnished by CAL on dated 23-Jan-2018 and pending for consideration and determination.
<p>Forum Where pending: Dy. Commr. (GST)</p> <p>Description: Service Tax Show Cause Notice (SCN) No. Asstt. Commr/Div-III/ST-V/02/2017-18 dated 25-Apr-2017</p> <p>Nature of Dues: Service Tax, Finance Act 1994</p> <p>Amount (Rs. Lac): 15.07 Lac</p> <p>Period: Oct-15 to Mar-16</p>	Dy. Commissioner (GST) vide its final order dated 09-May-2018, dropped the proceeding initiated against CONCOR Air Limited (CAL).
<p>Forum Where pending: Dy. Commr. (GST)</p> <p>Description: Service Tax Show Cause Notice (SCN) No. Asstt. Commr/Div-III/ST-V/01/2017-18 dated 25-Apr-2017</p> <p>Nature of Dues: Service Tax, Finance Act 1994</p> <p>Amount (Rs. Lac): 30.53 Lac</p>	Dy. Commissioner (GST) vide its final order dated 07-Jun-2018, dropped the proceeding initiated against CONCOR Air Limited (CAL).

Period: Apr-14 to Sep-14 & Apr-15 to Sep-15	
Forum Where pending: Dy. Commr. (GST) Description: Service Tax Show Cause Notice (SCN) No. Asstt. Commr/ST—V/Div-III/LAR-6/CONCOR/21/2017/390 dated 27-Feb-2017 Nature of Dues: Service Tax, Finance Act 1994 Amount (Rs. Lac): 7.89 Lac Period: May-14 to Aug-14	Dy. Commissioner (GST) vide its final order dated 07-Jun-2018, dropped the proceeding initiated against CONCOR Air Limited (CAL).

For and on behalf of the Board of Directors

Sd/-
(V. Kalyana Rama)
Chairman

CONCOR Air Limited
Statement of Balance sheet
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	319,137,714	358,085,392
(b) Capital work in progress	2	-	-
(c) Intangible assets	2.1	13,678,240	15,800,704
(d) Deferred tax assets (Net)	3	20,181,509	15,755,374
(e) Financial Assets			
(i) Other financial assets	4	38,341,488	21,813,909
(f) Other non-current assets	5	20,466,435	23,643,577
Total non-current assets		411,805,386	435,098,956
(2) Current assets			
(a) Financial Assets			
(i) Trade receivables	6	289,952,479	190,479,062
(ii) Cash and cash equivalents	7	267,629,120	81,902,179
(iii) Other bank balances	8	4,857,000	224,102,897
(iv) Other financial assets	9	1,250,000,000	1,238,653,247
(b) Current tax assets (net)	10	14,970,329	53,114,356
(c) Other current assets	11	67,534,811	37,809,397
Total current assets		1,894,943,739	1,826,061,138
Total assets		2,306,749,125	2,261,160,094
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	366,500,000	366,500,000
(b) Other Equity	13	295,520,293	278,220,375
Total equity		662,020,293	644,720,375
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	-	-
(ii) Other financial liabilities	15	-	25,000
Total non-current liabilities		-	25,000
(2) Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	16	217,657,572	149,626,856
(ii) Other financial liabilities	17	1,284,516,098	1,411,724,663
(b) Other current liabilities	18	142,555,162	55,063,200
Total non-current liabilities		1,644,728,832	1,616,414,719
Total liabilities		1,644,728,832	1,616,439,719
Total equity and liabilities		2,306,749,125	2,261,160,094

The accompanying notes are an integral part of these financial statements

1 to 37

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



(P.K. Agrawal)
Director

(V. Kalyana Rama)
Chairman

(Deepak Kapoor)
Chief Executive Officer

(Tilak Raj Taneja)
Chief Finance Officer

(Jignesh Gaglani)
Company Secretary

Date: 24-Apr-2018
Place: New Delhi

CONCOR Air Limited
Statement of Profit and Loss
For the year ended March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from operations	19	4,498,696,404	3,685,180,669
II Other Income	20	143,932,078	169,558,171
III Total Income (I + II)		4,642,628,482	3,854,738,840
IV EXPENSES			
(a) Terminal and other service charges	21	3,720,541,813	3,048,753,679
(b) Finance cost	22	99,349,178	106,427,330
(c) Depreciation and amortization expense	23	55,060,908	50,028,485
(d) Other expenses	24	575,486,942	529,640,293
Total Expenses		4,450,438,841	3,734,849,787
V Profit/(loss) before tax (III - IV)		192,189,641	119,889,053
VI Tax Expense	25		
(a) Current tax		71,382,700	38,925,013
(b) Deferred tax		(4,426,135)	2,566,195
(c) Tax adjustments of earlier years (net)		3,610,458	45,838
Total tax expense		70,567,023	41,537,046
VII Profit/(loss) after tax (V - VI)		121,622,618	78,352,007
VIII Other comprehensive income		-	-
IX Total comprehensive income for the period (VII + VIII)		121,622,618	78,352,007
X Earnings per equity share :			
(a) Basic		3.32	2.14
(b) Diluted		3.32	2.14

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

1-37

For and on behalf of CONCOR Air Limited

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



(Sanjeev Saxena)
Partner
M. No. 084091

(P.K. Agrawal)
Director

(V. Kalyana Rama)
Chairman

(Deepak Kapoor)
Chief Executive Officer

(Tilak Raj Taneja)
Chief Finance Officer

(Jignesh Gaglani)
Company Secretary

Date: 24-Apr-2018
Place: New Delhi

Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(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, 2016	36,650,000.00	366,500,000.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2017	36,650,000.00	366,500,000.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	36,650,000.00	366,500,000.00

b. Statements of changes in equity

Particulars	Note No.	Retained earnings	Total
Balance at April 1, 2016		230,746,213	230,746,213
Profit for the period		78,352,007	78,352,007
Payment of dividends		25,655,000	25,655,000
Payment of dividend tax		5,222,845	5,222,845
Balance at March 31, 2017		278,220,375	278,220,375
Balance at April 1, 2017		278,220,375	278,220,375
Profit for the period		121,622,618	121,622,618
Payment of dividends		86,677,250	86,677,250
Payment of dividend tax		17,645,450	17,645,450
Balance at March 31, 2018		295,520,293	295,520,293

The accompanying notes are an integral part of these financial statements 1 to 37
As per our report of even date

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



(Signature)
(Sanjeev Saxena)
Partner
M. No. 084091

Date: 24-Apr-2018
Place: New Delhi

For and on behalf of CONCOR Air Limited

(Signature) *(Signature)*
(P.K. Agrawal) (V. Kalyana Rama)
Director Chairman

(Signature) *(Signature)* *(Signature)*
(Deepak Kapoor) (Tilak Raj Taneja) (Jignesh Gaglani)
Chief Executive Officer Chief Finance Officer Company Secretary

Concor Air Limited
Cash Flow Statement
for the year ended March 31, 2018
(in Indian Rupees , unless otherwise stated)

Particulars	Notes No.	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from Operating Activities:			
Net profit after tax		121,622,618	78,352,007
Adjustments for:			
Depreciation and amortisation		55,060,908	50,028,485
Finance costs		99,349,178	106,427,330
Interest income		(114,367,536)	(139,612,003)
Amortisation expense on SD given for concession agreement		98,259,006	115,131,247
Provisions no longer required written back		(12,085,825)	(24,532,977)
Operating Profit before Working Capital changes		247,838,350	185,794,089
Adjustments for changes in Working Capital :			
- Increase/(decrease) in trade payables		90,016,540	(76,231)
- Increase/(decrease) other financial liabilities		(127,233,566)	1,198,642,522
- Increase/(decrease) in other current liabilities		87,491,962	(34,653,623)
- (Increase)/decrease in trade receivables		(99,473,417)	(61,661,312)
- (Increase)/decrease in other current financial assets		(11,346,753)	(1,231,246,770)
- (Increase)/decrease in other current assets		(29,725,414)	(30,333,132)
- Increase/(decrease) other non current financial Assets		(114,786,585)	976,246,121
- (Increase)/decrease in other non current assets		(1,248,993)	145,616,153
Cash generated from Operating Activities		41,532,123	1,148,327,817
- Income taxes paid/(refunded)		38,144,026	2,324,234
Net Cash from Operating Activities		79,676,150	1,150,652,051
B. Cash flow from Investing Activities:			
Purchase of fixed assets		(23,890,766)	(62,602,335)
Interest earned on Short Term Bank Deposits		11,836,561	14,234,983
Interest income on security deposit given		102,530,975	125,377,020
Net Cash from Investing Activities		90,476,770	77,009,668
C. Cash flow from Financing Activities:			
Interest paid on loan from CONCOR		(99,349,178)	(106,427,330)
Repayment of loan taken from CONCOR		-	(1,250,000,000)
Dividend paid		(86,677,250)	(25,655,000)
Dividend tax paid		(17,645,450)	(5,222,845)
Net Cash from Financing Activities		(203,671,878)	(1,387,305,175)
Net Increase/(Decrease) in cash & cash equivalents		(33,518,958)	(159,643,456)
Cash and cash equivalents as at 1st April (Opening Balance)	7-8	306,005,076	465,648,532
Cash and cash equivalents as at 31st March (Closing Balance)	7-8	272,486,118	306,005,076
Cash and cash equivalents comprise:			
Cash in hand	7	133,500	140,537
Balance with banks	7	117,183,168	66,597,240
Deposits having original maturity less than 3 months	7	150,312,452	15,164,402
Other bank balances	8		
Deposits having original maturity more than 3 months but less than 1 year		4,857,000	224,102,897
		272,486,120	306,005,076

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: 24-Apr-2018
Place: New Delhi



58

1 to 37

For and on behalf of CONCOR Air Limited

(P.K. Agrawal)
Director

(V. Kalyana Rama)
Chairman

(Deepak Kapoor) (Tilak Raj Taneja)
Chief Executive Officer Chief Finance Officer

(Jignesh Gaglani)
Company Secretary

NOTE No. - 1 : SIGNIFICANT ACCOUNTING POLICIES

CONCOR AIR LTD

1. CORPORATE INFORMATION

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.

2. 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

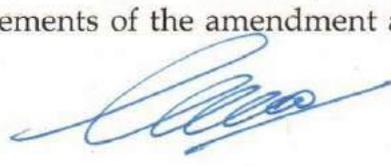
The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) (Amendments) Rules, 2017, which are effective from April 1, 2017. These rules bring in amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'.

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.

The Company has evaluated the requirements of the amendment and incorporated effect on the financial statements.



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59

Amendment to Ind AS 102:

The amendment to Ind AS 102 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.

3. 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. The date of transition to Ind AS is April 1, 2015.

4. 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.

5. 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.
- (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.



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60

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 depreciation 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.

6. 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.

7. 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 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.



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51

8. Employee Benefits and Contractual Manpower cost:

The Company's predominant manpower cost includes a) cost of staff taken on secondment from Container Corporation of India - the holding company (CONCOR) and b) Mumbai International Airport Private Limited (MIAL). These cost are recognized as other expenses based on contract / arrangement. 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.

9. 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.

10. 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.

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

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

12. 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 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.



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

14. 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



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63

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.



15. 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.

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.

16. 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

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64

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.

17. 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.

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



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65

lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

19. 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



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66

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.

20. Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

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, 2018
(All amounts are in Rupees unless otherwise stated)

Note -2

Property, Plant and Equipment

Particulars	As at	
	March 31, 2018	March 31, 2017
Warehouse Building	256,375,144	286,383,015
Plant and Machinery	31,128,654	31,198,515
Air Conditioner	16,928,594	16,775,547
Telephone Equipments	131,573	168,624
Furniture and Fixtures	2,721,773	3,219,044
Office Equipments	5,162,892	6,368,770
Computer	10,684,553	13,967,346
Leasehold Improvement	4,531	4,531
Total	319,137,714	358,085,392

A. Property, Plant and Equipment

Particulars	Warehouse 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, 2016			203,199	4,253	683,964	14,832	1,020,467	133,557	2,060,272
Additions	317,611,682	33,550,393	18,427,302	195,002	3,144,651	7,541,038	16,344,939	-	396,815,007
Disposals/adjustments									
Balance at March 31, 2017	317,611,682	33,550,393	18,630,501	199,255	3,828,615	7,555,870	17,365,406	133,557	398,875,279
Balance at April 1, 2017	317,611,682	33,550,393	18,630,501	199,255	3,828,615	7,555,870	17,365,406	133,557	398,875,279
Additions	10,415,983		3,058,092			265,692	417,344		14,157,111
Disposals/adjustments		102,405					79,705		182,110
Balance at March 31, 2018	328,027,665	33,447,988	21,688,593	199,255	3,828,615	7,821,562	17,703,045	133,557	412,850,280
Accumulated depreciation and impairment									
Balance at April 1, 2016			18,982	280	184,054	1,940	292,110	76,242	573,608
Depreciation charge for the year	31,228,667	2,351,878	1,835,972	30,351	425,517	1,185,160	3,105,950	52,784	40,216,279
Disposals/adjustments									
Balance at March 31, 2017	31,228,667	2,351,878	1,854,954	30,631	609,571	1,187,100	3,398,060	129,026	40,789,887
Balance at April 1, 2017	31,228,667	2,351,878	1,854,954	30,631	609,571	1,187,100	3,398,060	129,026	40,789,887
Depreciation charge for the year	40,423,854	3,967,456	2,905,045	37,051	497,271	1,471,570	3,636,196	-	52,938,443
Disposals/adjustments							15,764		15,764
Balance at March 31, 2018	71,652,521	6,319,334	4,759,999	67,682	1,106,842	2,658,670	7,018,492	129,026	93,712,566

68

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B. Capital work in progress

Particulars	As at March 31, 2018	As at March 31, 2017
Capital work in progress	-	-
Total	-	-

Movement in Capital work in progress (CWIP)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance at the beginning of the year	-	325,120,233
Addition during the year	-	-
Capitalised during the year	-	-
- Building	-	(273,585,890)
- Plant and Machinery	-	(23,643,369)
- Air conditioner	-	(18,427,302)
- Office equipment	-	(4,403,749)
- Others	-	(5,059,923)
Balance at the end of the year	-	-



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Note -2.1 Intangible assets

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying amount of:		
Computer Software	38,986	66,528
Terminal Rights	13,639,254	15,734,176
Total	13,678,240	15,800,704

Particulars	Computer Software	Terminal Rights	Grand Total
At Cost or deemed cost			
Balance at April 1, 2016	94,484	37,525,673	37,620,157
Additions	-	-	-
Disposals/adjustments	-	-	-
Balance at March 31, 2017	94,484	37,525,673	37,620,157
Balance at April 1, 2017	94,484	37,525,673	37,620,157
Additions	-	-	-
Disposals/adjustments	-	-	-
Balance at March 31, 2018	94,484	37,525,673.40	37,620,157

Particulars	Computer Software	Terminal Rights	Grand Total
Accumulated depreciation and impairment			
Balance at April 1, 2016	414	12,006,833	12,007,247
Depreciation charge for the year	27,542	9,784,664	9,812,206
Disposals/adjustments	-	-	-
Balance at March 31, 2017	27,956	21,791,497	21,819,453
Balance at April 1, 2017	27,956	21,791,497	21,819,453
Depreciation charge for the year	27,542	2,094,923	2,122,465
Disposals/adjustments	-	-	-
Balance at March 31, 2018	55,498	23,886,420	23,941,918

Note 2.1.1 : Terminal Rights as on March 31, 2018 include following expenses:-

Particulars	Domestic	International	Total
Stamp duty paid on concession agreement,marol space licence agreement and land licence	16,257,347	7,092,256	23,349,603
Bid development cost	-	9,616,439	9,616,439
Assets valuation fees	-	121,808	121,808
Concession award cost	4,228,954	-	4,228,954
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	20,694,170	16,831,503	37,525,673

Terminal Rights as on March 31, 2017

Particulars	Domestic	International	Total
Stamp duty paid on concession agreement,marol space licence agreement and land licence	16,257,347	7,092,256	23,349,603
Bid development cost	-	9,616,439	9,616,439
Assets valuation fees	-	121,808	121,808
Concession award cost	4,228,954	-	4,228,954
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	20,694,170	16,831,503	37,525,673



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70

Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Non current assets

Note - 3 : Deferred tax assets (net)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets (net)(Refer note 31)	20,181,509	15,755,374
Total	20,181,509	15,755,374

Note - 4 : Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Security deposits with MIAL (*)	37,882,488	21,354,909
- Security deposits - Others	459,000	459,000
Total	38,341,488	21,813,909

(*) The Company has entered into concession agreements with Mumai International Airport Private Limited (MIAL) for operation and management of the international as well as domestic 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. 18.00 crores (2016-17: Rs. 16.50 crores) or revenue share of 69% of gross revenue for international operations and monthly guarantee fee Rs. 0.74 crores (2016-17: Rs. 0.71 crores) or revenue share of 42% of gross revenue for domestic operations (refer note 21 for expenses recognised)

Note 5 : Other non current assets

Particulars	As at March 31, 2018	As at March 31, 2017
Unamortised concession arrangement expense	20,466,435	23,643,577
Total	20,466,435	23,643,577



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Note - 6 : Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017
At amortised cost		
-Unsecured, Considered good	289,952,479	190,479,062
- Considered doubtful	-	-
Total	289,952,479	190,479,062

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, 2018) are as follows:

Customer Name	As at March 31, 2018		As at March 31, 2017	
	Amount	(%)	Amount	(%)
Jet Airways (Domestic and EXIM)	51,911,222	17.90	48,366,550	25.39
Go Air (Domestic)	-	-	12,567,044	6.60
Total	51,911,222	17.90	60,933,594	31.99

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, 2018	As at March 31, 2017
1 - 180 days past due	289,952,479	190,479,062
More than 180 days past due	-	-
Total	289,952,479	190,479,062

Allowance for expected credit loss	As at March 31, 2018	As at March 31, 2017
1 - 180 days past due	0%	0%
More than 180 days past due	0%	0%
Total	-	-



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Note 7 : Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Balance with scheduled bank in current accounts	202,550,173	67,689,979
Less: Book Overdraft (*)	(85,367,005)	(1,092,739)
Deposits having original maturity less than 3 months	150,312,452	15,164,402
Cash in Hand	133,500	140,537
Total	267,629,120	81,902,179

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

Note 8 : Other Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Deposits having original maturity more than 3 months but less than 1 year	4,857,000	224,102,897
Total	4,857,000	224,102,897



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Note 9: Other Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017
At amortised cost(unsecured, considered good)		
Interest accrued on bank deposits	-	1,439,859
Security Deposit to MIAL (*)	1,250,000,000	1,217,213,388
Earnest money deposit (**)	-	20,000,000
Others	-	-
Total	1,250,000,000	1,238,653,247

(*) The Company has entered into concession agreements with Mumai International Airport Private Limited (MIAL) for operation and management of the international as well as domestic 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. 18.00 crores (2016-17: Rs. 16.50 crores) or revenue share of 69% of gross revenue for international operations and monthly guarantee fee Rs. 0.74 crores (2016-17: Rs. 0.71 crores) or revenue share of 42% of gross revenue for domestic operations (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, 2018	As at March 31, 2017
Advance income tax/TDS (net of provisions)	14,970,329	53,114,356
Total	14,970,329	53,114,356

Note - 11 : Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	477,327	5,282,245
Unamortised concession arrangement expense	-	27,918,712
Input Tax / CENVAT credit receivable	67,057,484	4,608,440
Total	67,534,811	37,809,397



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Note 12 : Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised :		
50,000,000 Equity Shares of Rs. 10 each (As at March 31, 2017, 50,000,000 equity shares of Rs 10 each)	500,000,000	500,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
Issued, Subscribed and Paid up:		
36,650,000 Equity Shares of Rs. 10 each (As at March 31, 2017) 36,650,000 equity shares of Rs 10 each) fully paid up	366,500,000	366,500,000
	<u>366,500,000</u>	<u>366,500,000</u>

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)
Balance as at the beginning of the year	36,650,000	366,500,000	36,650,000	366,500,000
Movements	-	-	-	-
Balance as at the end of the year	36,650,000	366,500,000	36,650,000	366,500,000

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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	%	Number of Shares	%
Holding Company				
Container Corporation of India Limited(*)	36,650,000	100%	36,650,000	100%

(*) 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, 2018	As at March 31, 2017
Holding Company		
Container Corporation of India Limited	36,650,000	36,650,000



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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, 2018	As at March 31, 2017
Retained Earnings	295,520,293	278,220,375
Total	295,520,293	278,220,375

13.1 Retained Earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	278,220,375	230,746,213
Profit for the year	121,622,618	78,352,007
Payment of dividend	(86,677,250)	(25,655,000)
Payment of dividend tax	(17,645,450)	(5,222,845)
Balance at the end of the year	295,520,293	278,220,375



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Note 14 : Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Carried at amortised cost*		
Loan from holding company (Unsecured) -M/s Container Corporation of India Ltd.	-	-
Total	-	-

(*) 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 2018-19.

Note 15 :Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Earnest Money Deposit	-	-
Security Deposit - Contractor	-	25,000
Security Deposit - Consultant	-	-
Total	-	25,000



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Note 16 : Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables		
- Sundry Creditors - Trade	217,657,572	139,726,856
- Sundry Creditors-Capital	-	9,900,000
- Others	-	-
Total	217,657,572	149,626,856

(*) 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, 2018	As at March 31, 2017
Current maturities of loan from holding company - M/s Container Corporation of India Ltd.	1,000,000,000	1,100,000,000
Unsecured, considered good		
Security Deposit - Contractor	7,158,320	26,554,613
Security Deposit - Contractor (Withheld) (*)	13,095,824	-
Security Deposit - Consultant	2,394,505	2,394,505
Earnest Money Deposit (EMD)	1,473,300	2,848,200
Others	260,394,149	279,927,345
Total	1,284,516,098	1,411,724,663

(*) Represents the amount of security deposit of M/s Hirani Enterprises, which has been withheld for the compensation on account of death of labourers at site, as advised by the lawyer.

Note 18 : Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Advance received from customers	56,593,365	47,542,413
Statutory Remittance	85,961,797	7,520,787
Total	142,555,162	55,063,200



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Revenue from operations
Note - 19 : Revenue from operations

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Handling Income - Inward	1,762,996,156	1,453,284,818
Handling Income - Outward	624,938,891	517,183,036
Demurrage Income - Inward	1,349,325,100	1,262,889,097
Demurrage Income - Outward	250,828,550	55,349,161
Screening Charges - Inward	70,447	86,236
Screening Charges - Outward	300,363,529	233,721,452
Other Operating Income - Inward	102,764,525	79,992,450
Other Operating Income - Outward	97,108,194	70,688,521
Packing Income - Inward	4,073,995	4,825,794
Packing Income - Outward	7,831,439	7,160,104
Total Revenue from Operation	4,500,300,826	3,685,180,669
Less: Rebate / Discount	(1,604,422)	-
Net Revenue from Operation	4,498,696,404	3,685,180,669

Other Income
Note - 20 : Other Income

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Income from financial assets (carried at amortised cost)		
Interest earned on Short Term Bank Deposits (TDS Rs.11,83,656/-, Previous Year Rs. 14,27,224/-)	11,836,561	14,234,983
Interest income on security deposit given to MIAL(Refer note 4 & 9)	102,530,975	125,377,020
Other Income		
Miscellaneous Income (*)	5,125,841	3,570,893
Excess provision written back	12,085,825	24,532,977
Rent Income	12,326,436	1,824,298
Tender Sale	26,440	18,000
Total	143,932,078	169,558,171

(*) 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, 2018
(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, 2018	For year ended March 31, 2017
Revenue share against concession arrangement(Refer Note 4 & 9)	2,990,796,304	2,458,506,097
Concession arrangement amortisation expense (Refer Note 4 & 9)	98,259,006	115,131,247
Handling Expenses	627,594,631	471,142,805
Packing Expenses	3,891,872	3,973,530
Total	3,720,541,813	3,048,753,679

Finance Cost

Note - 22 : Finance Cost

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Interest expense on borrowings from holding company	99,349,178	106,427,330
Total	99,349,178	106,427,330

(TDS Rs.99,34,919/-, Previous Year Rs. 1,06,42,735/-)

Depreciation Charges

Note - 23 : Depreciation Charges

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Depreciation and amortization expense	55,060,908	50,028,485
Total	55,060,908	50,028,485



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Concor Air Limited
Notes forming part of the financial statements
As at March 31, 2018
(All amounts are in Rupees unless otherwise stated)

Other Expenses
Note - 24 : Other Expenses

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Printing and Stationery	4,915,123	4,684,243
Traveling and Conveyance	2,209,388	1,554,107
Rent and Licence fee for office building	24,032,597	25,367,554
Electricity and Water expenses	72,850,887	69,615,639
Repair and Maintenance charges - Building	32,552,779	34,463,577
Repair and Maintenance charges - Plant and Machinery / Electricals	38,726,151	35,282,863
Repair and Maintenance charges - Others	23,204,768	20,660,359
Security expenses	93,579,998	68,317,765
Manpower expense (*)	234,449,130	204,499,738
Rent for Leased Accomodation (Net)	378,829	428,100
Manpower Welfare and Medical expense	1,516,669	938,497
Vehicle Running and Maintenance expense	13,035,515	6,678,276
Business Development	104,417	677,107
Postage, Telephone and Internet	11,672,308	14,119,266
Bank Charges (**)	4,523,347	22,741,631
Legal and Professional Charges	663,818	980,558
Insurance Charges	2,566,598	2,013,974
Interest and Penalties	-	1,342,023
Advertisement	367,570	221,435
Directors Sitting Fee	913,100	1,402,500
Auditors' Remuneration		
Audit fees(***)	189,000	229,140
Tax Audit Fee	38,500	38,693
Auditors Out of Pocket expense	59,715	176,281
Rates and Taxes	8,223,445	8,307,097
CSR expenses	1,281,700	-
Bad Debts	-	730,774
Miscellaneous expenses	3,431,590	4,169,096
Total	575,486,942	529,640,293

(*) This cost represents cost of staff seconded from the holding company, Mumbai International 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 guarantee (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.

(***) Includes cost audit fee of Rs. 39,000 (Rs. 39000 for 2016-17)

Tax Expenses
Note - 25 : Tax Expenses

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Current tax	71,382,700	38,925,013
Deferred tax	(4,426,135)	2,566,195
Tax adjustments of earliar years (net)	3,610,458	45,838
Total	70,567,023	41,537,046



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

Note - 26 : Other Commitments

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for.	-	10,054,729

Note - 27 : Contingent Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Claims against company not acknowledged as debt		
Service tax (CERA audit demand / SCN received)	40,869,441	37,890,774
Interest on delayed payment to MIAL	10,173,060	10,173,060
Sub Total	51,042,501	48,063,834
Other money for which company is contingently liable		
Terminal benefits to staff posted on the basis of secondment (*)	-	-
Sub Total	-	-
Total	51,042,501	48,063,834

(*) CONCOR is bearing the terminal benefits viz. Gratuity, Leave Encasement, HPL contribution, Post-Retirement Medical Scheme (PRMS) etc., for subsidiaries having 100% equity with CONCOR; therefore previous years figure is revised to read as Nil.



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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, 2018	Year ended March 31, 2017
Basic and diluted earnings per share (Refer note 28.1 below)	3.32	2.14

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, 2018	Year ended March 31, 2017
Profit for the year used in the calculation of basic and diluted earnings per share	121,622,618	78,352,007
Weighted average number of equity shares (Face value Rs. 10 per share)	36,650,000	36,650,000

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, 2018, 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	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Segment revenue	4,113,227,685	3,385,837,335	385,468,719	299,343,334	4,498,696,404	3,685,180,669
Segment results						
Segment result Profit/(loss)	155,541,911	82,320,719	47,125,739	24,465,978	202,667,650	106,786,697
Operating Profit	155,541,911	82,320,719	47,125,739	24,465,978	202,667,650	106,786,697
Unallocated corporate expenses						
Interest and other income					143,932,078	169,558,171
Interest expenses					99,349,178	106,427,330
Depreciation and amortisation					55,060,908	50,028,485
Income tax expense					70,567,023	41,537,046
Net profit for the year					121,622,619	78,352,007

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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Note - 30 : Income Tax

30.1 Income tax recognised in profit or loss

Description	Year ended March 31, 2018	Year ended March 31, 2017
Current tax	71,382,700	38,925,013
	71,382,700	38,925,013
Deferred tax	(4,426,135)	2,566,195
	(4,426,135)	2,566,195
Tax adjustments for earlier years (Net)	3,610,458	45,838
	3,610,458	45,838
Total income tax expense	70,567,023	41,537,046

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

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	192,189,641	119,889,053
Income tax expense calculated at 34.608% (FY 2016-17 onwards: $(30 \times 112\% \times 103\% = 34.608\%)$)	66,512,993	41,491,204
Effect of expenses that are not deductible in determining taxable profit	443,572	-
Adjustments recognised in the current year in relation to the current tax of prior years	3,610,458	45,842
Others [describe]	-	-
	70,567,023	41,537,046

The tax rate used for the 2017-2018 and 2016-2017 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)

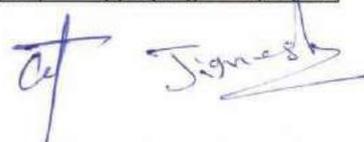
Note - 31 : Deferred Tax Balances

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

Description	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	20,181,509	17,903,390
Deferred tax liabilities	-	(2,148,016)
Deferred tax assets / (liability) (Net)	20,181,509	15,755,374

Particulars	For the year ended as on March 31, 2018			For the year ended as on March 31, 2017		
	Opening balance	Recognised in profit or loss	Closing balance	Opening balance	Recognised in profit or loss	Closing balance
<i>Deferred tax (liabilities)/assets in relation to:</i>						
Property, plant and equipment	(2,148,016)	3,058,608	910,592	(253,623)	(1,894,393)	(2,148,016)
Expenditure covered by section 43B of I.T. Act, 1961	13,761,003	2,845,970	16,606,973	10,886,948	2,874,055	13,761,003
Security Deposit given recorded at amortised cost	3,415,607	(1,478,443)	1,937,164	6,961,464	(3,545,857)	3,415,607
Tax losses	726,780	-	726,780	726,780	-	726,780
Total	15,755,374	4,426,135	20,181,509	18,321,569	(2,566,195)	15,755,374



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. V. Kalyan Rama
-Dr. Smt. P. Alili Rani (Till 03-Oct-2017)
-Sh. P. K. Agrawal
-Sh. Sharad Chandrayan
-Sh. Sanjeev Shah
-Late Sh. R. K. Malhotra (Till 16-Jun-2017)
-Smt. Vanita Seth (w.e.f. 22-Dec-2017)

Chairman
Director
Director
Director
Director
Director
Director

Fellow subsidiary

-Fresh and Healthy Enterprises Limited (FHEL)
-Punjab Logistics Infrastructure Limited (PLIL)
-Sidkul CONCOR Infra Company Limited (SCICL)

32.1. Related party transactions

Particulars	Nature of transactions	For the year ended March 31, 2018	For the year ended March 31, 2017
Holding Company			
Container Corporation of India Limited			
	-Salary of employees on secondment	40,400,780	28,277,968
	-Interest on Loan	99,349,178	106,427,330
	-Travel expense reimbursement	-	119,920
		<u>139,749,958</u>	<u>134,825,218</u>
Fellow subsidiary			
Fresh & Healthy Enterprises Limited	-Travel expense reimbursement	-	21,655

32.2 Outstanding balances with related parties

Particulars	As at March 31, 2018	As at March 31, 2017
Holding Company		
Container Corporation of India Limited		
Balance payable (Payroll expenses)	-	-

32.3 Loans from related parties

Particulars	As at March 31, 2018	As at March 31, 2017
Holding Company		
Container Corporation of India Limited		
Loan from holding company	1,000,000,000	1,100,000,000
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. 10 crore (previous year Rs. 15 crore) has been repaid during the year.		

32.4 Amount recoverable from related parties

Particulars	As at March 31, 2018	As at March 31, 2017
Holding Company		
Container Corporation of India Limited		
Advance given during the year	-	523,200

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 March, 31, 2018 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, 2018	For the year ended March 31, 2017
Minimum lease payments	24,032,597	32,926,839
Sub-lease recoveries	9,730,301	7,559,374

Non-cancellable operating lease commitments

Particulars	As at March 31, 2018	As at March 31, 2017
Total Minimum Lease Payments outstanding as on		
Not later than 1 year	30,135,040	29,952,317
Later than 1 year and not later than 5 years	144,901,056	144,022,450
Later than 5 years	66,516,474	114,072,062



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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.

34.1(i) Gearing ratio

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

Particulars	As at March 31, 2018	As at March 31, 2017
Debt (refer note i below)	1,000,000,000	1,100,000,000
Cash and bank balances	(272,486,120)	(306,005,076)
Net Debt	727,513,880	793,994,924
Total equity	662,020,293	644,720,375
Net debt to equity ratio	1.10	1.23

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

(ii) Categories of financial instruments

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets		
Measured at amortised cost		
Cash and bank balances	272,486,120	306,005,076
Trade and other receivables	289,952,479	190,479,062
Interest accrued on bank deposits	-	1,439,859
Other current financial assets	-	20,000,000
Security deposits (MIAL)	1,288,341,488	1,239,027,297
Total financial assets	1,850,780,087	1,756,951,295
Financial liabilities		
Measured at amortised cost		
Trade payables	217,657,572	149,626,856
Loans from holding company	1,000,000,000	1,100,000,000
Earnest Money Deposit	1,473,300	2,848,200
Security Deposit - Contractor	7,158,320	26,579,613
Security Deposit - Consultant	2,394,505	2,394,505
Contractually Reimbursable Expenses	-	-
Others	260,394,149	279,927,345
Total financial liabilities	1,489,077,845	1,561,376,520

(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.

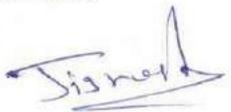
(v) Foreign Currency risk management

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, 2018;

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due after 2nd year	Total contracted cash flows
Financial Liabilities					
Trade payables	217,657,572	217,657,572	-	-	217,657,572
Loans from holding company	1,000,000,000	1,000,000,000	-	-	1,000,000,000
Earnest Money Deposit	1,473,300	1,473,300	-	-	1,473,300
Security Deposit - Contractor	7,158,320	7,158,320	-	-	7,158,320
Security Deposit - Consultant	2,394,505	2,394,505	-	-	2,394,505
Contractually Reimbursable Expenses	-	-	-	-	-

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	149,626,856	149,626,856	-	-	149,626,856
Loans from holding company	1,100,000,000	1,177,158,519	-	-	1,177,158,519
Earnest Money Deposit	2,848,200	2,848,200	-	-	2,848,200
Security Deposit - Contractor	26,579,613	26,554,613	25,000	-	26,579,613
Security Deposit - Consultant	2,394,505	2,394,505	-	-	2,394,505
Contractually Reimbursable Expenses	-	-	-	-	-
Others	279,927,345	-	279,927,345	-	279,927,345

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, 2018:

Particulars	Carrying amount	upto 1 year	1-3 year	More than 5 year	Total contracted cash flows
Financial assets					
Trade and other receivables	289,952,479	289,952,479	-	-	289,952,479
Interest accrued on bank deposits	-	-	-	-	-
Security deposits (MIAL)	1,288,341,488	1,250,000,000	-	63,949,000	1,313,949,000

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 5 year	Total contracted cash flows
Financial assets					
Trade and other receivables	190,479,062	190,479,062	-	-	190,479,062
Interest accrued on bank deposits	1,439,859	1,439,859	-	-	1,439,859
Security deposits (MIAL)	1,239,027,297	1,250,000,000	-	50,000,000	1,300,000,000

(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, 2018		As at March 31, 2017	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Security deposits (MIAL)	Level 2	1,288,341,488	1,288,341,488	1,239,027,297	1,239,027,297
Financial Liabilities					
Loan from holding company	Level 2	1,000,000,000	1,000,000,000	1,100,000,000	1,100,000,000

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

35. Unless otherwise stated, the figures are in Indian rupees. Receivables and payables are subject to reconciliation/confirmation.

36. Termination of concession agreement for international cargo operation at ACC, Sahar, Mumbai

The concession agreement for international cargo operation at ACC, Sahar, Mumbai, which was due to expire on 31-Mar-2018, has been extended till 15-Apr-2018 whereon 'Hand Over Take Over' has taken place.

37. Approval of financial statements

The financial statements were approved for issue by the board of directors on Apr, 24, 2018.



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INDEPENDENT AUDITORS' REPORT

To the Members of
Concor Air Limited,
New Delhi

Report on standalone Indian Accounting Standards (Ind AS) 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, 2018, Statement of Profit and Loss (Including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as 'Standalone Ind AS Financial Statements').

Management's Responsibility for the Standalone Ind AS Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in the equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (as amended) under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. While conducting 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 of Standalone Ind AS Financial Statements 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 Standalone Ind AS Financial Statements are free from any material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the Standalone Ind AS Financial Statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS 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 Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and except to the extent of qualified opinion, 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 2018, its profits (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



Basis for qualified opinion

(i) The company informs that it shall record and account for the tax deducted at source by the customers of the IVth Qr. of the financial year under consideration in the 1st Qr. of the immediately succeeding financial year.

To the extent of tax deducted at source for the IVth Qr. of FY 2017-18 not accounted for by the company, 'Trade Receivables' under the head 'Financial Assets' of Current Assets disclosed in Note no. 6, stand overstated. The 'Current tax assets (net)' disclosed in Note no. 10 under the head 'Financial Assets' of Current Assets to above said extent also stands understated.

The ultimate financial impact of the above on trade receivable and current tax (net) cannot be quantified for the current year. To the extent stated above, the Standalone Ind AS Financial Statements do not give a true and fair view of the state of affairs of the company as at 31st March 2018.

Emphasis of matters

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

(i) The company has affirmed that all contractual liabilities and/or expenses accruing up to 31.3.2018 in relation to international operations which ceased on 15.04.2018 have been incorporated in the financial statements for year ended on 31.03.2018. However, there is a difference of Rs. 130,78,589/- between the balance confirmation as at 31.3.2018 sent by Mumbai International Airport Pvt. Ltd. and their balance in books of the company.

The company has informed to be in process of reconciliation and has undertaken that the difference shall have no impact on profits for the year under review. Our opinion, however, is not qualified in respect of this matter.

(ii) The company has not spent the prescribed percentage of net profits towards Corporate Social Responsibility and thus has violated provisions of section 135 of the Companies Act, 2013.



Other Matters

We draw attention to recover from 'Mumbai International Airport Private Limited' an appropriate amount of expenditure attributable to common facilities of International Cargo Complex used by other custodians and concessionaires. 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 sub section (11) of section 143 of the Act, we give in the 'Annexure-A', a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143(5) of the Act, we give in the 'Annexure-B' a statement on the matters specified in the Directions issued by The Comptroller and Auditor General of India, and our opinion, no action is required to be taken thereon and there is no impact on the accounts and financial statements of the company.
3. As required by the section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and 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, hence not commented.
 - d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), 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 Standalone Ind AS financial statements except as stated in Para (i) of qualified opinion, comply with the Indian Accounting Standards specified in the companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.



f) On the basis of written representation received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as director in terms of section 164(2) of the Act.

g) As regards the maintenance of accounts and other matters connected there with, no material discrepancy has been observed.

h) That with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, we annex our separate report in 'Annexure-C'; and

i) That 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:

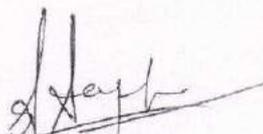
(a) The company has disclosed the impact of pending litigations aggregating Rs.408, 69,441/- in respect to show cause notices issued by service tax authorities on its financial position in its standalone Ind AS Financial Statements as at 31st March 2018 vide Note No. 27 contingent liabilities.

(b) The company is not required to make any provision for any material foreseeable losses under any law or Indian Accounting Standards (Ind AS) on long term contracts. The company is not dealing in to derivative contracts.

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

Place: New Delhi
Dated: 24.04.2018




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

Annexure-A to Independent Auditor's Report

Referred to in Paragraph 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are reported to have been physically verified by a team of officers and no material discrepancies were noticed by them on such verification.
- (c) The company does not own any 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.
- (iv) The company has not granted any loans nor made investment or provided guarantee or security referred in section 185 and 186 of the Companies Act, 2013 and hence not commented.
- (v) The company has not accepted deposit; hence this clause is not applicable and is not commented.
- (vi) The Central Government has prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and the prescribed accounts and record have been maintained.



(vii) (a) The company is regular in depositing undisputed statutory dues including income-tax, sales-tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. The company reimburses provident fund to the holding company which is reportedly making its regular payment to concerned authorities.

(b) The company has not deposited following amounts of service tax aggregating Rs.408,69,441/- disclosed in Note No.27 contingent liabilities on account of disputes pending before below stated authorities:

(Rs. In Lakh)

S No.	Statue/nature	Forum where dispute is pending	Period of which amount relates	Amount
1.	Service Tax	Commissioner (GST)	October 2013 to September 2014	262.25
		Dy. Commissioner (GST)	October 2015 to March 2016	15.07
		Dy. Commissioner (GST)	April 2014 to September 2014 and April 2015 to September 2015	30.53
		Dy. Commissioner (GST)	May 2014 to August 2014	7.89

(viii) The company has not taken any loans from any financial institution, bank, government or debenture holders. However, the company had borrowed 125 Crores (Current outstanding Rs. 100 crores) from its holding company on interest. There is no stipulation as to repayment of loan from holding company but the interest is paid regularly.

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

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



(xi) The clause is not applicable and 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.

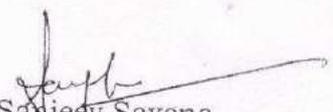
(xiv) The clause is not applicable and is not commented as the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review.

(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: 24.04.2018




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

Annexure-B to Independent Auditor's Report

Referred to in Paragraph 2 under the heading of 'Report on other Legal and Regulatory Requirements' of our report of even date

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, according to information and explanations given to us as regards Standalone Ind AS financial statements of M/s Con Cor Air Ltd. as at 31st March 2018, we report as under:

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

2. The company has not waived/written off any debts or loans or interest during the year.

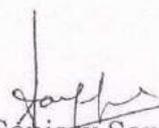
3. (a) The Company is engaged in air cargo business and does not maintain any inventories of any nature either with itself or with any third party.

(b) The company has not received any assets as gifts from Government or other Authorities.

In view of above, no comments are made on requirements of Direction No.3.

Place: New Delhi
Dated: 24.04.2018




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

Annexure-C to Independent Auditor's Report

Report on Internal Financial Controls under clause (i) of sub section (3) of section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of Concor Air Limited ('The Company') as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating



effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that: (i) Pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting policies and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of company's assets that could have a material effect on the financial statements.

Inherent limitation of internal financial controls over financial reporting

In view of the inherent limitations of internal financial controls over financial reporting, including material misstatements due to error or fraud may occur and may not be detected. Besides, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate due to



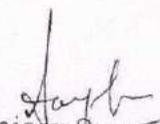
changed conditions or the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the company has, in all material respects adopted, internal financial controls over financial reporting. But in view of only a few employees, the internal financial controls over financial reporting operating as at 31st March 2018 are exposed to human risk and need to be strengthened.

Place: New Delhi
Dated: 24.04.2018




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

CONFIDENTIAL/ आोपनीय



भारतीय लेखा एवम् लेखा परीक्षा विभाग
प्रधान निदेशक लेखा परीक्षक, रेलवे-वाणिज्यिक का कार्यालय
तिलक ब्रिज (काफमो परिसर), नई दिल्ली - 110 002
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
RLY-COMMERCIAL,
TILAK BRIDGE (COFMOW PREMISES), NEW DELHI- 110002

संख्यां। पी0डी0ए0/RC/RPSU/13-04/CONCOR Air/2018-19/57

दिनांक: 01.08.2018

सेवानें,

अध्यक्ष,
कॉनकॉर एयर लिमिटेड,
मुम्बई.

विषय: 31 मार्च 2018 को समाप्त वर्ष के लिए कॉनकॉर एयर लिमिटेड, के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

में, कॉनकॉर एयर लिमिटेड के 31 मार्च 2018 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अद्योषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्न: यथोपरि।

भवदीय,
बि. आर. मंडल
(बी आर मंडल)
प्रधाननिदेशक/आर.सी.

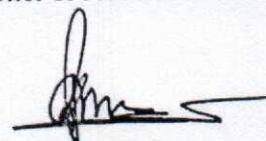
105

**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
2018.**

The preparation of financial statements of CONCOR AIR LIMITED for the period ended 31 March 2018 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 24.04.2018.

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 period ended 31 March 2018. 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: 01st Aug. 2018

106

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, 2018 (Ordinary Resolution)		

2.	To confirm the payment of Interim Dividend and to declare final dividend on equity shares for the financial year ended March 31, 2018 (Ordinary Resolution)		
3.	To appoint a Director in place of Shri Sharat Chandrayan, Director who retires by rotation and being eligible, offer himself for reappointment. (Ordinary Resolution)		
4.	To take note of the appointment of M/s. V K Khosla & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company. (Ordinary Resolution)		
5.	To appoint Ms. Vanita Seth, Independent Director (Ordinary Resolution)		
6.	To ratify the remuneration of Cost Auditor for the financial year 2018-19 (Ordinary Resolution)		

Signed this day of 2018

Signature of Shareholder

Affix Revenue Stamp

Signature of Proxy holder(s)

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.