

**3rd Annual Report
FY 2014-15**

CONCOR AIR LIMITED

(A subsidiary of CONCOR)

BOARD OF DIRECTORS

| | |
|-----------------------------|------------------------------|
| SHRI ANIL KUMAR GUPTA | CHAIRMAN & CMD/CONCOR |
| SHRI YASH VARDHAN | DIRECTOR & D(IM&O)/ CONCOR |
| SMT. DR P. ALLI RANI | DIRECTOR & D(F)/ CONCOR |
| SHRI ARUN KUMAR SHRIVASTAVA | DIRECTOR & ED (Engg.)/CONCOR |
| SHRI SHRINIWAS MUDGERIKAR | DIRECTOR & CGM (WR)/ CONCOR |
| SHRI DEEPAK KAPOOR | DIRECTOR & GGM(D&L)/ CONCOR |
| SHRI PRADEEP BHATNAGAR | DIRECTOR (INDEPENDENT) |
| SHRI MAHIPAL SHORAWALA | DIRECTOR (INDEPENDENT) |

STATUTORY AUDITORS

SANJEEV SAXENA & CO
DARIYAGUNJ
DELHI

REGD. OFFICE

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

BANKERS

VIJAYA BANK
YES BANK
SBI

THREE YEAR FINANCIAL /PHYSICAL PERFORMANCE (YEAR WISE DATA)

FINANCIAL PERFORMANCE

| SL.NO | PARTICULARS | 2012-13 | 2013-14 | 2014-15 |
|-------|--|-----------------|-----------------|-----------------|
| 1 | Total Income (Including Other Income) | 10,05,487.00 | 414325340.95 | 3043050078.90 |
| 2 | Expenditure | 1,28,351.00 | 358936822.59 | 2754792086.11 |
| 3 | Operating Margin(1-2) | 8,77,136.00 | 5,53,88,518.36 | 28,82,57,992.79 |
| 4 | Interest Expenses | - | 54089982.00 | 116375096 |
| 5 | Depreciation | - | 2460276 | 10397873 |
| 6 | Profit Before Tax | 8,77,136.00 | 12,98,536.36 | 17,18,82,896.79 |
| 7 | Profit After Tax | 5,66,441.00 | 982690.36 | 113416203.8 |
| 8 | Dividend | | | |
| 9 | Profit & Loss Account Balance | 5,66,441.00 | 982690.36 | 113416203.8 |
| 10 | General Reserve | - | | |
| 11 | term Loan | | | |
| 12 | Reserve & Surplus (9+10) | 5,66,441.00 | 15,49,131.36 | 11,49,65,335.15 |
| 13 | Fixed Assets (Gross Block) | 1,82,56,411.00 | 8,00,56,807.00 | 18,50,97,133.00 |
| 14 | Sundry Debtors | - | 79982477.91 | 84385579.74 |
| 15 | Foreign Exchange Earnigs | | | |
| 16 | Share Capital | 36,65,00,000.00 | 36,65,00,000.00 | 36,65,00,000.00 |
| 17 | Capital Employed | 36,65,00,000.00 | 36,65,00,000.00 | 36,65,00,000.00 |
| 18 | Government Investment | | | |
| 19 | Net Worth (12+16) | 36,70,66,441.00 | 36,80,49,131.36 | 48,14,65,335.15 |
| 20 | Profit Before Tax to Capital Employed | 0.24 | 0.35 | 46.90 |
| 21 | Operating Margin to Capital Employed | 0.24 | 15.11 | 78.65 |
| 22 | Profit aAfter Tax to Share Capital | 0.15 | 0.27 | 30.95 |
| 23 | Expenditure to Income | 12.77 | 86.63 | 90.53 |
| 24 | Number of Employee | 7 | 10 | 16 |
| 25 | Income per Employee | 143641 | 41432534.1 | 190190629.9 |
| 26 | Foreign Exchange Earning per Employee | 0 | 0 | 0 |
| 27 | Current Ratio | 0 | 2.10 | 1.67 |
| 28 | Debt Equity Ratio | 0 | 3.41 | 3.41 |
| 29 | Investment | 0 | 0 | 0 |
| | PHYSICAL PERFORMANCE (In MT) | | | |
| 1 | International Hanling | 0 | 35976 | 308582.62 |
| 2 | Domestic Handling | 0 | 57691.57 | 69215.84 |
| 3 | Total (1+2) | 0 | 93667.57 | 377798.46 |

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NOTICE

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

Day : Monday
Date : 31st August 2015
Time : 14:30 Hrs.
Venue : Conference Room, CONCOR Bhawan, C-3, Mathura road,
New Delhi - 110076.

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

ORDINARY BUSINESS:

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

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2015, Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Yash Vardhan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Shriniwas Mudgerikar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Deepak Kapoor, who retires by rotation and being eligible, offers himself for reappointment.
5. To take note of the appointment of M/s. Sanjeev saxena & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution :

"RESOLVED that the appointment of M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company for the financial year 2014-15 in terms of the order no. CA.V/COY/CENTRAL GOVERNMENT/CONAIR(0)/1060 dated 08.08.2014 of Comptroller & Auditor General of India be and is hereby noted."

SPECIAL BUSINESS:

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

(1)

6."RESOLVED that the appointment of Shri Pradeep Bhatnagar w.e.f. 15.10.2014, by the Board of directors be and is hereby confirmed and shall be liable to retire by rotation."

7."RESOLVED that the appointment of Shri Mahipal Shorwala w.e.f. 15.10.2015, by the Board of directors be and is hereby confirmed and shall be liable to retire by rotation."

By order of Board of
CONCOR AIR LIMITED



(RAJESH KUMAR)
(Company Secretary)

Date : 20.08.2015

Place : New Delhi

NOTES:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and proxy need not be a Member.
- (b) The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.

EXPLANATORY STATEMENT

Item No.6

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

Accordingly, CONCOR has appointed Shri Pradeep Bhatnagar, on the Board of the company as an Independent Director w.e.f. 15.10.2014. In the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and he is independent of the management.

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

None of the Directors, except Shri Pradeep Bhatnagar is concerned or interested in the resolution.

ITEM NO. 7

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

Accordingly, CONCOR has appointed Shri Mahipal Shorawala , on the Board of the company as an Independent Director w.e.f. 15.10.2014. In the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and he is independent of the management.

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

None of the Directors, except Shri Mahipal Shorawala is concerned or interested in the resolution.

Details of directors seeking re-appointment / appointment at the forthcoming Annual General Meeting

| Name & Designation | Date of Birth | Date of appointment | Qualifications | Expertise | Directorship | Committee membership |
|--------------------------|---------------|---------------------|--|--|----------------|----------------------|
| Shri Pradeep Bhatnagar | 24.03.1952 | 15.0.2014 | B.A.(Physics, Maths & Statistics) and M.A. (Western History) | Retired IRTS officer, ex-AM(Traffic) Railway Board. Worked from 1975 to March 2012 in various key positions. | 2 (Note 10) | 2 |
| Shri M.P. Shorawala | 14.11.1947 | 15.10.2014 | M.A., M.Com., L.L.B | Advocate on record, Hon'ble Supreme Court of India and Expert in Industrial, Banking, Taxation and Property Laws | 3 (Note 2) | 1 |
| Shri Yash Vardhan | 24.08.1956 | 24.07.2012 | M.Sc. & M.Phil | Railway Operations Commercial, Safety and Planning, setting up and management of container terminals | 7 (Note 3) | 3 |
| Sh. Shriniwas Mudgerikar | 17.12.1965 | 23.08.2013 | Master of Engg. | Logistics | 1 (Note 4) | |
| Shri Deepak Kapoor | 28.07.1959 | 25.03.2013 | P.G..Diploma in Marketing | Commercial and Operational working, Planning, setting up and management of container terminals. | 2 (Note 5) | |

- Note 1. CONCOR Air Ltd. & CONCOR
 2. CONCOR Air Ltd. , CONCOR &
 3. CONCOR Air Ltd. & CONCOR, Fresh and Healthy Enterprises Ltd., Gateway Terminals India Pvt. Ltd. , Container Gateway Ltd., Hind CONCOR Terminals (Dadri) Pvt. Ltd., India Gateway Terminals India Pvt. Ltd.
 4. CONCOR Air Ltd.
 5. CONCOR Air Ltd. & All Cargo Logistics Park Ltd.

CONCOR AIR LIMITED (CAL)
(A Wholly owned subsidiary of CONCOR)

Directors' Report

To the shareholders

Your Directors are pleased to present their report on the business and operations of the Company together with the Audited Accounts for the financial year ending 31st March, 2015.

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 P. 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 concession period is upto 30th September 2024.
- ❖ 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.
- ❖ 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 the completion is slated for 31st August 2015

FINANCIAL REVIEW

The company has incurred a revenue expenditure of Rs.292.96 Cr (including finance expenses of Rs 11.64 Cr) and earned Rs 304.30 crores income. The company earned net profit of Rs 11.34 crore after Tax for the F.Y: 2014-15. The company has incurred capital expenses of Rs. 10.17 crores towards tangible assets, intangible assets and capital work in progress during the year.

CAPITAL STRUCTURE

The company has been incorporated with an Authorized Equity Share Capital of Rs. 50 Crores and Issued, Subscribed & Paid up Equity Share Capital of Rs. 36.65 Crore, with Container Corporation of India Ltd. (CONCOR) holding 100% of the Paid up Equity Share Capital of during the financial year 2014-15.

⑤

SECURED LOANS/ UNSECURED LOAN

Unsecured loan of Rs.125 crores was taken during the initial (2013-14) year from CONCOR and regular Interest are being paid to CONCOR in Time.

PARTICULARS OF EMPLOYEES

No employee has drawn remuneration in excess of amount specified.

HUMAN RESOURCE MANAGEMENT

CONCOR has sanctioned Eight officers presently deputed including CEO and CFO and Company Secretary, all on secondment basis for International and Domestic Air Cargo operations. Total 4 officers are deployed for International Air Cargo operations and 1 officer is deployed for Domestic Air Cargo Operations from sanctioned strength of 8 officers and.

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

The provisions in this respect are not applicable.

AUDITORS

M/s. Sanjeev Saxena & Co., Chartered Accountants, New Delhi has been appointed as Statutory Auditors of the Company for the financial year 2014-15 in terms of the order no. CA.V/COY/CENTRAL GOVERNMENT/ CONAIR(0)/1060 dated 08.08.2014 of Comptroller & Auditor General of India be and is hereby noted."

BOARD OF DIRECTORS

The Board met 4 (Four) times for transacting business of the Company during the financial year 2014-15.

Shri Pradeep Bhatnagar and Shri Mahipal Shorawala were appointed as directors (Independent) of the company w.e.f. 15.10.2014. They have given declaration regarding independence.

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

- (1) Shri Anil Kumar Gupta, MD, CONCOR & Chairman/CAL;
- (2) Shri Yash Vardhan, Director (IM & O)/CONCOR & Director/CAL;
- (3) Smt. Dr P. Alli Rani, Director (Finance)/CONCOR & Director/CAL;
- (4) Shri Shriniwas Mudgerikar CGM/WR & Director/CAL;
- (5) Shri Arun Shrivastava, ED(Engg.)/CONCOR & Director/ CAL;
- (6) Shri Deepak Kapoor, GGM(L&A)/ CONCOR & Director /CAL

- (7) Shri Pradeep Bhatnagar, Director (Independent)
- (8) Shri Mahipal Shorawala, Director (Independent)

RETIREMENT OF DIRECTORS BY ROTATION

In terms of provisions of the Companies Act, Shri YashVardhan, Shri Shrinivas Mudgerikar & Shri Deepak Kapoor Directors, are liable to retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

It is hereby confirmed:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the company for that period;
- (c) 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) 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.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODE OF CONDUCT

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of Model Code of Conduct prescribed in the guidelines issued by DPE for the financial year ended on March 31st, 2015.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance is enclosed.

CONCLUSION

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

For and on behalf of the Board of Directors

Sd/-
(Anil Kumar Gupta)
Chairman

Place : New Delhi
Date : 20.08.2015

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Annexure to the 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

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

The Board of Directors of Company presently consists of eight Part-time Directors including Chairman (Ex-officio), nominated by CONCOR (Holding company). During the year, two independent directors have been appointed by CONCOR.

The Board met 4 (Four) times for transacting business during the financial year 2014-15 on the following dates :-

| <u>Board Meeting No.</u> | <u>Board Meeting Dates</u> |
|--------------------------|----------------------------------|
| 9 | 06 th May, 2014 |
| 10 | 02 nd September, 2014 |
| 11 | 15 th October, 2014 |
| 12 | 29 th January, 2015 |

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of Model Code of Conduct prescribed in the guidelines for Corporate Governance by the Department of Public Enterprises (DPE) for the financial year ended March 31st, 2015.

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

| Sl. No. | Category of Directorship | Name of Director | No. of Board Mtgs Attended | No. of Other Committee Membership/Chairman-Ship | No. of Other Directorship/Chairman Ship | | |
|---------|---|----------------------------|----------------------------|---|---|-------|-----|
| (I) | Part-time Ex-Officio/Non-Executive Chairman | | | | | | |
| 1. | Managing Director, CONCOR | Sh Anil Kumar Gupta | Four | One | One | Three | Two |
| (II) | Part-time /Non-Executive Directors | | | | | | |
| 2. | Dir. (Intl. Mktg & Ops.)/CONCOR | Sh. Yash Vardhan | Three | Three | Nil | Six | One |
| 3. | Dir. (Finance)/CONCOR | Smt Dr. P. Alli Rani | Four | Six | Two | Five | Nil |
| 4. | ED(Engg.)/CONCOR | Sh. Arun Kumar Shrivastava | Three | Nil | Nil | One | Nil |
| 5. | GGM(L&A)/CONCOR | Sh. Deepak Kapoor | Three | Nil | Nil | One | Nil |
| 6. | CGM/WR | Sh. Shrinivas Mudgerikar | Four | Nil | Nil | Nil | Nil |
| 7. | Independent Director | Sh. Pradeep Bhatnagar | Two | Two | Nil | One | Nil |
| 8. | Independent Director | Sh. Mahipal Shorawala | Two | One | Nil | One | Nil |

Notes: 1. Shri Pradeep Bhatnagar and Shri Mahipal Shorawala, Independent Directors were appointed w.e.f. 15.10.2014 and attended all meetings.

2. All directors except Shri Yashvardhan and Smt. P. Alli Rani attended 2ndAGM .

AUDIT COMMITTEE

The constitution of Audit Committee is as under:

Shri Pradeep Bhatnagar - Chairman (Independent Director)
Shri Mahipal Shorawala - Member (Independent Director)
Smt. Dr. P. Alli Rani, Director - Member (Director)

The Committee was constituted of Smt. P. Alli Rani, Shri Deepak Kapoor and Shri Shrinivas Mudgerikar till 15.10.2014.

The meetings of the audit committee were held on 06.05.2014, 02.09.2014, 15.10.2014&29.01.2015

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

Remuneration Committee & Policy

No remuneration is paid to any director except sitting fee of Rs. 20,000/- for each meeting to independent directors. Hence, no Remuneration Committee has been constituted.

GENERAL BODY MEETINGS

AGM of Current FY 2014-15

Date : 31.08.2015
Time : 14.30 Hrs.
Venue : Conference Hall, Container Corporation of India Ltd.,
CONCOR Bhawan, C-3, Mathura
Road, Opposite Apollo Hospital, New Delhi – 110076.

2nd AGM of FY 2013-14

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

1st AGM of FY 2012-13

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

DISCLOSURES

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

(vi) The Company has not incurred any expense which is personal in nature and incurred for the Board of Directors and Top Management.

MEANS OF COMMUNICATION

Financial Results : The financial results for FY 2014-15 forms part of Annual Report.

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

RISK MANAGEMENT

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure & Developments :

Air Cargo industry is witnessing challenging times in light of Global recession. India in particular, undergoing tremendous changes in terms of infrastructure for Air Cargo facilities, arrival of new airlines in the domestic sector and shifting trends towards organized Logistics sector. Overall domestic air cargo business has shown a positive change in FY 2014-15. With new airlines ie M/s Vistara has already entered the domestic sector has shown growth of 19.98 %in volume and 20.90% financially in the current financial year 2014-15 .

2. A SWOT analysis:

Strength: The biggest strength of business is high frequency of flights connecting all major cities. Subsequently a large number of International airlines (43 airlines) are operating at Mumbai International airport. Out of this CAL is handling 34 airlines.

Weaknesses: That the business is still in an unorganized form is the biggest weakness. Cargo handling still lacks preference in terms of airport infrastructure. 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.

Threats: Improved infrastructure of roads, diversion of cargo to rail and other cost efficient modes. Competition from other players is always an impending threat.

4. Segment-wise or Product-wise Performance: The company has performed well in domestic cargo operations and had registered profit. International cargo operations also registered profit during this current year 2014-15.

5. Risks & Concerns: Financial health of Carriers (Airlines), decrease in the no of passengers, 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 | 125.00 |
| Fixed Assets | 17.21 |
| Terminal Rights -Domestic | 1.67 |
| International | 1.65 |
| CWIP | 13.71 |
| Inventory | Nil |
| Sundry Debtors (Trade Receivables) | 8.43 |
| Security deposit given to MIAL | 130 |
| Cash & Bank | 49.87 |
| Income | 304.30 |
| Expenses (including finance expenses) | Rs.292.96 |
| Net Profit/(Loss) | Rs. 11.34 |

For and on behalf of the Board of Directors

Sd/-
(Anil Kumar Gupta)
Chairman

Place : New Delhi
Date: 20.08.2015

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

AKHIL ROHATGI & COMPANY.
Company Secretaries
21, Shamnath Marg, Civil Lines,
Delhi – 110054.
Phone : 23926504, 9810690633
Email : rohatgi_co_secy@yahoo.co.in

CERTIFICATE

To the Members of
CONCOR AIR LIMITED

We have examined the compliance of conditions of Corporate Governance by CONCOR AIR LIMITED (The Company) for the year ended 31st March, 2015 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 the number of Independent Directors on the Board was less than one-third of the total strength of Board. As regards the requirement of two Independent Directors as members of Audit Committee, the same stands complied with the appointment of two Independent Directors as members of Audit Committee in the Board meeting held on 15.10.2014.

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 : 30.04.2015

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

(14)

Reply to the Qualified Opinion, Emphasis of Matters and Other Matters as per the Independent Auditors Report submitted by Statutory Auditor M/s Sanjeev Saxena & Co.

| Points in the Statutory Auditor's Report | Qualified Opinion | Management's Reply |
|---|---|--|
| <p>Point No.1 of Qualified Opinion in the Independent Auditors Report</p> | <p>In note No.8 "Current Assets" sub heads "Trade Receivable" and Advance Tax/TDS (net of provisions) we find that the company has not fully and fairly accounted for tax deducted at source by other parties. For the Financial Year 2013-14 we observed that tax deducted at source by other parties for Rs.34,47,643/- remained unaccounted for. However, the company has recorded TDS for IVthQr of FY 2014-15 on approximate basis. Resultantly, the amount disclosed under the sub head 'Advance Tax/TDS (net of provisions)' remains understated to the extent of TDS not accounted for. Similarly, 'trade receivables' and/or 'advance from customers' also stand overstated to the extent of tax deducted not accounted for. The ultimate outcome of the above matter for the current year cannot be determined.</p> | <p>This was related to the F.Y.2013-14. During the year, an amount of Rs.34,47,643/- short accounted in TDS receivable. Normally short/excess on account of TDS receivable are accounted in the next financial year or during the year the refund is received from the authority.</p> <p>This does not have any impact on Profit & Loss Account of the company. This has a nullifying effect in both the sides of Balance Sheet i.e Assets & Liabilities side.</p> |
| <p>Point No.2 of Qualified Opinion in the Independent Auditors Report</p> | <p>In Note no.12 the company has accounted for salary, rent for lease accommodation and employee's welfare & medical expenses of the employees of holding company working for it. Terminal benefits like contribution to provident fund, ESI, gratuity, pension etc are not accounted for in view, of the disclosure made in note no.15H (i). The company in the note has</p> | <p>There are no employees with the Roll of CONCOR Air Ltd. The employees are on secondment from CONCOR. The holding company is presently making provisions of terminal benefits of employees on secondment.</p> |

| | | |
|--|---|--|
| | <p>disclosed that: "there are no employees on roll. The employees are working as been seconded by the holding company while some staff is working on deputation from MIAL. The provision of retirement benefits is made in books of parent company"</p> <p>In our opinion the company has not compiled with Accounting Standard (AS) 15 to the extent of not accounting/providing employees terminal benefits. Since the amount of terminal benefits not provided for has not been informed to us, we are unable to specify the extent of overstatement of profit and understatement of current liabilities therefor.</p> | |
| Points in the Statutory Auditor's Report | Emphasis of Matter | Management Reply |
| Point No.3 of Emphasis of Matters in the Independent Auditors Report | <p>In Note.No.4 (a) "Current Liabilities" in Balance Sheet:</p> <p>(i) Under head other current liabilities, sub-head "Advances/Deposits from customers aggregating Rs.31,98,714/- are included. There is no transaction in these advances during full year (365 days) and hence are to be treated as deposits under Deposits Rules 2014. In respect of above deposits the company is liable for refund as well as consequences for default of provisions relating thereto. Our opinion, however, is not qualified in respect of this matter.</p> | <p>This are all regular Business transactions and not deposits. Hence, deposit rule will not be applicable on the business transactions.</p> |
| | <p>(ii) Under head other current liabilities, sub-head "Trade Payables" and "Contractually</p> | <p>The cost statement given by MIAL to CAL contains list of 87 vendor contracts and other administrative</p> |

| | | |
|---|--|---|
| | <p>Reimbursable Expenses” at year end the expenses of International Cargo operations have been provided for in the books of account on the basis of the cost sheet approved by Chairman. The provisions and estimates have been considered on the basis of the cost sheet involves risk of material differences, if any, which cannot be determined. The matter was also emphasized in the report of the predecessor auditors on the financial statements for the year ended 31st March 2014. Our opinion, however, is not qualified in respect of this matter.</p> | <p>expenses. These vendor contracts have been individually analyzed and forwarded to Corporate Office for getting in principle approval. However, due to complexity nature of operations and subsequent clarifications sought, the cost statement could not be finalized.</p> <p>Since there was no base for CAL to account for the expenses, therefore, the projected cost given by MIAL in their cost statement was provisioned in the books of accounts. Bills are processed on case to case basis after due checks and verifications on the actual work done.</p> <p>A detailed costing was done taking into account the actual deployment of manpower facility managed by CAL for utilities also, similar exercise was done.</p> |
| <p>Point No.4 of Emphasis of Matters in the Independent Auditors Report</p> | <p>In Note.No.4 (b) Concessionaire agreement for International Air Cargo dt.31.10.2013 has not been registered despite of advance payment of stamp duty Rs.1,05,45,000/- on 23.10.2013. It exposes the company to the legal consequences including referred to in para 25.12 of said agreement. The company has suffered the financial loss of the aforesaid stamp duty.</p> | <p>Concession agreement is not covered under Section-17 of Indian Registration Act, 1908, hence registration of the same is not required.</p> <p>As per Bombay Stamp Act 1958, article 5(h)(iv) stamp duty is required to be paid on the concession agreement at the rate of 0.2% of the of the aggregate amount mentioned in the instrument which works out to Rs.1,05,45,000/- and is paid.(as per legal advice received from M/s P M Gokhle and Associates)</p> |

| | | |
|---|---|---|
| <p>Point No.5 of Emphasis of Matters in the Independent Auditors Report</p> | <p>In Note.No.4 (c) Non-registration of Concessionaire agreement for domestic air cargo dt.18.02.2013 exposed the company to the legal consequences. Our opinion, however, is not qualified in respect of this matter.</p> | <p>Concession agreement is not covered under Section-17 of Indian Registration Act, 1908, hence registration of the same is not required.</p> <p>As per Bombay Stamp Act 1958,article 5(h)(iv) stamp duty is required to be paid on the concession agreement at the rate of 0.2% of the of the aggregate amount mentioned in the instrument which works out to Rs.22,37,441/- and is paid(opinion received from M/s PM Gokhle& Associates)</p> |
| <p>Point No.6 of Emphasis of Matters in the Independent Auditors Report</p> | <p>In Note.No.4 (d) In regard to registration of License agreement for domestic cargo, the company deposited stamp duty of Rs.1,20,95,175/-. The collector stamp duty demanded penalty of Rs.1,93,523/-, which too has been paid. However, the license agreement remain un-registered for adjudication of differential stamp duty as per rates of 2015 and duty actually paid. In absence of the liability not being ascertained, full disclosure of the facts in contingent liability is required. Our opinion, however, is not qualified in respect of this matter.</p> | <p>Collector of Stamps has adjudicated differential stamp duty on the basis of 2015 for Rs.39,10,300/-, which will be paid.(copy attached0</p> <p>The license agreement will be registered after payment of above differential stamp duty.</p> |
| <p>Point No.7 of Emphasis of Matters in the Independent Auditors Report</p> | <p>In Note.No.4 (e) Net Profit of the company for the year 2014-15 is Rs.17.18 Crores. As per required by Section 135 of the Act, the company has constituted the CSR Committee in last Board Meeting in April 2015 but has not spent 2% of the net profits towards Corporate Social Responsibility..</p> | <p>Company has constituted the committee of CSR and will spend the appropriate amount during the year.</p> |
| <p>Points in the Statutory Auditor's Report</p> | <p>Other Matters</p> | <p>Management Reply</p> |

| | | |
|---|--|---|
| <p>Point No.8 of Other Matters in the Independent Auditors Report</p> | <p>The common facility of International Cargo Complex facility is also used by other custodian and concessionaires. However the company is maintaining such common facility, thorough all revenue from such custodian and concessionaires are accruing to (Mumbai International Airport Private Limited" as per concession agreement. The company has informed to be in process of verifying such expenses for appointment and recovery, and hence no impact is considered necessary in the accounts of the company.</p> | <p>The expenses for common facilities is being made as per the Concession Agreement Section-9 (h) & 9(l).</p> |
|---|--|---|

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2015

[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, 2015 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, 2015 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 thereunder 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 thereunder 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 thereunder are not applicable as the shares of Company are not registered with any of the depository mentioned under the said Act.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the shares of Company are not listed with any of the Stock Exchanges.
- (vi) Other applicable Laws, rules and Guidelines as mentioned here-in-below:
 - a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
 - a. Warehouse Development & Regulation Act,
 - b. Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996
 - c. The Legal Metrology Act 2009
 - d. Right to Information Act 2005
 - e. Shops and Establishment Act

- f. The Water (Prevention & Control of Pollution) Act, 1974
[Read with Water (Prevention & Control of Pollution) Rules, 1975]
- g. Labour Laws as applicable

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

1. The number of Independent Directors on the Board was less than one-third of the total strength of Board as required under DPE Guidelines. It has been informed by the Company that the proposal for appointment of Independent Director is under consideration with its Holding Company –Container Corporation of India Limited (CONCOR).
2. As regards the requirement of two Independent Directors as members of Audit Committee, the same stands complied with the appointment of two Independent Directors as members of Audit Committee in the Board meeting held on 15.10.2014.
3. Nomination & Remuneration Committee was not in position as during the period under audit there was no Whole Time Director / Senior Managerial Personnel in the Company.

We further report that the Board is duly constituted except that the composition of the Board of Directors is not having required number of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. It has been informed that request has been made to the CONCOR for appointment of requisite number of Independent Directors and Executive Directors.

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

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

We further report that as per the explanations given to us and representations made by the management there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Akhil Rohatgi & Co

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

Date: 30th April 2015
Place: New Delhi

(21)

Date: 30th April 2015

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

Sd/-

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

Date: 30th April, .2015
Place: New Delhi

REPLY TO THE OBSERVATIONS IN THE SECRETARIAL AUDIT REPORT

Observation

The number of Independent Directors on the Board was less than one-third of the total strength of Board as required under DPE Guidelines. It has been informed by the Company that the proposal for appointment of Independent Director is under consideration with its Holding Company -Container Corporation of India Limited (CONCOR).

Reply

Two independent directors were appointed w.e.f. 15.10.2014 raising the total strength of Board to 8. The total number of independent directors should be one-third of total strength i.e. 3. The appointment of one independent director is in process.

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2015

[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:

- i) CIN : U 62200DL2012GOI239207
- ii) Registration Date : 24.07.2012
- iii) Name of the Company : CONCOR AIR LIMITED
- iv) Category/Sub-Category of the Company: GOVT. COMPANY
- v) Address of the Registered office and contact details:
CONCOR Bhawan, C-3, Mathura Road, New Delhi-
110079, Ph. 011-41673097
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent : N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % of total turnover of the company |
|--------|---|----------------------------------|------------------------------------|
| 1 | Demurrage Inc | | 46% |
| 2 | TSC Charges | | 35% |
| | | | |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| SL NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY / ASSOCIATE | %of shares held | Applicable Section |
|-------|------------------------------------|-----------------------|---------------------------------|-----------------|--------------------|
| 1 | Container Corporation of India Ltd | L63011DL1988GOI030915 | Holding | 100 | 1 (87) (ii) |

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during |
|---------------------------|---|----------|----------|-------------------|---|----------|----------|-------------------|-----------------|
| | Dem at | Physical | Total | % of Total Shares | Dem at | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| g) Individual/HUF | | | | | | | | | |
| h) Central Govt | | | | | | | | | |
| i) State Govt (s) | | | | | | | | | |
| j) Bodies Corp. | | | | | | | | | |
| k) Banks/FI | | 36650000 | 36650000 | 100 | | 36650000 | 36650000 | 100 | Nil |
| l) Any Other.... | | | | | | | | | |
| Sub-total (A)(1):- | | 36650000 | 36650000 | | | 36650000 | 36650000 | 100 | Nil |
| (2) Foreign | | | | | | | | | |

| | | | | | | | | | |
|---|--|----------|----------|--|----------|----------|-----|--|-----|
| <p>a)NRIs- Individuals b)Other- Individuals c)Bodies Corp. d)Banks/FI e)Any Other....</p> <p>Sub-total (A)(2):-</p> <p>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</p> | | 36650000 | 36650000 | | 36650000 | 36650000 | 100 | | Nil |
| <p>B.Public Shareholding</p> <p>1. Institutions</p> <p>a)Mutual Funds b)Banks/FI c)Central Govt d)State Govt(s) e)Venture Capital Funds f)Insurance Companies g)FIIs h) Foreign Venture Capital</p> | | | | | | | | | |

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| Funds i) Others (specify) | | | | | | | | | |
| Sub-total (B)(1):- | | | | | | | | | |
| 2. Non- Institutions | | | | | | | | | |
| a)Bodies Corp. | | | | | | | | | |
| i)Indian | | | | | | | | | |
| ii)Overseas | | | | | | | | | |
| b)Individuals | | | | | | | | | |
| i)Individual shareholders holding nominal share capital upto Rs.1lakh | | | | | | | | | |
| ii)Individual shareholders holding nominal share capital in excess of Rs1 lakh | | | | | | | | | |
| c)Others (specify) | | | | | | | | | |
| Sub-total (B)(2):- | | | | | | | | | |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | | | | | | | | | |
| C.Shares held by Custodian for GDRs&ADRs | | | | | | | | | |
| GrandTotal (A+B+C) | | | | | | | | | |

(ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % 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 Ltd. | 36650000 | 100 | 0 | 36650000 | 100 | 0 | 0 |
| | Total | 36650000 | 100 | 0 | 36650000 | 100 | 0 | 0 |

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

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | No change | | | |

| | | | | | |
|--|--|--|--|--|--|
| | Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat Equity etc): | | | | |
| | At the End of the year | | | | |

(iii) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NA**

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | | | | |

| | | | | | |
|--|--|--|--|--|--|
| | Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/ bonus/sweat equity etc): | | | | |
| | At the End of the year(or on the date of separation , if separated during the year) | | | | |

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

| Sl. No. | | Shareholding at the Beginning of the year | | Cumulative Shareholding During the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No.of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For Each of the Directors and KMP | | | | |
| | At the beginning of the year | NA | | | |

| | | | | | |
|--|--|--|--|--|--|
| | Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat Equity etc): | | | | |
| | At the End of the year | | | | |

V.INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i)Principal Amount | | 1250000000 | | 1250000000 |
| ii)Interest due but not paid | | | | |
| iii)Interest accrued but not due | | | | |

| | | | | |
|---|--|------------|--|------------|
| Total(i+ii+iii) | | 1250000000 | | 1250000000 |
| Change in Indebtedness during the financial year | | | | |
| · Addition | | | | |
| · Reduction | | | | |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i)Principal Amount | | 1250000000 | | 1250000000 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total(i+ii+iii) | | 1250000000 | | 1250000000 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| 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 |
|---------|--|------------------------|------------------------|--------------|
| | | Shri Pradeep Bhatnagar | Shri Mahipal Shorawala | ---- |
| | 3. Independent Directors | | | |
| | · Fee for attending board / committee meetings | Rs. 40000/- | Rs. 40000/- | Rs. 80000/- |
| | · Commission | | | |
| | · Others, please specify | | | |
| | Total(1) | Rs. 40000/- | Rs. 40000/- | Rs. 80000/- |
| | 4. Other Non-Executive Directors | | | |
| | · Fee for attending board/ committee meetings | | | |
| | · Commission | | | |
| | · Others, please specify | | | |
| | Total(2) | | | |
| | Total(B) = (1+2) | Rs. 40000/- | Rs. 40000/- | Rs. 80000/- |
| | Total Managerial Remuneration | Rs. 40000/- | Rs. 40000/- | Rs. 80000/- |
| | Overall Ceiling as per the Act | | | |

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

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--|--|---|-------|
| | | CEO | CS | CFO | Total |
| 1. | <p>Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</p> <p>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</p> <p>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</p> | Deputed by holding company Containers India Ltd. and salary and all allowances are paid by holding company for which reimbursement is made by the company. Total reimbursement to holding company is disclosed in Total amount | CS drawn salary from holding company for which no reimbursement is made. | Deputed by holding company Containers Corporation of India Ltd. and salary and all allowances are paid by holding company for which reimbursement is made by the company. Total reimbursement to holding company is disclosed in Total amount | |
| 2. | Stock Option | N.A. | N.A. | N.A. | |
| 3. | Sweat Equity | N.A. | N.A. | N.A. | |
| 4. | Commission - as% of profit - | N.A. | N.A. | N.A. | |
| 5. | Others, please specify | N.A. | N.A. | N.A. | |
| | Total | 26,01,493 | | 23,39,014 | |

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 | | N.A. | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B.DIRECTORS | | N.A. | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | N.A. | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

CONCOR AIR LIMITED
BALANCE SHEET AS AT 31ST MARCH 2015



| Particulars | Note No. | As at 31st March 2015 | Amount in Rs. As at 31st March 2014 |
|--|----------|--------------------------|---|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders' funds | | | |
| (a) Share capital | 1 | 36,65,00,000.00 | 36,65,00,000.00 |
| (b) Reserves and surplus | 2 | 11,49,65,335.15 | 15,49,131.36 |
| (c) Head Office Account | | - | - |
| | | 48,14,65,335.15 | 36,80,49,131.36 |
| (2) Non-current liabilities | | | |
| (a) Long Term Borrowings | 3 | 1,25,00,00,000.00 | 1,25,00,00,000.00 |
| (b) Deferred tax liabilities (Net) | | - | - |
| (c) Other Long term liabilities | | 1,54,99,784.00 | 40,14,219.00 |
| (d) Long-term provisions | | - | - |
| | | 1,26,54,99,784.00 | 1,25,40,14,219.00 |
| (3) Current liabilities: | | | |
| (a) Short Term Borrowings | 4 | - | - |
| (b) Trade payables | | 36,18,221.72 | 9,59,56,055.30 |
| (c) Other current liabilities | | 39,45,94,767.86 | 12,58,24,742.42 |
| (d) Short-term provisions | | - | 7,25,000.00 |
| | | 39,82,12,989.58 | 22,25,05,797.72 |
| TOTAL | | 2,14,51,78,108.73 | 1,84,45,69,148.08 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 5 | 17,16,927.31 | 15,65,388.31 |
| (ii) Intangible assets | | 3,33,46,958.00 | 4,05,74,297.00 |
| (iii) Capital work-in-progress | | 13,70,72,384.62 | 3,53,54,130.62 |
| (iv) Intangible assets under development | | - | - |
| (b) Deferred Tax Assets | | 79,16,395.00 | 4,09,154.00 |
| (c) Non-current investments | | - | - |
| (d) Long-term loans and advances | 6 | 1,30,00,00,000.00 | 1,30,00,00,000.00 |
| (e) Other non-current assets | 7 | - | - |
| | | 1,48,00,52,664.93 | 1,37,79,02,969.93 |
| (2) Current assets | | | |
| (a) Inventories | 8 | - | - |
| (b) Trade receivables | | 8,43,85,579.74 | 7,99,82,477.91 |
| (c) Cash and bank balances | | 49,86,84,337.80 | 33,29,79,465.33 |
| (d) Short-term loans and advances | | 7,38,11,171.93 | 3,90,72,680.77 |
| (e) Other current assets | | 82,44,354.33 | 1,46,31,554.14 |
| | | 66,51,25,443.80 | 46,66,66,178.15 |
| Total | | 2,14,51,78,108.73 | 1,84,45,69,148.08 |

On behalf of CONCOR AIR LIMITED

Dr. P. Alli Rani
Director

Anil Kumar Gupta
Chairman

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

Rajesh Kumar
Company Secretary

Anil Sonawane
Chief Executive Officer

R K Chand
Chief Financial Officer

Sanjeev Saxena
Partner
M. No. 084091

Dated : 11.05.2015
Place : New Delhi

CONCOR AIR LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2015



| Particulars | Note No. | Amount in Rs. | |
|---|----------|--------------------------|------------------------|
| | | 31st March 2015 | 31st March 2014 |
| I. Revenue from operations | 9 | 3,00,28,87,870.88 | 38,84,60,397.42 |
| II. Other income | 10 | 4,01,62,208.02 | 2,58,64,943.53 |
| III. Total Revenue (I + II) | | 3,04,30,50,078.90 | 41,43,25,340.95 |
| IV. Expenses: | | | |
| Terminal & Other Service Charges | 11 | 2,32,98,55,452.00 | 28,13,58,003.97 |
| Employee benefits expense | 12 | 15,31,87,369.00 | 94,42,776.00 |
| Depreciation and amortization expense | | 1,03,97,873.00 | 24,60,276.00 |
| Other expenses | 13 | 26,13,51,392.11 | 6,56,75,766.62 |
| Total expenses | | 2,75,47,92,086.11 | 35,89,36,822.59 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | | 28,82,57,992.79 | 5,53,88,518.36 |
| VI. Finance Charges | 14 | 11,63,75,096.00 | 5,40,89,982.00 |
| VII. Profit before extraordinary items and tax (V - VI) | | 17,18,82,896.79 | 12,98,536.36 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax (VII- VIII) | | 17,18,82,896.79 | 12,98,536.36 |
| X Tax expense: | | | |
| (1) Current tax | | 6,59,73,934.00 | 7,25,000.00 |
| (2) Deferred tax | | (75,07,241.00) | (4,09,154.00) |
| (3) Tax adjustment for earlier years(net) | | - | - |
| XI Profit (Loss) for the period from continuing operations (IX-X) | | 11,34,16,203.79 | 9,82,690.36 |
| XII Profit/(loss) from discontinuing operations | | - | - |
| XIII Tax expense of discontinuing operations | | - | - |
| XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | | - | - |
| XV Profit (Loss) for the period (XI + XIV) | | 11,34,16,203.79 | 9,82,690.36 |
| XVI Earnings per equity share: | | | |
| (1) Basic | | 3.09 | 0.03 |
| (2) Diluted | | 3.09 | 0.03 |

On behalf of CONCOR AIR LIMITED

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

Dr. P. Alli Rani
Director

Anil Kumar Gupta
Chairman

Rajesh Kumar
Company Secretary

Anil Sonawane
Chief Executive Officer

R K Chand
Chief Financial Officer

Sanjeev Saxena
Partner
M. No. 084091

Dated : 11.05.2015

Place : New Delhi

(37)

CONCOR AIR LIMITED
Cash Flow as on 31.03.2015



Amount in Rs.

| Particulars | As at 31st March 2015 | As at 31st March 2014 | |
|--|--------------------------|--------------------------|----------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit Before Tax | 17,18,82,896.79 | | 12,98,536.36 |
| Adjustments for: | | | |
| Depreciation | 1,03,97,873.00 | 24,60,276.00 | |
| Preliminary Expenses w/off | | 33,58,210.00 | |
| Deferred Revenue Expenditure | | - | |
| (Profit)/loss on sale of Assets | | - | |
| Interest & Finance Charges | 11,63,75,096.00 | 5,40,89,982.00 | |
| Interest on FD | 2,74,37,998.37 | (2,17,40,902.69) | |
| Dividend Income | 15,42,10,967.37 | - | 3,81,67,565.31 |
| Operating Profit before Working Capital Changes | 32,60,93,864.16 | | 3,94,66,101.67 |
| Adjustments for: | | | |
| Decrease/(Increase) in Receivables | (9,94,32,241.31) | (13,31,56,655.82) | |
| Decrease/(Increase) in Inventories | | - | |
| Increase/(Decrease) in Payables | 25,38,70,604.99 | 15,44,38,363.68 | 9,18,38,590.90 |
| Cash generated from operations | 48,05,32,227.84 | 22,49,95,246.72 | 13,13,04,692.57 |
| Income Tax paid | 6,59,73,934.00 | | 7,25,000.00 |
| Net Cash flow from Operating activities | 41,45,58,293.84 | | 13,05,79,692.57 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | (10,50,40,327.00) | (6,16,97,681.00) | |
| Mutual Fund | | - | |
| Sale of Fixed Assets | | - | |
| Preliminary Expenses paid | | - | |
| Increase in Advances & others | 0 | (1,25,00,00,000.00) | |
| Interest on FD | (2,74,37,998.37) | 2,17,40,902.69 | |
| Dividend Income | | - | |
| Net Cash used in Investing activities | (13,24,78,325.37) | | (1,28,99,56,778.31) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Issue of share capital | | - | |
| Proceeds from Long term Borrowings | 0 | 1,25,00,00,000.00 | |
| Interest paid | (11,63,75,096.00) | (5,40,89,982.00) | |
| Net Cash used in financing activities | -116375096 | | 1,19,59,10,018.00 |
| Net increase in cash & Cash Equivalents | 16,57,04,872.47 | | 3,65,32,932.33 |
| Cash and Cash equivalents as at 31.03.2014 | 33,29,79,465.33 | | 29,64,46,533.00 |
| Cash & Cash Equivalents | As on 31.03.15 | As on 31.3.2014 | |
| Cash in Hand | 64,790.00 | 6,410.00 | |
| Cash at Bank | 49,86,19,547.80 | 33,29,73,055.33 | |
| Cash & Cash equivalents as stated | 49,86,84,337.80 | 33,29,79,465.33 | 0 |

On behalf of CONCOR AIR LIMITED

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

Dr. P. Alli Rani
Director

Anil Kumar Gupta
Chairman

Rajesh Kumar
Company Secretary

Anil Sonawane
Chief Executive Officer

R K Chand
Chief Financial Officer

Sanjeev Saxena
Partner
M. No. 084091

Dated : 11.05.2015
Place : New Delhi

CONCOR AIR LIMITED



NOTE 1: SHARE CAPITAL

Amount in Rs.

| | As at 31st March,2015 | As at 31st March,2014 |
|--|-------------------------------|------------------------|
| Authorised share capital | | |
| (50,000,000 equity shares of Rs.10 each with voting rights) | 50,00,00,000.00 | 50,00,00,000.00 |
| | <u>50,00,00,000.00</u> | <u>50,00,00,000.00</u> |
| Issued, Subscribed & Paid-up share capital | | |
| (36650,000 equity shares of Rs.10 each fully paid up with voting rights) | 36,65,00,000.00 | 36,65,00,000.00 |
| | <u>36,65,00,000.00</u> | <u>36,65,00,000.00</u> |

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

| | As at 31.03.15 | As at 31.03.14 |
|---|--------------------|----------------|
| | No. of Shares | No. of Shares |
| Shares outstanding at the beginning of the period | 3,66,50,000 | |
| Shares issued during the period | | 3,66,50,000 |
| Shares bought back during the period | - | - |
| Shares outstanding at the end of the period | 3,66,50,000 | 3,66,50,000 |

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

| Name of the Shareholder | Number of the Shares held in the company | | % of holding | |
|--|--|-------------|--------------|-----|
| | 2014-15 | 2013-14 | | |
| Container Corporation of India Ltd (The holding company) | 3,66,50,000 | 3,66,50,000 | 100 | 100 |

CONCOR AIR LIMITED



NOTE 2: RESERVES & SURPLUS

| | AS AT | | Amount in Rs. |
|---|-----------------------------|------------------------|----------------------|
| | 31.03.2015 | | AS AT |
| | | | 31.03.2014 |
| GENERAL RESERVE | | | |
| Opening Balance | - | | |
| Less: Capitalized by issue of Bonus Shares | - | | |
| Add: Transfer from Profit & Loss Account | - | | |
| | <u> </u> | | |
| STATEMENT OF PROFIT AND LOSS | | | |
| Opening Balance | 15,49,131.36 | | 5,66,441.00 |
| Add: Profit during the year | 11,34,16,203.79 | | 9,82,690.36 |
| Less: Interim Dividend including Dividend Distribution Tax | - | | - |
| Less: Proposed Dividend including Dividend Distribution Tax | - | | - |
| Less: Transfer to General Reserve | - | 11,49,65,335.15 | 15,49,131.36 |
| | <u> </u> | | |
| TOTAL | | <u>11,49,65,335.15</u> | <u>15,49,131.36</u> |

CONCOR AIR LIMITED



NOTE 3: NON-CURRENT LIABILITIES

Amount in Rs.

| | | AS AT 31.03.2015 | | AS AT 31.03.2014 |
|--|--------------------------|--------------------------|---------------------|--------------------------|
| LONG-TERM BORROWINGS | | | | |
| Unsecured loan from holding company M/s Container Corporation of India Ltd. | <u>1,25,00,00,000.00</u> | 1,25,00,00,000.00 | 1,25,00,00,000.00 | - |
| OTHER LONG TERM LIABILITIES | | | | |
| Earnest Money Deposit | 24,77,891.00 | | | |
| Security Deposit - Contractor | 1,23,13,833.00 | | | |
| Security Deposit - Consultant | <u>7,08,060.00</u> | 1,54,99,784.00 | <u>40,14,219.00</u> | 1,25,40,14,219.00 |
| LONG-TERM PROVISIONS | | | | |
| Provision for Employee's Benefits | | | | - |
| TOTAL | | <u>1,26,54,99,784.00</u> | | <u>1,25,40,14,219.00</u> |

CONCOR AIR LIMITED



NOTE 4: CURRENT LIABILITIES

Amount in Rs.

| | AS AT 31.03.2015 | AS AT 31.03.2014 |
|-------------------------------------|------------------------|------------------------|
| TRADE PAYABLES | | |
| - Micro & Small Enterprises (*) | - | - |
| - Sundry Creditors | 35,67,498.72 | - |
| - Sundry Creditors- Capital | 50,723.00 | 1,27,37,539.36 |
| - Others | - | 9,59,56,055.30 |
| | 36,18,221.72 | 10,86,93,594.66 |
| OTHER CURRENT LIABILITIES | | |
| Interest Accrued & Due on Borrowing | | 4,86,80,984.00 |
| Advances/Deposits from Customers | 7,31,23,593.88 | 30576095.38 |
| Provision for IT | - | 7,25,000.00 |
| Book Overdraft (***) | 1,90,24,749.17 | 53,41,785.31 |
| Statutory Remittance | 44,44,149.48 | 1,34,88,338.37 |
| Contractually Reimbursable Expenses | 29,68,21,833.72 | 1,50,00,000.00 |
| Others | 11,80,441.61 | 0.00 |
| | 39,45,94,767.86 | 11,38,12,203.06 |
| SHORT-TERM PROVISIONS | | |
| Proposed Final Dividend | - | 0.00 |
| Corporate Dividend Tax | - | 0.00 |
| Provision for Employee's Benefits | - | 0.00 |
| | - | 0.00 |
| | - | 0.00 |
| TOTAL | 39,82,12,989.58 | 22,25,05,797.72 |

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

4B. (*) 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.

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

| Particulars | Property Tax | |
|--|-------------------|-------------------|
| | 31.03.15 (Rs.) | 31.03.14 (Rs.) |
| Opening Balance | 3303403 | 0 |
| Addition during the year | 22637525 | 3303403 |
| Amount used/ incurred | 0 | 0 |
| Unused amount reversed during the year | 0 | 0 |
| Closing Balance | 25940928 | 3303403 |

(i) Property tax has been accounted in the books of the company as per concession agreement entered into with M/s Mumbai International Airports Pvt. Ltd. and the same has been accounted under the head 'Rates and Taxes'. The provision made during the current year amounting to Rs. 2,26,37,525 (Previous Year Rs. 33,03,403.00) has been done on a conservative basis as the liability is pending, as bill on this account is not received from M/s Mumbai International Airports Pvt. Ltd. The basis of provision is the concession agreement entered into with M/s Mumbai International Airports Pvt. Ltd.

NOTE 5
FIXED ASSETS



| Particulars | GROSS BLOCK | | | DEPRECIATION / AMORTIZATION | | | NET BLOCK | | | |
|---|---------------------|----------------------------|-------------------------|-----------------------------|---------------------|--------------------------------|-------------------------|---------------------|---------------------|---------------------|
| | As at 01.04.2014 | Additions/ (Deductions) | Transfer from CONCOR | As at 31.03.2015 | Up to 31.03.2014 | For the year/ (Adjustments) | Transfer from CONCOR | Up to 31.03.2015 | As at 31.03.2015 | As at 31.03.2014 |
| TANGIBLE ASSETS | | | | | | | | | | |
| AIR CONDITIONIONERS | 1,72,996 | 53,230 | | 2,26,226 | 2,453 | 20,574 | | 23,027 | 2,03,199 | 1,70,543 |
| MOBILE HAND SET | 15,652 | | | 15,652 | 9,178 | 2,221 | | 11,399 | 4,253 | 6,474 |
| FURNITURE & FIXTURES | 7,82,188 | 26,887 | | 8,09,075 | 50939 | 87166 | | 1,38,105 | 6,70,970 | 7,31,249 |
| OFFICE EQUIPMENTS | 27,868 | 34,225 | | 62,093 | 8,548 | 38,713 | | 47,261 | 14,832 | 19,320 |
| COMPUTERS- HARDWARE | 5,14,348 | 6,97,695 | | 12,12,043 | 89,159 | 4,32,768 | | 5,21,927 | 6,90,116 | 4,25,189 |
| LEASEHOLD IMPROVEMENTS | 2,56,744 | | | 2,56,744 | 44,131 | 79,056 | | 1,23,187 | 1,33,557 | 2,12,613 |
| TOTAL (A) | 17,69,796 | 8,12,037 | - | 25,81,833 | 2,04,408 | 6,60,498 | - | 8,64,906 | 17,16,927 | 15,65,388 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| COMPUTER SOFTWARE | 54,000 | 91,000 | | 1,45,000 | 917 | 49,600 | | 50,517 | 94,483 | 53,083 |
| TERMINAL RIGHTS- | 1,71,43,881 | 24,19,035 | | 1,95,62,916 | 13,70,571 | 14,38,475 | | 28,09,046 | 1,67,53,870 | 1,57,73,310 |
| TERMINAL RIGHTS- INTERNATI | 2,57,35,000 | | | 2,57,35,000 | 9,87,096 | 82,49,301 | | 92,36,397 | 1,64,98,603 | 2,47,47,904 |
| TOTAL (B) | 4,29,32,881 | 25,10,035 | - | 4,54,42,916 | 23,58,584 | 97,37,376 | - | 1,20,95,960 | 3,33,46,956 | 4,05,74,297 |
| GRAND TOTAL(A+B) | 4,47,02,677 | 33,22,072 | - | 4,80,24,749 | 25,62,992 | 1,03,97,874 | - | 1,29,60,866 | 3,50,63,883 | 4,21,39,685 |
| CAPITAL WORK IN PROGRESS | 3,53,54,130 | 10,17,18,254 | | 13,70,72,384 | | | | | 13,70,72,384 | 3,53,54,130 |
| TOTAL (C) | 3,53,54,130 | 10,17,18,254 | - | 13,70,72,384 | - | - | - | - | 13,70,72,384 | 3,53,54,130 |
| GRAND TOTAL(A+B+C) | 8,00,56,807 | 10,50,40,326 | - | 18,50,97,133 | 25,62,992 | 1,03,97,874 | - | 1,29,60,866 | 17,21,36,267 | 7,74,93,815 |
| PREVIOUS YEAR | 1,82,56,411 | 6,16,51,796 | 1,48,600 | 8,00,56,807 | - | 24,60,277 | 1,02,715 | 25,62,992 | 7,74,93,815 | - |
| Note 1: Terminal Rights including following expenses (Domestic) | | | | | | | | | | |
| Stamp Duty paid on Concession Agreement, Marol Space Licence Agreement and Land Licence Agreement | | | | | | | | | | Amt. |
| Concessional Award Cost | | | | | | | | | | 1,43,52,616 |
| RFP Participation Fees | | | | | | | | | | 50,00,000 |
| Professional Fees for RFP Preparation | | | | | | | | | | 1,00,000 |
| | | | | | | | | | | 1,10,300 |
| Total | | | | | | | | | | 1,95,62,916 |
| Note 2: Terminal Rights including following expenses (International) | | | | | | | | | | |
| Assets Valuation Fees | | | | | | | | | | Amt. |
| Bid Development Cost | | | | | | | | | | 1,90,000 |
| Stamp Duty | | | | | | | | | | 1,50,00,000 |
| | | | | | | | | | | 1,05,45,000 |
| Total | | | | | | | | | | 2,57,35,000 |

CONCOR AIR LIMITED



NOTE 6: LONG TERM LOANS AND ADVANCES

Amount in Rs.

| | AS AT 31.03.2015 | | AS AT 31.03.2014 | |
|--|--------------------------|---------------------------------|--------------------------|---------------------------------|
| CAPITAL ADVANCES | | | | |
| - Secured, considered good | | | | |
| - Unsecured, considered good | | | | |
| SECURITY DEPOSITS | | | | |
| - Govt. Authorities (considered good) | | | | |
| - Others | | | | |
| - Considered good | 1,30,00,00,000.00 | | 1,30,00,00,000.00 | |
| - Considered doubtful | - | | - | |
| | <u>1,30,00,00,000.00</u> | | <u>1,30,00,00,000.00</u> | |
| Less: Allowance for bad and doubtful deposits | - | 1,30,00,00,000.00 | - | 1,30,00,00,000.00 |
| LOANS AND ADVANCES TO REALTED PARTIES | | | | |
| Loan to Wholly owned subsidiary-FHEL (Unsecured, considered good) | | | | |
| OTHER LOANS AND ADVANCES | | | | |
| Loans to Employees (Secured, considered good) | | | | |
| Loans to Directors (Secured, considered good) | | | | |
| Other advances recoverable in cash or in kind or for value to be received: | | | | |
| - Considered good | - | | - | |
| - Considered doubtful | - | | - | |
| | <u>-</u> | | <u>-</u> | |
| Less: Allowance for bad and doubtful advances | - | | - | |
| | | | | |
| TOTAL | | <u>1,30,00,00,000.00</u> | | <u>1,30,00,00,000.00</u> |

CONCOR AIR LIMITED



NOTE 7: OTHER NON-CURRENT ASSETS

(Amount in Rs.)

| | AS AT 31.03.2015 | AS AT 31.03.2014 |
|--|---------------------|---------------------|
| Interest accrued on deposits, loans and advances(Unsecured, considered good) | - | - |
| Interest accrued on loans and advances to employees (Secured, considered good) | - | - |
| <u>Other Bank Balances</u> | | |
| Bank Deposits with maturity of more than 12 months | - | - |
| Bank Balances held as margin money or as security against: | | |
| - Guarantees | - | - |
| TOTAL | 0.00 | 0.00 |

(45)

CONCOR AIR LIMITED



NOTE 8: CURRENT ASSETS

Amount in Rs.
AS AT
31.03.2014

| | AS AT 31.03.2015 | | AS AT 31.03.2014 |
|--|------------------------|-----------------------|------------------------|
| (a) INVENTORIES (As taken, valued & certified by the Management) | | | |
| Stores & Spare Parts (At Cost) | - | - | - |
| Less: Provision for Obsolete Stores | - | - | - |
| (b) TRADE RECEIVABLES | | | |
| Outstanding for period exceeding six months | 1,26,947.00 | | |
| Unsecured Considered good | 8,42,58,632.74 | | |
| Unsecured Considered doubtful | - | | |
| | <u>8,43,85,579.74</u> | | |
| Less: Allowance for doubtful debts | - | 8,43,85,579.74 | - |
| Others | | | |
| Unsecured Considered good | - | 7,99,82,477.91 | 7,99,82,477.91 |
| | | <u>8,43,85,579.74</u> | <u>7,99,82,477.91</u> |
| (c) CASH AND BANK BALANCES | | | |
| (i) Cash and Cash Equivalents | | | |
| Cash on hand (Including Imprest) | 64,790.00 | | 6,410.00 |
| Remittance in Transit | - | | - |
| Cheques in hand | - | | - |
| Bank Balances | | | |
| - in Current Accounts | 5,31,56,463.46 | | 16,35,29,667.33 |
| - in Deposits with original maturity upto 3 months | 33,61,82,699.34 | 38,93,39,162.80 | 6,94,43,388.00 |
| (ii) Other Bank Balances | | | 23,29,73,055.33 |
| -Bank Deposits | | | |
| - With original maturity of more than 3 months and upto 12 months | 10,92,80,385.00 | | 10,00,00,000.00 |
| Earmarked Bank Balances | | | |
| - Unpaid dividend bank account | - | | - |
| Bank Balances held as margin money or as security against: | | | |
| - Guarantees | - | | - |
| - Letters of Credit | - | | - |
| | <u>49,86,84,337.80</u> | | <u>33,29,72,465.33</u> |
| (d) Short term loans and advances | | | |
| LOANS & ADVANCES TO RELATED PARTIES | | | |
| Advance to holding company (Unsecured Considered Goods) | - | | 5,67,096.00 |
| Prepaid Exp | 9,86,473.00 | 9,86,473.00 | 2,75,652.00 |
| Loans to Employees (Secured, considered good) | - | | - |
| Loans to Directors (Secured, considered good) | - | | - |
| Other advances recoverable in cash or in kind or for value to be received | | | |
| -Unsecured considered good | - | | - |
| -Unsecured considered doubtful | - | | - |
| Less : Allowance for doubtful advances | - | | - |
| Deposits (Unsecured) | | | |
| - Govt. Authorities (Considered good) | - | | - |
| - Others | | | |
| - Balance with Govt Authorities (*) | 1,56,36,060.91 | | 2,63,54,731.55 |
| - Considered good | - | | - |
| - Considered doubtful | - | | - |
| Less : Allowance for doubtful deposits | - | | - |
| Advance Income Tax/TDS (Net of Provisions) (**) | <u>5,71,88,638.02</u> | | 11875201.22 |
| | <u>7,38,11,171.93</u> | | <u>3,90,72,680.77</u> |
| (e) OTHER CURRENT ASSETS | | | |
| Interest Accrued on Trade Receivables | | | |
| Interest accrued on deposits, loans and advances (Unsecured, good) | 82,44,354.33 | 730774.00 | 5,48,365.85 |
| Interest accrued on loans to wholly owned subsidiaries (Unsecured, considered good): | | | |
| unbilled revenue | - | | 1,29,90,578.29 |
| Others | - | | 3,61,836.00 |
| Total (a) to (e) | <u>66,51,25,443.80</u> | | <u>46,66,66,178.15</u> |

8A. (*) Cenvat credit (Service Tax) c/f

8B. (**) Income Tax refund :

| | |
|-------------------------|--------------------|
| Assessment Year 2013-14 | 41000.00 |
| Assessment Year 2014-15 | 12573541.22 |
| Assessment Year 2015-16 | 44574096.80 |
| | 57186638.02 |

CONCOR AIR LIMITED



NOTE 9: REVENUE FROM OPERATIONS

Amount in Rs.

| | YEAR ENDED 31.03.2015 | YEAR ENDED 31.03.2014 |
|-------------------------------------|---------------------------------|-------------------------------|
| Domestic Cargo Terminal Revenue | 19,23,80,168.75 | 14,53,70,620.03 |
| International Cargo Terminal Income | 2,81,05,07,702.13 | 24,30,89,777.39 |
| Other Operating Income | | |
| -Prior Period Income | | |
| -Excess Provision Written Back | | |
| -Others | | |
| | <hr/> | <hr/> |
| | <u>3,00,28,87,870.88</u> | <u>38,84,60,397.42</u> |

CONCOR AIR LIMITED



NOTE 10: OTHER INCOME

Amount in Rs.

| | YEAR ENDED 31.03.2015 | YEAR ENDED 31.03.2014 |
|---|--------------------------|--------------------------|
| INTEREST EARNED ON: | | |
| Short Term Bank Deposits /ICDs | 2,74,37,998.37 | 2,37,81,849.11 |
| Loans to Employees | - | - |
| Loan to Wholly Owned Subsidiary - FHEL (TDS Rs.0.39 Crore; Previous Year: Rs.0.32 Crore) | - | - |
| Overdue Trade Receivables (TDS Rs.NIL Crore; Previous Year: Rs.NIL Crore) | - | 20,40,946.42 |
| DIVIDEND INCOME | | |
| Dividend from JV Company | - | - |
| Dividend from Mutual Funds | - | - |
| OTHER NON-OPERATING INCOME | | |
| Profit on Sale of Fixed Assets | - | - |
| Excess provision written back (*) | - | 33,719.00 |
| Profit From Sale of Investment | - | - |
| Exchange Variation -Gain | - | - |
| Prior Period Income | 1,18,81,269.53 | - |
| Miscellaneous Income | 8,42,940.12 | 8,429.00 |
| Share in Profit of Business Arrangement | - | - |
| TOTAL | 4,01,62,208.02 | 2,58,64,943.53 |

| | | |
|-----------------------------------|---------|-----------|
| (*) Excess Provision Written Back | 2014-15 | 2013-14 |
| Salary Arrears | | - |
| Others | | 33,719.00 |
| TOTAL | - | 33,719.00 |

CONCOR AIR LIMITED



NOTE 11: TERMINAL & OTHER SERVICE CHARGES

Amount in Rs.

| | YEAR ENDED 31.03.2015 | YEAR ENDED 31.03.2014 |
|---------------------------------|---------------------------------|-------------------------------|
| Revenue Share | 2,02,00,50,032.00 | 23,28,96,285.17 |
| Handling Expenses | 30,98,05,420.00 | 4,84,61,718.80 |
| Land Licence Fee (**) | - | - |
| Other Operating Expenses | | |
| -Prior period (***) | - | - |
| -Others(****) | - | - |
| TOTAL | <u>2,32,98,55,452.00</u> | <u>28,13,58,003.97</u> |

CONCOR AIR LIMITED**NOTE 12: EMPLOYEE BENEFITS EXPENSE****Amount in Rs.**

| | YEAR ENDED 31.03.2015 | YEAR ENDED 31.03.2014 |
|--|-------------------------------|----------------------------|
| Salary, Allowances & Other Employee Benefits | 15,16,76,404.00 | 93,87,149.00 |
| Contribution to PF, PPF, ESI & Labour Welfare Fund | - | - |
| Rent for Leased Accomodation (Net) | 2,16,000.00 | - |
| Employee Welfare & Medical | 12,94,965.00 | 55,627.00 |
| Gratuity | - | - |
| Staff Training | - | - |
| TOTAL | <u>15,31,87,369.00</u> | <u>94,42,776.00</u> |

Note: This Cost represents cost of staff seconded from the holding company.

CONCOR AIR LIMITED



NOTE 13: OTHER EXPENSES

Amount in Rs.

| | YEAR ENDED | | YEAR ENDED |
|--|------------------------|--------------|-----------------------|
| | 31.03.2015 | | 31.03.2014 |
| Printing & Stationery | 42,64,798.18 | | 21,55,277.00 |
| Traveling and Conveyance | 2,10,486.00 | | - |
| Rent and Licence fee for office building | 24,26,813.00 | | 20,69,475.00 |
| Electricity & Water | 4,07,81,704.00 | | 80,17,145.00 |
| Repairs & Maintenance : | | | |
| -Buildings | 4,76,74,616.00 | 30,14,389.00 | |
| -Plant & Machinery | 3,09,96,696.00 | 47,65,622.67 | |
| -Others | 1,83,65,831.00 | 3,89,779.00 | 81,69,790.67 |
| Security Expenses | 6,22,08,853.00 | | 1,71,28,589.76 |
| Vehicle Running & Maintenance Expenses | 1,06,88,752.00 | | 13,20,166.00 |
| Business Development | 52,422.24 | | |
| Postage, Telephone & Internet | 1,60,15,154.00 | | 82,248.97 |
| Books & Periodicals | 20,279.00 | | 1,580.00 |
| Bank Charges | 23,480.39 | | 3,407.54 |
| Legal & Professional Charges | 2,47,280.30 | | 7,25,155.00 |
| Insurance | 15,39,585.00 | | 3,41,591.00 |
| IT Expenses | - | | 10,27,820.00 |
| Advertisement | 9,07,292.00 | | - |
| Auditors' Remuneration | | | |
| -Audit Fee | 1,00,000.00 | 90,000.00 | |
| -Tax Audit Fee | 30,000.00 | 30,000.00 | |
| -Other services | - | - | |
| -Out of Pocket | 1,09,950.00 | 2,39,950.00 | 3,77,203.88 |
| Rebate & Discounts | - | | - |
| Rates & Taxes | 2,26,37,525.00 | | 33,11,707.00 |
| Data Entry Staff Cost | - | | 28,38,524.80 |
| Bad debts written off | - | | - |
| Donations | - | | - |
| Miscellaneous Expenses | 4,06,855.00 | | 1,35,342.00 |
| Exchange Variation Loss | - | | - |
| MIAL Staff Cost | 10,30,707.00 | | 1,44,92,533.00 |
| Provision for : | | | |
| Doubtful Debts | - | | - |
| Doubtful Deposits | - | | - |
| Doubtful Advances | - | | - |
| Obsolete Assets | - | | - |
| Doubtful Investments | - | | - |
| Obsolete Stores | - | | - |
| Prior Period Expenses(**) | 6,12,313.00 | | 33,58,210.00 |
| TOTAL | 26,13,51,392.11 | | 6,56,75,766.62 |

CONCOR AIR LIMITED**NOTE 14: FINANCE EXPENSES****Amount in Rs.**

| | YEAR ENDED 31.03.2015 | YEAR ENDED 31.03.2014 |
|--------------------------------|--------------------------|--------------------------|
| INTEREST EXPENSE ON: | | |
| BORROWING FROM HOLDING COMPANY | 11,63,75,096.00 | 5,40,89,982.00 |
| | <u>11,63,75,096.00</u> | <u>5,40,89,982.00</u> |

NOTE 15
SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Convention and Concepts:

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

B. Fixed Assets and Capital Work in Progress:

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

C. Use of Estimates:

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

D. Intangible Assets

Software:

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

Terminal rights:

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

E. Borrowing costs

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

F. Depreciation/Amortisation

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

G. Impairment of assets:

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

H. Retirement Benefits:

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

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

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

J. Other Income:

Interest Income is accounted on accrual basis.

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

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

L. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised in respect of obligation where, based on the evidence available, their existence on the balance sheet date is considered probable. Contingent liabilities are determined on the basis of available information. These liabilities are not provided for, and are being disclosed by way of notes to accounts. Contingent assets are not recognised in the accounts.

M. Taxes on Income:

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

NOTES FORMING PART OF ACCOUNTS

NOTE 16 Corporate Information

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

NOTE 17

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

CONCOR AIR LTD.
NEW DELHI

NOTES FORMING PART OF ACCOUNTS

Contd....

Note 18: Other Commitments: **Amount in Rs.**
In the opinion of the management of the company there is no "Other Commitments" that warrant disclosure in financial statements.

| Particulars | 2014-15 | 2013-14 |
|---|-----------------|-----------------|
| Estimated Amount of Contracts remaining to be executed on Capital Account (net of Advances) and not provided for. | 11,60,27,350.39 | 23,80,77,981.00 |

Note 19: Contingent Liabilities: **Amount in Rs.**
The company has contingent liability of approximately Rs.2.77 Cr (Pre. Year =Rs 90 Lacs) towards probable stamp duty as per the notice received from respective authority.

| Particulars | 2014-15 | 2013-14 |
|---|-----------------------|---------------------|
| Stamp Duty (As per Notice recd from collector of stamp) | 1,70,78,650.00 | - |
| Interest on above stamp duty | 17,07,865.00 | - |
| Domestic (Previous Year) | 90,00,000.00 | 90,00,000.00 |
| Total | 2,77,86,515.00 | 90,00,000.00 |

Note 20: Deferred Tax (Liability)/ Assets: **Amount in Rs.**

| Particulars | 2014-15 | 2013-14 |
|--|---------------------|--------------------|
| Tax effects of Items constituting deferred tax liability: | | |
| On difference between book balance and tax balance of fixed assets | 2,07,815.00 | (53,13,884.00) |
| Tax effect of items constituting deferred tax liability | 70,636.00 | (16,47,304.00) |
| Tax effect of items constituting deferred tax assets: | | |
| Disallowances under Income Tax Act 1961 constituting timing difference | 2,18,78,803.00 | 63,38,291.00 |
| Tax effect of items constituting deferred tax assets: | 74,36,605.00 | 20,56,458.00 |
| | 75,07,241.00 | 4,09,154.00 |

There is deferred tax asset of Rs.7507241.00 in the books of accounts in the current financial year.

Note 21: Prior Period Adjustments includes following:

| Particulars | 2014-15 | 2013-14 |
|--|------------------------------|---------|
| INCOME | | |
| Revenue From Operation | 42,03,626.53 | |
| Other Income (Service Tax Receivables) | 76,77,643.00 | |
| Total (A) | <u>1,18,81,269.53</u> | |
| Expenses | | |
| Terminal and Other Service Charges | 6,12,313.00 | |
| Other Expenses | - | |
| Total (B) | <u>6,12,313.00</u> | |
| Net Prior Period Adjustment (A-B) | <u>1,12,68,956.53</u> | |

Note 22: The company has sought confirmation of balances of receivables, payables and advances from parties.

Note 23: Expenditure in Foreign Currencies: **Amount in Rs.**

| Particulars | 2014-15 | (Rs.) | 2013-14 | (Rs.) |
|-------------|---------|-------|---------|-------|
| | | Nil | | Nil |

Note 24: Provisions relating to disclosure of information as required by sub-clauses ii (a), ii(b), ii(d) & (iii) of clause 5 of Part - II of Schedule III to the Companies Act, 2013 are not applicable as the company has neither manufacturing nor trading activity.

Note 25: Annexure attached

Note 26: The information required under AS-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, is as under:

A Parent Company

i Container corporation of India Ltd.

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

| Sr. No. | Particulars | 2014-15 | 2013-14 |
|---------|--|----------------|----------------|
| a | Advance from holding company-Marol Civil repair work | - | 4,61,176.00 |
| | Salary of employees on secondment | 2,01,85,482.00 | 1,03,59,120.00 |

| | | | |
|----|--|-------------|--------------------------|
| | Fixed Assets transfer | - | 45,884.00 |
| | Tender sale amount - recoverable | - | 1,05,241.00 |
| | Tender advertisement expenses | - | 6,94,359.00 |
| | Bid development cost paid for international concession agreement | - | 1,50,00,000.00 |
| | EMD Recoverable | - | 19,93,000.00 |
| | Long Term Loan from CONCOR | - | 1,25,00,00,000.00 |
| | Interest accrued & Due on Loan | - | 5,38,83,218.00 |
| | Penal Interest on loan from CONCOR | - | 2,06,763.00 |
| b. | Balance payable | 1,53,535.00 | 1,44,32,904.00 |

b. As per the requirement under the concession agreement entered into with MIAL,(Mumbai International airport pvt.ltd.) , Container Corporation of India Ltd. has given a Performance Security by way of Bank Guarantee of **Rs.15 Crores** in favor of MIAL and the said bank Guarantee is valid till 17.08.2015 on behalf of CONCOR Air Ltd.

B. Key Managerial persons:

- i) Sh. Anil Sonawane- CEO
- ii) Sh. R.K. Chand -CFO
- iii) Sh. Rajesh Kumar -CS

Note 27: The information required under AS-19 ' Leases' issued by the Institute of Chartered Accountants of India, is as under:

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

| Sr. No. | Particulars | Amount in Rs. | |
|---------|---|-----------------|-----------------|
| | | 2014-15 | 2013-14 |
| i. | Not later than one year | 34,82,927.50 | 5,909.74 |
| ii. | Later than one year and not later than five years | 13,52,78,883.40 | 13,41,91,961.00 |
| iii. | later than five years | 17,89,18,639.01 | 20,56,28,285.00 |

The payment of licence fees for lease of SACT (Santacruz Air Cargo Terminal) will start from its scheduled commissioning date i.e 24 months from the date of agreement (Feb 18,2013). The payment for Marol Space lease will start from the date of handover of the facility which is assumed to be from May 1,2013.

Note 28: The previous year's figure have been recast/ regrouped/ rearranged, wherever considered necessary to confirm to this year's.

| | | | |
|--|---|---|----------------------|
| On behalf of CONCOR AIR LIMITED | | As per our report of even date | |
| | | For Sanjeev Saxena & Co | |
| | | Chartered Accountants | |
| | | Firm Registration No.: 005041N | |
| Dr. P. Alli Rani Director | Anil Kumar Gupta Chairman | Sanjeev Saxena Partner | |
| Rajesh Kumar Company Secretary | Anil Sonawane Chief Executive Officer | R K Chand Chief Financial Officer | M. No. 084091 |
| Dated : 11.05.2015 | | | |
| Place : New Delhi | | | |

Annexure to Note 25

The information required under AS-17 'Segment Reporting' notified by the Companies (Accounting Standard Rules 2006) as amended, is as under:
 Primary Segments : The company is organized into two major operating divisions- International and Domestic. The divisions are the basis on which the reports its primary segment information. Both International and Domestic divisions of the company are engaged in handling and warehousing activities. Segment revenue and expenses directly attributable to International and Domestic segments are allocated to the two segments. Joint revenue and expenses have been allocated on a reasonable basis. Segment assets include all operating assets used by a segment and consist principally of inventories, sundry debtors, cash and bank balances, loan and advances, other current assets and fixed assets net of provisions. Similarly, segment liabilities include all operating liabilities and consists principally of sundry creditors, advance from customers, other liabilities and provisions. Segment assets and liabilities do not, however, include provisions for taxes. Joint assets and liabilities have been allocated to segments on a reasonable basis.

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

| Sr. No. | DESCRIPTION | EXIM | | DOMESTIC | | TOTAL | |
|---------|---|-------------------|-------------------|-----------------|-----------------|-------------------|-------------------|
| | | 31-03-2015 | 31-03-2014 | 31-03-2015 | 31-03-2014 | 31-03-2015 | 31-03-2014 |
| I | REVENUE | | | | | | |
| | SEGMENT REVENUE | 2,81,05,07,702.13 | 24,30,89,777.00 | 19,23,80,168.75 | 14,53,70,620.00 | 3,00,28,87,870.88 | 38,84,60,397.00 |
| II | RESULT | | | | | | |
| | SEGMENT RESULT | 19,99,88,960.44 | 1,00,24,975.00 | 4,87,19,137.33 | 2,28,56,810.00 | 24,87,08,097.77 | 3,28,81,785.00 |
| | CORPORATE EXPENSES | | | | | | |
| | OPERATING PROFIT | | | | | 24,87,08,097.77 | 3,28,81,785.00 |
| | INTEREST EXPENSES | | | | | 11,63,75,096.00 | 5,40,89,982.00 |
| | INTEREST AND OTHER INCOME | | | | | 2,82,80,938.49 | 2,58,64,943.00 |
| | INCOME TAXES | | | | | 5,84,66,693.00 | 3,15,846.00 |
| | EXTRAORDINARY ITEM | | | | | | 33,38,210.00 |
| | PRIOR PERIOD ADJUSTMENTS (NET) | | | | | 1,12,68,956.53 | - |
| | NET PROFIT | | | | | 11,34,16,203.79 | 9,82,690.00 |
| III | OTHER INFORMATION | | | | | | |
| | SEGMENT ASSETS | 1,76,50,44,198.08 | 1,52,12,45,552.66 | 38,01,33,910.65 | 31,79,81,810.11 | 2,14,51,78,108.73 | 1,83,92,27,362.77 |
| | UNALLOCATED CORPORATE ASSETS | | | | | Nil | Nil |
| | TOTAL ASSETS | 1,76,50,44,198.08 | 1,52,12,45,552.66 | 38,01,33,910.65 | 31,79,81,810.11 | 2,14,51,78,108.73 | 1,83,92,27,362.77 |
| | SEGMENT LIABILITIES | 1,59,43,57,432.52 | 1,43,69,63,119.54 | 6,93,55,341.06 | 3,42,15,111.87 | 1,66,37,12,773.58 | 1,47,11,78,231.41 |
| | UNALLOCATED CORPORATE LIABILITIES | | | | | 48,14,65,335.15 | 36,80,49,131.36 |
| | TOTAL LIABILITIES | 1,59,43,57,432.52 | 1,43,69,63,119.54 | 6,93,55,341.06 | 3,42,15,111.87 | 1,66,37,12,773.58 | 1,47,11,78,231.41 |
| | CAPITAL EXPENDITURE | 5,50,055.00 | 2,68,96,290.90 | 10,44,90,272.00 | 5,13,905.00 | 10,50,40,327.00 | 2,74,10,195.90 |
| | DEPRECIATION | 86,17,808.00 | 9,98,075.81 | 17,80,065.00 | 14,62,201.00 | 1,03,97,873.00 | 24,60,276.81 |
| | NON CASH EXPENSES OTHER THAN DEPRECIATION | | | | | | |

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

Sanjeev Saxena & Co.
Chartered Accountants

CA

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INDEPENDENT AUDITORS' REPORT

The Members of
CONCOR AIR LIMITED
NEW DELHI

Report on the Financial Statements

We have audited the accompanying financial statements of CONCOR AIR LIMITED ("the company") which comprises the Balance Sheet as at March 31, 2015, and Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principal generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Sanjeev Saxena & Co.
Chartered Accountants

CA

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Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatements of financial statements, whether due to fraud and error. In making those risk assessment, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of financial statements.

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

Basis for qualified opinion

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

For the Financial Year 2013-14 we observed that tax deducted at source by other parties for Rs. 34,47,643/- remained unaccounted for. However, the company has recorded TDS for IVth Qr. of FY 2014-15 on approximate basis.

Resultantly, the amount disclosed under the sub head 'Advance tax/TDS (net of provisions)' remains understated to the extent of TDS not accounted for. Similarly, 'trade receivables' and/or 'advance from customers' also stand overstated to the extent of tax deducted not accounted for.

The ultimate outcome of the above matter for the current year cannot be determined.

- (ii) In Note no. 12 the company has accounted for salary, rent for lease accommodation and Employees Welfare & Medical expenses of the employees of holding company working for it. Terminal benefits like contribution to provident fund, ESI, gratuity, pension etc. are not accounted for in view of the disclosure made in Note no. 15H(i). The company in the Note has disclosed that: "there are no employees on roll. The employees are working as been seconded by the holding company while some staff is working on deputation from MIAL. The provision of retirement benefits is made in books of parent company."

In our opinion the company has not complied with Accounting Standard (AS) 15 to the extent of not accounting/providing Employees terminal benefits. Since the amount of terminal benefits not provided for has not been informed to us, we are unable to specify the extent of overstatement of profit and understatement of current liabilities therefor.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of matters

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

(a) Note 4 "Current Liabilities" in Balance Sheet:

(i) Under head Other Current Liabilities, sub-head "Advances/Deposits from customers aggregating Rs. 31,98,714/- are included. There is no transaction in these advances during full year (365 days) and hence are to be treated as deposits under Deposits Rules 2014. In respect of above deposits the company is liable for refund as well as consequences for default of provisions relating thereto. Our Opinion, however, is not qualified in respect of this matter.

(ii) Under head Other Current Liabilities, sub-head "Trade Payables" and "Contractually Reimbursable Expenses" at year end the expenses of International Cargo operations have been provided for in the books of account on the basis of the cost sheet approved by Chairman. The provisions and estimates have been considered on the basis of the cost sheet involves risks of material differences, if any, which cannot be determined. The matter was also emphasized in the report of the predecessor auditors on the financial statements for the year ended 31st March 2014. Our opinion, however, is not qualified in respect of this matter.



- (b) Concessionaire agreement for international air cargo dt. 31.10.2013 has not been registered despite of advance payment of stamp duty Rs. 105,45,000/- on 23.10.2013. It exposes the company to the legal consequences including referred to in para 25.12 of said agreement. The company has suffered the financial loss of the aforesaid stamp duty.
- (c) Non-registration of Concessionaire agreement for domestic air cargo dt. 18.02.2013 exposes the company to the legal consequences. Our Opinion, however, is not qualified in respect of this matter.
- (d) In regard to registration of License agreement for domestic cargo, the company deposited stamp duty of Rs. 120,95,175. The Collector stamp duty demanded penalty of Rs. 193,523 which too has been paid. However, the license agreement remains un-registered for adjudication of differential stamp duty as per rates of 2015 and duty actually paid. In absence of the liability not being ascertained, full disclosure of the facts in Contingent Liability is required. Our Opinion, however, is not qualified in respect of this matter.
- (e) Net profit of the company for the year 2014-15 is Rs. 17.18 crores. As required by section 135 of the Act, the company has constituted the CSR Committee in last Board Meeting in April 2015 but has not spent 2% of the net profits towards Corporate Social Responsibility.

Other Matters

We further draw attention to fact that the common facility of International Cargo Complex facility is also used by other custodian and concessionaires. However, the Company is maintaining such common facility, though all revenue from such custodian and concessionaires are accruing to "Mumbai International Airport Private Limited" as per concessionaire agreement. The Company has informed to be in process of verifying such expenses for apportionment and recovery, and hence no impact is considered necessary in the accounts of the company.

The company need to recover appropriate amount of said expenditure attributable to other custodians from MIAL. In absence of such identification and apportionment of common expenses, there could be an excessive charge recovered by MIAL from the company. Our Opinion, however, is not qualified in respect of this matter.

Report On Other Legal And Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of clause (42) of section 2 of the Companies Act, 2013 we give in the Annexure a statement of the matters specified in the Para 3 of the Order.
2. As required by the section 143 we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and beliefs were necessary for the purpose our audit;
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) As the Company is not having any branch, this clause is not applicable.
 - d) The Balance Sheet, statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e) In our opinion the aforesaid financial statements comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) The going concern matter described in sub-paragraph (a) to (e) under the Emphasis of Matters paragraph above, in our opinion, may have adverse effect on the functioning of the company.



Sanjeev Saxena & Co.
Chartered Accountants



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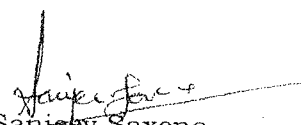
g) On the basis of written representation received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as director in terms of section 164(2) of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

Place: New Delhi
Dated: 11.05.2015




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



Annexure to Auditor's Report

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

(b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(ii) Sub-clauses (a) to (c) of Clause (ii) are not applicable and hence are 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. Sub-clauses (a) and (b) are not applicable and hence not commented.

(iv) The company has not purchased any inventory during the year. As regards the purchase of fixed assets the internal control prima-facie appears to be commensurate with the size of the company and the nature of its business. However, as regards the revenue from cargo business, we are unable to express any opinion as to adequacy of internal control because the company depends on software of Mumbai International Airport Pvt. Ltd., to which we do not have any access.

(v) The company has defaulted in complying with the provisions of sections 73 to 76 and other relevant provisions of the Companies Act and the rules framed there under. The nature of default has been detailed in as per Para (a) (i) of matters emphasized of this report. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

(vi) Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013.

Sanjeev Saxena & Co.
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(vii) (a) The company has not provided for provident fund, employee's state insurance which are reportedly borne by the holding company. The company is regular in depositing other undisputed statutory dues including income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues with the appropriate authorities except in few instances of income tax deducted but deposited beyond due date, interest has been paid.

(b) There are no disputed liabilities for income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess.

(c) The company is not liable to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) Not applicable as the company has earned profits since incorporation.

(ix) Not applicable as the company has not borrowed funds from any financial institution.

(x) Not applicable as the company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) Not applicable as the company has not taken any term loans.

(xii) No fraud on or by the company was noticed or reported during the year.

Place: New Delhi
Dated: 11.05.2015



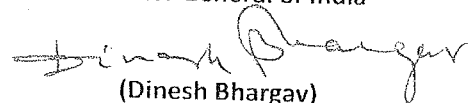
Sanjeev Saxena
Sanjeev Saxena
Partner, M.No.084091
For and on behalf of
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Chartered Accountants
FRN 005041N

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CONCOR AIR LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of **CONCOR AIR LIMITED** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is 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 11-05-2015.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **CONCOR AIR LIMITED** for the year ended 31 March 2015 and as such have no comments to make under section 143(6)(b) of the Act.

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



(Dinesh Bhargava)

Principal Director of Audit
(Railway Commercial)

Place: New Delhi

Date: 24-06-2015