



# **CONCOR AIR LIMITED**

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

**7<sup>th</sup> Annual Report  
(2018-19)**

## **VISION**

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

## **MISSION**

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

## **CORPORATE OBJECTIVES**

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

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

Sr. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018 - 19
1.	Total Income Including Other Income)	30,430.50	35,467.12	38,547.39	46426.28	7,011.20
2.	Expenditure	27,443.94	31,893.25	35,783.93	42960.28	6,005.43
3.	Operating Margin (1-2)	2,986.56	3,573.86	2,763.45	3466.00	1,005.77
4.	Interest Expenses	1,163.75	1,163.75	1,064.27	993.49	452.90
5.	Depreciation	103.98	125.81	500.29	550.61	537.80
6.	Profit Before Tax	1,718.83	2,284.31	1,198.89	1921.90	15.07
7.	Profit After Tax	1,134.16	1,493.75	783.52	1216.23	3.79
8.	Dividend	-	220.56	308.78	1043.23	1,274.69
9.	Profit & Loss Account Balance	1,149.65	2,307.46	2,782.20	2955.20	1,684.30
10.	General Reserve	-	-	-	-	-
11.	Term Loan	-	-	-	-	-
12.	Reserve & Surplus (9+10)	1,149.65	2,307.46	2,782.20	2955.20	1,684.30
13.	Fixed Assets ( Gross Block)	1,850.97	3,777.62	4,364.95	4504.70	4,503.69
14.	Sundry Debtors	843.86	1,288.18	1,904.79	2899.52	555.83
15.	Foreign Exchange Earnings	-	-	-	-	-
16.	Share Capital	3,665.00	3,665.00	3,665.00	3665.00	3,665.00
17.	Capital Employed	17,235.49	18,289.25	6,289.65	6418.39	5,105.01
18.	Government Investment	-	-	-	-	-
19.	Net Worth ( 12+16)	4,814.65	5,972.46	6,447.20	6620.20	5,349.30
20.	Profit Before Tax to Capital Employed	9.97	12.49	19.06	29.94	0.30
21.	Operating Margin to Capital Employed	17.33	19.54	43.94	54.00	19.70
22.	Profit After Tax to Share Capital	30.95	40.76	21.38	33.18	0.10
23.	Expenditure to Income (Sr. No. 2/1*100)	90.19	89.92	92.83	92.53	85.65
24.	Number of Employee	16	19	27	23	12
25.	Income per Employee	1,901.91	1,866.69	1,427.68	2018.53	584.27
26.	Foreign Exchange Earning per Employee	-	-	-	-	-
27.	Current Ratio	1.67	1.50	1.13	1.15	1.43
28.	Debt Equity Ratio	2.60	2.09	1.71	1.51	-
29.	Investment	-	-	-	-	-
	<b>PHYSICAL PERFORMANCE ( In MT)</b>					
1.	International Handling	308,583	320,190	341,455	402,234	17,506
2.	Domestic Handling	69,216	70,507	103,477	124,792	138,940
3.	Total ( 1+2)	377,798	390,698	444,932	527,026	156,446

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Shri. V. Kalyana Rama	Chairman
Shri. P. K. Agrawal	Non-Executive Director
Shri Sharat Chandrayan	Non-Executive Director
Shri Sanjeev Shah (Ceased w.e.f. 31.03.2019)	Independent Director
Ms. Vanita Seth	Independent Director

Shri Tilak Raj Taneja  
Chief Financial Officer

Shri Jignesh Gaglani  
Company Secretary

### **STATUTORY AUDITORS**

V. K. Khosla & Co.  
16/14, IInd Floor, W.E.A,  
Karol Bagh,  
New Delhi - 110005

### **REGISTERED ADDRESS**

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

### **BANKERS**

Vijaya Bank  
Yes Bank  
State Bank of India

## **NOTICE**

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

Day : Tuesday  
Date : August 27, 2019  
Time : 11.30 AM  
Venue : Conference Room, CONCOR Bhawan,  
C-3, Mathura Road, Opp. Apollo Hospital,  
New Delhi - 110076.

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

### **ORDINARY BUSINESS:**

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

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2019, together with Reports of Board of Directors and Auditors thereon.

**RESOLVED THAT** the Audited Financial Statements as at 31<sup>st</sup> March, 2019 and Statement of Profit & Loss for the year ended on that date and Directors' Reports and Auditors' Report and Comments of Comptroller and Auditor General of India thereon, be and are hereby approved and adopted."

2. To appoint a Director in place of Shri Pradip Kumar Agrawal, Director (DIN: 07557080) who retires by rotation and being eligible, offer himself for reappointment.

**"RESOLVED THAT** Shri Pradip Kumar Agrawal (holding DIN 07557080) who retires by rotation and being eligible for reappointment, be and is hereby re-appointed as the Director of the Company and whose office shall be liable to retire by rotation."

3. To take note of the appointment of M/s. V K Khosla & Co. Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass following resolution as an Ordinary Resolution :

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

**SPECIAL BUSINESS:**

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

**RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Kejriwal & Associates Cost Accountant, Mumbai (having firm registration no. 101363) appointed by the Board of Directors of the Company as Cost Auditor to conduct audit of Cost Records maintained by the Company in respect of "Cargo facilities at the Airport regulated by the Airports Economic Regulatory Authority under the Airports Economic Regulatory Authority of India Act, 2008" for the financial year 2019-20 for the annual cost audit fees/remuneration of Rs. 39,000/- plus applicable Government Taxes and reimbursement of travelling and actual out of pocket expenses incurred in relation to perform of their duties, be and is hereby ratified and approved.

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

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

**Date: 05.08.2019**

**Place: Mumbai**

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

## NOTES:

- (a) A brief resume of the Directors seeking re-appointment and appointed since last Annual General Meeting, as required under DPE Guidelines is annexed hereto and forms part of Notice.
- (b) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
- (c) A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxy(ies) to attend and vote on a poll instead of himself and the proxy(ies) so appointed need not be a member of the Company. Proxy(ies) in order to be effective, must be received at the Company's registered office not less than 48 hours before the Commencement of the Meeting. Only duly completed, signed and stamped proxy will be considered valid. A Proxy form is attached herewith.
- (d) A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case of a member who is holding more than ten percent of the total share capital of the Company carrying voting rights may appoint single person as proxy and such person shall not act as a proxy for any other person or shareholder. The Proxy-holder shall prove his identity at the time of attending the Meeting
- (e) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send/attach a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting, along with the Proxy Form/ Attendance Slip.
- (f) Members/Proxies/Authorized Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slips(s) and copies of Annual Report. In case joint holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled.
- (g) During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member would be entitled to inspect the proxies lodged, at any time during the business hours at the Registered Office of the Company, provided that not less than three days of notice in writing is given to the Company.
- (h) All documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the



Company on all working days (except Saturday and Sunday) between 11.00 A.M. to 1.00 P.M upto the date of Annual General Meeting and the same along with other documents as required under the applicable law will also be available for inspection at the time of AGM of the Company at the venue of the meeting.

- (i) Members desiring any information as regards the Financial Statements are requested to write to the Company at least 15 days before the date of the meeting to enable the management to keep the information ready.

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

### **ITEM No. 5**

The Board, as per the recommendation of Audit Committee, has approved the appointment and remuneration of M/s. M/s. Kejriwal & Associates, Cost Accountant, Mumbai (Firm Registration no. 101363) as the Cost Auditor for conducting audit of Cost Records maintained by the Company in respect of “Cargo facilities at the Airport regulated by the Airports Economic Regulatory Authority under the Airports Economic Regulatory Authority of India Act, 2008 for the Financial Year 2019-20 for the annual remuneration/Audit fees of Rs. 39,000/- plus applicable Government taxes and reimbursement of travelling and actual out of pocket expenses incurred in relation to perform of their duties.

In accordance with provision(s) of Section 148 of the Act read with Rule 14(a)ii of the Companies (Audit and Auditors) Rules, 2014, the audit fees/remuneration payable to the Cost Auditor is required to be ratified by the Shareholders of the Company. Accordingly, consent of the members is being sought for passing an Ordinary Resolution in this regard viz. for ratification of the remuneration/audit fee of Rs. 39,000/- payable to the Cost Auditor for financial year 2019-20.

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

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

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

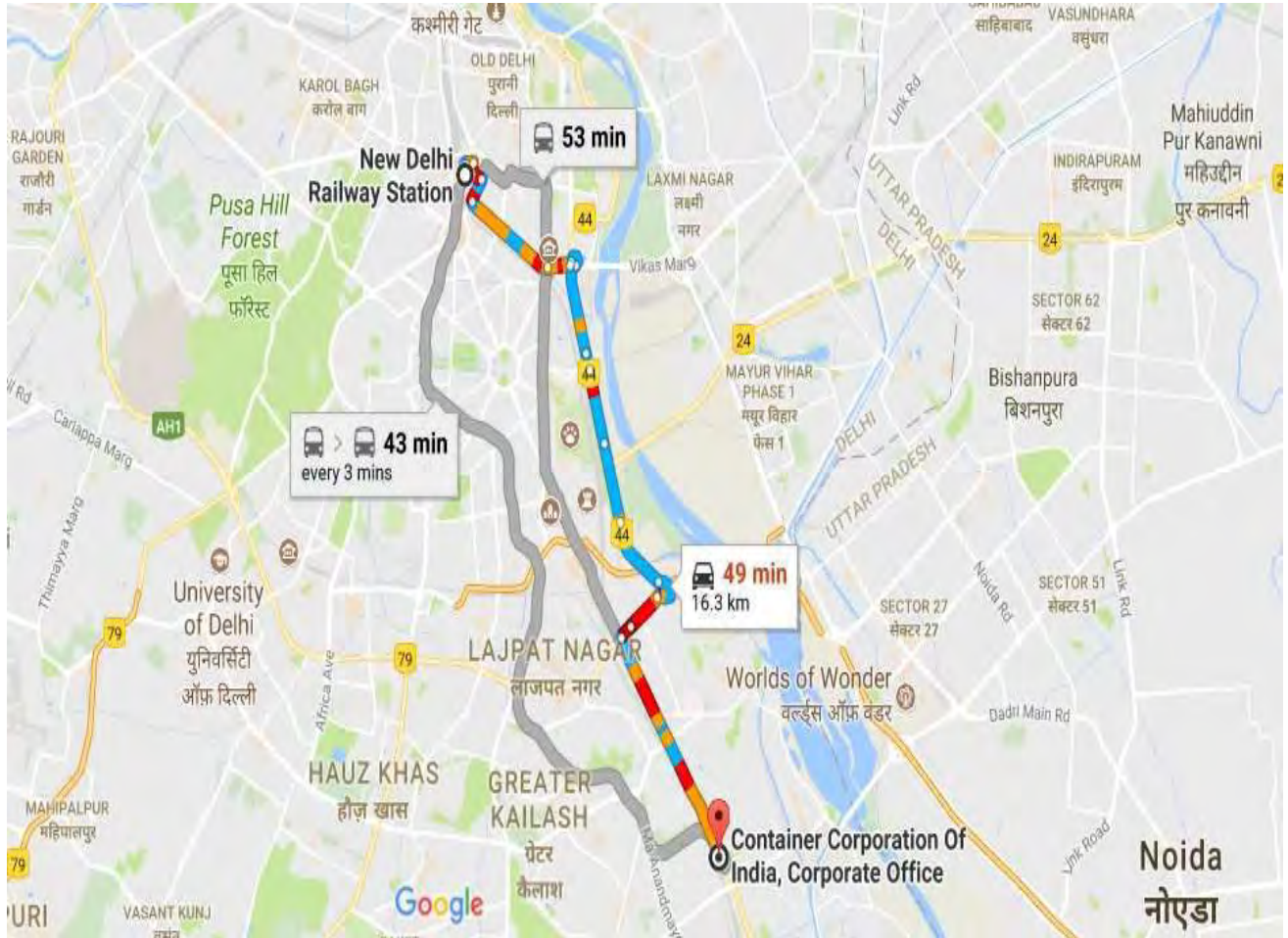
**Date: 05.08.2019  
Place: Mumbai**

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

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

Name	Shri Pradip Kumar Agrawal
DIN	07557080
Date of Birth	20.01.1963
Date of Appointment	06/09/2016
Qualification	M.A, LLB, MBA (Finance)
Expertise in specific functional areas	Sh. Pradip Kumar Agrawal, Director (Domestic) of Container Corporation of India Limited, the holding Company and appointed as director of w.e.f. 06.09.2016 by CONCOR. He belongs to Indian Railway Traffic Service. He worked for more than 17 years on various important assignments, both at Divisional and Zonal Head quarter level covering operations, commercial marketing and safety of Indian Railways. He has also headed the Gateway Terminal of India Limited. His knowledge, skill and experience has helped CONCOR Air Limited for preparing SOPs at the SACT terminal, standardizing the Operating procedures and running the terminal efficiently.
List of other Companies in which directorship held (As per their last declaration)	1. Container Corporation of India Limited 2. Punjab Logistics Infrastructure Ltd;
Details of other Committee membership	A) Container Corporation of India Limited 1. Stakeholder's Relationship Committee – Member 2. Corporate Social Responsibility Committee – Member 3. Risk Management Committee – Member 4. Share Transfer Committee – Member

## LOCATION OF 7<sup>TH</sup> ANNUAL GENERAL MEETING VENUE



## **LETTER FROM CHAIRMAN**

Dear Member,

Greetings!

It gives me immense pleasure to share through this letter the achievement and highlights of your Company's performance during the previous years. Through various initiatives and well laid down plans, the management could navigate the Company successfully by minimizing the adverse impact of the challenging times for the Indian aviation sector including higher aviation turbine fuel (ATF) prices, slowdown in capacity addition, and lower yields.

During FY 2018-19, we have handled 138940 MTs of domestic cargo as compared to handling of 124793 MTs during the corresponding period of previous financial year 2017-18. Thus registering a healthy growth of 11.33%. CAL expected even a healthier growth but due to dwindling volumes of M/s. Jet Airways in the last two months of the financial year the overall volume growth at CAL got impacted. During the FY 2018-19, Company achieved a gross Turnover of Rs. 66.53 Crores.

CAL has successfully completed its concession period with MIAL for its International Cargo Operations which ended on 15<sup>th</sup> April 2018. We have handled 17506 MTs of EXIM Cargo during the said period. Company has repaid the entire loan obtained from CONCOR, the holding Company and there is no loan outstanding as at 31.03.2019. Although heavy finance cost being borne by the Company towards interest payment even after cessation of international operations, company achieved net profit of Rs. 3.78 Lacs.

CAL is now focusing on domestic operations at SACT. We are obtained the approval of AERA to revise the tariff upwardly by 20%. The revised tariff has been implemented at the terminal w.e.f.18.08.2018. Besides Operational Income, CAL is earning handsome revenue from leasing out the office premises.

I am grateful for your continuous guidance and patronage in all our initiative. I am very thankful to the Company's Board of Directors for their valuable guidance and support. I sincerely appreciate our stakeholders, esteemed customers and our business associates for having reposed faith in our efforts which has helped us to earn their confidence.

I am confident that with the hard work and commitment of the entire CAL team, we would sail through all the challenges that would come in our way for reaching new heights in the future.

With best wishes,

**Date: 30.07.2019**  
**Place: New Delhi**

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

## Directors' Report

To the Shareholders

Your Directors are pleased to present their Seventh Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ending 31<sup>st</sup> March, 2019

### **FINANCIAL REVIEW**

Particulars	(Rs. in Lacs)	
	Year ended on 31st March, 2019 (Audited)	Year ended on 31st March, 2018 (Audited)
Revenue from operations	6653.78	44986.96
Other Income	357.42	1,439.32
Total Income	7011.20	46,426.82
Less: Expenses	6996.13	44,504.39
Profit before Tax	15.07	1,921.89
Current Taxation	92.09	713.83
Deferred Tax	(79.91)	(44.26)
Tax adjustments of earlier years (net)	(0.89)	36.10
Profit/(Loss) after Tax	3.78	1216.22
Earning Per Equity Share	0.01	3.32

Current year figures are not comparable with previous year figures, in view of International operations at Air Cargo Complex (ACC) of the Company was ceased w.e.f 15.04.2018 since international operations were contributing approx. 90% of the revenue of the Company.

## **STATE OF THE COMPANY'S AFFAIR AND OPERATIONAL REVIEW**

- ❖ The company was incorporated on 24th July 2012, and got certificate of commencement of business on 8th March 2013.
- ❖ The company has executed the agreement with Mumbai International Airport Pvt. Ltd. (MIAL) for Concession for Domestic Cargo Common User Facility on 18/02/13. The company commenced Domestic Air cargo handling operation through CUT, Marol from 01/05/2013.
- ❖ The company has signed concession agreement with MIAL on 30th Nov 2013 and took over Operation and Management for International air cargo w.e.f 18/02/2014. The concession period is for 3 years i.e from 18/02/2014 till 17/02/2017 which was further extended from time to time and has finally ended on April 15, 2018.
- ❖ The land at Domestic Airport, earmarked for construction of Santacruz Air Cargo Terminal (SACT) has been taken over by company on 11/03/13. Construction activity has commenced from August 2013 and completed in March'2016. Permission from BCAS was received on 19.05.2016. SACT was inaugurated on June 06<sup>th</sup>, 2016 and commenced commercial operation on June 9<sup>th</sup>, 2016.
- ❖ The domestic tonnage handled during the FY 18 – 19 is 138940 MT which is 11.33% higher as compared to FY 17-18 which was 124793 MT.
- ❖ CAL has successfully completed its concession period with MIAL for its International Operations which ended on 15<sup>th</sup> April 2018. The international tonnage handled is 17506 MTs.
- ❖ The domestic income is higher by Rs. 11.96 Cr in FY 2018-19 as compared to FY 2017-18 Total Domestic Revenue for FY 2018-19 is Rs. 52.27 Cr as whereas in FY 2017 – 18 it was Rs. 40.31 Crores which was increased by 29.67%.
- ❖ In Oct' 18, CAL achieved highest ever Domestic tonnage handled at Domestic Air Cargo in any given single month i.e. 12997 MT.
- ❖ 01 new scheduled Airline has started their domestic operations during this Financial Year namely AirAsia Airlines.
- ❖ We have received 20% hike in tariff from AERA. The revised tariff has been implemented at CAL w.e.f. 18.08.2018.
- ❖ We have implemented the enhanced version of the Galaxy System at CAL with features like Auto Invoice to Customers, etc.
- ❖ To promote Digital India Policy of GOI, we are going to implement Card Swipe Machines at CAL in 2019-20.

## **CAPITAL STRUCTURE**

During the year there has been no change in the capital structure of the company and its paid up share capital stands at Rs. 36.65 Crores.

## **DEMATERIALISATION OF SHARES**

Pursuant to MCA notification dated 10.09.2018, amendment was made in Companies (Prospectus and Allotment of Securities) Rules, 2014 by inserting rule 9A due to which your Company required to facilitate dematerialization of all its existing securities. However MCA has further amended said Rule 9A through vide its notification dated 22.01.2019 inserting sub rule (10) which called as Companies (Prospectus and Allotment of Securities) Amendment Rules, 2019 and exempted Government Companies to facilitate dematerialization and therefor your Company do not required to facilitate dematerialization of all its existing securities.

## **DIVIDEND**

Board of Directors has declared an interim dividend @ 16% on paid up share capital of the Company (i.e. Rs. 1.60 per equity share) amounting to Rs. 5,86,40,000/- and dividend distribution Tax amounting to Rs. 1,20,53,624/- and hence total outgo shall be Rs. 7,06,93,624/-

Board of Directors has not recommended any final dividend.

## **SECURED LOANS/ UNSECURED LOAN**

Unsecured loan of Rs.125 crores was taken during the initial year of the company i.e. 2013-14 from Container Corporation of India Limited (CONCOR), a holding company, and regular interest are being paid to CONCOR in time.

Your company was paying interest on the above said loan regularly to CONCOR at the rate of 9.31% p.a. during the FY 2017-18 which was reduced to 6.93% p.a. with effect from 01.04.2018.

Out of the total loan of Rs. 125 Crores, principle amount was paid back in parts from time to time to CONCOR.

Company has settled the entire outstanding loan on 14-Dec-2018, along with interest till date of repayment of loan at the rate of 6.93% and hence there is no outstanding loan as at 31<sup>st</sup> March, 2019.

## **MATERIAL CHANGES AND COMMITMENTS:**



There have been no material changes and commitment affecting financial position of the Company between the end of the financial year and date of this report.

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

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

### **DEPOSITS**

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

### **DETAILS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY**

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

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

As per notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of the Annual Report. Further, employees working for Concor Air Limited are deputed on secondment basis from Container Corporation of India Limited, the holding Company and therefore there are no direct employees on the roll of Company except Company Secretary.

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

### **HUMAN RESOURCE MANAGEMENT**

As on March 31, 2019 employees' strength of the Company was 11 staffs excluding Key managerial personnel (KMPs) i.e. Chief Financial Officer and Company Secretary. Except Company Secretary, all the staff including KMPs are deputed on secondment basis from CONCOR, the holding Company.

Chief General Manager of Western Region /CONCOR is looking after the functions of Chief Executive Officer of the Company.

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

CAL has constructed the Santacruz Air Cargo Terminal (SACT) as a Green Terminal with state of the art facilities. The building has been constructed for natural daylight which reduces the building's electricity needs, and improves people's health and productivity. The company is using battery operated forklifts, tugs for handling cargo at SACT. The company has installed solar light poles at the terminal to ensure efficient utilization of alternate source of energy.

Company utilize only the LCD/LED monitors, which reduce the power requirement drastically. Most of the latest CPU/Monitors/Printers of desktops are configured in power saving mode.

Foreign Exchange Earnings - NIL

Foreign Exchange Outgo - NIL

## **STATUTORY AUDITORS**

Term of M/s. Sanjeev Saxena & Co. Statutory Auditor of the Company was completed for the FY 2017 – 18 and your Company being a Government Company, statutory auditors are being appointed by the Comptroller & Auditor General (C&AG) of India on year on year basis.

CA&G has appointed M/s. V K Khosla & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company for the financial year 2018-19 in terms of letter No./CA.V/COY/CENTRAL GOVERNMENT, CONAIR(0)/383 dated 31.07.2018 of Comptroller & Auditor General of India. The Statutory Auditor of the Company is being paid an audit fees of Rs. 1,25,000/-

The Statutory Auditor have audited the Financial Statements of the Company for the financial year 2018 – 19. No fraud has been reported by the Auditor to the Audit Committee/Board.

The Comments of the Comptroller & Auditor General (C&AG) of India, through letter no. संख्या/पी.डी.ए/आर.सी/53-24/AA-CAL/2019-20/204 dated 19.08.2019 on Audited Financial Statements of your Company for the financial year ended 31.03.2019 under the Companies Act, 2013 have been received. The Comments of C&AG for the financial year 2018 – 19 along with the Statutory Auditors Report of your Company have been placed elsewhere in this Annual Report.

Management replies to the remark of Auditor's Report on financial statements is annexed as "Addendum to the directors' Report for the FY 2018 - 19

## **COST AUDITOR**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 the Board has approved the appointment/reappointment of M/s. Kejriwal & Associates Cost Accountants, Mumbai (Firm Registration no. 101363) as Cost Auditor of Company for carrying out its cost audit of Company for the FY 2019-20 for an Annual Audit Fee/Remuneration of Rs. 39,000/- plus applicable Government Taxes and reimbursement of travelling and actual out of pocket expenses incurred in relation to performance of their duties.

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

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

## **DETAILS OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board met 5 (Five) times for transacting business of the Company during the financial year 2018-19, the details of which are given in the Corporate Governance report section that forms part of this Annual Report. The intervening gap between two consecutive board meetings did not exceed 120 days.

Shri Sanjeev Shah, Independent director of the Company ceased to be director w.e.f 31.03.2019 on completion of his term which was co-terminus with his term with CONCOR, the holding Company.

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

- (1) Shri V. Kalyana Rama, Chairman and Non-executive non Independent Director [DIN: 07201556];
- (2) Shri Pradip Kumar Agrawal, Non-Executive and Non-Independent Director [DIN: 07557080];
- (3) Shri Sharat Chandrayan, Non-Executive and Non-Independent Director [DIN: 07565063]
- (4) Ms. Vanita Seth, Non-Executive and Independent Director (DIN: 07944119)

## **RETIREMENT OF DIRECTORS BY ROTATION**

As per the Companies Act, 2013 the provisions in respect of retirement of Directors by rotation will not be applicable to Independent Directors. In view of this, no Independent director is considered to be retiring by rotation but all other

directors will be retiring by rotation. In terms of provisions of the Companies Act, 2013, Shri Pradip Kumar Agrawal, Director, [DIN: 07201556] is liable to retire by rotation and being eligible, offer himself for re-appointment.

### **DECLARATION BY INDEPENDENT DIRECTORS**

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

### **INDEPENDENT DIRECTORS' MEETING AND PERFORMANCE EVALUATION OF BOARD MEMBERS**

The Independent Directors met on February 16, 2019 without the attendance of Non-Independent Directors and members of the Management. All Independent Directors were present at the Meeting.

As per Ministry of Corporate Affairs Notification dated 5th June, 2015 provisions of Section and 134(3)(p) shall not apply in case the directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company.

Your Company being the wholly owned subsidiary of CONCOR, Government of India Undertaking under Ministry of Railway. The appointment of Directors of your Company is done by holding Company CONCOR, PSU under Ministry of Railway. Minutes of the Board level Committee are being placed before CAL's Board. Minutes of Board meeting of CAL are being placed before the Board of CONCOR, the holding Company.

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state

of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

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

### **SIGNIFICANT MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

Airport Economic Regulatory Authority of India (AERA), a statutory body constituted under the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008) notified vide Gazette Notification dated 5th December 2008 determines the tariff for aeronautical services in respect of major airports including Ground Handling Services, services provided for cargo facility at the airport. AERA has passed the order no. 01/2018-19 dated 5<sup>th</sup> April, 2018 capping the amount of Royalty/License Fee/Revenue Share payable to Airport Operator as a “Pass Through” Expenditure for the Independent Service Providers providing cargo facility, Ground Handling and Supply of Fuel to the Aircrafts at Major Airports.

The Authority has decided to cap the amount allowable as Pass Through Expenditure out of the Royalty/Revenue Share payable to Airport operator by Independent Service Providers for determining the tariff of ISPs, as given below:

- i. Cargo/Ground Handling / Other Services (including Fuel Throughput):  
30% of Gross regulated revenue of the ISP.

The said AERA order stipulates the amount allowable as Pass Through Expenditure at 30% of Gross Regulated Revenue for determining the tariff for Cargo/Ground Handling/Other Services (including Fuel Throughput).

Pursuant to existing Concession agreement between your Company, as an Independent service provider is presently paying 42% Gross Revenue Share to Mumbai International Airport Private Limited (MIAL) being the Airport operator at CSMIA, Mumbai and in addition, CAL is also paying land license fee to MIAL as per the concession agreement which is escalated by 7.5% annually.

In case of existing contracts between the ISP and airport operator, the actual fee/royalty/revenue share payable to airport operator will be allowed as "Pass Through" cost up to 31/03/2020 for determination of tariff. The said order will adversely impact the financials of your Company in terms of revenue and profits. Your Company being aggrieved party, has filed an appeal against the said order before the Hon'ble Telecom Disputes Settlement and Appellate Tribunal (TDSAT).

### **SEXUAL HARASSMENT**

Your Company is wholly owned subsidiary Company of Container Corporation of India Limited (CONCOR).

CONCOR constituted an Internal Complaints Committee in the year 2003 to receive and investigate complaints related to "Sexual harassment at workplace" following the guidelines issued by Hon'ble Supreme Court of India in "Visakha Vs. State of Rajasthan". The then committee included Senior Officer with Executive Director as its chairperson.

Internal Complaint Committee of CONCOR is authorized to look after the compliances to be done by CAL in respect of Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013 and therefore your Company has complied with provision relating to the constitution of Internal Complaint Committee under the said Act.

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

### **EXTRACT OF ANNUAL RETURN**

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

### **CORPORATE GOVERNANCE REPORT**

Your company believes in the principle that good Corporate Governance establishes a positive organizational culture and it is evident by responsibility, accountability, consistency, fairness and transparency towards its stakeholders.

As required under DPE Guidelines on Corporate Governance, a separate report on Corporate Governance practice followed by the Company forms part of this report and placed as **Annexure - II**

A Practicing Company Secretary has examined and certified your Company's compliance with respect to conditions enumerated in DPE guidelines on Corporate Governance. The certificate forms part of this Report at **Annexure- III.**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

## **CORPORATE SOCIAL RESPONSIBILITY**

CAL has been working sensitively towards sustainable development of all its stakeholders by undertaking welfare activities under its CSR initiatives. As per Companies Act, 2013, CAL has formulated its CSR policy for the benefit of different segments of the society, specifically the deprived, underprivileged persons, groups, entities, etc. CAL has Board level CSR Committee.

Some of the CSR initiatives taken by CAL are as under:



Conducted Medical Health checkup Camp at Mumbai near Cargo Terminals







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

During the year under review Company has spent Rs. 21.40 Lacs towards CSR Activities.

Company has conducted Medical Health Checkup Camps through implementing agency.

Company is planning to organize Skill Development Training through National Backward classes Finance & Development Corporation (NBCFDC), Government of India Undertaking to impart training to underprivileged youth so that the



eligible members of backward class may engage in developmental activities by way of self-employment or wage – employment.

Company officials had series of meeting with NBCFDC and training partners for providing shape to said training and to find the underprivileged youth at location of Mumbai.

Company is also planning for provision of RO water plant to be installed at Municipal Schools located in Mumbai to provide the safe drinking water. MCGM has been requested to identify the Schools to install RO Water Plants.

Since the Program/activities to be undertaken as a part of CSR objective of the Company are ongoing in nature, Company could not make the disbursement of the said CSR Activities in the year under the review.

Further, Company is in process of finalizing more areas/projects to be undertaken under CSR Activities. Unspent amount for the year has been carried forwarded and will be spent.

### **RISK MANAGEMENT**

CAL has in place Board level Risk Management Committee (RMC) which reports to the Audit Committee / Board about the risk element, their mitigation plans, etc. at regular intervals. The RMC has been entrusted with the responsibility to identify and review the risks and formulate action plans and strategies for risk mitigation. The main function of RMC is to monitor various risks and to examine the adequacy of risk management policy and practices adopted by the company and also to initiate action for mitigation of risks arising in operations and other key functional areas of the Company. Top ten risk identified by the management / RMC, are reviewed by the Risk Management Committee and appraised to Audit Committee and Board for their scrutiny and information on half yearly basis.

### **INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY**

CAL's Internal Control Systems are commensurate with its size, scale and complexity and nature of its business activities. Internal Audit constitutes an important element in overall internal control systems of the company. The scope of work of the internal audit is well defined and is very exhaustive to cover all crucial functions and businesses of the company. The internal audit in the company is carried out by the independent professional firm appointed for this purpose. Further, the internal financial controls with reference to the Financial Statements are adequate.

The respective department of the company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems and accounting procedures and policies. Based on the report

of internal auditors' necessary steps are taken at regular intervals to further strengthen the existing systems and procedures. The significant observations of internal auditors and corrective actions thereon are presented to the Audit Committee of the Board at regular intervals.

Independent directors of the Company has also observed that internal control system are satisfactory after complying with observation of internal audit report's for the FY 2018-19 which they have noted in its separate meeting of Independent director of the Company.

### **CODE OF CONDUCT**

The Code of Conduct has been laid down for the Board Members and senior management.

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 Code of Conduct for the financial year ended on 31.03.2019.

### **SECRETARIAL AUDITOR**

Pursuant to Section 204 of the Companies Act 2013 the Board has appointed M/s. Abhijit Malusare & Co., Company Secretary in Practice, Mumbai, as its Secretarial Auditor to conduct the Secretarial Auditor of the Company for the financial year 2018-19.

The Secretarial Auditor had observed that Company has not spent the earmarked amount towards CSR in FY 2018 – 19. In response to observation of Auditor, remarks of the directors are Company is planning to organize Skill Development Training through National Backward classes Finance & Development Corporation (NBCFDC), Government of India Undertaking to impart training to underprivileged youth so that the eligible members of backward class may engage in developmental activities by way of self-employment or wage – employment.

Company officials had series of meeting with NBCFDC and training partners for providing shape to said training and to find the underprivileged youth at location of Mumbai.

Company is also planning for provision of RO water plant to be installed at Municipal Schools located in Mumbai to provide the safe drinking water. MCGM has been requested to identify the Schools to install RO Water Plants.

Since the Program/activities to be undertaken as a part of CSR objective of the Company are ongoing in nature, Company could not make the disbursement of the said CSR Activities in the year under the review.

Further, Company is in process of finalizing more areas/projects to be undertaken under CSR Activities. Unspent amount for the year has been carried forward and will be spent.

The Secretarial Audit Report in the form MR – 3 for the financial year ended March 31, 2019 is annexed to this report as **Annexure VI**

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

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

During the period ended 31<sup>st</sup> March, 2019, Company's related party transactions were with Container Corporation of India Limited, holding Company (a PSU under Ministry of Railway) in ordinary course of business and on arm's length basis and disclosed in notes forming parts of accounts. The same are reviewed and approved by the Audit Committee in its meetings.

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

### **ACKNOWLEDGMENT**

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

**For and on behalf of the Board of Directors**

**Place: New Delhi**  
**Date: 30.07.2019**

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

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2019

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	U62200DL2012GOI239207
Registration Date	24 <sup>th</sup> July, 2012
Name of the Company	CONCOR AIR LIMITED
Category / Sub-Category of the Company	Government Company, Limited by Shares
Address of the Registered office and contact details	CONCOR Bhawan, C – 3 Mathura Road, New Delhi - 110076 Tel. No. 011-41673093 Fax. No. 011-41673112 Email: <a href="mailto:Jignesh@concorair.in">Jignesh@concorair.in</a>
Whether Listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

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

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

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

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

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

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				%Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	NIL								
b) Central Govt.	NIL								
c) State Govt (s)	NIL								
d) Bodies Corp.		366500	366500	100		366500	366500	100	Nil
e) Banks / FI	NIL								
f) Any Others	NIL								
<b>Sub-total (A) (1):-</b>		366500	366500	100		366500	366500	100	Nil
<b>(2) Foreign</b>	NIL								
a) NRIs - Individuals	NIL								
b) Other – Individuals	NIL								
c) Bodies Corp.	NIL								
d) Banks / FI	NIL								
e) Any Others	NIL								
<b>Sub-Total (A) (2):-</b>	NIL								
<b>Total shareholding of Promoter</b>		366500	366500	100		366500	366500	100	Nil
<b>B. Public Shareholding</b>	NIL								
<b>1. Institutions</b>	NIL								
a) Mutual Funds	NIL								
b) Banks / FI	NIL								
c) Central Govt	NIL								
d) State Govt(s)	NIL								
e) Venture Capital Funds	NIL								
f) Insurance Companies	NIL								
g) FIs	NIL								
h) Foreign Venture Capital	NIL								
i) Others	NIL								
<b>Sub-total (B) (1):-</b>	NIL								
<b>2. Non Institutions</b>	NIL								
a) Bodies Corp.	NIL								
i) Indian	NIL								
ii) Overseas	NIL								
b) Individuals	NIL								
i) Individual shareholders holding nominal share capital upto Rs. 1	NIL								
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL								
c) Others (specify)	NIL								
<b>Sub-total (B)(2):-</b>	NIL								
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	NIL								
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL								
<b>Grand Total (A+B+C)</b>		366500	366500	100		366500	366500	100	Nil

**ii. Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Container Corporation of India Limited	3,66,50,000	100%	0.00	3,66,50,000	100%	0.00	0.00.
	<b>Total</b>	<b>36650000</b>	<b>100%</b>	<b>0.00</b>	<b>36650000</b>	<b>100%</b>	<b>0.00</b>	<b>0.00.</b>

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

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (As on 31.03.2019)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	3,66,50,000	100%	3,66,50,000	100%
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	No change during the year			
3.	At the end of the year	3,66,50,000	100%	3,66,50,000	100%

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning of the year (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the company				No. of shares	% of total shares of the company
N.A.								

**v. Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning of the year (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the company				No. of shares	% of total shares of the company
N.A.								

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount		100,00,00,000		100,00,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		100,00,00,000		100,00,00,000
Change in Indebtedness during the financial year				
Addition				
Reduction		100,00,00,000		100,00,00,000
Net Change				
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount		0		0
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		0		0

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		-	-	-	-	-
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)					
	Ceiling as per the Act*					

### B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	<b>Shri Sanjeev Shah</b>	<b>Ms. Vanita Seth</b>	
	Fee for attending Board/committee meetings	<b>4,20,000/-</b>	<b>Rs.3,90,000/-</b>	<b>8,10,000/-</b>
	Commission	-	-	
	Others, please specify	-	-	
	Total (1)	<b>4,20,000/-</b>	<b>Rs.3,90,000/-</b>	<b>8,10,000/-</b>
2.	Other Non-Executive Directors			
	Fee for attending board committee	-	-	
	Total (2)	-	-	
	Total (B)=(1+2)	<b>4,20,000/-</b>	<b>Rs.3,90,000/-</b>	<b>8,10,000/-</b>



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

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rs. In Lacs)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Tilak Raj Taneja Chief Financial Officer*	Shri Jignesh Gaglani Company Secretary	
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	–	–	
	<b>Total</b>		<b>6.83</b>	

\*Shri Tilak Raj Taneja, Chief Financial Officer of the Company is deputed on secondment basis from Container Corporation of India Limited, a holding company and also awarded with dual charge of CFO/CAL and Sr. GM/ F&A/CONCOR and hence remuneration are being paid by holding Company.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

## ANNEXURE – II OF DIRECTORS REPORT

### CORPORATE GOVERNANCE REPORT

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

### BOARD OF DIRECTORS

#### Composition of Board

As on March 31, 2019 the Board consist of 5 Directors including one Non-Executive Chairman, two Non-executive non-independent Directors and two Non-executive Independent Directors out of which one is woman director which are as follows.

Sr. No.	Names	Category	Designation
1.	Shri V. Kalyana Rama	Non-executive, Non independent Director	Chairman and Director
3.	Shri P. K. Agrawal	Non-executive, Non independent Director	Director
4.	Shri Sharat Chandrayan	Non-executive, Non independent Director	Director
5.	Shri Sanjeev Shah	Independent Director	Director
6.	Ms. Vanita Seth	Independent Director	Director

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

Name of Director	Status	No.of Board Meeting Held during 2018-19	Meeting held during respective tenures of Directors	No. Board Meeting Attended	Attendance at last AGM
Shri V. Kalyana Rama	Chairman &N.E.D.	5	5	5	Yes
Shri P. K. Agrawal	N.E.D	5	5	5	Yes
Shri Sharat Chandrayan	N.E.D	5	5	5	Yes
Shri Sanjeev Shah	I.N.E.D	5	5	5	Yes
Ms. Vanita Seth	I.N.E.D	5	5	5	Yes

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

### **BOARD MEETINGS HELD DURING THE YEAR 2018 - 19**

The Board held 5(Five) meetings during the year. Board met in every calendar quarter and the intervening period between two Board meetings was well within the maximum period of 120 days as prescribed under the Section 173 of Companies Act, 2013 and in Secretarial Standard – 1 on meetings of the Board of Directors. Details of the Board Meeting are as under:

<b>Sr. No.</b>	<b>Dates</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
1.	April 24, 2018	5	5
2.	July 21, 2018	5	5
3.	October 10, 2018	5	5
4.	December 20, 2018	5	5
5.	February 16, 2019	5	5

### **OTHER DIRECTORSHIP AND COMMITTEE MEMBERSHIP**

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

Name of Directors	No. of directorship (including CAL)		Committees of CAL	
	Member	Chairman	Member	Chairman
Shri V. Kalyana Rama	4	3	-	-
Shri P. K. Agrawal	3	-	4	2
Shri Sharat Chandrayan	1	-	3	-
Shri Sanjeev Shah	5	-	3	2
Ms. Vanita Seth	2	-	1	-

### **RESUME OF DIRECTORS**

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

## **AUDIT COMMITTEE**

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

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's financial reporting process and disclosures. Terms of reference of the Committee are as per the guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises and Section 177 of the Companies Act, 2013.

### **Composition**

The constitution of Audit Committee as on March 31, 2019 is as under:

Shri Sanjeev Shah	- Chairman (Independent Director)
Ms. Vanita Seth	- Member (Independent Director)
Shri P K Agrawal	- Member (Director)

The Company Secretary act as a Secretary to the Committee.

The meetings of the audit committee were held on 24.04.2018, 20.07.2017, 29.10.2017, and 16.02.2019

The terms of reference of the Audit Committee are in accordance with the Companies Act, 2013, the guidelines set out in DPE which inter alia, include recommendation for appointment, remuneration and terms of appointment of auditors, review and monitor the auditor's independence and performance, and effectiveness of audit process, Examination of the financial statement and the auditors' report thereon To review and approval or any subsequent modification of transactions of the Company with related parties, Scrutiny of inter-corporate loans and investments, Evaluation of internal financial controls and risk management systems, etc. The Committee invites the executives of the Company, as it considers appropriate, including Chairman, Chief Financial Officer, representative of Statutory Auditors, representative of Internal Auditors and others at its meetings.

### **MEETING AND ATTENDANCE DURING THE YEAR**

During the financial year ended 31<sup>st</sup> March, 2019, Four Meetings of the Audit Committee were held. The attendance of the Committee members at the meeting was as follows:

Name of Member	Category	No. of meeting held during the year 2018-19	Meeting held during respective tenures of Members	No. of Meeting attended
Shri Sanjeev Shah	Non-Executive - Independent Director	4	4	4
Shri P K Agrawal	Non Executive Director	4	4	4
Ms. Vanita Seth	Non Executive – Independent Director	4	4	4

Shri Sanjeev Shah, Independent director of the Company ceased to be director w.e.f 31.03.2019 on completion of his term which was co-terminus with his term with CONCOR, the holding Company.

With reference to MCA notification dated July 5<sup>th</sup>, 2017 and 13<sup>th</sup> July, 2017, wholly owned subsidiary companies are not required to appoint Independent directors on the Board and constituting “Audit Committee”. Therefore CAL being wholly owned subsidiary of CONCOR, exempted from complying with the provision of section 177 of Companies Act, 2013 in respect of constitution of Audit Committee with requisite composition of Independent directors.

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

On cessation of Shri Sanjeev Shah, Audit Committee was re-constituted and constitution of the same as at date of the report is as follows :

Ms. Vanita Seth	- Chairman (Independent Director)
Shri P K Agrawal	- Member (Director)
Shri Sharat Chandrayan	- Member (Director)

### **NOMINATION AND REMUNERATION COMMITTEE**

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

Ministry of Corporate affairs, through notification dated 05.06.2015, has exempted the Government Companies from applicability of sub-section (2), (3) and (4) of 178 of Companies Act, 2013 except with regards to appointment of senior management and other employees and further vide its notification dated July 5<sup>th</sup>, 2017 and 13<sup>th</sup> July, 2017, wholly owned subsidiary companies are not required to appoint Independent directors on the Board and constituting “Nomination and Remuneration Committee”. Therefore CAL being wholly owned subsidiary of CONCOR, exempted from complying with the provision of section 178 of Companies Act, 2013 in respect of constitution of Nomination and Remuneration Committee with requisite composition of Independent directors.

Constitution of Nomination and Remuneration Committee as at date of this report is as under:

Ms. Vanita Seth	- Chairman (Independent Director)
Shri P K Agrawal	- Member (Non – Executive Director)
Shri Sharat Chandrayan	- Member (Non – Executive Director)

No meetings of the Nomination and Remuneration committee were held during the year under review.

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

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

Details of payments made towards sitting fees to Independent directors during the financial year 2018-19 are given below:

Name of the Part-time non-official Director	Sitting fees		Total
	Board Meeting	Committee Meeting	
Shri Sanjeev Shah	2,00,000/-	2,20,000/-	4,40,000/-
Ms. Vanita Seth	2,00,000/-	1,90,000/-	3,90,000/-

## **CSR COMMITTEE**

In Compliance with the provisions of Section 135 of the Companies Act, 2013 “Corporate Social Responsibility Committee” has been constituted and met on 29.10.2018 during the year which was attended by all the members.

The constitution of CSR Committee as at date of this report is as under:

Shri P K Agrawal, Director	- Chairman
Shri Vanita Seth, Independent Director	- Member
Shri Sharat Chandrayan, Director	- Member

## **RISK MANAGEMENT COMMITTEE**

Risk evaluation and management is an ongoing process within the organization. CAL has a robust risk management system in place to identify, monitor and minimize risks. The Company had a Risk Management Committee (RMC) comprising of directors and KMP of the Company. The members of the RMC as at date of this report comprise of :

1. Shri P K Agrawal, Director
2. Shri Sharat Chandrayan, Director
3. Shri Tilak Raj Taneja, Chief Financial Officer

Committee was constituted by the Board during the year and therefore no meeting was held during the year under review.

## **GENERAL BODY MEETINGS**

### **Annual General Meetings:**

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

<b>General Meeting and Financial Year</b>	<b>Day &amp; Date</b>	<b>Time</b>	<b>Venue</b>	<b>Special Resolution Passed</b>
7 <sup>th</sup> AGM – 2018-19	Tuesday August 27, 2019	11.00 AM	1 <sup>st</sup> Floor, Conference Room, CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076	



6 <sup>th</sup> AGM – 2017-18	Thursday September 20, 2018	12.00 Noon	1 <sup>st</sup> Floor, Conference Room, CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076	
5 <sup>th</sup> AGM – 2016-17	Wednesday September 20, 2017	12.00 Noon	1 <sup>st</sup> Floor, Conference Room, CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076	Shifting of Registered office from NCT of Delhi to state of Maharashtra
4 <sup>th</sup> AGM – 2015-16	Tuesday, August 09, 2016	10.00AM	1 <sup>st</sup> Floor, Conference Room, CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076	Shifting of Registered office from NCT of Delhi to state of Maharashtra

### **Extra Ordinary General Meetings**

No Extraordinary General Meeting was held during the year.

### **DISCLOSURES**

- (i) During the year there was no materially significant related party transactions that may have potential conflict with the interest of Company at large. Transactions with related parties are disclosed in notes forming parts of accounts.
- (ii) CAL's Board framed the Code of Conduct for Board members and Senior Management Personnel, effective from Twenty first day of July, 2018. It is hereby declared and certified that the Provisions of Code of Conduct have been affirmed to be complied with by the Board Members as well as by the Senior Management Personnel for the financial year ended 31.03.2019.
- (iii) There were no instances of penalties / strictures imposed on the Company by any statutory authority due to non-compliances on any matter related to any guidelines issued by Government during last three years.

- (iv) Your Company is wholly owned subsidiary of Container Corporation of India Limited (CONCOR) and therefore the employees working for CAL are deputed on secondment basis from CONCOR. CONCOR has a Whistler Blower Policy which establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud etc. The Company affirms that no personnel have been denied access to the Audit Committee. The said Whistle Blower Policy has been hosted on the website of the holding Company at <http://www.concorindia.com/assets/pdf/WhistleBlowerPolicy.pdf>.
- (v) Your Company has filed report on Corporate Governance in specified format to CONCOR (Holding Company) from time to time.
- (vi) Compliance with the requirement of these guidelines are detailed in this report.
- (vii) No Expenditure has been debited in the Books of Accounts, which is not for the purpose of business and no expenses, which are personal in nature, have been incurred for the Board of Directors and top management.
- (viii) Your Company is wholly owned subsidiary of Container Corporation of India Limited (CONCOR). All the directors on the Board of the Company are also directors of the holding Company and Holding Company have a mechanism for providing training requirement to Board members.
- (ix) Your company being wholly owned subsidiary of Container Corporation of India Limited (CONCOR), employees of holding company are working on secondment basis in CAL.
- (x) The Company has laid down procedure to appraise the Audit Committee and Board about the risk assessment and mitigation plans and procedure of the Company. The same are reviewed by them to ensure that the integrated risks are managed through a properly defined framework and reported from time to time.
- (xi) No fraud has been reported by the Auditors to the Audit Committee or the Board.
- (xii) The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed in Companies Act, 2013

## **MEANS OF COMMUNICATION**

**Financial Results:** The financial results for the FY 2018-19 forms part of Annual Report.

**Annual Report:** Annual Report containing inter-alia Audited Financial Statements, Board's 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. Company's Annual Report is also available in downloadable form on the Holding Company's website and can be accessed at [www.concorindia.com](http://www.concorindia.com).

**For and on behalf of the Board of Directors**

**Place: New Delhi**  
**Date: 30.07.2019**

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

## **Annexure – III of Director’s Report**

### **Corporate Governance Certificate**

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

We have examined the compliance of conditions of Corporate Governance by CONCOR AIR LIMITED (The Company) for the year ended 31st March, 2019 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’ Further, notifications and agenda of the Board Meetings were sent to all the directors at least seven days in advance except two meetings were convened on shorter notice however all the Independent Directors were present in said meeting and therefore sub-section (3) of Section 173 of Companies Act, 2013 is complied with.

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 Abhijit Malusare & Co.

Abhijit Malusare  
Practicing Company Secretary  
ACS No.: 44204  
CP No: 17055

Date: 30.07.2019  
Place: Mumbai

## ANNEXURE-IV OF DIRECTORS REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Industry Structure & Developments:

India is emerging as one of the fastest growing Air cargo markets across the globe and presents abundant opportunities for industry operators. The government has unveiled its much-awaited national air cargo policy, which seeks to make India among the top five air freight markets by 2025, besides creating air transport shipment hubs at all major airports over the next six years. The cargo policy also seeks to establish agreements between national carriers/ freighters and integrators to improve domestic connectivity. The policy covers all three categories of air cargo transport - domestic cargo to ensure efficient flow of goods across India; international cargo facilitating all indigenous export and import of goods; and transit international cargo by making India the transit cargo hub of choice to and from other parts of the globe.

With improvement in the Ease of Doing Business in India coupled with landmark Government of India initiatives like 'Make in India', and 'Digital India', coupled with suitable policy, logistics, regulatory, and skills regime will all contribute to facilitating accelerated growth in air cargo.

#### 2. **A SWOT analysis:**

**Strength:** Strong macroeconomic fundamentals, growth in retail driven by rising levels of disposable income in the hands of more and more people, expansion in domestic air Network by Indian Carriers, End to End solutions by Express Service Providers, growth of new time sensitive verticals like e- Commerce, Pharmaceuticals, Healthcare, Electronics, wireless telephony, and Automotive Spares etc. are the factors responsible for the rapid growth of Domestic Air cargo logistics business. Out of total 07 Airlines operating at Domestic Airport-Mumbai, CAL is handling cargo volume of 06 Airlines i.e. acting as a common user terminal.

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

**Opportunities:** Rising trend of e-commerce, requiring faster deliveries, arrival of new airlines with greater cargo capacity and competitive pricing. India's top domestic commodities like pharmaceuticals, gems and jewellery, textiles, automotive components and leather goods are using air freight. With launch of UDAN Scheme by Government of India, there are opportunities for increase in cargo handled for new streams and new Airlines.

**Threats:** Improved infrastructure of roads, diversion of cargo to rail and other cost efficient modes. Competition from other players is always an impending threat. In coming future Delhi Mumbai Rail Corridor (DMRC)/ Dedicated Freight Corridor (DFC) may also pose a major threat to airports across Western India. Airlines industry is highly dynamic where Airlines are impacted by external threats not under their control like sudden change in fuel price, fluctuation in Forex currencies, etc. which impact their business and in turn impact ground handling business as well.

**3. Segment-wise or Product-wise Performance:** As Concession Agreement between CONCOR Air Limited and MIAL for international cargo concession is ended on 15<sup>th</sup> April 2018 for handling of International cargo, we are focusing on domestic air cargo at CSMI Airport. The Company has performed well in Domestic Air Cargo operations and had registered profit in 2018-19.

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

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

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

The financial information in brief is as under:

	Rs. (in Crores)
<b>UNSECURED LOAN</b>	0
Fixed Assets	26.74
Terminal Rights -Domestic	1.16
International	-
CWIP	-
Inventory	Nil
Sundry Debtors (Trade Receivables)	5.56
Security deposit given to MIAL	31.80
Cash & Bank	16.42
Income	70.11
Expenses (including finance expenses)	69.96
Net Profit/(Loss)	0.15

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

The domestic tonnage handled during the FY 18 – 19 is 138940 MT which is 11.33% higher as compared to FY 17-18 which was 124793 MT.

CAL has successfully completed its concession period with MIAL for its International Operations which ended on 15th April 2018. The international tonnage handled is 17506 MTs.

The domestic income is higher by Rs. 11.96 Cr in FY 2018-19 as compared to FY 2017-18. Total Domestic Revenue for FY 2018-19 is Rs. 52.27 Cr.

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

As on March 31, 2019 employees' strength of the Company was 11 staffs excluding 3 Key managerial personnel (KMPs) i.e. Chief Executive Officer, Chief Financial Officer and Company Secretary. Except Company Secretary, all the staff including KMPs are deputed on secondment basis from CONCOR, the holding Company.

Chief General Manager of Western Region /CONCOR is looking after the functions of Chief Executive Officer of the Company.

## **9. Corporate Social Responsibility:**

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

**For and on behalf of the Board of Directors**

**(V. Kalyana Rama)**  
**Chairman**

**Place: New Delhi**  
**Date: 30.07.2019**

## **ANNEXURE V TO THE DIRECTORS REPORT**

### **REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

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

##### **CAL CSR Policy – Brief Outline**

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

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

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

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

Shri P K Agrawal – Chairman

Shri Sanjeev Shah – Member

Shri Sharat Chanrayan – Member

CSR Committee was re-constituted and constitution is as under as on the date of this report



Shri P K Agrawal – Chairman

Ms. Vanita Seth – Member (w.e.f 22.04.2019)

Shri Sharat Chanrayan – Member

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

The average net profit of the Company for this purpose for last 3 years was Rs. 18.09 Crores

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

Two percent of the amount as in item 2 above was Rs. 36.19 Lacs

**5. Details of CSR Spent during the financial year:-**

(a) Total amount to be spent for the financial year: is Rs. 96.76 Lacs.  
(Sum of Rs. 60.57 Lacs (Rs. 96.76 Lacs – Rs. 36.19 Lacs) were carried forwarded from previous financial years)

(b) Amount unspent is Rs. 75.36 Lacs.

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

**CSR Expenditure during the Financial Year 2018 - 19**

(Rs. in Lacs)

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

1.	MOU signed with Mahavir International towards organising Medical Health Check up	Health	Local Area i.e) Santacruz Air Cargo Terminal, Vile parle (e), Mumbai	3.00	1.40	1.40	Implementing Agency – Mahavir International
2.	Contribution towards ‘Swachh Bharat Kosh’	Sanitation	Government of India	20.00	20.00	Rs. 21.40	Implementing Agency – Government of India

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

Company has conducted Medical Health Checkup Camps through implementing agency.

During the year under review Company has spent Rs. 21.40 Lacs towards CSR Activities.

Company has conducted Medical Health Check-up Camps through implementing agency.

Company is planning to organize Skill Development Training through National Backward Classes Finance & Development Corporation (NBCFDC), Government of India Undertaking, to impart training to underprivileged youth so that the eligible members of backward class may engage in developmental activities by way of self-employment or wage – employment.

Company officials had series of meeting with NBCFDC and training partners for providing shape to said training and to find the underprivileged youth at location of Mumbai.

Company is also planning for provision of RO water plant to be installed at Municipal Schools located in Mumbai to provide the safe drinking water. MCGM has been requested to identify the Schools to install RO Water Plants.

Since the Program/activities to be undertaken as a part of CSR objective of the Company are ongoing in nature, Company could not make the disbursement of the said CSR Activities in the year under the review.

Further, Company is in process of finalizing more areas/projects to be undertaken under CSR Activities. Unspent amount for the year has been carried forwarded and will be spent.

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

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

**For Concor Air Limited**

**Place New Delhi  
Date: 30.07.2019**

**Sd/-  
P K Agrawal  
Chairman – CSR Committee**

**Sd/-  
V. Kalyana Rama  
Chairman and Director**

**Annexure – VI of Director’s Report  
Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st March 2019**

[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, 2019 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, 2019 according to the provisions of:

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

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under are not applicable as the shares of Company are not registered with any of the depository mentioned under the said Act and MCA Notification vide dated 22<sup>nd</sup> January, 2019 which may be called as (Prospectus and Allotment of Securities Rules, 2019) has exempted Government Companies to facilitate dematerialization.
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under are not applicable, as the transactions made by the company during the period under review did not attract the provisions/regulations/rules of the said Act. There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the shares of Company are not listed with any of the Stock Exchanges.
- vi. Secretarial Standards issued by the Institute of Company Secretaries of India.
- vii. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
- viii. Other applicable Laws, rules and Guidelines as mentioned here-in below:
  - a) The Legal Metrology Act 2009
  - b) Right to Information Act 2005
  - c) Sexual Harassment of Women at Workplace Act 2013
  - d) Applicable laws relating to Pollution
  - e) Labour Laws as applicable

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

*During the year under review, it is observed that Company could not spent earmarked amount towards CSR pursuant to section 135 of the Companies Act, 2013.*

We further report that the Board has been duly constituted with Non-Executive Directors and Independent Directors. There has been no Executive Director. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, except two meetings were convened on shorter notice however all the Independent Directors were present in said meeting and therefore sub-section (3) of Section 173 of Companies Act, 2013 is complied with. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

Abhijit Malusare Practicing  
Company Secretary  
ACS No.: 44204  
CP No: 17055

Date: 30.07.2019  
Place: Mumbai

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 Abhijit Malusare & Co.

Abhijit Malusare Practicing  
Company Secretary  
ACS No.: 44204  
CP No: 17055

Date: 30.7.2019  
Place: Mumbai

**ANNEXURE – VII of DIRECTORs REPORT**

**Form No. AOC-2**

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

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

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

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	Container Corporation of India Limited	Holding Company	On Going	Interest amount paid for the loan obtained	Refer note below	NA



				Rs. 4,52,89,922/-		
2.	Container Corporation of India Limited	Holding Company	On Going	Salaries & Allowances and reimbursement of expenses. Rs. 2,42,05,612/-	Refer Note below	NA
3.	Container Corporation of India Limited	Holding Company	On Going	Principal amount paid of loan obtained  Rs. 100,00,00,000/-	06.05.2014	NA
4.	Container Corporation of India Limited	Holding Company	NA	Dividend paid  Rs. 10,57,35,250/-	Interim Dividend 20.12.2018  Final Dividend 24.04.2018	NA

**Note:** Employees of Container Corporation of India Limited, the Holding Company (CONCOR) are working on secondment basis in Concor Air Limited hence Salary and allowances are paid by holding Company which in turn are being reimbursed by Concor Air Limited regularly.

Concor Air Limited has availed loan from CONCOR for which interest amount are being paid to CONCOR from time to time. However CAL has paid the entire loan interest obtained from CONCOR in December 2018 and hence no interest was required to be paid post December 2018.

Final Dividend declared in the Board meeting dated 24.04.2018 for the FY 2017-18 subject to approval of Shareholder was disbursed in September 2018 and interim dividend declared by the Board of Directors in its meeting held on December 20, 2018 was paid in December 2018.

**For Concor Air Limited**

**V. Kalyana Rama  
Chairman**

**ADDENDUM TO DIRECTOR'S REPORT FOR THE FY 2018 – 19**

<b>S. No.</b>	<b>Auditors note</b>	<b>Management Reply</b>
<b>I.</b>	<b><u>Emphasis of Matter</u></b>	
a.	<p>Provision for expenses contains amounts pertaining to earlier periods starting F.Y 2013-14 to 2017-18 amounting to Rs. 2026.70 lac in all. The detailed justification w.r.t holding such huge provision in books along with confirmation from respective parties is required.</p>	<p>Out of the provisions mentioned herewith, Rs. 1995.78 Lac is pertaining to MIAL (Rs. 1575.54 Lac of International cargo concession and Rs. 420.24 Lac for Domestic cargo concession) and Remaining Rs. 30.92 lac is related to other vendors.</p> <p>CAL is regularly making providing for expense as per provisions of concession agreement, The nature of expense are 1) the revenue sharing arrangement with MIAL, 2) the services MIAL is providing to CAL and 3) the services for which MIAL is raising the bill for reimbursements. Status of liabilities provided for International and Domestic concession is as under:-</p> <p><b><u>International (ACC) - Rs. 1575.54 lac</u></b></p> <p>The concession for international cargo operation has already been ceased w.e.f. 15-04-2018 and MIAL had withheld some amount out of SD refundable on account of international cargo concession, for want of reconciliation of their dues.</p> <p>On a later date, based on recommendation of a nominated committee, the amount payable to MIAL is reconciled to Rs. 1189.85 Lac (incl. taxes) (Rs. 849.00 lac from provisions and Others Rs. 340.85 lac) as final settlement for</p>

		<p>international cargo concession. CAL, therefore, now is in position to write off the liability provided in excess to amount reconciled as payable to MIAL.</p> <p><b><u>Domestic (SACT) – Rs. 420.24 Lac</u></b>  MIAL, vide email dated 20-Apr-2019, has sent a balance confirmation certificate showing balance of Rs. 418.16 lac for SACT as against the above stated amount of Rs. 420.24 Lac, merely with a difference of Rs. 2.08 Lac. Detailed breakup has been asked from MIAL for providing confirmation.</p> <p><b><u>Other Vendors – Rs. 30.92 Lac</u></b>  These are regular provision for expense for which either bills were not received or held due to dispute raised by vendor.</p> <p>Further, The fact regarding “receivables and payables are subject to reconciliation / confirmation” has already been disclosed vide note no. 36 to the Financial statements.</p>
b.	<p>Party wise schedules duly reconciled are not available for certain current liabilities:-</p> <p>(a) Excess Amounts received: Rs.113.28 Lac.</p> <p>(b) D.O Charges payable: Rs.21.29 Lac.</p>	<p><b>(a) Excess Amounts received: Rs.113.28 Lac.</b> – This account reflects on account payment received from multiple customers not supported by its details and the same is kept under liabilities. The ledger of this account is provided to auditors. As the international cargo concession has already been ceased w.e.f. 15-04-2018, therefore, no new entry is adding under this ledger, rather reducing regularly with the payment made to customers.</p>

		<p><b>(b) D.O Charges payable: Rs.21.29 Lac.</b> – Under international cargo concession CAL was collecting the D.O. charges on behalf of airlines / agents, in terms of SGHA entered with them. As a token of providing collection services CAL is keeping an agreed %age as CAL revenue and remaining is provided as payable to airlines. The ledger of D.O. charges is provided to auditors. As the international cargo concession has already been ceased w.e.f. 15-04-2018, therefore, no new entry is adding under this ledger, rather reducing regularly with the payment made to airlines / agents. As on date CAL having Rs. 17.28 lac against D.O. charges payable to 11 airlines / agents.</p> <p>As far as reconciliation with airlines / agents is concerned the fact regarding “receivables and payables are subject to reconciliation / confirmation” has already been disclosed vide note no. 36 to the Financial statements.</p>
c.	<p>The Revenue is subject to reconciliation with the GST Returns. The input as well as the output GST as per books of accounts need to be tallied with the online information on the GST portal. The following was observed during the course of the audit:</p> <p>i) Differences were observed in the two forms of GST Returns filed.</p>	<p>CAL is doing reconciliation of GST data with revenue figures, however, the input as well as the output GST data as per books of accounts may not be tallied with the online information on the GST portal. The reasons of the same is listed below:-</p> <p>i) GSTR-3B is a summery return which also include outward and inward supplies on which tax is payable on reverse charge basis, whereas inward supply on reverse charge basis is not part of another return GSTR-1.</p>

	<p>ii) Outward supply as per books &amp; taxable turnover as per GSTR-3B</p> <p>iii) Input supplies/services as per books &amp; as available on the GST portal</p>	<p>ii) Outward supply as per books is inclusive of exempted supplies, zero rated supplies non GST supplies and outward supplies on which tax is payable on reverse charge basis, on the other hand apart from above, GSTR 3B is taking care of inward supplies on which tax is payable on reverse charge basis.</p> <p>iii) The input credit available on GST portal is inclusive of all credits pertaining to inputs, input services and capital goods on which supplier deposited the GST and filed the GSTR-1. Out of those credits some are not admissible as per provisions of CGST ACT. Further, CAL is taking the eligible Input credit on cash basis and on actual payment to vendor which may be different/lower amount due to contractual deductions in bills before releasing payment. Therefore it is not possible to match the credit available at portal with books of accounts.</p>
d.	<p>Rebate expenses amounting to Rs. 23.61 Lac have been provided as payable to Jet Airways basis approval from the board. However, the share of rebate claimable from MIAL has not been provided for in the books of accounts.</p>	<p>The provision for rebate expense was correctly provided with prior approval of competent authority. As far as non providing for the credit in revenue share is concerned, a letter dated 22-Dec-2017 was written to MIAL, however till date no reply / confirmation have been received from MIAL. Therefore due to uncertainty of acceptance / non acceptance of CAL request, no provision for credit in revenue share is made.</p>
e.	<p>The Company needs to carry out reconciliations of debtors, vendors &amp; the liability towards T.D.S deducted by</p>	<p>Communications for confirmation was sent to stakeholders. In some of the cases CAL has received the</p>

	<p>the parties &amp; payable to them (on account of the same having got received with payments as well).</p>	<p>NOC from vendors, As far as domestic debtors are concerned all the airlines having their office in SACT compound, and reconciling their accounts on a regular basis, however, rest are non responsive.</p> <p>Further, the disclosure in this regard “receivables and payables are subject to reconciliation / confirmation” has already been disclosed vide note no. 36 to the Financial statements.</p>
<p>f.</p>	<p>Although the work for concession, operations and management for international Air Cargo with MIAL (Mumbai International Airport Ltd. ended 15-4-18, the account with MIAL has not fully been reconciled / settled. Whereas the claims of Rs. 3419 Lac made by MIAL not accepted by CONCOR Air has been reflected under contingent liabilities, the accounts are, however, subject to reconciliation &amp; settlement of account with MIAL.</p>	<p>Out of total Contingent Liabilities the amount pertains to international cargo concession is Rs. 1,306 Lac and remaining Rs. 2,113 lac pertains to Domestic cargo concession, which is valid till Sep-2024.</p> <p>Concession for operations and management for international Air Cargo with MIAL (Mumbai International Airport Ltd). ended on 15-04-2018. MIAL had withheld some amount out of SD refundable on account of international cargo concession, in want of reconciliation of their dues.</p> <p>CAL had disclosed Rs. 1,306 lac (related to Interest on delayed payment, revenue share on interest income and Liquidated Damages) out of withheld amount under Contingent Liabilities as the claims were raised post cessation of concession and not as per terms of concession.</p> <p>Further, on a later date, reconciliation meeting was held between CAL and MIAL management in which MIAL</p>

		<p>reversed their demand raised towards <b>Interest on delayed payment</b> and <b>Liquidated Damages</b> of Rs. 920 Lac. Further, MIAL had also agreed to withdraw the demand towards interest earned on the initial equity infusion in CAL, due to which entire <b>revenue share on interest income</b> (Rs. 215 Lac) billed for Domestic cargo concession and major portion of <b>revenue share on interest income for</b> Rs. 97 lac billed for internationals cargo concession has been reversed by MIAL.</p>
g.	<p>The company has not spent the prescribed percentage of net profit towards “ Corporate Social Responsibility “ and thus has violated provisions of section 135 of companies Act, 2013.</p>	<p>During the year under review Company has spent Rs. 21.40 Lacs towards CSR Activities. Company has conducted Medical Health Check-up Camps through implementing agency. Company is planning to organize Skill Development Training through National Backward Classes Finance &amp; Development Corporation (NBCFDC), Government of India Undertaking, to impart training to underprivileged youth so that the eligible members of backward class may engage in developmental activities by way of self-employment or wage – employment. Company officials had series of meeting with NBCFDC and training partners for providing shape to said training and to find the underprivileged youth at location of Mumbai.</p> <p>Company is also planning for provision of RO water plant to be installed at Municipal Schools</p>

		<p>located in Mumbai to provide the safe drinking water. MCGM has been requested to identify the Schools to install RO Water Plants.</p> <p>Since the Program/activities to be undertaken as a part of CSR objective of the Company are ongoing in nature, Company could not make the disbursement of the said CSR Activities in the year under the review.</p> <p>Further, Company is in process of finalizing more areas/projects to be undertaken under CSR Activities. Unspent amount for the year has been carried forward and will be spent.</p>
<b>II. Para-7 (a) in Annexure-A</b>		
	Professional tax of Rs. 5,600/- as outstanding has not been paid.	Professional tax of Rs. 5,600/- has already been deposited vide challan dated 14.05.2019.
<b>III. Qualified opinion in Annexure-C</b>		
1)	The company is running standalone IT system for revenue accounting and for accounting of receivables etc, which is not integrated with the financial package tally. The company needs to integrate the two and incorporate internal control audit system to verify the correctness of data.	CAL is running standalone IT system for revenue accounting and for accounting of receivables etc, which is not integrated with the financial package tally. The system is working perfectly. However, the integration work of Galaxy and Tally has already been started in the month of Mar-19 and at present it is under testing stage.
2	System of obtaining debtors and creditors confirmation is not in place.	Company is regular in sending the confirmation letter to debtors and creditors. As far as domestic debtors are concerned all the airlines having their office in SACT compound, and reconciling their accounts on regular basis. The fact regarding “receivables and payables are subject to reconciliation / confirmation” has



		already been disclosed vide note no. 35 to the Financial statements.
3	System of identifying excess provisions and writing them off is not in place resulting in huge amount lying outstanding since last few years.	Review of identifying excess provisions and writing them off, is a regular feature at CAL and reflecting in the financial statements. Some of the liabilities related to MIAL international operations were kept on hold in want of reconciliation. However, the same was reconciled in FY 2019-20 and accounted accordingly.
4	Systems of reconciling the revenue figures and input taxes with GST returns and information available on the portal is not in place.	<p>CAL is doing reconciliation of GST data with revenue figures, however, the input as well as the output GST data as per books of accounts may not be tallied with the online information on the GST portal. The reasons of the same is listed below:-</p> <p>i) Outward supply as per books is inclusive of exempted supplies, zero rated supplies non GST supplies and outward supplies on which tax is payable on reverse charge basis, on the other hand apart from above, GSTR 3B is taking care of inward supplies on which tax is payable on reverse charge basis.</p> <p>ii) The input credit available on GST portal is inclusive of all credits pertaining to inputs, input services and capital goods on which supplier deposited the GST and filed the GSTR-1. Out of those credits some are not admissible as per provisions of CGST ACT. Further, CAL is taking the eligible Input credit on cash basis and on actual payment to vendor which may be different/lower amount due</p>

		<p>to contractual deductions in bills before releasing payment.</p> <p>Further, as per requirement of CGST Act, and independent auditor was appointed to audit the GST records and reconciliations and give their separate report on it.</p>
5	System of accounting and reconciliation of TDS credits and certificates with advances received against the revenue needs a lot of strengthening and regular follow ups.	CAL is doing the income tax and TDS reconciliation on finalization of assessment of respective financial year. However, suggestion of auditor is noted to do early reconciliation to strengthening the system.
6	As per the internal auditors, instances of un cleared cargo (for both inbound and outbound) were observed in the system control over delay in releasing cargo and despatch of cargo along with responsibility fixation.	The chances are very rare for these type of cases. At times due to some technical glitch the system does not complete the cargo operation cycle. However user is ensuring the collection through miscellaneous billing. The matter was already be referred to IT support team for necessary rectification.
7	As per internal auditors, the system of matching money value of cargo quantity recorded in accounting software (Tally) with quantity recorded in Cargo Software (Galaxy) is not fully strengthened on account of overlapping of activity in different stages of collection.	CAL is recording the <b>money value</b> of cargo quantity in accounting software (Tally). However there is no practice to capture the cargo quantity in accounting software (Tally), which is available in cargo software (Galaxy). Further, Internal Auditors, in para 15 (2.1) of their report of Q-3, FY 2018-19 certified that <b>“the amount is tallying with the system”</b> , which reflect the strength of system.

**For Concor Air Limited**

**V. Kalyana Rama  
Chairman**

**CONCOR Air Limited**  
**Statement of Balance sheet**  
**As at March 31, 2019**  
**(All amounts are in Rupees Lac, unless otherwise stated)**

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Property, plant and equipment	2	2,674.58	3,191.87
(b) Capital work in progress	2	-	-
(c) Intangible assets	2.1	115.56	136.79
(d) Deferred tax assets (Net)	3	281.73	201.82
<b>(e) Financial Assets</b>			
(i) Other financial assets	4	448.18	383.42
(f) Other non-current assets	8	305.33	204.68
<b>Total non-current assets</b>		<b>3,825.38</b>	<b>4,118.06</b>
<b>2) Current assets</b>			
<b>(a) Financial Assets</b>			
(i) Trade receivables	5	555.81	2,899.51
(ii) Cash and cash equivalents	7	1,176.90	2,076.29
(iii) Other bank balances	8	445.45	48.57
(iv) Other financial assets	9	2,413.73	12,500.00
(b) Current tax assets (net)	10	373.48	149.71
(c) Other current assets	11	169.64	675.35
<b>Total current assets</b>		<b>5,155.03</b>	<b>18,949.44</b>
<b>Total assets</b>		<b>8,980.41</b>	<b>23,067.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12	3,065.00	3,665.00
(b) Other Equity	13	1,684.29	2,355.20
<b>Total equity</b>		<b>5,349.29</b>	<b>6,670.20</b>
<b>Liabilities</b>			
<b>1) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	14	-	-
(j) Other financial liabilities	15	37.14	-
<b>Total non-current liabilities</b>		<b>37.14</b>	<b>-</b>
<b>2) Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Trade payables	16	329.00	2,176.58
(ii) Other financial liabilities	17	3,068.23	12,045.16
(b) Other current liabilities	18	196.75	1,425.56
<b>Total non-current liabilities</b>		<b>3,593.48</b>	<b>16,447.29</b>
<b>Total liabilities</b>		<b>3,630.92</b>	<b>16,447.29</b>
<b>Total equity and liabilities</b>		<b>8,980.21</b>	<b>23,067.49</b>

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

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

For and on behalf of CONCOR Air Limited

For V.K. Khosla & Co.  
Chartered Accountants  
Firm Registration No. 002283N  
(Anil Khosla)  
Partner  
M. No. 095943



Date: 24-Apr-2019  
Place: New Delhi

(P.K. Agrawal)  
Director

(Shorot Chandrayan)  
Director

(W. Bahana Rama)  
Chairman

(Hilaraj Taneja)  
Chief Finance Officer

(Hignesh Gargani)  
Company Secretary

CONCOR Air Limited  
Statement of Profit and Loss  
For the year ended March 31, 2019  
(All amounts are in Rupees Lac, unless otherwise stated)

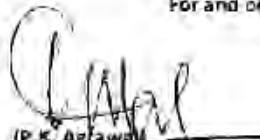
Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	19	6,633.78	40,888.56
II Other Income	20	357.42	1,439.32
III Total Income (I + II)		<u>7,011.20</u>	<u>46,426.28</u>
IV EXPENSES			
(a) Terminal and other service charges	21	4,678.00	17,205.42
(b) Finance cost	22	452.90	993.49
(c) Depreciation and amortisation expense	23	537.80	550.61
(d) Other expenses	24	1,377.43	5,754.87
Total Expenses		<u>6,996.13</u>	<u>44,504.39</u>
V Profit/(loss) before tax (III - IV)		<u>15.07</u>	<u>1,921.89</u>
VI Tax Expense	25		
(a) Current tax		92.09	713.83
(b) Deferred tax		(79.91)	(44.76)
(c) Tax adjustments of earlier years (net)		(0.8)	36.10
Total tax expense		<u>11.29</u>	<u>705.67</u>
VII Profit/(loss) after tax (V - VI)		<u>3.78</u>	<u>1,216.22</u>
VIII Other comprehensive income			
IX Total comprehensive income for the period (VII + VIII)		<u>3.78</u>	<u>1,216.22</u>
X Earnings per equity share :-	28		
(a) Basic (Rs.)		0.01	3.37
(b) Diluted (Rs.)		0.01	3.32

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

For and on behalf of CONCOR Air Limited

For V.K. Khosla & Co.  
Chartered Accountants  
Firm Registration No. 002242/2015  
(Amit Khosla)  
Partner  
M. No.095943



  
(P.K. Agrawal)  
Director

  
(V. Kalyana Ramia)  
Chairman

  
(Sharat Chandrayan)  
Director

  
(Tinal Raj Taneja)  
Chief Finance Officer

  
(Animesh Gaglani)  
Company Secretary

Date: 24-Apr-2019  
Place: New Delhi

Concor Air Limited  
 Notes forming part of the financial statements  
 As at March 31, 2019  
 (All amounts are in Rupees Lacs, unless otherwise stated)

a. Equity Share Capital

	Number of Shares	Equity share capital
Issued and paid up capital at April 1, 2017	366.50	3,665.00
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2018</b>	<b>366.50</b>	<b>3,665.00</b>
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2019</b>	<b>366.50</b>	<b>3,665.00</b>

b. Statements of changes in equity

Particulars	Note No.	Retained earnings	Total
<b>Balance at April 1, 2017</b>		<b>2,782.20</b>	<b>2,782.20</b>
Profit for the period		1,215.28	1,216.23
Payment of dividends		866.77	866.77
Payment of dividend tax		176.45	176.45
<b>Balance at March 31, 2018</b>		<b>2,955.20</b>	<b>2,955.20</b>
<b>Balance at April 1, 2018</b>		<b>2,955.20</b>	<b>2,955.20</b>
Profit for the period		3.78	3.78
Payment of dividends		1,057.36	1,057.36
Payment of dividend tax		217.34	217.34
<b>Balance at March 31, 2019</b>		<b>1,684.28</b>	<b>1,684.29</b>

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

1 to 38

For V. K. Khosla & Co.  
 Chartered Accountants  
 Firm Registration No : 002225W

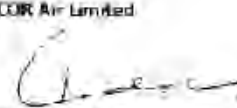
  
 (Amit Khosla)  
 Partner  
 M. No. 035943



Date: 24-Apr-2019  
 Place: New Delhi

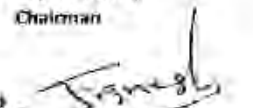
For and on behalf of CONCOR Air Limited

  
 (P. K. Agrawal)  
 Director

  
 (V. Kalyana Rama)  
 Chairman

  
 (Sharat Chandrasen)  
 Director

  
 (Manoj Taneja)  
 Chief Finance Officer

  
 (Jignesh Gargani)  
 Company Secretary

**Concor Air Limited**  
**Cash Flow Statement**  
for the year ended March 31, 2019  
(All amounts are in Rupees Lac, unless otherwise stated)

Particulars	Notes No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from Operating Activities:</b>			
Net profit after tax		3.78	1,215.22
<b>Adjustments for:</b>			
Depreciation and amortisation		537.80	550.61
Finance costs		452.80	993.40
Interest income		(115.46)	(1,143.67)
Amortisation expense on SD given for concession agreement		42.05	982.59
Provisions no longer required written back		(47.74)	(120.86)
<b>Operating Profit before Working Capital changes</b>		<b>864.20</b>	<b>2,478.38</b>
<b>Adjustments for changes in Working Capital :</b>			
- Increase/(decrease) in trade payables		(1,299.84)	900.17
- Increase/(decrease) other financial liabilities		(9,739.45)	(1,272.34)
- Increase/(decrease) in other current liabilities		(1,229.30)	870.92
- (Increase)/decrease in trade receivables		2,343.69	(994.73)
- (Increase)/decrease in other current financial assets		10,086.78	(113.47)
- (Increase)/decrease in other current assets		505.71	(297.75)
- Increase/(decrease) other non current financial Assets		(107.71)	(1,147.87)
- (Increase)/decrease in other non current assets		(180.58)	(7.49)
<b>Cash generated from Operating Activities</b>		<b>742.96</b>	<b>415.92</b>
- Income taxes paid/(refunded)		(723.77)	381.44
<b>Net Cash from Operating Activities</b>		<b>519.19</b>	<b>796.76</b>
<b>B. Cash flow from Investing Activities:</b>			
Purchase of fixed assets		0.41	(288.91)
Interest earned on Short Term Bank Deposits		48.58	118.37
Interest income on security deposit given		36.91	1,025.71
<b>Net Cash from Investing Activities</b>		<b>125.90</b>	<b>855.27</b>
<b>C. Cash flow from Financing Activities:</b>			
Interest paid on loan from CONCOR		(452.90)	(993.49)
Repayment of loan taken from CONCOR			
Dividend paid		(1,037.36)	(866.77)
Dividend tax paid		(717.34)	(176.45)
<b>Net Cash from Financing Activities</b>		<b>(1,727.60)</b>	<b>(2,036.72)</b>
<b>Net increase/(Decrease) in cash &amp; cash equivalents</b>		<b>(1,082.51)</b>	<b>(335.19)</b>
Cash and cash equivalents as at 1st April (Opening Balance)	7-8	2,724.86	3,060.05
Cash and cash equivalents as at 31st March (Closing Balance)	7-8	1,642.35	2,724.86
<b>Cash and cash equivalents comprise:</b>			
Cash in hand	7	0.94	1.34
Balance with banks	7	89.35	1,171.83
Deposits having original maturity less than 3 months	7	1,106.61	1,507.13
Other bank balances	8		
Deposits having original maturity more than 3 months but less than 1 year		425.45	48.57
		<b>1,642.35</b>	<b>2,724.86</b>

**Notes:-**

- There are no non-cash transactions entered by the company.
- The accompanying notes are an integral part of these financial statements
- As per our report of even date

For V.K. Khosla & Co.  
Chartered Accountants  
Firm Registration No. 002233N  
  
(Amit Khosla)  
Partner  
M. No.095943



Date: 24-Apr-2019  
Place: New Delhi

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For and on behalf of CONCOR Air Limited

  
(P.R. Agrawal)  
Director

  
(V. Kalyana Rama)  
Chairman

  
(Sharat Chandrayani)  
Director

  
(Tilak Raj Taneja)  
Chief Finance Officer

  
(Jignesh Gaglani)  
Company Secretary

## NOTE No. - 1 :SIGNIFICANT ACCOUNTING POLICIES

### CONCOR AIR LTD

#### 1. CORPORATE INFORMATION

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

#### 2. APPLICATION OF NEW AND REVISED IND AS

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

##### Application of New IND AS

At the preparation of these financial statements, Ministry of Corporate Affairs (MCA), in March 2019, notified a new IND AS-116 (Leases) substituting the existing IND AS- 17. The impact of new IND AS has been summarized as follows:

The new IND AS-116 has been notified to increase transparency and comparability among organizations by requiring them to recognise Right-of-Use ("ROU") assets and lease liabilities on their balance sheet. While the asset has to be depreciated as per IND AS-16 (PPE), liability has to be adjusted over the period of lease. Under this standard, disclosures are required to be made with the objective of enabling users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The Company will be required to recognize and measure leases existing at, or entered into after, the beginning of the earliest comparative period presented using a retrospective method, with certain practical expedients available.

The standard will be effective for Financial Statements beginning April 1, 2019. As per management's understanding, this standard will have an impact on the Balance Sheet, but the impact on Profit and Loss Statement will not be material. The most significant impact will be the recognition of ROU assets and lease liabilities for lessees, while accounting of leases as lessor will remain substantially unchanged.

As a lessee, this standard will apply to leasing of office premises, accommodation provided to staff, equipment's and certain category of land. On the other hand as a lessor, this standard will apply to leases related to renting of accommodations, etc.

The company is evaluating the provisions of this IND AS and its effect on the financial statements is being evaluated.



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### 3. Statement of compliance

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

### 4. Basis of preparation and presentation

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

### 5. Property, plant and equipment

- (i) **Property, plant and equipment** is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes net of interest on capital advances and duty credits and is inclusive of freight, duties, taxes and other incidental expenses. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalization is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim. Items such as spare parts, stand-by equipment and servicing equipment (if any), are recognized in accordance with this Ind AS 16 when they meet the definition of property, plant and equipment.
- (ii) **Capital work in progress** includes the cost of fixed assets that are not yet ready for their intended use. The cost is measured similar to cost of property, plant and equipment.
- (iii) **Depreciation:** Property, plant and equipment are depreciated over its useful life and in the manner prescribed in Schedule II to the Companies Act 2013. Assets constructed on leasehold land, other than perpetual leases, and assets classified as finance leases are depreciated over the period of lease or useful





life of such assets, as prescribed under Schedule II of Companies Act 2013, whichever is less.

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

## 6. Intangible assets:

### Computer Software:

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

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

### Terminal Rights

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

## 7. Impairment of Non-financial Assets:

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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



## 8. Employee Benefits and Contractual Manpower cost:

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

## 9. Foreign Currency Transactions:

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

## 10. Revenue recognition:

### 10.1. Basic principal of Revenue Recognition:

i. Revenue is recognized on satisfaction of each performance obligation (distinct services) as per the terms of the contract.

#### ii. Performance obligations are treated as distinct obligation:

- a) When it is identifiable separately from other obligations in the contract;
- b) Its progress can be measured separately,
- c) Transaction price to the performance obligation can be allocated;
- d) The customer will not be required to re-perform the services already performed in case it decides to terminate the contract at that stage;
- e) There will not be any impairment in the value of services already performed; and
- f) The customer can get the rest of the performance without intervention of CAI.

iii. Satisfaction of performance obligation: Cargo handling for onwards delivery / dispatch is considered distinct performance obligation under each contract.

iv. Transaction price for each primary obligation is fixed at the time of entering into contract. Rates at which incidental services are charged are also known at the time of entering into contract. Therefore "output method" of revenue recognition is applied.

v. Volume discount scheme (VDS) is in the nature of variable consideration. Since, VDS is not universally applicable to all contracts, fair estimate is made of such consideration payable in specific cases and is deducted from Gross Revenue to reflect revenue net of variable consideration on the reporting date.



**10.2. Handling Income:** Handling Income and charges for its incidental services and related expenses are accounted for on satisfaction of performance obligation i.e., Handling of cargo after providing all incidental services required in the course of primary obligation like Terminal Service and Processing, Weighment, Screening (X-ray), Palletisation etc. to make the cargo ready for delivery.

**10.3 Demurrage / Warehousing Income:** Demurrage Warehousing Income is recognized at the time of release of cargo to the customer.

**10.4 Dividend Income:** Dividend income is recognized when the company's right to receive the dividend is established.

**10.5.** Interest income from deposits is recognized on accrual basis.

**10.6.** Interest on income tax refunds are accounted for on the finalization of assessments."

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

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

**12. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

**13. Taxes on Income:**

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

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

**Deferred Tax:** Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the



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

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

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

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

#### Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **14. Provisions, Contingent Liabilities & Contingent Assets:**

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

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

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

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

#### 15. Earnings per share (EPS)

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

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

#### 16. Cash and Cash Equivalent

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

#### 17. Leases

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

#### The Company as lessee:

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

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

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

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

#### **The Company as lessor:**

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

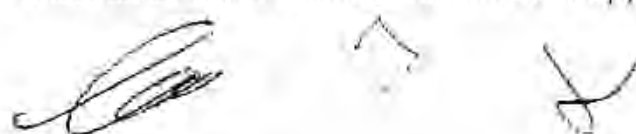
Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are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

#### **18. Financial instruments**

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

#### **Initial recognition and measurement:**

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



### **Subsequent measurement:**

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

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

### **De-recognition:**

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

### **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **19. Impairment of financial asset**

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

### **Trade receivable:**

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

### **Other financial assets:**

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

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

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



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

Recoverability of deferred tax assets. The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Useful life of Property plant and Equipment and Intangible assets: As described at 3 and 4 above, the Company reviews the estimated useful lives of property, plant and equipment and Intangible assets at the end of each reporting period. The estimate of useful life may be different on account of change in business environment and change in technology which could have a material impact on the financial statement.

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Concor Air Limited  
 Notes forming part of the financial statements  
 As at March 31, 2019  
 (All amounts are in Rupees Lacs, unless otherwise stated)

Note - 2

Property, Plant and Equipment

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Warehouse Building	2,168.41	2,563.75
Plant and Machinery	771.57	271.29
Air Conditioner	143.44	169.79
Telephone Equipments	0.92	1.31
Furniture and Fixtures	21.07	24.14
Office Equipments	36.71	51.63
Computer	71.22	100.83
Leasehold Improvement		0.05
<b>Total</b>	<b>2,674.38</b>	<b>3,191.57</b>

A. Property, Plant and Equipment 100000

Particulars	Warehouse Building	Plant and Machinery	Air conditioner	Telephone Equipments	Furniture and Fixtures	Office Equipment	Computer	Leasehold improvement	Total
<b>At Cost or deemed cost</b>									
Balance at April 1, 2017	3,176.12	385.50	186.31	1.99	38.29	75.58	173.65	1.34	3,988.76
Additions	104.16		30.58			2.65	4.17		141.57
Disposals/adjustments		(1.02)					(0.60)		(1.82)
<b>Balance at March 31, 2018</b>	<b>3,280.28</b>	<b>334.48</b>	<b>216.89</b>	<b>1.99</b>	<b>38.29</b>	<b>78.22</b>	<b>177.02</b>	<b>1.34</b>	<b>4,128.51</b>
Balance at April 1, 2018	3,280.28	334.48	216.89	1.99	38.29	78.22	177.02	1.34	4,128.50
Additions									
Disposals/adjustments			1.76		(1.76)	0.21	(1.03)		(1.01)
<b>Balance at March 31, 2019</b>	<b>3,280.28</b>	<b>334.48</b>	<b>218.65</b>	<b>1.99</b>	<b>36.53</b>	<b>78.43</b>	<b>175.79</b>	<b>1.34</b>	<b>4,177.49</b>

Particulars	Warehouse Building	Plant and Machinery	Air conditioner	Telephone Equipments	Furniture and Fixtures	Office Equipment	Computer	Leasehold improvement	Total
<b>Accumulated depreciation and impairment</b>									
Balance at April 1, 2017	312.29	23.52	18.55	0.31	6.10	11.87	33.96	1.29	407.91
Depreciation charge for the year	804.24	39.67	29.05	0.37	4.97	14.72	36.36	-	529.38
Disposals/adjustments							0.76		0.18
<b>Balance at March 31, 2018</b>	<b>716.53</b>	<b>63.19</b>	<b>47.60</b>	<b>0.68</b>	<b>11.07</b>	<b>26.59</b>	<b>70.19</b>	<b>1.29</b>	<b>937.13</b>
Balance at April 1, 2018	716.53	63.19	47.60	0.68	11.07	26.59	70.19	1.29	937.13
Depreciation charge for the year	394.74	39.72	27.05	0.38	4.91	14.89	35.71	0.00	518.57
Disposals/adjustments			0.52		(0.32)	0.14	(0.32)		(0.60)
<b>Balance at March 31, 2019</b>	<b>1,110.87</b>	<b>102.91</b>	<b>75.11</b>	<b>1.06</b>	<b>15.46</b>	<b>41.69</b>	<b>104.68</b>		<b>1,453.10</b>



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**B. Capital work in progress**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital work in progress		
<b>Total</b>		

**Movement in Capital work in progress (CWIP)**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance at the beginning of the year		
Addition during the year		
Cancelled during the year		
Building		
Items and Materials		
Air conditioning		
Other equipment		
Others		
<b>Balance at the end of the year</b>		

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Canor Air Limited  
 Notes forming part of the financial statements  
 As at March 31, 2019  
 (All amounts are in Rupees Lacs, unless otherwise stated)

Note - 2.1 Intangible assets

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amount of:		
Computer Software	0.51	1.31
Terminal Rights	115.45	175.47
<b>Total</b>	<b>115.56</b>	<b>176.78</b>

Particulars	Computer Software	Terminal Rights	Grand Total
At Cost or deemed cost			
Balance at April 1, 2017	0.94	375.26	376.20
Additions			
Disposals/adjustments			
Balance at March 31, 2018	0.94	375.26	376.20
Balance at April 1, 2018	0.94	375.26	376.20
Additions			
Disposals/adjustments			
Balance at March 31, 2019	0.94	375.26	376.20

Particulars	Computer Software	Terminal Rights	Grand Total
Accumulated depreciation and impairment			
Balance at April 1, 2017	0.28	217.91	218.19
Depreciation charge for the year	0.28	20.95	21.23
Disposals/adjustments			
Balance at March 31, 2018	0.56	238.86	239.42
Balance at April 1, 2018	0.56	238.86	239.42
Depreciation charge for the year	0.27	20.95	21.22
Disposals/adjustments			
Balance at March 31, 2019	0.83	259.81	260.64

Note 2.1.1 Terminal Rights as on March 31, 2019 include following expenses:-

Particulars	Domestic	International	Total
Stamp duty paid on concession agreement, aerial space licence agreement and land licence	167.97	70.93	238.90
Bid development cost		96.16	96.16
Asset valuation fees		1.22	1.22
Concession award cost	42.29		42.29
RFP participation fees	0.85		0.85
Professional fees for RFP preparation	0.93		0.93
Professional fees for Registration fee	0.30	0.01	0.31
<b>Total</b>	<b>206.94</b>	<b>168.32</b>	<b>375.26</b>

Terminal Rights as on March 31, 2018

Particulars	Domestic	International	Total
Stamp duty paid on concession agreement, aerial space licence agreement and land licence	167.97	70.93	238.90
Bid development cost		96.16	96.16
Asset valuation fees		1.22	1.22
Concession award cost	42.29		42.29
RFP participation fees	0.85		0.85
Professional fees for RFP preparation	0.93		0.93
Professional fees for Registration fee	0.30	0.01	0.31
<b>Total</b>	<b>206.94</b>	<b>168.32</b>	<b>375.26</b>

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Concor Air Limited

Notes forming part of the financial statements

As at March 31, 2019

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

**Non-current assets**

**Note - 3 : Deferred tax assets (net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets (net)(Refer note 31)	281.73	201.82
<b>Total</b>	<b>281.73</b>	<b>201.82</b>

**Note - 4 : Other financial assets**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured, considered good</b>		
- Security deposits with MIAL (*)	423.92	378.83
- Security deposits - Others	4.59	1.95
- Other Advances	19.67	
<b>Total</b>	<b>448.18</b>	<b>383.42</b>

(\*) The Company has entered into concession agreements with Mumbai International Airport Private Limited (MIAPL) for operation and management of the international as well as domestic cargo facilities and provision of the cargo handling and related services. In consideration of the grant of the concession by the MIAPL to the Company, Company shall pay to MIAPL a fee that is higher of minimum monthly guarantee fee Rs. 18.00 crores ( 2017-18: Rs. 18.00 crores) or revenue share of 60% of gross revenue for international operations and monthly guarantee fee Rs. 0.78 crores ( 2017-18: Rs. 0.74 crores) or revenue share of 42% of gross revenue for domestic operations (refer note 31 for expenses recognised). The concession for international cargo operations was ceased from midnight of 15-04-2019.

**Note 5 : Other non-current assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Unamortised concession arrangement expense	305.33	204.66
<b>Total</b>	<b>305.33</b>	<b>204.66</b>



**Concor Air Limited**  
**Notes forming part of the financial statements**  
**As at March 31, 2019**  
**(All amounts are in Rupees Lac, unless otherwise stated)**

**Note - 6 : Trade Receivables**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>At amortised cost</b>		
Unsecured, Considered good	555.83	2,899.52
Considered doubtful		
<b>Total</b>	<b>555.83</b>	<b>2,899.52</b>

**6.1 Credit Risk Management**

The company's credit risk are mainly on account of its outstanding trade receivables. The company deals in two categories of customers, one being airlines and the other being Consignment / Customs House Agents(CHAs).

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

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

**6.2 Credit Risk Concentration**

The trade receivable balances predominantly includes domestic and international airlines, which are the Company's largest customers. The summary of the balances outstanding with them (having value more than 5% of total trade receivables as at March 31, 2019) are as follows:

Customer Name	As at March 31, 2019		As at March 31, 2018	
	Amount	(%)	Amount	(%)
Jet Airways (Domestic and EXIM)	107.61	19.36	519.11	17.90
InterGlobe Aviation - (Domestic)	203.85	36.67		
LA8 Cargo (Go Air) - (Domestic)	98.83	17.78		
Spice Jet - (Domestic)	87.03	15.66		
Soviko (Vistara) - (Domestic)	52.97	9.53		
<b>Total</b>	<b>550.28</b>	<b>99.00</b>	<b>519.11</b>	<b>17.90</b>

**6.3 Allowance for expected credit losses**

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

Ageing matrix	As at March 31, 2019	As at March 31, 2018
≤ 180 days past due	555.83	2,899.52
More than 180 days past due		
<b>Total</b>	<b>555.83</b>	<b>2,899.52</b>

Allowance for expected credit loss	As at March 31, 2019	As at March 31, 2018
≤ 180 days past due	0%	0%
More than 180 days past due	0%	0%
<b>Total</b>		



Condor Air Limited

Notes forming part of the financial statements

As at March 31, 2019

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

**Note 7 : Cash and cash equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with scheduled bank in current accounts	99.41	2,073.50
Less: Book Overdraft (*)	(10.06)	(852.67)
Deposits having original maturity less than 3 months	1,105.61	1,507.12
Cash in Hand	0.54	1.34
<b>Total</b>	<b>1,195.50</b>	<b>2,676.29</b>

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

**Note 8 : Other Bank Balances**

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits having original maturity more than 3 months but less than 1 year	445.45	48.57
<b>Total</b>	<b>445.45</b>	<b>48.57</b>



Concor Air Limited  
Notes forming part of the financial statements  
As at March 31, 2019  
(All amounts are in Rupees Lac. unless otherwise stated)

Note 9: Other Current Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
<b>At amortised cost (unsecured, considered good)</b>		
Interest accrued on bank deposits	24.58	-
Security Deposit to MIAL (*)	2,489.15	(2,500.00)
Others		
<b>Total</b>	<b>2,413.73</b>	<b>12,500.00</b>

(\*) The Company has entered into concession agreements with Muzam International Airport Private Limited (MIAL) for operation and management of the international as well as domestic cargo facilities and provision of the cargo handling and related services. In consideration of the grant of the concession by the MIAL to the Company, Company shall pay to MIAL a fee that is higher of minimum monthly guarantee fee Rs. 18.00 crores ( 2017-18: Rs. 18.00 crores) or revenue share of 69% of gross revenue for international operations and monthly guarantee fee Rs. 0.78 crores ( 2017-18: Rs. 0.74 crores) or revenue share of 42% of gross revenue for domestic operations (refer note 21 for expenses recognised). The concession for international cargo operations was ceased from midnight of 15.04.2018.

Note - 10: Current tax assets (net)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income (as/TDS) (net of provisions)	373.48	149.71
<b>Total</b>	<b>373.48</b>	<b>149.71</b>

Note - 11: Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	5.73	4.77
Unamortised concession arrangement expense	-	-
Input Tax / CENVAT credit receivable	169.91	170.58
<b>Total</b>	<b>169.64</b>	<b>175.35</b>



Container Air Limited  
 Notes forming part of the financial statements  
 As at March 31, 2019  
 (All amounts are in Rupees Lac, unless otherwise stated)  
 Note L2 : Equity Share Capital

Particulars	As at	As at
	March 31, 2019	March 31, 2018
<b>Authorised :</b>		
50,000,000 Equity Shares of Rs. 10 each (As at March 31, 2018, 50,000,000 equity shares of Rs 10 each)	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>
<b>Issued, Subscribed and Paid up-</b>		
36,650,000 Equity Shares of Rs. 10 each (As at March 31, 2019) 36,650,000 equity shares of Rs 10 each (Fully paid up)	3,665.00	3,665.00
	<u>3,665.00</u>	<u>3,665.00</u>

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount (in Rs.)	Number of Shares	Amount (in Rs.)
Balance as at the beginning of the year/ Movements	366.50	3,665.00	366.50	3,665.00
Balance as at the end of the year	<u>366.50</u>	<u>3,665.00</u>	<u>366.50</u>	<u>3,665.00</u>

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

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	%	Number of Shares	%
<b>Holding Company</b>				
Container Corporation of India Limited(*)	366.50	100%	366.50	100%

(\*) Includes 5 shares of face value of Rs. 10/- each held by nominees of holding company.

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

Holding Company	As at March 31, 2019	As at March 31, 2018
	Container Corporation of India Limited	366.50





**Concor Air Limited**  
**Notes forming part of the financial statements**  
**(In Indian Rupees Lac, unless otherwise stated)**  
**As at March 31, 2019**  
**Note 13: Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	1,684.29	2,955.20
<b>Total</b>	<b>1,684.29</b>	<b>2,955.20</b>

13.1 Retained Earnings	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	2,955.20	2,761.20
Profit for the year	3.78	1,216.23
Payment of dividend	(1,057.36)	(866.77)
Payment of dividend tax	(217.34)	(175.45)
<b>Balance at the end of the year</b>	<b>1,684.29</b>	<b>2,955.20</b>








**Concor Air Limited**  
**Notes forming part of the financial statements**  
**As at March 31, 2019**  
**(All amounts are in Rupees Lac, unless otherwise stated)**

**Note 14 : Borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost*		
Loan from holding company (unsecured) M/s.Container Corporation of India Ltd.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(\* ) Entire loan from holding company was repaid on dated 14-Dec-2018, alongwith due interest.

**Note 15 : Other financial liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Earnest Money Deposit		
Security Deposit - Contractor	37.44	-
Security Deposit - Consultant		
<b>Total</b>	<b>37.44</b>	<b>-</b>

*[Handwritten signature]*

*[Handwritten signature]*



Concor Air Limited

Notes forming part of the financial statements

As at March 31, 2019

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

Note 16 : Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
- Sundry Creditors - Trade	329.00	2,176.58
- Sundry Creditors-Capital		
- Others		
<b>Total</b>	<b>329.00</b>	<b>2,176.58</b>

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

Note 17 : Other current financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of loan from holding company M/s Container Corporation of India Ltd.		10,000.00
Payable to Related party - CONCOR	40.54	-
Unsecured, considered good		
- Security Deposit - Contractor	61.05	71.58
- Security Deposit - Contractor (Withheld) (*)	129.50	130.96
- Security Deposit - Consultant	23.95	23.95
- Earnest Money Deposit (EMD)	14.77	14.73
Others	2,798.37	2,603.94
<b>Total</b>	<b>3,068.23</b>	<b>12,845.16</b>

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

Note 18 : Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advance received from customers	41.75	565.93
Statutory Remittance	154.50	859.62
<b>Total</b>	<b>196.25</b>	<b>1,425.55</b>



**Concor Air Limited**

Notes forming part of the financial statements

As at March 31, 2019

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

**Revenue from operations**

Note - 19 : Revenue from operations

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Handling Income - Inward	2,237.53	17,629.96
Handling Income - Outward	2,176.25	6,749.38
Demurrage Income - Inward	491.49	13,493.25
Demurrage Income - Outward	141.39	2,508.29
Screening Charges - Inward		0.70
Screening Charges - Outward	1,525.47	3,003.64
Other Operating Income - Inward	49.78	1,027.66
Other Operating Income - Outward	50.73	471.08
Packing Income - Inward	1.61	40.74
Packing Income - Outward	3.14	78.31
<b>Total Revenue from Operation</b>	<b>6,677.40</b>	<b>45,003.00</b>
Less: Rebate / Discount	(23.67)	(16.04)
<b>Net Revenue from Operation</b>	<b>6,653.73</b>	<b>44,986.96</b>

**Other Income**

Note - 20 : Other income

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
<b>Income from financial assets (carried at amortised cost)</b>		
Interest earned on Short Term Bank Deposits (TDS Rs. 8.40 Lac, Previous Year Rs. 11.84 Lac)	88.58	118.37
Interest income on security deposit given to MIALI (Refer note 4 & 9)	36.91	1,025.31
<b>Other Income</b>		
Miscellaneous Income (*)	45.01	51.76
Excess provision written back	47.74	120.86
Rent Income	138.82	123.26
Tender Sale	0.36	0.26
<b>Total</b>	<b>357.42</b>	<b>1,439.32</b>

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



Concor Air Limited

Notes forming part of the financial statements

As at March 31, 2019

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

**Terminal and Other Service Charges**

**Note - 21 : Terminal and Other Service Charges**

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Revenue share against concession arrangement (Refer Note 4 & 3)	3,300.85	29,607.96
Concession arrangement amortisation expense (Refer Note 4 & 3)	47.95	982.59
Handling Expenses	1,282.62	6,773.98
Packing Expenses	1.58	39.92
<b>Total</b>	<b>4,628.00</b>	<b>37,205.42</b>

**Finance Cost**

**Note - 22 : Finance Cost**

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Interest expense on borrowings from holding company	452.90	493.49
<b>Total</b>	<b>452.90</b>	<b>493.49</b>

(TDS Rs. 45.29 lac, Previous Year Rs. 89.35 lac)

**Depreciation Charges**

**Note - 23 : Depreciation Charges**

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Depreciation and amortization expense	537.80	550.61
<b>Total</b>	<b>537.80</b>	<b>550.61</b>




**Concor Air Limited**

Notes forming part of the financial statements

As at March 31, 2019

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

**Other Expenses****Note - 24 : Other Expenses**

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Printing and Stationery	8.57	49.15
Traveling and Convoynace	5.27	22.09
Rent and Licence fee for office building	301.35	240.32
Electricity and Water expenses	130.47	728.51
Repair and Maintenance charges - Building	18.39	325.53
Repair and Maintenance charges - Plant and Machinery / Electricals	66.77	387.26
Repair and Maintenance charges - Others	59.24	232.05
Security expenses	224.21	935.80
Manpower expense (*)	362.56	2,344.49
Rent for Leased Accomodation (Net)		3.79
Manpower Welfare and Medical expense	7.03	15.17
Vehicle Running and Maintenance expense	6.91	130.35
Business Development	0.33	1.04
Postage, Telephone and Internet	14.68	116.72
Bank Charges (**)	4.69	85.23
Legal and Professional Charges	7.29	4.17
Insurance Charges	9.81	23.67
Interest and Penalties	2.23	-
Advertisement	7.54	3.68
Directors' Sitting Fee	8.10	9.13
Auditors' Remuneration		
Audit fees	1.25	1.50
Tax Audit Fee	0.39	0.39
Other services (Refer note - 35)	3.17	3.91
Auditors Out of Pocket expense	1.33	0.60
Rates and Taxes	80.26	82.23
CSR expenses	21.40	12.82
Bad Debts	13.18	-
Miscellaneous expenses	11.06	34.32
<b>Total</b>	<b>1,377.43</b>	<b>5,754.87</b>

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

(\*\*) It includes bank charges, in accordance with the Escrowment agreement entered into with Mumbai International Airport Limited (MIAL), MIAL incurs bank guarantee (BG) expense for submission of BG to customs against 'custodian bond', which are reimbursed by the Company. The Company anticipates such expenses on the basis of confirmation received from MIAL.

**Tax Expenses****Note - 25 : Tax Expenses**

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Current tax	92.09	713.83
Deferred tax	(79.91)	(44.26)
Tax adjustments of earlier years (net)	(0.39)	36.10
<b>Total</b>	<b>11.29</b>	<b>705.67</b>





Concor Air Limited  
 Notes forming part of the financial statements  
 (in Indian Rupees Lac, unless otherwise stated)  
 As at March 31, 2019  
 Note - 26 : Other Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for.	-	-

Note - 27 : Contingent Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Claims against company not acknowledged as debt</b>		
Service tax (CERA audit demand / SCN received)	336.04	408.69
Interest on delayed payment to MIAL	938.86	101.73
L.D. Levied by MIA.	1,879.70	
Claim by MIAL for Revenue share on Interest Income	601.78	
<b>Sub Total</b>	<b>3,755.41</b>	<b>510.42</b>
<b>Other money for which company is contingently liable</b>		
<b>Total</b>	<b>3,755.41</b>	<b>510.42</b>



Concor Air Limited  
 Notes forming part of the financial statements  
 (in Indian Rupees Lacs, unless otherwise stated)  
 As at March 31, 2019  
 Note - 28 : Earning Per Share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic and diluted earnings Rs. per share (Refer note 28.1 below)	0.01	3.32

**28.1 Calculation of basic and diluted earnings per share**

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year used in the calculation of basic and diluted earnings per share	1.78	1,216.22
Weighted average number of equity shares (Face value Rs. 10 per share)	366.50	366.50

**28.2. Impact of changes in accounting policies**

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








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

**Note - 29: Segment Information**

The Segment reporting disclosed by the Company in this section is presented in accordance with the disclosures requirements of Ind AS 105 "Operating Segment".

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

As at March 31, 2019, the operating segment of the Company are as under

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

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

**Segment revenue and results**

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

Particulars	EXIM		Domestic		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Segment revenue</b>						
Handling Income	839.46	21,208.98	3,579.13	2,789.42	4,418.53	23,998.40
Demurrage Income	619.82	15,987.75	13.06	13.78	632.88	16,001.53
Screening Charges	89.31	1,937.23	1,436.16	1,067.11	1,525.47	3,004.34
Other Operating Income	98.92	1,998.31	7.60	0.42	100.52	1,998.73
<b>Sub Total</b>	<b>1,647.45</b>	<b>41,132.27</b>	<b>5,029.95</b>	<b>3,870.73</b>	<b>6,677.40</b>	<b>45,003.00</b>
Rebate Expense			(23.62)	(16.04)	(23.62)	(16.04)
<b>Net Total</b>	<b>1,647.45</b>	<b>41,132.27</b>	<b>5,006.33</b>	<b>3,854.69</b>	<b>6,653.78</b>	<b>44,986.96</b>
<b>Segment results</b>						
<b>Result</b>	<b>65.18</b>	<b>1,555.42</b>	<b>583.17</b>	<b>471.25</b>	<b>648.35</b>	<b>2,026.68</b>
Corporate expenses:						
Interest Expenses	452.90	993.49			452.90	993.49
Depreciation and amortisation	2.60	3.74	535.70	546.87	537.80	550.51
<b>Segment results</b>	<b>(390.37)</b>	<b>558.19</b>	<b>47.97</b>	<b>(75.61)</b>	<b>(342.35)</b>	<b>482.58</b>
<b>Unallocated corporate expenses</b>						
Interest and other income					357.02	1,439.32
Income tax expense					11.29	705.67
<b>Net profit for the year</b>					<b>3.78</b>	<b>1,216.23</b>

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

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

Segment revenue and expenses which are not directly identifiable to the primary reportable segments have been disclosed under unallocable, which primarily includes interest and other income and Corporate Expenses. Other income includes Rent income, dividend income and interest income. Corporate Expenses includes Employee staff benefit expense, Administrative expense and Depreciation expense of Corporate office.

**Segment assets and liabilities**

Particulars	As at March 31, 2019			As at March 31, 2018		
	EXIM	Domestic	Total	EXIM	Domestic	Total
<b>Segment assets</b>						
Non-current assets	1.62	3,541.84	3,543.46	4.25	3,911.99	3,916.24
Current assets	3,741.60	1,539.95	4,781.55	17,275.07	1,574.66	18,799.73
Unallocated corporate assets			655.20			351.52
<b>Total assets</b>	<b>3,743.22</b>	<b>5,081.79</b>	<b>8,980.21</b>	<b>17,279.32</b>	<b>5,486.65</b>	<b>23,067.49</b>
<b>Segment liabilities</b>						
Current liabilities	2,082.25	1,511.22	3,593.48	15,347.58	1,099.26	16,446.84
Non-current liabilities		37.44	37.44			
Unallocated corporate liabilities			5,349.29			6,620.20
<b>Total liabilities</b>	<b>2,082.26</b>	<b>1,548.66</b>	<b>8,980.21</b>	<b>15,347.58</b>	<b>1,099.26</b>	<b>23,067.04</b>

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

a) All assets are allocated to reportable segments. Assets used jointly by reportable segments (if any), are allocated on the basis of the revenues earned by individual reportable segments, and

b) All liabilities are allocated to reportable segments. Liabilities for which reportable segments are jointly liable (if any), are allocated in proportion to segment expenses.


(c) Assets and liabilities which are not directly identifiable to the segments have been disclosed under unallocable.

**Other segment information**

Particulars	As at March 31, 2019			As at March 31, 2018		
	EXIM	Domestic	Total	EXIM	Domestic	Total
<b>Other segment information</b>						
Capital expenditure					141.57	141.57
Depreciation and amortization	2.60	539.70	537.80	2.74	546.87	550.61
Non-cash expenses	0.08	85.10	13.18			

Note :- Capital Expenditure includes addition during the year to property, plant and equipment and Capital work in progress.

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**Revenue from Major Services**

The following is the analysis of the company's revenue from its major services.

Particulars	For the year	
	ended Mar-19	ended Mar-18
Handling Income	4,419.53	23,998.40
Demurrage Income	632.88	16,001.53
Screening Charges	1,525.47	3,004.34
Other Operating Income	100.52	1,998.73
<b>Sub Total</b>	<b>6,677.40</b>	<b>45,003.00</b>
Rebate Expense	(23.61)	(16.04)
<b>Net Total</b>	<b>6,653.79</b>	<b>44,986.96</b>

**Information about major customers**

Customer's represents more than 10 percent or more of the entity's revenue in any of the segments during 2018-19 is as below

Customer Name	As at March 31, 2019		As at March 31,	
	Amount	(%)	Amount	(%)
Jet Airways (Domestic and EKIM)	1336.89	20.09%		
Inter Globe Aviation (Domestic)	812.25	12.36%		



Note - 30 : Income Tax

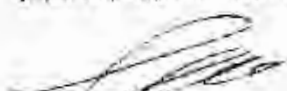
30.1 Income tax recognised in profit or loss

Description	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	92.09	713.83
	<u>92.09</u>	<u>713.83</u>
Deferred tax	(79.91)	(11.26)
	<u>(79.91)</u>	<u>(11.26)</u>
Tax adjustments for earlier years (NIL)	(0.89)	36.30
	<u>(0.89)</u>	<u>36.30</u>
Total income tax expense	<u>11.29</u>	<u>705.67</u>

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

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	15.07	1,921.89
Income tax expense	5.03	665.12
Effect of expenses that are not deductible in determining taxable profit	7.15	4.44
Adjustments recognised in the current year in relation to the current tax of prior years	(0.89)	36.30
Others (describe)		
	<u>11.29</u>	<u>705.67</u>

The tax rate used for the 2018-2019 and 2017-2018 reconciliations above is the corporate tax rate of 30% (plus applicable surcharge and cess) payable by corporate entities in India on taxable profits under the Indian tax law





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

**Note - 33 - Deferred Tax Balances**

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

Description	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	285.23	201.82
Deferred tax liabilities		
<b>Deferred tax assets / (liability) (Net)</b>	<b>281.73</b>	<b>201.82</b>

Particulars	For the year ended as on March 31, 2019			For the year ended as on March 31, 2018		
	Opening balance	Recognised in profit or loss	Closing balance	Opening balance	Recognised in profit or loss	Closing balance
<i>Deferred tax (liabilities)/assets in relation to:</i>						
Property, plant and equipment	9.11	51.10	60.21	(71.48)	30.52	9.11
Expenditure covered by section 43B of I.T. Act, 1961	166.07	26.79	192.86	137.51	28.46	166.07
Security Deposit given recorded at a mortgaged cost	29.37	7.02	36.39	34.10	(14.79)	19.31
Tax losses	7.27		7.27	7.27		7.27
<b>Total</b>	<b>201.82</b>	<b>79.91</b>	<b>281.73</b>	<b>157.56</b>	<b>44.26</b>	<b>201.82</b>






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

**List of Related Parties:**

**Holding Company**

Container Corporation of India Limited

**Key Managerial Persons**

Sh. M. Kalyan Rana

Chairman

Sh. P. K. Agrawal

Director

Sh. Sharad Chandreyan

Director

Sh. Sanjeev Shah (Till 31 Mar 2019)

Director

Late Sh. H. K. Manojrao (Till 16 Jun 2017)

Director

Sm. Ganga Devi (Till 9 Oct 2017)

Director

**Fellow subsidiary**

Fresh and Healthy Enterprises Limited (FHEL)

Bunjab Logistics Infrastructure Limited (BLIL)

Sidkar CONCOR Infra Company Limited (SCIL)

**32.1 Related party transactions**

Particulars	Nature of transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Holding Company</b>			
Container Corporation of India Limited			
	Salary & reimbursement of employees on secondment	147.06	104.61
	Interest on Loan	452.90	393.40
		<b>600.96</b>	<b>498.01</b>

**32.2 Outstanding balances with related parties**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Holding Company</b>		
Container Corporation of India Limited		
Balance payable (Payroll expenses)	40.54	

**32.3 Loans from related parties**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Holding Company</b>		
Container Corporation of India Limited		
Loan from holding company		10,000.00
As per the requirements of purchase agreement Lufthansa Air Limited (LAL) have to deposit a security deposit of Rs.100 Crores. LAL have taken a loan from CONCOR for making back to back arrangement of Rs. 125 crore. Hence loan from holding company was repaid on 14-Dec-2018, alongwith due interest.		

**32.4 Amount recoverable from related parties**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Holding Company</b>		
Container Corporation of India Limited		
Advance given during the year		

**32.5 Terms and conditions**

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

**32.6 Disclosure in respect of Government Controlled Entities**

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

**32.7 Compensation of Key management personnel**

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



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

**Note - 33 : Operating lease arrangements**

**a) As a lessee**

**Leasing arrangements**

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

**Payments recognised as an expense**

Description	For the year ended March 31, 2019	For the year ended March 31, 2018
Minimum lease payments	301.35	240.33
Sub-lease recoveries	126.53	97.30

**Non-cancellable operating lease commitments**

Particulars	As at March 31, 2019	As at March 31, 2018
Total Minimum Lease Payments outstanding as on		
Not later than 1 year	323.95	301.35
Later than 1 year and not later than 5 years	1,557.69	1,449.01
Later than 5 years	232.54	665.16








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

**Note - 34 : Financial Instruments**

**(i) Capital management**

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

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

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

**(ii) Gearing ratio**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (net of cash & bank)	-	10,067.00
Cash & bank balances	-	(2,728.89)
Net Debt	-	7,275.11
Total equity	-	8,640.31
<b>Net debt to equity ratio</b>	<b>(%)</b>	<b>84</b>

Notes: (1) (1) Not worked out being nil (2) Working as at 31 Mar 2019  
 (2) Debt is defined as long-term and short-term borrowings.

**(iii) Categories of financial instruments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Cash and bank balances	-	2,728.89
Trade and other receivables	555.83	2,839.02
Interest accrued on bank deposits	78.38	-
Other current financial assets	-	-
Security / Other deposits & advances	2,957.33	12,983.41
<b>Total financial assets</b>	<b>3,417.74</b>	<b>18,557.80</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Trade payables	108.00	2,170.56
Loans from holding company	-	10,000.00
Earnest Money Deposit	16.77	18.73
Security Deposit - Contractor	96.49	71.68
Security Deposit - Consultant	78.96	23.95
Security Deposit - Contractor (Withheld)	179.56	210.85
Others	2,798.37	2,607.94
<b>Total financial liabilities</b>	<b>3,394.13</b>	<b>15,021.74</b>

**(iv) Financial risk management objectives**

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

**(v) Market Risk**

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

**(vi) Foreign Currency Risk management**

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

**(vii) Interest rate risk management**

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





**CONCOR AIR LIMITED**

Notes forming part of the financial statements

(in Indian Rupees crore, unless otherwise stated)

(viii) Credit risk management

Credit risk exposure of the company has been described in note no. 6.1 for Trade receivables.

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

(ix) Liquidity risk management

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

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018:

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due after 2nd year	Total contracted cash flows
<b>Financial Liabilities</b>					
Trade payables	329.00	329.00			329.00
Loans from holding company	-	-	-	-	-
Earnest Money Deposit	14.77	14.77			14.77
Security Deposit - Contractor	88.49	81.20		7.24	88.49
Security Deposit - Consultant	23.95	23.95			23.95
Security Deposit - Contractor (Withheld)	129.56	-		129.56	129.56
Others	2,798.37	2,496.37			2,798.37

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018:

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due after 2nd year	Total contracted cash flows
<b>Financial Liabilities</b>					
Trade payables	2,176.58	2,176.58			2,176.58
Loans from holding company	10,000.00	10,000.00			10,000.00
Earnest Money Deposit	14.73	14.73			14.73
Security Deposit - Contractor	71.58	71.58			71.58
Security Deposit - Consultant	23.95	23.95			23.95
Security Deposit - Contractor (Withheld)	130.96	-		130.96	130.96
Others	2,603.94	2,603.94			2,603.94

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



The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2019.

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
<b>Financial assets</b>					
Trade and other receivables	556.83	765.83			556.83
Interest accrued on bank deposits	14.08	74.88			14.08
Security / Other deposits & advances	3,837.33	3,389.15	19.67	428.51	3,837.33

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at March 31, 2018.

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
<b>Financial assets</b>					
Trade and other receivables	3,899.02	3,899.02			3,899.02
Interest accrued on bank deposits					
Security / Other deposits & advances	12,883.41	11,500.00		1,493.41	13,130.49

**(a) Fair value measurements**

Majority company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

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

Particulars	Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Security / Other deposits & advances	Level 2	3,837.33	3,837.33	12,883.41	12,883.41
<b>Financial liabilities</b>					
Loan from holding company	Level 2			10,000.00	10,000.00

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

**35. Auditors Remuneration - Other services**

Particulars	As at March 31, 2019	As at March 31, 2018
Cost Audit Fee	0.39	0.39
Internal Audit Fee	0.08	1.00
GST Audit Fee	0.80	-
Statutory Audit Fee	0.25	1.25
Other Services	0.65	1.27
<b>Total</b>	<b>3.17</b>	<b>3.91</b>

Note: The above amount are exclusive of Service tax/IGST

36. Unless otherwise stated, the figures are in million rupees. All Receivables and payables are subject to reconciliation/cash/ bank/ bill/ bill of exchange.

**37. Validity / Termination of concession agreement at CSIR, Sahar, Mumbai**

1. The concession agreement for international cargo operation at AICT, Sahar, Mumbai which was due to expire on 31-Mar-2018, has been extended till 15-Apr-2018 where "hand over Take Over" has taken place.

2. The concession agreement for Domestic cargo operation at AICT, CSIA, Mumbai is valid till 05-Sep-2024.

**38. Approval of financial statements**

The financial statements were approved for issue by the board of directors on Apr, 04, 2019.





**Independent Auditor's Report**

To The Members of  
**Concor Air Limited,**  
New Delhi

**Report on Standalone Indian Accounting Standards ( Ind AS ) Financial Statements**

We have audited the accompanying Ind AS Financial statements of **Concor Air Limited** ("the **Company**"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit & Loss, the Cash Flow Statement and Statement of changes in Equity for the year then ended, and includes a summary of significant accounting policies and other explanatory information, on that date annexed thereto ( hereinafter referred to as 'Standalone Ind AS Financial Statements').

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019,
- (b) In the case of the Statement of Profit & Loss, of the Profit/Loss for the year ended on that date,
- (c) Cash Flow for the year ending 31.03.2019;
- (d) Statement of changes in equity for the year ended on that date

**Basis for Opinion**

We conducted our audit in accordance with the Standards of Auditing (SAs) specified w/s 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

**Emphasis of Matter**

We further draw attention to the following matters in the Standalone Ind AS Financial Statements:

- (a) Provision for expenses contain amounts pertaining to earlier periods starting F.Y 2013-14 to 2017-18 amounting to Rs. 2026.70 lakh in all. The detailed justification w.r.t holding such huge provision in books alongwith confirmation from respective parties is required .
- (b) Party wise schedules duly reconciled are not available for certain current liabilities:-
  - a) Excess Amounts received : Rs.113.28 Lakh.
  - b) D.O Charges payable - Rs.21.29 Lakh.



- (c) The Revenue is subject to reconciliation with the GST Returns. The input as well as the output GST as per books of accounts need to be tallied with the online information on the GST portal. The following was observed during the course of the audit:
- i.) Differences were observed in the two forms of GST Returns filed.
  - ii.) Outward supply as per books & taxable turnover vs per GSTR-3B
  - iii.) Input supplies/services as per books & as available on the GST portal
- (d) Rebate expenses amounting to Rs. 23.61 Lakh have been provided as payable to Jet Airways basis approval from the board. However, the share of rebate claimable from MIAL has not been provided for in the books of accounts.
- (e) The Company needs to carry out reconciliations of debtors, vendors & the liability towards T.D.S deducted by the parties & payable to them (on account of the same having got received with payments as well).
- (f) Although the work for concession, operations and management for international Air Cargo with MIAL (Mumbai International Airport (P) Ltd, ended 15-4-18, the account with MIAL has not fully been reconciled / settled. Whereas the claims of Rs. 3419 Lakh made by MIAL not accepted by Concor Air has been reflected under contingent liabilities, the accounts are, however, subject to reconciliation & settlement of account with MIAL.
- (g) The company has not spent the prescribed percentage of net profit towards "Corporate Social Responsibility" and thus has violated provisions of section 135 of companies Act, 2013

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on the circumstances and facts of the company and the audit, we have determined that there are no key audit matters to communicate in the report.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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





of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matter relating to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the company or cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Ind AS 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The Reasonable assurance is, however, not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 the Standalone Ind AS Financial Statements.

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

### **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 sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(5) of the Act we give in the "Annexure-B", a statement on the matters specified in the directions issued by the Comptroller and Auditor General of India, and in our opinion no action is required to be taken thereon and there is no impact on the accounts and financial statements of the company.



3. As required by section 143(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit & Loss and also Statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid Standalone Ind AS Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Companies Act 2013
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C",
  - g) With respect to the other matters to be included in the Auditor's 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. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: New Delhi

Date: 24.04.2019

For V.K.Khosla & Co.  
Chartered Accountants

FRN: 002283N

  
(Amit Khosla)  
FCA, Partner

Membership No: 095943

**"Annexure A" to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended 31 March 2019, we report that:

- 1) (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 in the phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.  
(c) No immovable properties are held in the name of the company.
- 2) (a) No Inventory is being held by the Company  
(b) Paragraph 2(b) of the Order is not applicable to the company  
(c) Records of inventory are not maintained as there is no inventory held by the Company and no material discrepancies were noticed.
- 3) The Company has not taken loans from companies, Firms or others parties covered under In the register maintained under section 189 of the Companies Act, 2013 ('the Act')
- 4) In our opinion and according to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the companies act, 2013 In respect of loans, investments, guarantees and security.
- 5) The company has not accepted any deposits from the public and hence the directions issued by the Reserve Bank of India and the provision of the sections 73 to 76 or any other relevant provision of the act and the companies (Acceptance of Deposit) Rules,2015 with regard to the deposits accepted from the public are not applicable.
- 6) The company has maintained Cost records and has got Cost Audit carried out upto F Yr.2017-18.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, and records, the Company has generally been regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues with the appropriate authorities, **However, Professional Tax of Rs. 5600 as outstanding on 31.03.2019 has not been paid.** According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable **except Rs.3800/- of the professional tax referred above.**  
(b) According to the information and explanations given to us, no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.



- 8) The Company has not accepted any loan from the banks. The Company has not taken any loan either from financial institution or from government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedure performed and information and explanations given to us by the management, we report that no material fraud on or by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provision of section 197 read with Schedule V to the Companies Act 2013.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provision of clause 4 (xi) of Order are not applicable to the Company.
- 13) In our opinion, all transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statement as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of share or fully or partly convertible debenture during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the Company and not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transaction with director or person connected with him. Accordingly, the provision of clause 3 (xv) of the Order are not applicable to the Company and not commented upon.
- 16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of the Order are not applicable to the Company and not commented upon.

**Place: New Delhi**  
**Date: 24.04.2019**

**For V.K.Khosla & Co.**  
**Chartered Accountants**  
 FRN: 002283N



**(Amit Khosla)**  
**FCA, Partner**

**Memb.No.095943**



**Annexure –B to the Independent Auditors' Report**

**Statutory Auditor's Report for Directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 ("the Act") of CONCOR Air Limited**

With regard to the Statutory Auditor's Report for Directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 ("the Act"), on the basis of our checks we consider it appropriate and according to the information and explanation given to us during the course of our audit of the CONCOR Air Limited, for the financial year 2018-19 we report that:

- a. With respect to whether the company has system in place to process all the accounting transactions through IT systems and if yes, the implications of processing accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any

The Company is running standalone IT system for revenue Accounting and for accounting of receivables etc, which is not integrated with the financial package "Tally". The company needs to integrate the two and incorporate internal control and Audit system to verify the correctness of data.

- b. With respect to restructuring of an existing loan or cases of waiver/ written off of debts, loans/interest etc:

Based on the information and explanation furnished to us by the management, there were no such restructuring of Loans or waivers/ written off of debts / loans/ interest, etc. made by the company during the financial year 2018-19.

- c. With respect to funds received/receivable for specific schemes from central/ state agencies and its proper accounting / utilized as per its terms and conditions and the case of deviation if any

Based on the information and explanation furnished to us by the management, there were no such funds received/receivable for specific schemes from central/ state agencies by the company during F.Y. 2018-19

Place: New Delhi  
Date: 24.04.2019

For V.K.Khosla & Co.  
Chartered Accountants  
FRN 002287N



(Amit Khosla)  
FCA, Partner

Memb, No. 095943



## **"Annexure C" to the Independent Auditor's Report of even date on the Standalone Financial Statements of M/s Concor Air Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s Concor Air Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company' internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, whereas the Company has developed some internal financial control systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, **there is an urgent need for development of a comprehensive Internal Financial Control Manual based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and devising of process for periodic verification of the various modules of the referred manual.** The above inference is drawn based on the following weaknesses observed -

- 1) The Company is running standalone IT system for Revenue accounting and for accounting of receivables etc, which is not integrated with the financial package Tally. The company needs to integrate the two and incorporate Internal control and Audit system to verify the correctness of data.
- 2) System of obtaining Debtors and Creditors confirmation is not in place.
- 3) System of identifying excess provisions and writing them off is not in place resulting in huge amounts lying outstanding since last few years.
- 4) Systems of reconciling the revenue figures and input taxes with GST returns and information available on the portal is not in place.
- 5) System of accounting and reconciliation of TDS credits and certificates with advances received against the revenue needs a lot of strengthening and regular follow ups.



- 6) As per the internal auditors, instances of uncleared cargo ( for both inbound and outbound) were observed in the system Controls over delay in releasing cargo and dispatch of cargo alongwith responsibility fixation
- 7) As per the internal auditors, the system of matching money value of Cargo quantity recorded in accounting software ( Tally ) with quantity recorded in Cargo Software ( Galaxy ) is not fully strengthened on account of overlapping of activity in different stages of collection.

Place: New Delhi  
Date : 24.04.2019

For V.K.Khosla & Co.

Chartered Accountants

ERN: 002283N

  
(Amit Khosla)

FCA, Partner

Membership No.:095943





भारतीय लेखापरीक्षा एवं लेखा विभाग  
कार्यालय प्रधान निदेशक लेखापरीक्षा  
रेलवे वाणिज्यक, नई दिल्ली  
INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT  
RAILWAY-COMMERCIAL, NEW DELHI



संख्या/पी.डी.ए/आर.सी/53-24/AA-CAL/2019-20/ 204

दिनांक 19.08.2019

सेवा में,

प्रबंध निदेशक,  
कॉन्कोर एयर लिमिटेड,  
कॉन्कोर भवन-सी, 3, मधुरा रोड, अपोजिट अपोलो हॉस्पिटल,  
नई दिल्ली - 110071

विषय- 31 मार्च 2019 को समाप्त वर्ष के लिए कॉन्कोर एयर लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, कॉन्कोर एयर लिमिटेड के 31 मार्च 2019 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अवगत कर रहा हूँ।

कृपया इस पत्र की सत्यताको सहित प्राम्ति की पावती भेजी जाए।

सत्यता: यशोधरी

भवदीय,

वि. आर. मण्डल  
(वि. आर. मण्डल)  
प्रधान निदेशक / आर. सी



**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  
2019.**

The preparation of financial statements of **CONCOR AIR LIMITED** for the period ended 31 March 2019 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 24.04.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **CONCOR AIR LIMITED** for the period ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

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



(B.R. Mondal)

Principal Director of Audit  
Railway Commercial, New Delhi

Place: New Delhi

Dated: 19 August 2019

**Form No. MGT – 11**

**Proxy Form**

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

CIN : U62200DL2012GOI239207  
Name of the Company : Concor Air Limited  
Registered Office : C-3, CONCOR Bhawan, Mathura Road,  
Opp. Apollo Hospital, New Delhi – 110076

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7<sup>th</sup> Annual General Meeting of the Company, to be held on the 27<sup>th</sup> day of September at 11.30 noon at C-3, CONCOR Bhawan, Mathura Road, Opp. Apollo Hospital, New Delhi – 110076 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution(s)	Option* (Please mention number of Shares )	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2019, together with Reports of		

	Board of Directors and Auditors thereon (Ordinary Resolution)		
2.	To appoint a Director in place of Shri Pradip Kumar Agrawal, Director (DIN: 07557080) who retires by rotation and being eligible, offer himself for reappointment. (Ordinary Resolution)		
3.	To take note of the appointment of M/s. V K Khosla & Co. Chartered Accountants, New Delhi as Statutory Auditors of the Company. (Ordinary Resolution)		
4.	To ratify the remuneration of Cost Auditor (Ordinary Resolution)		

Signed this ..... day of 2019

Signature of Shareholder

Affix Revenue Stamp
---------------------------

Signature of Proxy holder(s)

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the details of Resolutions, Explanatory Statement and Notes, please refer to the Notice of 7th Annual General Meeting.
- \*3. It is optional to indicate your preference. If you leave the column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
4. Please complete all details including details of member(s) before submission.