

BLUE DART EXPRESS LIMITED
FINANCIAL SUMMARY OF LAST 4 YEARS

(Rs.in crores)

Year End March	FY 99-00	FY 98-99	FY 97-98	FY 96-97
Income from Operations	205.31	168.67	160.85	148.65
Other Income	0.15	7.35	10.07	8.74
Total Income	205.46	176.02	170.92	157.39
Total Expenditure	178.88	156.90	162.87	146.51
Operating Profit	26.57	19.12	8.05	10.88
Interest (Net)	8.77	7.15	5.17	4.80
Gross Profit	17.80	11.97	2.88	6.08
Depreciation	3.79	4.96	5.33	4.67
Extraordinary Items	-	-	1.79	0.85
Profit Before Tax	14.01	7.01	(4.24)	0.56
Taxation	1.70	1.01	-	0.07
Profit After Tax	12.31	6.00	(4.24)	0.49
Equity	11.89	11.88	8.82	8.82
Reserves	77.33	67.55	46.18	50.41
Gross Fixed Assets	100.72	36.31	63.13	60.32
Book Value	73.70	64.00	57.74	64.76

BLUE DART EXPRESS LIMITED
DIRECTORS' REPORT

To the Members

The Directors have great pleasure in presenting the Ninth Annual Report of your Company for the year ended 31st March, 2000.

Financial Results

	31 st March, 2000	(Rs. in thousands) For the year ended 31 st March, 1999
Revenues		
Services	2,053,059	1,686,724
Lease Income	1,500	73,495
Less : Operating Expenses	1,788,846	1,569,054
Operating Profit	265,713	191,165
Less : Finance Cost (net)	87,715	71,464
Depreciation	37,878	49,596
Profit before tax	140,120	70,105
Less : Provision for Income tax		
-- current year	17,000	3,507
-- prior year, net	--	6,566
Profit after tax	123,120	60,032
Profit and Loss A/c balance brought forward	25,915	(10,978)
Profit available for appropriation	149,034	49,054

Performance

Your Company has improved its overall performance on all parameters during the year. The Company continues to strengthen its dominance in Domestic Markets and has significantly grown its operating profits with a mixture of topline growth and effective cost management.

The Company recorded a profit before interest and depreciation of Rs.2657 lacs as compared to Rs.1912 lacs of previous year and profit after interest and depreciation of Rs.1401 lacs, as compared to Rs.701 lacs of previous year.

Dividend

The Company declared an interim dividend of 15% in March, 2000 and your Directors recommend a further 5% as final dividend, totalling to dividend for the year of 20% as compared to 15% of previous year.

Operations Review

Revenue

Your Company, during the year ended 31st March, 2000 recorded a growth of 22% in Income from Operations.

Incremental revenues coupled with cost efficiencies resulted in the profit before tax and depreciation to Rs.1780 lacs for the current year from Rs.1197 lacs of the previous year and doubling of the profit after tax to Rs.1231 lacs as compared to Rs.600 lacs of the previous year.

Your Company has kept its leading position and market share, due to the strength of its network that successfully combines its aviation system, investments in technology and its high quality team of people

Interline arrangements

Your Company continues to expand air side and customs bonded warehouses, along with transshipment facilities, at the 5 major domestic airports, to facilitate movement of import/ export cargo within India. Your Company has agreements with 14 international carriers viz., Air Canada, Air France, Air India, Alitalia, Asiana Airlines, British Airways, Cargolux, DAS Air, Emirates, KLM Royal Dutch Airlines, Kuwait Airways, Saudi Arabian Airlines, Singapore Airlines and Swissair for movement of interline cargo.

ISO-9001

Your Company during the year has been re-certified for a further period of three years according to ISO-9001 standards for its Quality Management Systems by Lloyds Register Quality Assurance.

Credit Rating

Your Company has been assigned “Ind D1+” rating for the company’s short term debt programme indicating very high certainty of timely payment, by Duff & Phelps Credit Rating India Private Ltd.

Y2K compliance / E-Commerce/ Logistics Solutions

The Y2K rollover for the Company and its subsidiary was smooth. All systems have performed normally from 1st January, 2000 onwards.

Your Company has prepared a comprehensive plan to maximise the business potential which E-Commerce will offer. Most transactions through E-Commerce will require logistics support in distribution of products under B2B, C2C and B2C segments, in which your Company is well placed.

Superhub

The Superhub project near Sahar Airport with the latest state-of-the-art technological devices and systems was completed during the year and has enabled the company to enhance its load handling capacity and improve its efficiency and productivity.

Subsidiary Company

The Company's wholly owned subsidiary, Blue Dart Aviation Limited, has shown an improvement in performance by achieving an operating profit of Rs.697 lacs as compared to Rs.591 lacs of previous year and net profit of Rs.40 lacs as compared to Rs.21 lacs of previous year, without the unusual and prior period charges.

The Directors' Report and the audited accounts of the subsidiary company are annexed, as required under Section 212 of the Companies Act, 1956.

Outlook for the future

The Company is ready for the launch of support systems for E-Commerce on the Internet and logistic support for Supply Chain Management Solutions.

Following the rapid growth of various products over the last two years, the Company is preparing plans for enhancing the capacities within the network to capitalise on the future growth of the express industry.

The Company's wholly owned subsidiary is in the process of increasing its fleet of aircraft and shall be able to make available additional capacity for Company's use around second half of the financial year.

Globally, the express industry grows at a multiple of underlying economic growth. Given the growth prospects for the Indian Economy combined with the potential of E-commerce, the Directors believe that your Company is ideally positioned and the future of the Company is dynamic.

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure.

The particulars regarding foreign exchange earnings and expenditure are annexed hereto as Annexure "A" and forms part of this report. Since your Company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors' Rules, 1988) are not applicable.

Employees

The Directors hereby wish to place on record their appreciation of the dedicated, committed and quality services rendered by all employees of the Company. The Company's belief in the philosophy of People, Service, Profit is a cornerstone of our success.

Information on particulars of employees' remuneration is as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975 and forms part of this report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the Company, excluding the Statement of Particulars of Employees. The same is available for inspection at the Registered office of the Company during working hours. Any shareholder interested in such particulars may inspect the same.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Khushroo M. Dubash and Mr. Suresh. G. Sheth, Directors, retire by rotation, and being eligible, offer themselves for re-appointment.

Fixed Deposits

Your Company has not accepted any deposits from the public u/s 58A of the Companies Act, 1956.

Auditors

The auditors Arthur Andersen & Associates, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Acknowledgement

Your Directors place on record their gratitude for the co-operation and support given to the Company by customers, financial institutions, Company's bankers, suppliers, shareholders and solicitors.

For and on behalf of the Board of Directors

Tushar K. Jani
Chairman

Clyde C. Cooper
Managing Director

Khushroo M. Dubash
Director

Suresh G. Sheth
Director

Air Marshal S.S. Ramdas (Retd.)
Director

Gordon Byrn
Alternate Director for
Anil Thadani

Mumbai : 9th May, 2000

ANNEXURE TO THE DIRECTORS' REPORT
ANNEXURE 'A'

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY
ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**

A) Earnings in Foreign Currency

Earnings in foreign currency for pick-up charges and the distribution of international shipments in India amounting to Rs.51,404,622 (1999 – Rs. 35,802,716).

B) Expenditure in Foreign Currency

Expenditure in foreign currency for the distribution of international shipments outside India, professional fees, foreign travel and training amounting to Rs.4,766,279 (1999 – Rs.708,197).



BLUE DART EXPRESS LIMITED
AUDITORS' REPORT

To the Members of

BLUE DART EXPRESS LIMITED

We have examined the accompanying balance sheet of BLUE DART EXPRESS LIMITED at March 31, 2000 and the related statements of profit and loss and cash flows for the year then ended. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our examination.

In our opinion, the financial statements referred to above give a true and fair view of the state of affairs of BLUE DART EXPRESS LIMITED at March 31, 2000 and of its profit and cash flows for the year then ended. The balance sheet and the related statement of profit and loss are in agreement with the books of account, comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act') and are presented in the manner required by the Act. Further in our opinion, the Company has maintained proper books of account as required by law insofar as appears from our examination of those books.

We have also examined the matters specified in paragraphs 4 and 5 of the Manufacturing and Other Companies (Auditor's Report) Order, 1988 for the year ended March 31, 2000 as they relate to the Company. Our report thereon is annexed.

Arthur Andersen & Associates
Chartered Accountants

.....sd/-.....
Richard Rekhy
Partner

Mumbai
May 9, 2000

BLUE DART EXPRESS LIMITED
ANNEXURE TO AUDITORS' REPORT – MARCH 31, 2000

1. The Company has maintained proper records showing full particulars, including quantitative details and situation, of the majority of its fixed assets. We are informed that management verifies its fixed assets on a rotational basis and that no material discrepancies were noted on the fixed assets verified during the year. In our opinion, the frequency of physical verification is reasonable.
2. The fixed assets of the Company have not been revalued during the year.
3. The Company does not have any stocks of finished goods, stores, spare parts or raw materials.
4. The Company has taken unsecured loans from certain parties listed in the register maintained under Section 301 of the Companies Act, 1956. These loans have been repaid during the year. The rates of interest and other terms and conditions of such loans were, prima facie, not prejudicial to the interest of the Company. The Company has not taken loans, secured or unsecured, from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
5. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company has granted unsecured loans to a company under the same management as defined under Section 370(1B) of the Companies Act, 1956. The rates of interest and other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company.
6. The Company has given interest-free advances in the nature of loans to its employees and is recovering the principal amounts as stipulated.
7. In our opinion, the internal control procedures of the Company relating to the purchase of packing materials, equipment and other assets are adequate and commensurate with the size of the Company and the nature of its business.
8. In our opinion and according to the information and explanations given to us, the transactions of sale of services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs.50,000 or more in respect of each party, were made at prices which are reasonable having regard to the prices at which similar transactions were made with other parties.
9. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder apply.