



How expertise, value, innovation
and leadership go places.



IT TAKES A LEADER TO DELIVER

BLUE DART
www.reportjunction.com

Awards & Recognitions

Over the years, Blue Dart has been accredited with many awards thereby maintaining its leadership position in the domestic express industry. Some of the accolades of 2009-10:

2009

- INDY's Brand Leadership Award.
- Gold Medal Award for Blue Dart and Glory of India Award for Anil Khanna, Managing Director, by the Institute of Economic Studies.
- Leader in Prestige and Quality 2008 Award by Magazine of Tourism, Industry and Commerce, Spain.
- Reader's Digest Most Trusted Brand Gold Award, 4th time in a row.
- EDGE Award by Network Computing for innovations in optimizing the customer experience in real-time.
- HR Excellence Award for 'Best Employee Relations and People Management'.
- Best Express Provider of the Year at the Express, Logistics and Supply Chain Conclave.
- Brand Leadership Award by World Brand Congress 2009.
- Market Leadership Award at the 1st CMO Awards presented by Chief Marketing Officer Council USA.
- Consumer Superbrand Award 2009, making Blue Dart a Superbrand 5th year in a row.

- Blue Dart, for the third time in a row, was selected as one of the top 25 companies adopting good Corporate Governance practices by The Institute of Company Secretaries of India.
- Outstanding Entrepreneur Award for Anil Khanna at the Asia Pacific Entrepreneurship Award 2009 India.
- Best Employer Brand Award - Logistics at the 4th Employer Branding Awards 2009.

2010

- Customer and Brand Loyalty Award in the Logistics Sector at the 3rd Loyalty Awards.
- IMM Eminent Organisation Award for Excellence for the Year 2010 at the 37th World Marketing Congress.
- Anil Khanna honoured with "CEO with HR Orientation Award" at the Global HR Excellence Awards 2010.
- Organisation with Innovative HR Practices 2009-10 at the Global HR Excellence Awards, World HRD Congress Meet 2010.
- Best Employer Award on Employee Retention at the Global HR Excellence Awards, World HRD Congress Meet 2010.



Contents

Our Vision and Guiding Principles	02
Corporate Information.....	03
Board of Directors.....	04
Executive Management.....	05
Chairman's Statement	06
Financial Summary	08
The Story behind the Success.....	11
CSR Initiatives	16
Directors' Report.....	20
Corporate Governance Report	27
Auditors' Certificate on Corporate Governance Report.....	38
Management Discussion and Analysis	39
CEO and CFO Certification and Declaration regarding Blue Dart Code of Conduct	44
Auditors' Report	45
Balance Sheet	48
Profit and Loss Account	49
Cash Flow Statement.....	50
Schedules	52
Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 relating to Subsidiary Company.....	67

CONCORDE AIR LOGISTICS LIMITED

Board of Directors.....	68
Directors' Report.....	69
Auditors' Report.....	71
Compliance Certificate.....	74
Balance Sheet.....	78
Profit and Loss Account.....	79
Cash Flow Statement	80
Schedules	81

CONSOLIDATED ACCOUNTS

Auditors' Report.....	91
Balance Sheet.....	92
Profit and Loss Account.....	93
Cash Flow Statement.....	94
Schedules	96

Our Vision

To be the best and set the pace in the express air and integrated transportation and distribution industry, with a business and human conscience.

We commit to develop, reward and recognise our people who, through high-quality and professional service, and use of sophisticated technology, will meet and exceed customer and stakeholder expectations profitably.

Our Guiding Principles

We will:

- Treat each other fairly and with respect and dignity.
- Encourage freedom in communication of thoughts and ideas in all our interactions.
- Value integrity and be uncompromising in upholding it at all times.
- Give due importance to the health, safety and well-being of our people.
- Ensure that our 'People First' philosophy serves as a driving force behind the success of our organisation.
- Encourage and inculcate in all a winning attitude.
- Encourage learning, self-development and building effective leadership.
- Expect our people to be accountable for all their actions related to the company.
- Provide a workplace where each and every employee is nurtured and who, in turn, will nurture the organisation, thereby creating wealth for stakeholders.
- Drive the 'First Time Right' concept to achieve 100% Quality and Customer Satisfaction.
- Encourage passion and enthusiasm for Work, Service Quality and Customer Care.
- Project a positive, caring and professional image of ourselves and our service at all times.
- Avoid waste by being conscious of the impact of all our actions on the environment.
- Continue to be a law-abiding, apolitical and secular company.



Corporate Information

Registered Office:

Blue Dart Centre, Sahar Airport Road,
Andheri (E), Mumbai 400 099.

Tel: 2839 6444

Fax: 2824 4131, 2831 1184

www.bluedart.com

Principal Bankers:

Canara Bank
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.

Auditors:

Price Waterhouse

Solicitors:

Mulla & Mulla & Craigie Blunt & Caroe

DSK Legal

Registrar & Transfer Agent:

Link Intime India Pvt. Ltd.

Board of Directors



Sharad Upasani
Chairman



Anil Khanna
Managing Director



Malcolm Monteiro
Director



Clyde C. Cooper
Director



Suresh G. Sheth
Director



Christopher Ong
Director

Executive Management



Yogesh Dhingra
Finance Director &
Chief Operating Officer



Aneel Gambhir
Head - Internal Audit



Arun Nangpal
Head - Customer Service



Barttanu Kumar Das
Head - Human Resources



Tushar Gunderia
Company Secretary &
Head - Legal



Ketan Kulkarni
Head - Marketing, Corp.
Comm. & Sustainability



Col.(Retd.) Raymond Luiz
Head - Security &
Administration



Gopinath Menon
Head - South 2 Region



Balfour Manuel
Head - West 1 Region



K. Gopa Kumar
Head - South 1 Region



T. A. Krishnan
Head - North Region



Amod Dasgupta
Head - East Region



Samir Shah
Head - West 2 Region

Chairman's Statement



Dear Shareholders,

On behalf of the Board of Directors, I welcome each one of you to the Nineteenth Annual General Meeting.

The year gone by, has, indeed been one of the most challenging for the economies across the globe.

Against the backdrop of increasing economic integration, the global slowdown led to tightening of interest rates and a slowdown in economic growth in India. Despite this, the Indian economy is still expected to grow at over 7.5% for the coming fiscal, which is higher than most economies across the world.

In today's liberalized economy, the growth in domestic consumption has a direct impact on the logistics business, as logistics and supply chain management forms an integral part of the growth story.

The year 2009 was a difficult year for industry in general, and the air cargo industry was no exception. The slowdown in the macro-economic environment has a direct impact on logistics business as it is a clear barometer of the health of an economy and the movement of goods and services are critical for a strong economy.

However, despite falling volumes, the industry has collectively focused on cost cuts and higher value deliveries to minimise the losses faced and keep the business on track. In 2009, while global trade did suffer, India, being a consumer driven economy, was largely insulated from the global meltdown. Although the first two quarters of 2009 were affected significantly, the last two quarters saw substantial improvement, as well as an increase in volumes and the year ended on a more positive note.

The Finance Ministry has estimated the 2009-10 GDP to grow by 7.5% and is more optimistic on the growth for the next three years. Last year, India's GDP grew by 6.7%. Further, according to IMF estimates, the Indian economy will grow by 7-8% in 2010 and 2011, which will be second only to China. The advanced economies are expected to grow by 1-3% during this period.

With an improving global economy, backed by cost efficient measures adopted by Blue Dart, wider range of products and services and customer loyalty, Blue Dart completed 26 years of leading, innovating and delivering and is poised to continue delivering higher value services than most other players in the Industry.

The strength of a logistics provider company can be judged by the seamless service it can provide across the entire value-chain sought by the customer. It is here that your Company scores and stands well poised to benefit from the inevitable growth in the sector.

As South Asia's leading premier courier and integrated express package Distribution Company, your Company offers secure and reliable delivery of consignments to over 21,000 locations in India and to over 220 countries worldwide through its Sales Alliance with DHL Express (India) Pvt. Ltd.

Your Company posted a Rs. 6,070 lacs profit after tax for the year ended December 31, 2009 compared to Rs. 7,735 lacs profit after tax for the year ended December 31, 2008. Income from operations for the year ended December 31, 2009 was Rs. 90,523 lacs, compared to Rs. 97,447 lacs for the year ended December 31, 2008. The Board of Directors of your Company has recommended a dividend of 10% for the year ended December 31, 2009.

Your Company has a healthy financial position and I am indeed glad to inform you that it continues to enjoy "zero-debt" status. Despite an overall sluggishness in the market, your Company efficiently managed funds by investing into various high rated debt schemes of Mutual Funds for an optimum working capital management. Your Company continues to enjoy the highest credit quality ratings for its short-term debt programme.

Express Services are vital to the competitiveness of companies around the world. The Express Industry is the main link in the supply chain solutions of the Indian Industry. If not for the edge provided by the express companies, the phenomenal growth of exports across industry verticals would have been difficult. India is turning into a powerhouse of manufacturing outsourcing and express companies have an important role to play in this development.

An Industry focused approach is an integral aspect of our growth strategy and we are constantly innovating to provide customized solutions to industries such as Pharmaceuticals, Auto, Engineering etc.

Over the years, your Company has identified numerous new opportunities in the market through research, customer feedback and constant monitoring and analysis. This year was no different, and Blue Dart took advantage of those opportunities by introducing new products and services. Our customer touch points are always activated to know the pulse of the markets. A structured and disciplined gameplan for the collection of such feedback and a proactive approach to the same has enabled your Company to introduce the Time Definite delivery services - Domestic Priority 10:30, Dart Apex 12:00, Express Pallet - Air & Ground, Smart Box 10 and Smart Box 25 on ground Express, Economy Select, Duties & Taxes Paid, Shippers Interest Insurance and Pre-paid University Express.

Blue Dart as a brand has, today, become synonymous with value, quality, speed, efficiency, responsiveness and service excellence. Strong brands constitutes an integral part of the assets of an organisation and DHL and Blue Dart have worked together to maximise opportunities given the complementary strengths. Recently, we announced a common brand association, which is an external manifestation of our internal synergies. Blue Dart strengthened its brand association to bring two strong and powerful brands (Blue Dart and DHL) closer at all touch-points that deal with the domestic and international services.

Implementation of First Choice and Net Promoter Approach programs were designed to improve the service quality and ability to capture the 'Voice Of Customer' in a systematic way in order to bring in long-lasting customer benefits and strengthen the brand experience.

'First Choice' is an initiative that will transform the way we do business and enable us to consistently deliver a superior service experience to our customers to become their first choice. 'First Choice' is a systematic and sustainable approach to transform the business by aligning it to the customer's needs on a continuous basis. Blue Dart has adopted the Net Promoter Approach (NPA) process. NPA aims at gauging customer loyalty, and delivers a Net Promoter Score which is an international benchmark for customer advocacy. NPA is a two-step customer call process, which identifies customer issues that needs to be addressed.

Since inception, your Company has invested in building an infrastructure across the chain from the point of origin to transit to the last mile, which gives it the competitive edge and an entry barrier. During, the year, your Company strengthened its infrastructure base by setting up new facilities at GMR Hyderabad International Airport Ltd. (GHIAL) and Delhi International Airport Ltd. (DIAL). Your Company has an extensive reach across the Indian geography and beyond. This is possible through domestic warehouses, a fleet of four Boeing 757s and three Boeing 737s freighter aircraft offering a revenue payload of 300 tonnes per night, a flotilla of over 5,412 vehicles, 300 facilities, 52 domestic warehouses and 10 express hubs and over 6,000 committed and trained employees driven by a unified passion of delivering service excellence and value for its customers.

Your Company, today, stands as the unrivalled leader in the domestic express industry. Blue Dart stands as the dominant leader in the domestic air express industry and commands a 43% market share (source : A T Kearney). In the 'ground' segment, your Company improved its market share to 8%. Going forward we will focus on cost effective products and services which reduce timelines and increase the accuracy as the mode of delivery assumes secondary significance.

Our position as an industry leader was strengthened by accolades received from several industry bodies and customers. During the year 2009, Blue Dart won several awards to validate its Brand Equity and Leadership position, Human Resource Philosophy, Operational Efficiency and Corporate Governance. It is a matter of great pride for all of us that your Company has commenced the year 2010 with a positive note by bagging quite a few Awards and Recognitions. Blue Dart won the Customer and Brand Loyalty Award in the Logistics Sector at the 3rd Loyalty Awards and the IMM Eminent Organisation Award for Excellence for the year 2010 at the 37th World Marketing Congress. Mr. Anil Khanna, Managing Director, was honoured with 'Outstanding Entrepreneur Award' at the Asia Pacific Entrepreneurship Award 2009 by Enterprise Asia and 'CEO with HR Orientation Award' at the Global HR Excellence Awards 2010.

Your Company is a socially responsible corporate and continues to undertake numerous projects to enrich communities and the environment. Blue Dart has an in-house sustainability team responsible for identifying and addressing various sustainability issues and supporting initiatives that make the world a better place for future generations. Blue Dart's major focus areas are 'Education (Go Teach)', 'Environment (Go Green)' and 'Disaster Management Response (Go Help)'.

Your Company has consistently adopted high standards of Corporate Governance. The endeavour of your Company is not only to comply with regulatory requirements but also practice Corporate Governance Principles that lay a strong emphasis on integrity, transparency and an overall corporate accountability. Your Company continues to deliver value to its stakeholders through its people philosophy and Corporate Governance, based on distinctive customer service, business ethics, accountability and profitability.

Your Company is an organisation of strong leaders and talented and dedicated individuals. People are key to our success and our strength lies in our people and our cohesiveness as a team to pull in the same direction. Our employees continued to be the most vital pillar of success in all our endeavours. We shall continue with our consistent focus on the development of our people. Leading from the front has constantly propagated the 'People-First' philosophy in the organisation through encouraging creativity, innovation, entrepreneurship and empowerment.

Apart from numerous initiatives to recognise the efforts of Blue Darters, the Company, for the third year, announced 'Employee of the Year' Awards to recognize individual who display exceptional commitment and contributing to the organisation's growth.

Recently, Blue Dart was also recognised as an Organisation with innovative HR Practices in 2009-10 and received the Best Employer Award on Employee Retention. The Employee Satisfaction Survey participated by all Blue Darters continues to provide strong feedback on the employee motivation, policies and systems. As in previous years, it was heartening to note that on the parameter 'Pride for Working for Blue Dart', employees scored 4.82 (on a scale of 1 to 5) confirming the passion and drive.

I take this opportunity to thank all our people for their exemplary dedication and hard work and for rendering impeccable services to every constituent of our company's customers, without which our reputation for service excellence would not have been possible. Their unrelenting determination to succeed, even in a tough and fiercely competitive market environment, enabled us to build and sustain the financial stability of the Company. We continue to look forward to the support of our employees for the future growth.

At the end, I would like to conclude by reaffirming my commitment to ensure that your Company achieves its vision of being the best and set the pace while always being customer's First Choice. On behalf of the Board of Directors of Blue Dart Express Ltd. I thank all our customers, bankers, financial institutions, government authorities, business associates, channel partners and other constituents and stakeholders for their valuable support and unstinting co-operation.

I look forward to your continued support, trust and participation in the growth of the Company.

Warm regards,

Sharad Upasani
Chairman

Mumbai
February 26, 2010

Financial Summary

Financial Summary of the last five years

Rupees in Lacs

Particulars	2005*	2006	2007	2008	2009
Income from Operations	41,509	66,802	80,872	97,446	90,523
Other Income	758	175	311	1,071	760
Total Income	42,267	66,977	81,183	98,517	91,283
Total Expenditure	34,111	56,831	68,083	84,935	80,150
Operating Profit	8,156	10,146	13,100	13,582	11,133
Interest (net)	226	158	40	50	55
Gross Profit	7,930	9,988	13,060	13,532	11,078
Depreciation	1,314	2,201	2,403	1,657	1,776
Profit Before Tax	6,616	7,787	10,657	11,875	9,302
Taxation	2,275	2,764	3,664	4,140	3,232
Profit After Tax	4,341	5,023	6,993	7,735	6,070
Equity	2,376	2,376	2,376	2,376	2,376
Reserves	17,894	22,646	29,354	36,811	42,605
Gross Fixed Assets	24,132	24,404	25,692	28,562	30,036
Networth	20,270	25,022	31,730	39,188	44,981
Book Value (Rs.)	85.27	105.39	133.72	165.15	189.57
ROCE (in percentage)	32.73	32.92	37.13	33.63	22.24
Debt Equity (in times)	0.21	0.04	0.00	0.00	0.00

*Note: The figures are for a period of nine months from April 1, 2005 to December 31, 2005.