

SEVENTEENTH ANNUAL REPORT 2007



LEADERSHIP

IT TAKES A LEADER TO DELIVER

**BLUE DART**

[www.reportjunction.com](http://www.reportjunction.com)

## 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.

# Contents

Our Guiding Principles .....	02
Corporate Information .....	03
Board of Directors .....	06
Executive Management .....	07
Chairman's Statement .....	08
Financial Summary.....	12
Brand Story .....	14
Directors' Report .....	20
Corporate Governance Report .....	27
Management Discussion and Analysis .....	39
Auditors' Certificate on Corporate Governance Report .....	43
CEO and CFO Certification .....	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 Guiding Principles

We will treat each other fairly and with respect and dignity.

We will encourage freedom in communication of thoughts and ideas in all our interactions.

We value integrity and we will be uncompromising in upholding it at all times.

We will give due importance to the health, safety and well-being of our people.

We will ensure that our 'People First' philosophy serves as a  
driving force behind the success of our organisation.

We will encourage and inculcate in all a winning attitude .

Report Junction.com  
We will encourage learning, self-development and building effective leadership.

We will expect our people to be accountable for all their actions related to the company.

We will provide a workplace where each and every employee is nurtured and who, in turn,  
will nurture the organisation, thereby creating wealth for stakeholders.

We will drive the 'First Time Right' concept to achieve 100% Quality and Customer Satisfaction.

We will encourage passion and enthusiasm for Work, Service Quality and Customer Care.

We will project a positive, caring and professional image of ourselves and our service at all times.

We will avoid waste by being conscious of the impact of all our actions on the environment.

We will 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](http://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:

Intime Spectrum Registry Ltd.

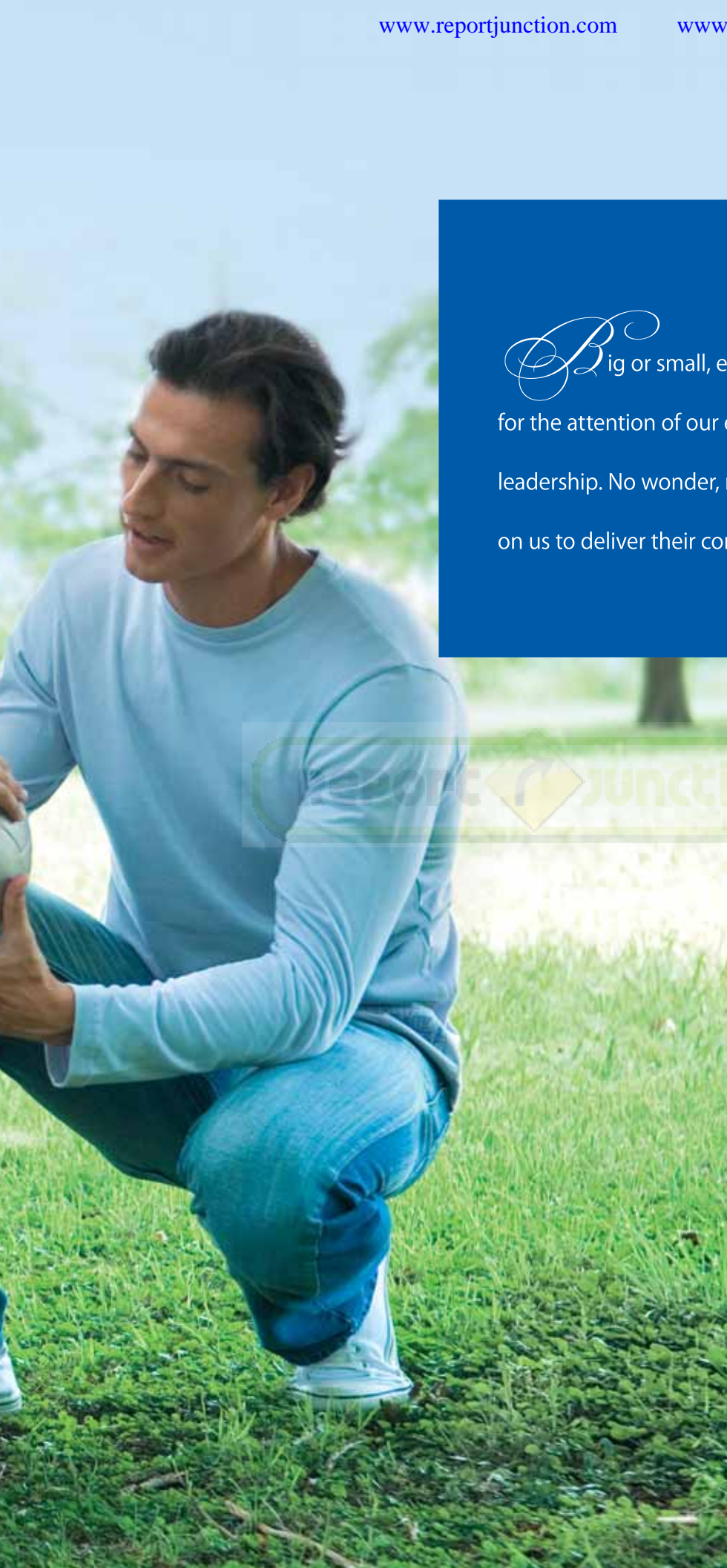
Report  Junction.com





Report  Junction.com

RELIABILITY



*B*ig or small, each consignment calls for the attention of our expertise, innovation and leadership. No wonder, millions of customers count on us to deliver their consignments.





## Board of Directors



**Sharad Upasani**  
Chairman



**Anil Khanna**  
Managing Director



**Malcolm Monteiro**  
Director



**Clyde C. Cooper**  
Director



**Greg Tanner**  
Director



**Suresh G. Sheth**  
Director



**Thomas Murphy**  
Alternate Director to Greg Tanner



## Executive Management



**Yogesh Dhingra**  
Finance Director &  
Chief Operating Officer



**Arun Kulkarni**  
Director - Ground Network,  
Regulatory, Admin & Security



**V. N. Iyer**  
V. P. - Corporate Accounts



**Arun Nangpal**  
V. P. - Customer Service



**Anil Gambhir**  
V. P. - Internal Audit



**A. S. Ananth**  
V. P. - Human Resources



**Barttanu Kumar Das**  
V. P. - Human Resources



**Ketan Kulkarni**  
G. M. - Marketing



**Tushar Gunderia**  
Company Secretary



**Ashoka Kumar Jain**  
Head - Business Development



**Gopinath Menon**  
Sr. V. P. - South 2 Region



**Balfour Manuel**  
V. P. - West 1 Region



**K. Gopa Kumar**  
V. P. - South 1 Region



**T. A. Krishnan**  
V. P. - North Region



**Amod Dasgupta**  
V. P. - East Region



**Samir Shah**  
G. M. - West 2 Region

## Chairman's Statement

Dear Shareholders,

I wish each one of you a very cordial and warm welcome to the seventeenth Annual General Meeting.

Your company, Blue Dart, is South Asia's leading premier courier and integrated express package distribution company that offers secure and reliable delivery of consignments to over 17,600 locations in India and 220 countries worldwide. In the year 2007, we delivered 72 million domestic and 649,708 international shipments, weighing 191,800 tonnes.



Your company in its 25<sup>th</sup> year of operations, continues to be a premium player in the express industry. Backed by 25 years of passion, building trust and relationship, offering value, service excellence and delivering peace of mind, Blue Dart is firmly positioned as the undisputed leader in the express segment.

I would like to take this opportunity to share with you the progress achieved by your company during the financial year ended December 31, 2007.

Your company posted Rs 699 million as profit after tax for the year ended December 31, 2007, compared to Rs 502 million for the year ended December 31, 2006, recording a 39% increase. Income from operations for the year ended December 31, 2007, was Rs 8,087 million, up from Rs 6,680 million for the year ended December 31, 2006. The company's sales grew by 21.06% for the year ended December 31, 2007, over the corresponding year ended December 31, 2006. The Board of Directors of your company has recommended a dividend of 10% for the year ended December 31, 2007.

The Indian economy continues to report robust growth albeit with a few red flags. The interesting aspect of this growth is that it is all encompassing across geography and demography crafting a truly unique story. The GDP has been growing at around 9 per cent for the past two years. Significantly, the industrial and service sectors have been contributing a major part of this growth, mirroring the structural transformation underway in the Indian economy. With positive indicators such as a stable GDP annual growth, rising foreign exchange reserves, a growing capital market and a rapid rise in FDI, India has emerged as the second fastest-growing economy in the world.

As an economy, the nation presents a plethora of opportunities for growth across various sectors and industries, an attribute that subsequently offers the logistics industry an environment conducive for phenomenal augmentation. The logistics business is no longer limited to basic transportation but includes a gamut of services such as warehousing, distribution, inventory management, packaging, and other activities.

Emergence of India as a "global hub" for manufacturing activities in sectors such as consumer durables, electronics, automobiles and their components and the retail boom have fuelled the demand for logistics in the country. These sectors are major consumers of supply chain solutions and outsourced logistics services and, thus will continue to drive growth in the logistics sector.

During the year, your company augmented its fleet with a third Boeing 757-200 and the existing fleet now is 3 Boeing 757-200 and 4 Boeing 737-200, which have the unique capability to offer an unrivalled payload of 300 tonnes each night to 60 route connections across an expansive and diverse Indian geography.

To capitalise on the improving road infrastructure in the country, your company relaunched its ground express product, Dart Surfaceline. This is another step towards strengthening our capability of offering end-to-end express distribution services. The launch has enabled us to expand our reach to over 17,600 locations. This new feature-rich product is fortified with value add-ons 'Freight on Delivery' (FOD), 'Demand Draft on Delivery' (DOD) and 'Freight on Value' (FOV), etc.

Your company has been growing consistently above the market in both the air and the ground express space, and firmly believes that this trend would continue. Today, your company is the market leader with 41.7% market share in the domestic air express segment, which grew from 40% at the beginning of 2007. An integrated air and ground network that involves over 1 million sq.ft. of facilities, 47 domestic warehouses and 10 express hubs, dedicated air services with a fleet of four Boeing 737-200 freighters and three B757-200 freighters are all part of the company's own infrastructure.

Information Technology is an integral and vital part of our product offerings and is a backbone to our operations. Your company provides its customers' complete visibility, and technology enables us to do that. 79% of our customers (in revenue terms) actively avail of our technology solutions and derive value from it. Technology as an enabler provides customers a real-time interface. Your company was the first domestic express company to introduce an online track and trace system for international shipments in 1988.

When Blue Dart was born 25 years ago, its brand values were crafted after considerable thought. While infrastructure, network and process worked at the back-end to deliver the brand promise, the Blue Dart brand had to appropriate customer mindshare in a space that was unoccupied by other service providers. Growing customer awareness and demand, as well as an intensified competitive environment have led to a greater orientation. The customer-service provider relationship has to necessarily upgrade from tactical to strategic and from transactional to consultative. Since its early years of development, Blue Dart attempted to probe the consumer mindset through extensive independent market research and the findings serve as a reality check on performance, perception, customer satisfaction, imagery and the importance of other parameters that impact customer loyalty, satisfaction and advocacy. This regular exercise continues to help Blue Dart keep its ear to the ground and align its service quality initiatives to customer needs.

During the year, your company launched the most important strategic pivot ever undertaken in our history to enhance customer delight and build a future-ready organisation. The 'FIRST CHOICE' initiative will aim at your company becoming and remaining the 'FIRST CHOICE' for its customers, now and forever. This will be achieved through fostering a culture of continuous improvement aligned to keep customer centricity as the core for all our actions.

Throughout the year, your company has been honoured with awards and recognitions, and it is heartening to know that various industry bodies and numerous customers validate our stupendous efforts.