



DELIVERING IN BLUE DART COUNTRY

BLUE DART

25th

ANNUAL REPORT

2015-16



BEST-IN-CLASS B2B* / B2C** EXPRESS AND E-TAILING DISTRIBUTION OFFERING IN BLUE DART COUNTRY

AIR EXPRESS

The premium market leader with India's most robust Air Network

- ☐ Domestic Priority
- ☐ Domestic Priority - Time Definite Services 1030 / 1200
- ☐ Dart Apex
- ☐ Dart Apex - Time Definite Services 1200
- ☐ International
- ☐ Critical Express
- ☐ Domestic Airport To Airport
- ☐ Interline Services
- ☐ Charters
- ☐ Packaging Solutions
 - Smart Box 10 & 25 kgs
 - Express Pallet 50, 75 & 100 kgs

GROUND EXPRESS

Connecting pan-India faster and changing business paradigm

- ☐ Dart Surfacerline
- ☐ Dart Surfacerline Plus
- ☐ Ground Point To Point
- ☐ Packaging Solutions
 - Smart Box 10 & 25 kgs
 - Express Pallet 50, 75 & 100 kgs



E-TAILING SERVICES

The largest B2C / E-tailing / Express distribution network in India

- ☐ Apex (Air)
 - Cash On Delivery
 - Prepaid
- ☐ Dart Surfacerline (SFC) Ground
 - Cash On Delivery
 - Prepaid
- ☐ Time Definite Services
- ☐ X-Border
- ☐ Reverse Logistics
- ☐ Parcel Locker

VALUE ADDED SERVICES

Delivering value and peace of mind

- ☐ Cash On Delivery
- ☐ Demand Draft On Delivery
- ☐ GoGreen: Carbon Neutral Service
- ☐ Temperature Controlled Logistics
- ☐ Freight On Delivery
- ☐ Insurance Arrangement

*Business-to-Business
**Business-to-Consumers



OUR DIFFERENTIATORS

Strong
Brand

A spectrum of
services to provide
customized solutions

Information
Technology

Service
Excellence

Customs and
Regulatory expertise

Our vast and
unparalleled
Domestic Network

Dedicated
Air & Ground
Infrastructure

Vast scale
of Operations

Best-in-class
transit time
and reach

Passionate and
committed
people force

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BLUE DART AVIATION LIMITED

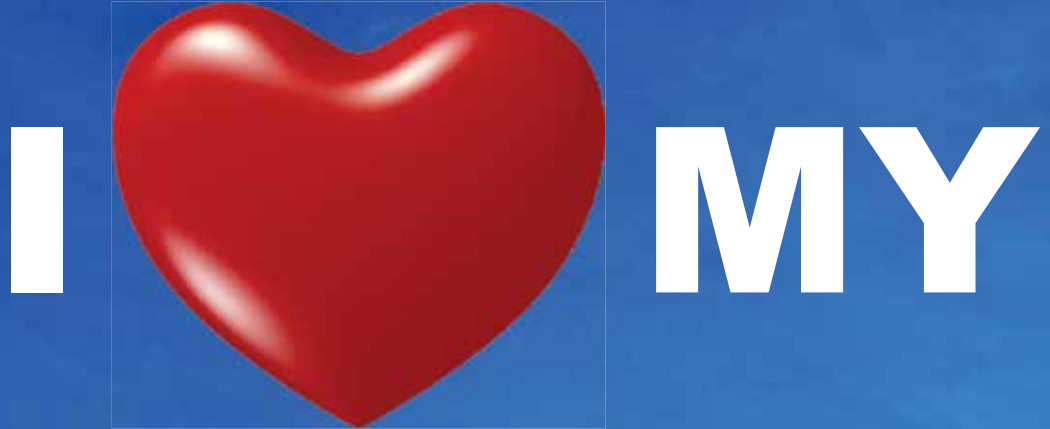
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Our Vision

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.



BLUE DART

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.

Board of Directors



Sharad Upasani
Chairman



Anil Khanna
Managing Director



Malcolm Monteiro
Director



Thomas Kipp
Director



Surendra Sheth
Director
(Resigned w.e.f. May 12, 2016)



Narendra Sarda
Director



Bettina Staffa
Director

Key Managerial Personnel



Yogesh Dhingra
Chief Financial Officer &
Chief Operating Officer



Tushar Gunderia
Company Secretary &
Head - Legal & Compliance

Executive Management



Aneel Gambhir
Head - Internal Audit



Barttanu Kumar Das
Head - Human Resources



V. N. Iyer
Head - Corporate Accounting



Ketan Kulkarni
Head - Marketing, Corporate
Communications & Sustainability



Michael Pereira
Head - Air Operations



Vikash Mohan
Head - Ground Operations



Balfour Manuel
Head - West 1 Region



Sukhwinder Singh
Head - North Region



K. Gopa Kumar
Head - South 1 Region



B. C. Kalappa
Head - South 2 Region



Samir Shah
Head - West 2 Region



Samik Banerjee
Head - East Region



Chairman's Statement



Dear Stakeholders,

We have just concluded a tough financial year 2015 -16 for the Express Industry. I am pleased to inform you that despite the various macro-economic challenges and sluggishness in the market-place, your Company has consolidated its leadership position and emerged as the preferred logistics express service provider across industries on the Air, Ground and e-tailing segments. What was most encouraging was that this growth was achieved despite difficult external environment. While the headwinds somewhat abated in India and the domestic market started showing signs of stability, the actual revival in businesses was slow as consumer demand did not show signs of any significant improvement.

Our approach to creating value and achieving profitable growth has clearly delivered results.

Your Company posted ₹ 18,988 Lacs profit after tax for the year ended March 31, 2016. Income from operations for the year ended March 31, 2016 was ₹ 255,386 Lacs.

The Board of Directors of your Company has recommended a Dividend of ₹ 25/- (Rupees Twenty Five) per equity share and onetime Special Dividend of ₹ 5/- (Rupees Five) per share on the occasion of 25th Annual General Meeting, aggregating to ₹ 30/- (Rupees Thirty) per equity share of ₹ 10/- each for the year ended March 31, 2016, subject to necessary approval by the members in the ensuing Annual General Meeting.

During the financial year ended March 31, 2016, your Company carried over 1,594.79 Lacs domestic shipments and over 8.94 Lacs international shipments weighing more than 595,623 tonnes.

Despite the unfavourable external environment, Blue Dart's sound strategy and motivated people-force helped us report good growth momentum.

Our investments in the brand, our people, service quality, innovative technology, simplified solutions and customer connect initiatives continued building momentum for future growth. We will continue to do our part to take on the increased competition in the marketplace and position ourselves for leadership and growth in the months and years ahead.

Your Company continues to provide unmatched air cargo capacity in the Indian skies with a fleet of six Boeing 757-200 freighters with capacities up to 504 tonnes per night.

Your Company has continuously focused on customers and key accounts, built a strong First Choice methodology and Net Promoter Approach. Our efforts enable us to have the "best-in-breed" Customer Satisfaction standards and scores whilst consistently improving market share. Our efforts to improve customer satisfaction will continue unabated.

Your Company has leveraged the Net Promoters Approach (NPA) tool to measure Customer Loyalty for "Customer Experience and Advocacy". Touch points are also assessed through NPA. The overall Net Promoter Score has moved from 58.73% in 2014 to 64.53% in 2015.

Blue Points – Amazing Returns has been a successful loyalty program run across all industry verticals enabling nurturing, growing and building strong customer relationships.

Your Company's equity, a measure of customer loyalty towards a brand, is the highest amongst its peers. The brand is associated with international standards, reliability, trustworthiness, hi-technology, strong corporate social responsibility and customer centricity.

The Brand Focus campaign – 'I Love My Blue Dart' which was launched to re-focus on an "insanely customer centric culture" was further magnified with the "I Love My Blue Dart: Express Yourself" campaign. It gave every single Blue Darter an opportunity to "Express their Love" for the brand.

The energised Brand Custodian Program was driven with a stronger process, structure and involvement of all stakeholders to ensure that the brand is maintained with the highest levels of commitment and standards.

Strengthening our vision of enabling Blue Dart's Digital Transformation, we introduced Blue Dart's Facebook page, Twitter handle and improved our presence on Google+ and YouTube. Our presence on social media has fetched us significant advantages like - Improved Market Intelligence, Quick Complaint Resolution, Increased Brand Awareness and Reach, Instant Feedback and Suggestions on our Products and Services, Increased Customer Engagement leading to higher Involvement and Retention thereby increasing our proximity with our customers and improving Blue Dart's Affinity. All this validates our insanely Customer-Centric culture.

Your Company has successfully provided its customers end-to-end express services from a document to a charter load within India and through a varied service offering through the DPDHL group companies. Blue Dart's own dedicated aviation and ground infrastructure is unique and one of its kind in India. Advanced technology deployment across products, services, customers and internal processes have further enhanced customer delight.

Your Company has been servicing the e-tailing industry ever since its emergence in India. Today, your Company works with all leading

e-tailing players through its best-in-class, highly differentiated, last-mile delivery offering and value-added services.

Your Company is investing in the right infrastructure - including IT, multiple delivery and payment options as part of its aim to become the preferred global provider of e-tailing related services which will enable end-to-end systems to deliver for e-tailing businesses.

Details of our service and social initiatives have been presented in detail in the Management Discussion & Analysis and Sustainability Update sections of this report.

Your Company also continued to invest in improving its reach footprint across Tier II, III and IV markets. During the year, your Company improved its reach, in line with its renewed focus on an inclusive India, which we believe will drive the revival in business going forward. While doing so, we have not lost sight of the growth potential that the urban landscape and metros offer.

Your Company continues to be an Employer of Choice. During the year, several strategic and structured personal development and organizational effectiveness measures were undertaken. The employee morale, motivation and satisfaction were high. The mean satisfaction score for the year recorded a high score of 4.71 improving from previous year's score of 4.59. Special emphasis was laid on performance management, competency development, strengthening of the leadership pipeline, employee wellness and well-being, work-life balance initiatives and communications.

Blue Dart places a premium on and remains committed to good Corporate Governance, aligned to the best corporate practices. Strong Corporate Governance has always been an integral part of the Company's business philosophy. Building community trust through responsible and sustainable management of our business is an indispensable part of Blue Dart. We are committed to our Living Responsibility motto. Living Responsibility or in common parlance, 'Corporate Responsibility' is a core element of Blue Dart's corporate strategy.

Your Company (along with DPDHL group) focuses its corporate responsibility on environmental protection (GoGreen), disaster management (GoHelp) and championing education (GoTeach).

It gives me great pride to inform you that this year, your Company, was again recognised as a Super brand, trusted brand, rated as one of the best employers in the country by AON Hewitt and Great Places to Work, Investment of Choice and was recognised for its Corporate Governance and Sustainability efforts.

I look forward to 2016 -17 being a better year as our economy is primarily determined by domestic factors. Powered by sustained growth in consumer spending (through the 7th pay commission), moderate inflation, favourable demographics, digital and social inclusiveness (JAM trilogy) Jan Dhan – Aadhar – Mobile, the logistics industry will be favourably impacted as these initiatives will directly impact the sectors we work with viz; BFSI, E-tailing, Automotive, Pharmaceuticals, FMCG etc. A good monsoon will be the 'icing on the cake'.

I would like to inform you that my colleague on the Board, Mr. Surendra Sheth resigned as a Director of the Company with effect from May 12, 2016 on account of his pre-occupation. The Directors have noted and acknowledged immense contribution of Mr. Surendra Sheth, Director, to the Company made over the years.

Let me take this opportunity to thank you all, our investors and shareholders for your confidence in us, and our Blue Darters for committing their talent and tenacity to our success. It is your trust and commitment that enables our progress and encourages us to strive for excellence. We look forward to continuing along our successful path together with you.

Warm regards,

Mumbai
May 13, 2016

Sharad Upasani
Chairman

Financial Summary

Financial Summary of last Ten years

₹ in Lacs
(Unless otherwise specified)

Particulars	December 2006	December 2007	December 2008	December 2009	December 2010	December 2011	March 2013 (15 Months)	March 2014	March 2015	March 2016
Income from Operations	66,802	80,872	97,446	90,523	114,741	149,271	216,651	193,415	226,850	255,386
Other Income	175	311	1,071	760	532	2,115	3,941	4,197	2,448	2,829
Total Income	66,977	81,183	98,517	91,283	115,273	151,386	220,592	197,612	229,298	258,215
Total Expenditure	56,831	68,083	84,935	80,150	99,324	131,338	190,021	176,162	204,467	222,154
Profit Before Depreciation, Interest & Tax	10,146	13,100	13,582	11,133	15,949	20,048	30,571	21,450	24,831	36,061
Depreciation	2,201	2,403	1,657	1,776	1,922	2,160	3,448	2,710	4,354	3,970
Finance Cost	158	40	50	55	1	0	1	3	1,121	3,114
Profit Before Tax	7,787	10,657	11,875	9,302	14,026	17,888	27,122	18,737	19,356	28,977
Tax Expenses	2,764	3,664	4,140	3,232	4,589	5,664	8,256	6,297	6,672	9,989
Profit After Tax	5,023	6,993	7,735	6,070	9,437	12,224	18,866	12,440	12,684	18,989
Equity	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376
Reserves	22,646	29,354	36,811	42,605	51,765	63,437	62,593	61,153	27,334	37,734
Networth	25,022	31,730	39,187	44,981	54,141	65,813	64,969	63,529	29,710*	40,110
Debt	1,018	-	-	-	-	-	-	-	33,219	33,219
Fixed Assets (Net)	16,870	16,017	17,319	17,167	18,310	23,273	22,018	22,772	21,538	24,654
EPS Basic and Diluted (₹)	21.2	29.5	32.6	25.6	39.8	51.5	79.5	52.4	53.5	80.0
Book Value (₹)	105.4	133.7	165.2	189.6	228.2	277.4	273.8	267.7	125.2	169.0
ROCE (in percentage)	32.9	37.1	33.6	22.2	28.3	29.8	41.5	29.2	32.4	47.1
Net Debt/ Equity (in times)**	-	-	-	-	-	-	-	-	0.7	0.2

* After appropriating ₹ 40,487 lacs towards allotment of fully paid up Unsecured, Redeemable, Non-Convertible Debentures by way of Bonus, Dividend Distribution Tax thereon and expenses related to Debentures.

** Net Debt = (Long term borrowing - Cash and Bank Balances excluding amounts held on behalf of customers and Dividend Accounts)