

## DIRECTORS' REPORT

To the Members,

Your Directors take great pleasure in presenting the Twenty Seventh Annual Report of your Company for the financial year ended March 31, 2018.

### FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenues				
Service Charges	2,79,085	2,68,087	2,79,924	2,68,950
Other Income	2,254	2,782	2,067	2,616
Less : Operating Expenses	2,53,104	2,41,645	2,44,796	2,34,777
<b>Gross Profit (EBIDTA)</b>	<b>28,235</b>	<b>29,224</b>	<b>37,195</b>	<b>36,789</b>
Less : Finance Cost	2,559	3,125	4,050	4,501
Depreciation & Amortisation	4,498	4,393	11,445	10,375
Earnings before tax	21,178	21,706	21,700	21,913
Less : Income Tax Expenses	6,968	7,749	7,229	7,929
Earnings after tax	14,210	13,957	14,471	13,984
Other Comprehensive Income (post Tax)	27	(279)	46	(285)
Total Comprehensive Income for the year	14,237	13,678	14,517	13,699
<b>Retained Earnings</b>				
Balance as at the beginning of the year	34,490	31,713	25,186	22,761
Add : Profit for the year	14,210	13,957	14,471	13,984
Profit available for appropriation	48,700	45,670	39,657	36,745
<b>Less : Appropriations</b>				
Deferred Tax adjustments on settlement of Put/Call liability	-	-	-	373
Dividend (including dividend distribution tax)	4,284	8,568	4,284	8,568
Transfer to / (from) Debenture Redemption Reserve	(2395)	2,333	(2,395)	2,333
Actuarial loss / (gain) on remeasurement of post employment benefit obligation, net of tax	(27)	279	(46)	285
<b>Balance as at the end of the year</b>	<b>46,838</b>	<b>34,490</b>	<b>37,814</b>	<b>25,186</b>

#### Notes :

- The above figures are extracted from the standalone and consolidated financial statements prepared in compliance with Indian Accounting Standards (Ind AS). These financial statements of the Company comply with all aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- Expenses for the year ended March 31, 2017 include one time professional charges of ₹ 3,514 lakhs towards consultation & advisory services to strengthen the company's strategic plans.

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## REVIEW OF PERFORMANCE

The year 2017-18 was a defining year for the Indian economy which faced the impact of demonetization and GST implementation amongst other critical things. It has been a year of transition and transformational reforms for the country. The impact of these two reforms was evident as GDP growth reduced to 5.6%\* in the first quarter of 2017-18. However, the economy did recover thereafter and it has grown at 6.7%\* in 2017-18.

In such a challenging scenario, your Company posted a profit after tax on a standalone basis of ₹ 14,210 Lakhs for the year ended March 31, 2018 as compared to ₹ 13,957 Lakhs for the year ended March 31, 2017. Income from the operations for the year ended March 31, 2018 was ₹ 279,085 Lakhs as compared to ₹ 268,087 Lakhs for the year ended March 31, 2017.

With a dedicated air and ground network enhanced with cutting-edge technology, Blue Dart continues to be South Asia's premier air and integrated transportation, distribution and Logistics Company. It offers a wide range of innovative and simplified solutions across industry verticals. Your company has been persistent in its commitment to deliver excellent service quality, high customer satisfaction and innovative service offerings. Your company is a market leader in the organised air express industry, a leading player in the organised ground express and one of the preferred partners for the e-commerce industry. Your company offers an extensive coverage in the country with a dedicated infrastructure, captive fleet, trained teams for deliveries and 24x7 shipment visibility which further enhances qualitative service offerings. Your Company also offers multiple delivery options viz; parcel shops, parcel locker and mobile service centers for greater convenience of our valued customers.

Your Company has an impeccable service record driven by a motivated and passionate team, the testimony for which rests in the numerous awards bestowed on the Company over the years. As a responsible corporate entity, your Company continues to contribute towards environmental and social causes that enhance and nurture society in which it operates.

Your Company has invested extensively in the technology infrastructure to create differentiated delivery capabilities, quality services and customized solutions for customers. The use of technology has optimized the cost, improved processes and allowed the company to introduce innovative solutions to provide customers high quality service. Your Company provides most efficient solutions to e-tailers and their customers with a seamless and unique experience. Few instances include digitization of entire logistics chain, customized reports and automated performance updates, APIs, 24x7 shipment visibility, online dashboards for real time status etc. In order to enable digitalized payments, your Company added 15 digital wallets on the courier hand-held machines apart from enabling acceptance of credit/debit cards. As a consequence, information technology remains one of the key differentiators for the Company in the industry.

Your Company's online presence on social media through official Facebook, Twitter, Google+ and YouTube reached an impressive

audience base and is rapidly gathering followers, creating a stream of customers who are ardent advocates of the brand and influence a positive opinion in the new age media.

Your Company is also the first, largest and till date the only express delivery company in India with dedicated freighters offering air services through a fleet of six Boeing 757 – 200 in the seven major cities of India flying through the night to allow late cut-offs and early morning deliveries ensuring customer delight. Your Company continues to focus on innovation, reach expansion, transit time improvements, emerging towns (Tier-II, III and IV) activation, strengthening distribution channels to enhance reach and strives to keep delivering beyond expectation of all stakeholders.

Blue Dart continues to be certified to the ISO 9001 standards since 1996 and successfully re-certified itself in August 2017 for a 3 year period to the new global ISO 9001-2015 standards for "design, management and operations of the countrywide express transportation and distribution services within the Indian sub-continent and international destinations serviced through multinational express companies".

Your Company continues to drive "First Choice" and "Net Promoter Approach" (NPA) initiatives, enhancing process improvements, customer centricity and service quality mission.

## DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 12.50 (Rupees Twelve and Fifty Paise Only) per equity share for the year ended March 31, 2018, subject to necessary approval by the Shareholders at the Annual General Meeting of the Company.

The Dividend on Equity shares including Dividend Distribution Tax, once approved by the members at the ensuing Annual General Meeting, will sum up to a total of ₹ 3,576 Lakhs equivalent of 25.2% of the standalone profit after tax as compared to the total dividend (including Dividend Distribution Tax) of ₹ 4,284 Lakhs for the previous year.

### Dividend Distribution Policy :

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), requires the top 500 listed companies to formulate a Dividend Distribution Policy based on market capitalization. In compliance with the said requirement, the Company has formulated Dividend Distribution Policy which is available on the company's website viz;

[https://www.nseprimeir.com/z\\_BlueDart/files/DividendDistributionPolicy\\_BlueDart.pdf](https://www.nseprimeir.com/z_BlueDart/files/DividendDistributionPolicy_BlueDart.pdf)

## REDEMPTION AND INTEREST ON DEBENTURES

In compliance with the provisions of law, the Company has successfully redeemed its Series I, Unsecured, Non-Convertible Debentures (9.3% p.a) bearing ISIN - INE233B08087 on November 20, 2017 to the eligible debenture holders for an amount of ₹ 16,610 Lakhs.

During the year, the Company paid Interest on the Unsecured, Redeemable, and Non-Convertible Debentures aggregating to ₹ 2,558 Lakhs.

\*Ministry of Statistics report dated June, 2018

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Details of outstanding unsecured, redeemable, non-convertible, Debentures are as under:

Particulars	Series II	Series III
Issue price	₹10/-	₹10/-
Issue date	November 21, 2014	November 21, 2014
No of debentures	94911736	71183802
Rate of Interest	9.4% p.a.	9.5% p.a.
Period (Tenure)	48 months	60 months
Date of Redemption	November 20, 2018	November 20, 2019

Axis Trustee Services Ltd. is acting as the Debenture Trustee.

### TRANSFER TO DEBENTURE REDEMPTION RESERVE

In accordance with the requirements of the Companies Act, 2013, the Company has created an additional provision of ₹ 1,757 Lakhs (previous year ₹ 2,333 Lakhs) in respect of Unsecured, Redeemable, Non-Convertible, fully paid up Debentures. During the year, the Company has reversed an amount of ₹ 4,152 Lakhs towards redemption of Series I Debentures. The balance in Debenture Redemption Reserve as at March 31, 2018 stood at ₹ 3,243 Lakhs (previous year – ₹ 5,638 Lakhs)

### OPERATIONS REVIEW

Your Company offers secure and reliable delivery of consignments to over 35,000 locations in India. As part of DPDHL Group, your Company accesses the largest and most comprehensive express and logistics network worldwide through DHL, covering over 220 countries and territories and offers the entire spectrum of the logistics solutions.

Your Company is a flexible, innovative and an agile organization offering solutions to all sectors across the express logistics supply chain in the country, be it traditional business such as Banking & Financial Services (BFSI), IT, Automotive, Pharmaceuticals etc. or new age opportunities in the areas of e-tailing.

Your Company is one of India's most innovative and awarded express Company. Your Company has always pioneered solutions for the industry backed by an unmatched infrastructure, hi-tech solutions, extensive reach, a fleet of six Boeing 757-200 freighters with a capacity of 500 tonnes per night, a flotilla of vehicles, three & two wheelers, electric vehicle pilots, 11,000 plus passionate, committed and talented Blue Darters dedicated towards delivering 'service excellence' and value for all our esteemed customers.

Your Company carried over 1,958.66 Lakhs domestic shipments and over 9.15 Lakhs international shipments weighing more than 696,961 tonnes during the financial year ended March 31, 2018.

### FACILITIES / INFRASTRUCTURE

Towards its reach expansion project, the Company added 617 offices across India from January, 2018 to March, 2018. The Company has also increased its pin code services to cater to 98% of the India's business needs. Your Company plans to further strengthen and

consolidate its air and ground infrastructure, expand reach and offer best-in-class transit times.

### AVIATION SYSTEM

The Company has an ACMI Contract with India's first and only cargo airline, Blue Dart Aviation Limited ("BDAL"), a wholly owned subsidiary company for dedicated air carriage capacity which has ensured strong support in sustaining Blue Dart's leadership position through its unique aviation network.

During the year, your Company received repayment of Loan from BDAL of ₹ 2,441 Lakhs (Previous year ₹ 3,911 Lakhs). As on March 31, 2018, the outstanding loan balance is ₹ 2,996 Lakhs (Previous year ₹ 5,437 Lakhs) of which ₹ 1,903 Lakhs (Previous year ₹ 2,441 Lakhs) receivable within 12 months from the Balance Sheet date. The loan carries an interest computed at an average 'base' rate of IDBI Bank and ICICI Bank with an interest re-set bi-annually. The Company has paid ₹ 8,735 Lakhs as Inter-Corporate Deposit to BDAL and the same was fully repaid as on March 31, 2018.

During the year, BDAL uplifted 91,471 tonnes on its network and also handled 38 charters. This was possible with an unprecedented additional 170 day flights in addition to the scheduled night operations to handle additional loads within limited resources and it significantly contributed to your company's performance.

BDAL has delivered 'On Time Performance' of 81% and 'Technical Dispatch Reliability' of 99.22%, in an increasingly congested aviation environment and operating a fleet of ageing aircraft.

### FINANCE

Your Company's financial position continues to remain stable with an adequate liquidity to meet its current obligations. During the year, the Company has undertaken various cost rationalization initiatives which contributed positively towards the Company's profitability.

As on March 31, 2018, Company has liquid assets (cash & cash equivalents) of ₹ 18,216 Lakhs, as against ₹ 21,170 Lakhs at the previous year end. The reduction in liquidity is mainly on account of redemption of Series I Debentures amounting to ₹ 16,610 Lakhs in November 2017.

The Company's Earnings per Share (basic & diluted) for the year ended March 31, 2018 stood at ₹ 59.89 per share as compared to ₹ 58.82 per share for the previous year ended March 31, 2017.

### CASH FLOWS

During the year, your Company has generated net cash flow of ₹ 20,988 Lakhs from its operations as against ₹ 14,293 Lakhs in the preceding financial year on a standalone basis. Cash flow was partially deployed in the capital assets, investments, debt servicing and payment of dividend.

### WORKING CAPITAL MANAGEMENT

Despite challenging, uncertain and an adverse macroeconomic scenario, your Company continued to manage its working capital efficiently which is within the benchmarks laid by the DPDHL group.

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Your Company efficiently utilized its surplus funds by investing into various high rated debt schemes (liquid category) of the mutual funds / fixed deposits with the Banks for effective cash flow management. Liquidity in the Balance Sheet requires to be balanced between earning and adequate returns covering financial risk. The Company's growth has been entirely fuelled through cash generation from the operations which is adequate to support its working capital and capital expenditure requirements.

### CREDIT RATING

Your Company continues to enjoy high credit rating for its Debentures and working capital facilities / short-term debt programme:

1. ICRA Ltd. (an Associate of Moody's Investors Service) and India Ratings & Research Private Ltd. (a Fitch Group Company) have reaffirmed "[ICRA] AA" (stable) rating and "IND AA" (stable) rating respectively for Company's Unsecured, Non convertible Debentures of ₹ 33,220 Lakhs (outstanding ₹ 16,609 Lakhs as on March 31, 2018).
2. "[ICRA] A1+" (ICRA A one plus) reaffirmed by ICRA Ltd. for the Company's commercial paper/ short-term debt programme of ₹ 2,500 Lakhs (outstanding – Nil). The rating indicates highest credit quality for short term instruments (outstanding amount is Nil as on March 31, 2018).
3. "ICRA AA" (stable) (ICRA double A) (long term rating) to the Company's Bank limits (working capital) of ₹ 3,615 Lakhs (including fund based and non- fund based limits). The rating considered to have high degree of safety regarding timely servicing of financial obligation carrying very low credit risk. ICRA also assigned "ICRA A1+" (ICRA A one plus) (short term rating) for the said limits. The rating indicates very strong degree of safety regarding timely payment of financial obligation carrying lowest credit risk.
4. IND "A1+" (IND A one plus) reaffirmed by India Ratings and Research Private Ltd. for the Company's short-term debt programme of ₹ 3,000 Lakhs (outstanding – Nil), indicating the strongest capacity of timely payment of its financial commitments (outstanding amount is Nil as on March 31, 2018).

### SUBSIDIARY COMPANIES

The Audited Financial Statements of Blue Dart Aviation Ltd. (BDAL) and Concorde Air Logistics Ltd. (CALL), the wholly owned subsidiary companies for the year ended March 31, 2018 together with the reports of Directors and Auditors are attached. The Statement containing salient features of the financial statements of the subsidiary companies in the prescribed format viz; AOC-1 is attached as an 'Annexure A' to the Board's Report. The statement also provides the details of performance and financial position of the subsidiary companies.

The Consolidated Financial Results represent those of the Company and its wholly owned subsidiaries viz; BDAL and CALL. The Company has consolidated its results in accordance with the Ind AS 110 - 'Consolidated

Financial Statements' pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Pursuant to requirements of Regulation 16 (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has formulated 'Policy on determining Material Subsidiaries'.

The Policy is posted on the website of the Company viz; [www.bluedart.com](http://www.bluedart.com).

The web link of the said Policy is; [http://www.nseprimeir.com/z\\_BlueDart/files/Bluedart\\_PolicyonMaterialSubsidiary.pdf](http://www.nseprimeir.com/z_BlueDart/files/Bluedart_PolicyonMaterialSubsidiary.pdf)

### DHL EXPRESS (SINGAPORE) PTE. LTD., PROMOTER SHAREHOLDER

DHL Express (Singapore) Pte.Ltd. holds 75% of the Equity Capital of the Company. The combined service offerings of both the organisations covers an entire spectrum of distribution within India and globally and provides customers with a firm strategic advantage. Blue Dart is a leading brand in the country with an unmatched domestic network, robust infrastructure and skilled personnel. DHL is an acknowledged global leader with a strong and long-standing presence in India. Together, both present a powerful backbone to the business and support the "Make in India" mission.

In our efforts to constantly collaborate and optimise with the support of our group companies viz; DHL Express (India) Pvt. Ltd., DHL Supply Chain (India) Pvt. Ltd., DHL Logistics Pvt. Ltd., DHL eCommerce (India) LLP, DHL eCommerce (Singapore) Pte.Ltd., Singapore, Deutsche Post IT Services, GMBH, the India Steering Committee comprising of the Senior Management Team Leaders from each group Company made significant progress in the past year to maximise synergies amongst business units with a focus on improving infrastructure, service quality and cost efficiencies, thereby improving customer experience.

### OUTLOOK FOR THE FUTURE

The Indian Government's policy initiatives like 'Make in India' and the nation-wide implementation of a uniform indirect tax system hold promise for an efficient, integrated and buoyant economy. The Logistics industry would be a critical enabler and facilitator on this journey towards achieving an envisioned growth potential.

The logistics industry is a trade-facilitator and enabler for the economy since it ensures efficient and cost-effective flow of goods and other commercial sectors are dependent on it. The logistics industry in India is evolving rapidly. It is the interplay of infrastructure, technology and new types of service providers, which defines whether the logistics industry will be able to help its customers reduce their costs and provide effective services. With globalization, logistics is expected to play an increasing role in driving the Indian economy. In 2016, India was ranked 35<sup>th</sup> in The World Bank's Logistics Performance Index (LPI) that ranks countries based on their logistics performance – moving up from 54<sup>th</sup> in 2014.

Further, with an advent of Goods and Service Tax (GST), there are emerging opportunities for the logistics industry in India. The logistics

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industry comprises of activities viz; storage, freight management, supply chain management, managing vendors and partners, transportation, handling damage claims and much more. Lately, many new entrants have entered the market and recent developments in other industries have also accelerated growth in the logistics industry. New technology, new market entrants, enhanced customer expectations and innovative business models are key factors which would drive the future of the industry and expected to change industrial landscape of India.

With implementation of GST, companies with small warehouses in several cities could set up a few in specific regions based on the 'hub-and-spoke' model for freight movement from the warehouses the different manufacturing plants, wholesale outlets, retail outlets and various 'Point of Sale'. The growth is backed by the boom in the e-commerce sector and expansionary policies of FMCG firms.

The global economic outlook and outlook for India is expected to improve as India Inc begins to overcome the economic slowdown post demonetisation and GST implementation. Reforms and growth oriented policies are expected to provide a fresh impetus particularly in the corporate and small and medium sized enterprises (SME) sector which should, in turn, enhance demand for the logistics sector.

The Indian e-tailing industry is increasingly attracting customers from tier II, III and IV towns. With increase in awareness about benefits of online trading, there has been a significant rise of investment in e-tailing. Blue Dart is the preferred e-tail logistics service provider for most leading e-portals. As an organization, we have built and invested in a strong e-tail team to strengthen network capabilities, expand reach to cover the entire Country. The Company will build its future on strong fundamentals viz; quality, consistency, reliability, passion, commitment, operational efficiency, customer centricity, employee satisfaction and sustainable business and environment.

Your Company is optimistic about the growth of various industries such as Life Sciences and Healthcare, Automotive/ Automobiles, Consumer Durables, Banking & Financial Services, Computer/IT, e-tailing etc. which are largely domestic consumption-driven and are expected to continue to grow. Your Company will continue its focus on product innovation and service enhancements by partnering in the industrial and services growth story. The SME sector is also a good avenue for growth and company has been extensively partnering their sector in its growth through customized products and solutions and increased connectivity to markets. Your company is geared to face challenges for the years to come. Your Directors look forward to improved performance in the coming years.

### GST

Your Company successfully transitioned to the new GST legislation with effect from July 1, 2017. It has been a major transition for your Company from indirect tax compliance perspective, moving from the centralised compliance under an erstwhile service tax law to a statewide compliance under the GST law. A lot of thought work has undergone for final identification of applicable principles to determine taxability of the services with respect to the 'place of supply' and location of service provider and service recipient. Your Company was engaged with various stakeholders

in the legislative authorities, industry associations among others in the process. The Company registered itself in the multiple States and is in compliance with the Statewide GST legislations in line with the provisions of the law. The Company has updated its systems and processes to ensure timely compliances of law in terms of submission of various monthly returns and payment of GST as per timelines in spite of concerns around readiness and systems speed issues of the GSTN website in the initial period.

The Company also engaged with the customers and vendors in a continuous communication to align interpretations as various provisions of the law were unfolded in order to ensure seamless transition to a new era. A lot of information with respect to the GSTN nos. of customers and vendors were also exchanged in the process to ensure uninterrupted business transactions. With effect from April 01, 2018, GST E-Waybills are applicable for movement of goods. The Company has updated its operating systems to automate and integrate the E-waybills related process.

### AWARDS AND RECOGNITIONS

Your Company's innumerable efforts in the pursuit of an endless excellence were recognized throughout the year ended March 31, 2018. The position as an industry leader was significantly reiterated by the accolades received from several industry bodies and customers. Your Company won several awards which validate its Brand Equity, Leadership, Human Resource Philosophy, Customer Service, Business Acumen and Corporate Social Responsibility.

Your Company is benchmarked to international standards and has won several brand leadership awards. It was voted as a Business Superbrand for the 10<sup>th</sup> consecutive year and Reader's Digest Most Trusted Brand Award for the 11<sup>th</sup> consecutive year, honoured with the Brand Excellence in Supply Chain & Logistics Sector at the ABP Brand Excellence Awards, the Air Cargo Transportation Award at the Indian Chamber of Commerce 8th Annual Supply Chain & Logistics Summit & Excellence Award 2018, Ranked No. 2 amongst the 15 Best Multinational Workplaces In Asia – 2018 by the Great Place to Work Institute, Asia, and ranked as one of the Best Workplaces in India (2017) by the Great Place to Work Institute, India, was conferred the National Award for Marketing Excellence in Supply Chain & Logistics Sectors at Global Marketing Excellence Awards.

Your Company was honoured with the DHL AP Innovation Award 2017 and DHL eCommerce Award 2017 – HR, awarded with the prestigious 'Global HR Excellence – Organisation with Innovative HR Practices' award at the World HRD Congress.

Your Company was honoured with the Silver at the DPDHL CEO Awards 2018 for its efforts in 'Living Responsibility' (Blue Homes) for the 2<sup>nd</sup> consecutive year, awarded Sustainable Education Strategy Award, Best in Class Corporate Social Responsibility practice, Responsible Business of the Year and Environmental Leadership Award at the Responsible Business Awards, awarded the Best Environment Friendly Project Award for Electric Vehicle (EV) Pilot by ET now in associated with the Rise with India.

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Mr. Anil Khanna, Managing Director, was conferred with several distinguished awards which include viz; an 'Iconic Leader' at the prestigious Globe Platinum Awards 2016 in Hong Kong, award for Outstanding Contribution to CSR at the South Asian Partnership Summit & Business Awards in Sri Lanka and ranked as most valuable CEO by 'Business World' magazine.

Mr. Aneel Gambhir, CFO, was honoured with the 'CFO 100' Award at the CFO 100 Award 2018 and awarded for 'Cost Control and Management' at the 8th Annual CFO100 Programme.

Mr. Yogesh Dhingra, Group CFO & CSO was honoured with CFO of the Year & one of the Most Influential CFOs of India by Chartered Institute of Management Accountants CIMA and was awarded Best CFO for Excellence in Sustained Wealth Creation at the CMO Asia's 'Asia CFO Excellence Awards'. He was awarded Lifetime Achievement Award at the National Award for CFO Excellence.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Bettina Staffa (DIN: 06963668) and Mr. Thomas Kipp (DIN : 06921955) tendered their resignations as Directors with effect from October 17, 2017 and December 05, 2017 respectively on account of their pre-occupation. The Board of Directors placed on record its appreciation for the valuable services rendered by Ms. Bettina Staffa and Mr. Thomas Kipp during their tenure as a Director and wished them the very best in all their future endeavours.

During the year, Mr. Charles Brewer (DIN: 07854413) and Ms. Tulsi Nowlakha Mirchandaney (DIN: 01842520) were appointed as Additional Directors of the Company with effect from July 28, 2017 and October 17, 2017 respectively and they hold office as Non-Executive Non-Independent Directors upto the date of ensuing Annual General Meeting (AGM). Blue Dart has received a notice in writing from the members proposing the candidature of Mr. Charles Brewer (DIN: 07854413) and Ms. Tulsi Nowlakha Mirchandaney (DIN: 01842520) as Directors on the Board of the Company. Further, the Nomination and Remuneration Committee (NRC) and Board of Directors of the Company have recommended the appointment of Mr. Charles Brewer (DIN: 07854413) and Ms. Tulsi Nowlakha Mirchandaney (DIN: 01842520) as Non-Executive Non – Independent Directors, liable to retire by rotation, to the Shareholders at the ensuing AGM.

Mr. Charles Brewer is CEO of DHL eCommerce, a division of Deutsche Post DHL Group, which he joined in 1984. In his role, he leads a global team responsible for developing solutions that enable the e-commerce sector. He is a proven expert in supply chain, international shipping and e-commerce with over 32 years of industry experience, covering multiple global regions and disciplines across Europe, Asia Pacific, the Americas and Africa. Prior to joining DHL eCommerce, Mr. Charles Brewer was the Managing Director for DHL Express, Sub-Saharan Africa where he was responsible for the successful business and operations of 54 countries and territories, encompassing more than 50,000 customers, 4,000 employees, 250 facilities, 5 regional hubs and 20 dedicated DHL aircraft.

Mr. Charles Brewer commenced his career at DHL in UK, before moving

to the DHL Express Asia Pacific region where he was appointed the Country Manager for Philippines and subsequently Country Manager for Malaysia. After Asia Pacific, Mr. Charles Brewer spent 5 years in the Americas region, where he first led the commercial organization and later was the General Manager for the North East region. After completing school at Lord Wandsworth College, Mr. Charles Brewer went on to Cranfield and Reading University and has also completed executive programmes at Henley Management College.

Ms. Tulsi Nowlakha Mirchandaney is the Managing Director and Accountable Manager of Blue Dart Aviation, India's only domestic cargo airline and South Asia's largest, with a fleet of six Boeing 757 freighters. Blue Dart Aviation is the only cargo airline that has sustained its operations in India for the past 22 years. Ms. Mirchandaney's responsibility spans the organization's flight and ground operations, inhouse airframe line and heavy maintenance and ground handling activities with a workforce of over 1100 committed professionals. Ms. Tulsi Mirchandaney has been actively associated with the airline and express industry in India for over 45 years and with Blue Dart group for 22 years, having been involved with the launch of Blue Dart Aviation prior to its inception in 1996. Ms. Tulsi Mirchandaney spearheaded First Choice, the Group's continuous improvement programme and was the first Senior Advisor for First Choice in Blue Dart. In Blue Dart Aviation, she has been instrumental in bringing about policy changes in civil aviation to acknowledge the contribution of air express and support the distinctive requirements of the cargo airline industry in the country. Ms. Tulsi Mirchandaney has an MBA degree in International Aviation from Concordia University, Montreal and has been felicitated by the Ministry of Civil Aviation for her Contribution to Civil Aviation in the country.

In the Board Meeting of the Company held on January 30, 2018, the Board of Directors approved re-appointment of Mr. Anil Khanna as Managing Director of the Company for a further period of three years with effect from February 21, 2018 to February 20, 2021, subject to approval by the members of the Company.

Mr. Khanna is a graduate from St. Stephen's College, Delhi and holds an MBA degree in Marketing and Finance from UBS, Chandigarh. Mr. Khanna has 39 years of experience in various industries and has been with Blue Dart since 1992.

Mr. Anil Khanna took over as Managing Director in 2007 and since then has led the organization successfully with clear strategic vision, focus on customers and inclusive execution of customer centric value propositions, thereby consolidating Blue Dart's leadership position in the market place. Under his leadership, Blue Dart has increased its market share in Air and Ground Express and has broadened its strategic focus from being an air express company since inception to being a company that straddles customer offerings across time definite, priority, deferred as well as focus on industry specific solutions in air and ground express segments. The Company has also expanded its e-tailing business under the leadership of Mr. Anil Khanna.

Prior to his commencement of tenure as a Managing Director in 2007, Mr. Anil Khanna was instrumental in transforming the Western

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Region by strengthening its sales systems and structure. As Senior Vice President, he turned around the West – 1 Region to a highly result oriented region in the country. In a short span of time, western region of Blue Dart under his leadership went on to become the No. 1 region in the country. Mr. Khanna also possesses varied experience in the paints and varnishes, consumer durables, auto components and construction chemical industries.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Malcolm Monteiro (DIN: 00089757), Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

On recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company in its Board Meeting held on May 08, 2018 approved re-appointment of Mr. Sharad Upasani, as an Independent Director of the Company for a further period of five years with effect from July 23, 2019 till July 22, 2024, subject to approval by the members of the Company. Since Mr. Sharad Upasani is 79 years old, consent of the Members by way of Special Resolution is sought by the Company in compliance with Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, for continuance of his appointment/ re-appointment as a Non-Executive Independent Director of the Company beyond the age of 75 years for the period with effect from April 01, 2019 till the expiry of his renewed tenure.

Mr. Sharad Upasani has been appointed as the Chairman of the Board of Directors of the Company with effect from December 21, 2007. Mr. Upasani has done Masters in Commerce and LLB from Mumbai University and also holds MBA degree from USA. He has varied experience in Administration and had the opportunity to work both in the State and Central Government and Public Sector Corporations. He has worked as Secretary of Industry Department, Maharashtra State and as Managing Director of Maharashtra State Finance Corporation, Chairman of Maharashtra State Textile Corporation and Vice – Chairman of Maharashtra State Road Transport Corporation. He retired as Chief Secretary, Government of Maharashtra.

At the Central level, he has worked in the Finance Ministry, Industry Ministry and Information & Broadcasting Ministry. He was also Chairman of the Company Law Board and Chairman of the Bureau of Costs and Prices, New Delhi. He was also Chairman of Film Certification Board, Mumbai and Vice-Chancellor of Agricultural University, Akola, Maharashtra.

Mr. Upasani was also on deputation to International Monetary Fund, Washington from 1974 to 1978. He is a member of Bar Council of Maharashtra and Goa. After retirement from Government Service as Chief Secretary, Government of Maharashtra, he is now giving Consultancy on Corporate Law matters and acts as Arbitrator in corporate disputes. He is also Trustee of Bhartiya Agro Industries Foundation (BAIF), Pune which works for rural upliftment in about 16 States in India.

The Company has received necessary declaration from each Independent Director under section 149(7) of the Companies Act,

2013, that they meet requisite criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Yogesh Dhingra, Group Chief Financial Officer & Chief Strategy Officer tendered his resignation vide letter dated March 15, 2018 on account of his desire to pursue other opportunities and he has been relieved of his responsibilities w.e.f. June 15, 2018. The Board of Directors noted his resignation and placed on record their sincere appreciation and thanks for his contribution during association with the Company for the last 26 years.

Mr. Anil Khanna, Managing Director, Mr. Aneel Gambhir, Chief Financial Officer and Mr. Tushar Gunderia, Company Secretary & Head – Legal & Compliance, are Key Managerial Personnel of the Company.

### NUMBER OF BOARD MEETINGS

The Board of Directors met 7 (seven) times during the year ended March 31, 2018. The details of Board Meetings and attendance of Directors are provided in the Corporate Governance Report.

### AUDIT COMMITTEE

The Audit Committee comprises of three Non-Executive Directors, viz; Mr. Sharad Upasani, Mr. Malcolm Monteiro and Mr. Narendra Sarda.

The Chairman of the Committee is Mr. Sharad Upasani.

The terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the meeting of the Board of Directors of the Company held on April 15, 2016, the Board of Directors enhanced terms of reference and scope and functioning of the Audit Committee to align with the new requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### INTERNAL FINANCIAL CONTROL SYSTEMS

Your Company has in place sound internal control system to ensure that all assets are protected against loss from any unauthorised use and all transactions are recorded and reported correctly. The Company's internal control system is further supplemented by the internal audits carried out by an in-house internal audit team and a co-sourced audit firm viz; KPMG. Well-established and robust internal audit processes, both at the business and corporate level, continuously monitor adequacy and effectiveness of the internal control environment across the company and status of compliances with the operating systems, internal policies and regulatory requirements.

During the year, your company has established and maintained adequate and effective internal financial controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on the Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities

## DIRECTORS' REPORT

include the design, implementation and maintenance of adequate internal financial controls which were operating effectively for ensuring an orderly and efficient conduct of business, including adherence to company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information as required under the Act.

### DOWNSTREAM INVESTMENT

As per the Auditor's Certificate on a downstream investment in the Indian subsidiary, the Company is in compliance with the FDI regulations and has obtained requisite certificate from the statutory auditors in this regard.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the provisions of Section 177 of Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formalized the process and institutionalized 'Whistle Blower Policy' within the Company.

The Company engaged the services of KPMG Advisory Services Pvt. Ltd., renowned consultancy firm which has established the Blue Dart Ethics Hotline. In terms of the policy, all suspected violations and 'Reportable Matters' must be reported to the Ethics Committee via Blue Dart Ethics Hotline. Ethics Committee comprises of Mr. Aneel Gambhir, CFO, Mr. Tushar Gunderia, Company Secretary & Head-Legal & Compliance and Ms. Sonali Raut, Head – Internal Audit. The Policy is applicable to all directors, employees, officers, customers, vendors and/or third party intermediaries viz: agents and consultants whether appointed on permanent, temporary, full-time, part-time, contractual, probation or on retainer basis and engaged to conduct business on behalf of the Company and its subsidiary companies. The Policy provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. None of the Whistle Blowers were denied access to the Audit Committee of the Board.

The Company has posted "Whistle Blower Policy" on its website viz; [www.bluedart.com](http://www.bluedart.com).

The web link of the Whistle Blower Policy is <http://www.bluedart.com/WhistleBlowerPolicy>.

### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to requirements of Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a familiarisation programme for the Independent Directors with regard to their role, duties and responsibilities, nature of the industry in which the Company operates, business / operating model of the Company etc. The Board Members are provided with all necessary documents/ reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and the Board constituted committee meetings pertaining to business and performance updates of the company, global business environment, business strategies and risks involved. Directors attend training programmes/ conferences on relevant subject matters and keep themselves abreast of the latest corporate, regulatory and industry developments.

The same has been posted on website of the Company viz; [www.bluedart.com](http://www.bluedart.com).

The weblink of familiarisation programme is [http://www.nseprimeir.com/z\\_BlueDart/files/FamiliarisationProgramme.pdf](http://www.nseprimeir.com/z_BlueDart/files/FamiliarisationProgramme.pdf)

### CSR COMMITTEE

In accordance with the statutory requirements, your Company constituted the CSR Committee on February 5, 2014. The CSR Committee of the Company comprises of Mr. Sharad Upasani as Chairman of the Committee and Mr. Anil Khanna and Mr. Malcolm Monteiro as members of the Committee.

CSR Committee along with CSR Implementation/Management Committee is responsible for formulating and implementing CSR Policy of the Company.

Mr. Aneel Gambhir, CFO is the permanent invitee to the CSR Committee of the Board. Mr. Tushar Gunderia acts as Secretary to the Committee.

### CSR INITIATIVES / CSR POLICY

The Corporate Social Responsibility is an integral part of our strategy. We are committed to our responsibility towards the Society, Community and environment. We want to make a positive contribution to our world by using our knowledge and domestic / global presence in a way that benefits the planet and its people.

As an Indian company with a global outlook, we endeavor to maintain healthy balance between economic, environmental and social interests.

Under the motto of "Living Responsibility", your Company (along with the DPDHL Group) focuses its corporate responsibility on protecting the environment and reducing CO2 emissions (GoGreen), disaster management (GoHelp) and championing education (GoTeach). These are supported and complemented by the regional community initiatives which demonstrate voluntary commitment, special abilities and enthusiasm of Blue Darters across the country.

In accordance with the provisions of Section 135 of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formulated and posted the CSR Policy on website of the company viz; [www.bluedart.com](http://www.bluedart.com).

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, undertaken by the Company during the year is annexed as 'Annexure B' to the Board's Report.

# DIRECTORS' REPORT

## NOMINATION & REMUNERATION POLICY

Pursuant to provisions of Section 178 of the Companies Act, 2013, the Board has, on recommendation of Nomination & Remuneration Committee, formulated a Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of Companies Act, 2013.

Nomination & Remuneration Policy has been incorporated in the Corporate Governance Report.

## NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of Mr. Narendra Sarda as Chairman and Mr. Sharad Upasani and Mr. Malcolm Monteiro as members of the Committee.

Mr. Anil Khanna, Managing Director and Mr. Aneel Gambhir are permanent invitees to the Committee.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company re-aligned its existing 'Investors Grievance Committee' as 'Stakeholders Relationship Committee' with an enhanced scope and functioning. The Stakeholders Relationship Committee comprises of Mr. Malcolm Monteiro as the Chairman of the Committee and Mr. Anil Khanna as member of the Committee.

## RISK MANAGEMENT

Your Company has formulated a Risk Management Policy which provides an overview of the principles of risk management, explains the approach adopted by the company towards risk management and mitigation, defines the organizational structure for effective risk management, develop a "risk" culture which encourages employees to identify risks and associated opportunities and respond to them with a effective action, identify, assess, manage and mitigate existing and new risks in a planned and co-ordinated manner with minimum disruption and cost, to protect and preserve the company's human, physical and financial assets.

Risk Management Committee comprise of Mr. Narendra Sarda as the Chairman of the Committee and Mr. Sharad Upasani, Mr. Anil Khanna, Mr. Malcolm Monteiro, Directors and Mr. Aneel Gambhir, CFO, Mr. Tushar Gunderia, Company Secretary and Ms. Sonali Raut, Head – Internal Audit, as Members of the Committee.

The Risk Management Committee maintains comprehensive oversight on risks attributed to the organisation and guides Management on activities, reviews results of risk assessment and mitigation plan development process, reviews and monitor operating of risk management process and reports to the Board of Directors on status of risk management initiatives and its effectiveness. Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating measures on a continuing basis. Your Company has a process in place to inform the Audit Committee and the Board of

Directors on risk assessment and minimisation procedures and periodic review is conducted in order to ensure that Management controls risk through defined framework.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Loans, guarantees or investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

## PARTICULARS OF CONTRACT OR ARRANGEMENTS MADE WITH RELATED PARTIES

Related Party Transactions entered into during the Financial Year were at an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with the persons /related party(s) as defined under Section 2(76) of the Companies Act, 2013 which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee and the Board for approval.

None of the Directors has any pecuniary relationship or transactions with the Company.

The particulars of contracts or arrangements with related parties as required under Section 134(3)(h) in prescribed Form AOC - 2 are annexed herewith as 'Annexure C' to the Board's Report.

The 'Policy on Related Party Transactions/Disclosures' as approved by the Board is posted on the Company's website viz [www.bluedart.com](http://www.bluedart.com)

The web link of 'Policy on Related Party Transactions/Disclosures' is [http://www.nseprimeir.com/z\\_BlueDart/files/Bluedart\\_RelatedPartyDisclosures\\_final.pdf](http://www.nseprimeir.com/z_BlueDart/files/Bluedart_RelatedPartyDisclosures_final.pdf)

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, your Directors confirm that;

- i. In the preparation of the Financial Statement, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. They have selected accounting policies and applied them consistently and made judgements 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 of the Company for that year;

## DIRECTORS' REPORT

- iii. They have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down proper internal financial controls to be followed by the Company and that the financial controls were adequate and were operating effectively; and
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### BOARD EVALUATION

Pursuant to provisions of Companies Act, 2013, Schedule IV and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an Annual Evaluation of its own performance, the Chairperson, individual Directors as well as the evaluation of the working of its Committees.

In line with effective governance requirements, the Board reviews its own performance annually using a pre-determined template designed as a tool to facilitate the evaluation process. The assessment was built around the functioning of the Board as a whole, its Committees and also the evaluation of Individual Directors. The assessment format considered performance effectiveness with regard to Board composition, expertise, dynamics, strategic oversight, risk management and internal control, succession planning and leadership.

While the individual directors' performance was reviewed by the Chairperson and rest of the Board excluding the Director being evaluated, the Chairperson's and Non-Independent Directors performance were appraised through feedback from the Independent Directors.

### AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, (Firm Registration no. 101049W/E300004), were appointed as Statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of Twenty Sixth Annual General Meeting of the Company held on July 27, 2017 upto the conclusion of the Thirty First Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting.

MCA vide its notification dated May 07, 2018 has enforced section 40 of the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Rules, 2014 wherein the requirement for ratifying the appointment of the Auditors of a Company at every Annual General

Meeting as per the provisions of section 139 (1) of the Act, 2013 has now been dispensed with. Accordingly, in terms of the said amendments, your Company has not sought ratification of the appointment of the Statutory Auditors by the Shareholders at the ensuing Annual General Meeting.

You Company has received necessary certificate from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants confirming that they satisfy the criteria provided under section 141 of the Companies Act, 2013 and are not disqualified from continuing as Statutory Auditors of the Company.

The Auditors' Report for 2017-18, does not contain any qualification, reservation or adverse remarks.

### SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Nilesh Shah & Associates, Company Secretary in Practice, to undertake "Secretarial Audit" of the Company for the year ended March 31, 2018.

The Secretarial Audit Report is annexed herewith as 'Annexure D' to the Board's Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### DISCLOSURE ON CONFIRMATION WITH THE SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

### EXTRACTS OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT- 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, as amended, is annexed herewith as 'Annexure E' to the Board's Report.

### SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company's Equity Shares and Unsecured, Redeemable and Non-Convertible Debentures are listed on the BSE Limited and the National Stock Exchange of India Limited (NSE). The Company has paid its Annual listing fees for the listed securities to the stock exchanges for the Financial Year 2018-2019.

The Company has formulated following Policies as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. 'Policy for Preservation of Documents' under Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## DIRECTORS' REPORT

2. 'Archival Policy' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The web link of 'Archival Policy' is;

[http://www.nseprimeir.com/z\\_BlueDart/files/Bluedart\\_Archival\\_Policy.pdf](http://www.nseprimeir.com/z_BlueDart/files/Bluedart_Archival_Policy.pdf)

3. 'Policy on Criteria for determining Materiality of events / information' under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The web link of the 'Policy on Criteria for determining Materiality of events/information' is;

[http://www.nseprimeir.com/z\\_BlueDart/files/Bluedart\\_Policy\\_for\\_determining\\_Materiality.pdf](http://www.nseprimeir.com/z_BlueDart/files/Bluedart_Policy_for_determining_Materiality.pdf)

### TRANSFER OF UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

The details relating to unclaimed dividend and unclaimed shares forms part of the Corporate Governance Report.

### CORPORATE GOVERNANCE AND MANGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the Securities and Exchange Board of India (SEBI). Your Company adopts high standards of Corporate Governance in all areas of functioning with strong emphasis on transparency, integrity and accountability.

Your Company believes that Corporate Governance is an application of the best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

A section on Corporate Governance along with a certificate from the Auditors confirming compliance of conditions of Corporate Governance as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms part of the Directors' Report.

A detailed review of operations, performance and future outlook of the Company and its business is given in the Management Discussion and Analysis Report which forms an integral part of this Report and is set out as a separate section to this Annual Report.

### BUSINESS RESPONSIBILITY REPORT (BRR)

As stipulated in Listing Regulations, the Business Responsibility Report describing the initiatives undertaken by the Company from environmental, social and governance perspective is attached and forms part of this Annual Report.

### CEO/CFO CERTIFICATION

In accordance with the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 pertaining to corporate governance norms, Mr. Anil Khanna, Managing Director and Mr. Aneel Gambhir, CFO have certified, inter-alia, on review of financial statements and establishing and maintaining internal controls for the financial reporting for the year ended March 31, 2018. The said certificate forms an integral part of the Annual Report.

### DEPOSITS

During the year, your Company has not accepted any deposits within the meaning of the provisions of Section 73 and/or 76 of the Companies Act, 2013 and rules made thereunder.

### HUMAN RESOURCE DEVELOPMENT

The Company's Human Resources (HR) function has always been aligned with the business objectives and requirements for a effective partnership. Blue Dart is recognised as one of India's Best places to work. Some of the highlights of key areas on which HR laid emphasis and achieved results were viz; Employee Morale & Motivation, Performance Management, Succession Planning & Executive Development Review, Competency Development, Employee Wellness and Well Being, Work- Life Balance Initiatives etc.

The Employee Satisfaction Survey in 2017 was conducted with a unique and strategic approach facilitated by HR under the guidance of Managing Director and other Senior Management Team members. This approach focused on facilitating senior management communication/ dialogue/ interaction with employees and clarification sessions for ESS issues/ employee touch points. HR carried out the ESS communication campaign, focusing more on structured interaction between SMTs and employees prior to the launch of ESS in 2017. The Employee Satisfaction Survey for the year 2017 was conducted with 99.2% employees participating in the survey.

The mean satisfaction score for the year is 95.2%. 'Pride for Working in Blue Dart' has a high score of 97.4%. Employee engagement has also emerged as one of the highest scoring items with a score of 95.2%. Amongst the dimension wise scores, Organization Identity is the highest scoring with a mean satisfaction score of 96.4% which remained same as last year. This high engagement score has become possible due to active leadership of Senior Management Team members / Managers/ Supervisors through regular interactions, action plan on areas of concern and focusing on them with proper communication and feedback sessions.

### EMPLOYEES

Your Directors place on record their deep appreciation for the contribution made by employees of the Company at all levels.

Blue Dart has always been acknowledged for its people and customer centric approach. Blue Dart's People-First philosophy coupled with passion and commitment of its employees has enabled the company to overcome many challenges in the past.

The Information on the particulars of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial

## DIRECTORS' REPORT

Personnel) Rules, 2014 as amended from time to time, forms part of this Report. However, as per the provisions of Section 136 (1) of the Companies Act, 2013, the report and Financial Statements are being sent to all shareholders of the Company, excluding the Statement of Particulars of Employees which is available for inspection at the registered office of the company during working hours. Any shareholder interested in such particulars may inspect the same.

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub – section 12 of section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of this Report as 'Annexure F' to the Board's Report.

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

The particulars regarding conservation of Energy, Technology Absorption and foreign exchange earnings and expenditure stipulated under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rule 2014 is annexed as 'Annexure G' to the Board's Report.

### **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of following items since there were no transactions in respect of below items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Neither Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. As on March 31, 2018, there are no associate company or joint venture company within the meaning of Section 2(6) of the Act.
6. No fraud has been reported by the Auditors to the Audit Committee or the Board.
7. There was no change in the nature of business

### **ACKNOWLEDGEMENT**

Your Directors appreciate contribution made by the employees of the Company and acknowledge their hard work and dedication to ensure that the Company consistently performs well and remains a leading player in the Express Industry.

The Board of Directors wish to express their sincere appreciation and thanks to all customers, suppliers, banks, financial institutions, solicitors, advisors, Government of India, concerned State Governments and other authorities for their consistent support and co-operation extended to the Company during the year. .

We are also deeply grateful to our shareholders for the confidence and faith that they have always placed on us.

For and on behalf of the Board of Directors,

**Sharad Upasani**  
Chairman  
DIN: 01739334

**Anil Khanna**  
Managing Director  
DIN: 01334483

**Malcolm Monteiro**  
Director  
DIN: 00089757

**Air Marshal M. McMahon (Retd.)**  
Director  
DIN: 00234293

**Narendra Sarda**  
Director  
DIN: 03480129

**Tulsi Nowlakha Mirchandaney**  
Additional Director  
DIN : 01842520

Mumbai  
June 18, 2018