

12th Annual Report 1999-2000

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कॉनकॉर

CONCOR

CONTAINER CORPORATION OF INDIA LIMITED

(A Govt. of India Undertaking)

Mission

The Corporation's mission is to develop multimodal logistics support for the country's international and domestic trade and commerce.

Objectives

- Provide transportation logistics services for export-import as well as domestic cargo in containers.
- Expand CONCOR's terminal network in the country so as to enhance its market share in container business.
- Bring back less than train load general goods cargo from road to rail in containers through extensive marketing efforts.
- Provide multimodal transportation logistics consultancy services to potential operators who would help CONCOR grow its business.



TWELFTH ANNUAL REPORT - 1999-2000

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STATUTORY AUDITORS

M/s. V. K. Dhingra & Co.
Chartered Accountants
1-E/15, Jhandewalan Extn.,
New Delhi - 110 055

BRANCH AUDITORS

M. Chaudhary & Co., Calcutta
Natraj Associates, Chennai & Hyderabad
Jain Chaudhary & Co., Mumbai & Nagpur

BANKERS

Allahabad Bank
Canara Bank
Central Bank of India
Citibank
Punjab National bank
State Bank of India
Syndicate Bank

REGISTRARS & SHARE TRANSFER AGENT

M/s Alankit Assignments Ltd.
205-208, Anarkali Market,
Jhandewalan Extn., New Delhi - 110 055

TAX ADVISER

M/s Sastry K. Anandam & Co.
C-21, Soami Nagar, Panchsheel Park,
New Delhi - 110 017

LEGAL ADVISER

R. K. Joshi, Advocate
349, Lawyers' Chambers,
Delhi High Court, Shershah Road,
New Delhi - 110 003



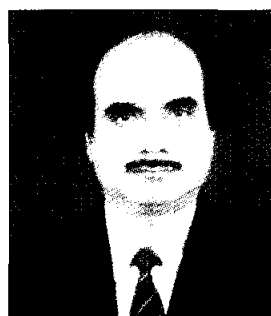
Board of Directors



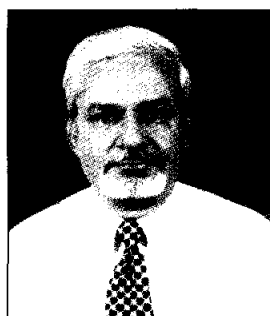
Shri Shanti Narain
Chairman



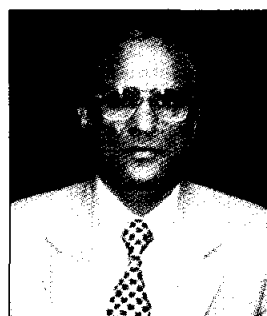
Shri S K Sharma
Managing Director



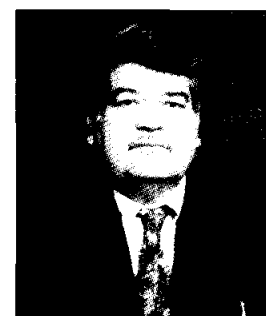
Shri A K Kohli
Director
[Projects & Services]



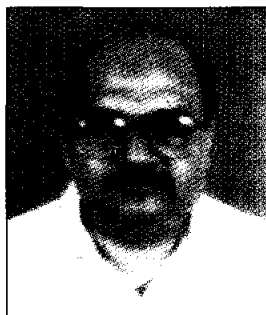
Shri K D Ahuja
Director
[Intl. Mrktg. & Operations]



Shri Birkhe Ram
Director
[Finance]



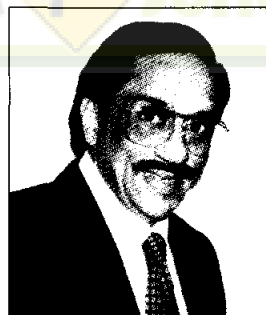
Shri R C Dubey
Director
[Domestic Division]



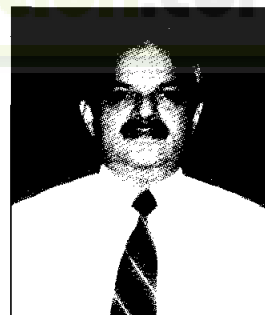
Shri M R Dixit
Director



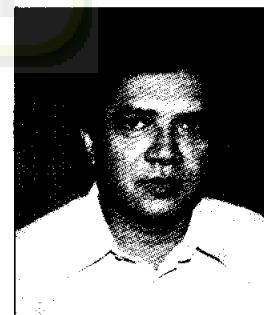
Shri R K Narang
Director



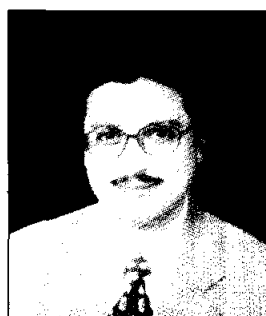
Dr. P S Sarma
Director



Shri P N Shukla
Director



Shri P C Jha
Director



Shri Ravi Khandelwal
Genl. Manager (Fin. & Accounts)
& Company Secretary



10 YEARS PERFORMANCE AT A GLANCE - FINANCIAL & PHYSICAL

Financial

(Rs. in Crores)

Description	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Paid Up Capital	32.99	46.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99
Reserves & Surplus	5.68	18.39	33.57	51.99	71.98	116.41	197.37	298.87	407.36	542.77
Capital Employed (Net Fixed Assets + Investment + Working Capital)	33.19	35.92	49.27	101.23	131.50	171.60	252.84	337.78	424.58	560.43
Net Worth (Paid Up capital + Reserves - Preliminary expenses to the extent not written off)	38.55	65.28	98.47	116.91	136.91	181.35	262.33	363.81	472.35	607.76
Fixed Assets (Gross Block)	0.77	1.06	25.72	92.36	137.52	157.41	189.62	218.21	352.78	457.57
Income from Operations	18.65	49.99	81.13	114.52	217.34	389.36	534.32	606.25	684.77	831.42
Other Income	2.35	4.48	8.82	5.84	3.15	6.68	14.17	22.30	31.59	33.46
Total Income	21.00	54.47	89.95	120.36	220.49	396.04	548.49	628.55	716.36	864.88
Gross Profit	7.81	17.75	25.52	30.86	54.43	115.78	176.73	191.49	220.26	287.89
Depreciation	0.03	0.05	0.49	3.73	7.30	8.93	10.39	11.54	12.27	22.62
Net Profit Before Tax	7.78	17.70	25.03	27.13	47.13	106.85	166.34	179.95	207.99	265.27
Provision for Taxation	4.60	6.62	7.75	6.30	24.21	53.73	70.94	63.27	66.51	90.00
Net Profit	5.41	13.20	16.93	21.02	23.89	52.23	95.25	115.80	140.66	177.59
Dividend Declared	0	0.5	1.75	2.60	3.89	7.79	12.99	12.99	29.24	35.75
% of Net Profit to total Income	25.76	24.23	18.82	17.46	10.83	13.18	17.36	18.42	19.63	20.53
Earning Per Share : (in Rs.)	1.63	2.80	2.60	3.23	3.68	8.04	14.66	17.82	21.64	27.32

Physical (TEUs)*

International Handling	66222	95782	122645	188347	275615	349141	424741	491481	576790	664490
Domestic Handling	0	12495	32940	48824	127017	244977	278801	230238	225156	238661
Total	66222	108277	155585	237171	402632	594118	703542	721719	801946	903151

* Twenty equivalent units.

CHAIRMAN'S ADDRESS

MAJOR ACHIEVEMENTS - 1999-2000

- Traffic Turnover grew by over 12.62% to 903151 TEUs.
- International traffic grew by 15.20% over the previous year 1998-99.
- General Cargo traffic volumes up by 66% to 95,125 TEUs in 1999-2000 from 57,316 TEUs in 1998-99.
- Movement of piecemeal general cargo in containers by CONTRACK trains scheduled to run on nominated days.
- Financial Turnover increased to Rs.831.42 crores, registering a growth of 21.41%.
- Net profit increased by over 26% from Rs.140.65 crores to Rs.177.59 crores.
- Earning per share (EPS) increased to Rs.27.32 from Rs.21.64.
- Net worth increased to Rs.607.76 Crores from Rs.472.35 Crores.
- Company bagged the prestigious 'MOU Award' from the Hon'ble Prime Minister Shri Atal Bihari Vajpayee.
- "Mini-Ratna Status" granted to the Company by the Govt. of India.

Dear Shareholders,

It is my pleasure and privilege to extend to all of you a warm and cordial welcome on the occasion of 12th Annual General Meeting of your Company. The dawn of new millennium is the appropriate time to pause and reflect on what we have achieved and where we stand. Meetings, such as this, give an opportunity to review the Company's performance and programmes, its hopes and aspirations. You have, already with you, the Directors Report and audited accounts along with Auditors Report thereon for the year ended 1999-2000. I presume, I have your permission to take them as read.

Your company has maintained an impressive growth this year also on all fronts. The total income of the company has grown to Rs.865 Crores in the year 1999-2000 from meager amount of Rs.23.24 Crores in 1990-91. The net profit has also increased from Rs.5.42 Crores in 1990-91 to Rs.177.59 Crores during the year under review. The company's reserves and surplus have gone up to Rs.542.77

Crores from Rs.407.36 Crores in the last year registering a growth of 33.24%. The net worth of the company has also gone up to Rs.608 Crores from Rs.472 Crores in the previous year. The growth in Earning Per Share has been consistently growing up and it has reached to Rs.27.32 in the year under review from Rs.21.64 in the previous year.



Encouraging financial results achieved by the company had prompted your Directors to recommend the dividend @ 55% for the year 1999-2000 as against 45% paid for the previous year.

You may be aware that CONCOR terminal operations are spread across the country. The dedicated net work of 32 EXIM and 9 Domestic terminals dots the Indian Map to cater to the needs of the trade and industry. The company has handled 903151 TEUs in 1999-2000 as against 66222 TEUs in the year 1990-91. Within a decade of its existence, company's physical throughput has seen manifold growth. The traffic turnover of the Company has grown as per the expectations set out in advance. A new challenge in EXIM traffic has been the successful commencement of traffic to and from Nhava Sheva International Container Terminal (NSICT). With the induction of high speed wagons in the circuit, entire volumes offered at JNPT and NSICT were evacuated quickly by CONCOR without getting the port terminals congested.

As CFS-Operator, CONCOR provides value-added services, by offering transit warehousing to import export cargo. A new segment assuming importance now is bonded warehousing, which assists importers store cargo and ask for partial releases as and when required. Provision of warehouse implies value addition to services provided by the Company. Transit warehouses, bonded warehousing, air cargo complexes, and areas for consolidation of LCL cargoes form the focus areas in the field. Provision of specially designed hazardous cargo godowns shall also be a business activity of the future.

The company believes that expansion of its warehousing capabilities represents value addition in services it offers.



While the company will continue to construct warehouses for storage of transit import and export cargo, it has plans for a significant increase in the construction of Bonded warehouses at all locations where such business is available or can be attracted.

The company has made inroads in air cargo business too, and looks upon it as another growth area. A two pronged approach has been adopted towards increased penetration of domestic markets. On the one hand, large corporate clients have been targetted with time and quality sensitive transportation requirements and on the other hand frequent and regular transportation services have been introduced for capturing piecemeal traffic by running regular trains between major destinations. Currently, 5 trains a week are run each way between Delhi-Chennai and two trains each way between Delhi - Bangalore. Other destinations covered by similar services are Ahmedabad-Calcutta, Mumbai-Delhi, Chennai-Calcutta, Mumbai-Delhi, Hyderabad-Calcutta, Hyderabad-Delhi etc.

Your company has arranged a loan from the International Bank for Reconstruction and Development (World Bank) for bringing latest technological inputs in the rolling stock to be used on Railway network. 3225 high speed flat wagons are being procured with the help of a loan arranged from the World Bank. These wagons have superior characteristics i.e. speed potential of 100 kmph, automatic twist locks, low bed achieved by reducing the diameter of wheels, slackless draw bars etc. These are progressively put to use in all EXIM streams and has been planned for domestic streams subsequently.

CONCOR has put high speed container flat wagons in operation on TKD-JNPT circuit. Average transit time achieved was well within the target of 48 Hrs. By the end of the year 2000, around 42 such rakes are expected to be available for induction in long distance and high yielding traffic circuits. Air brake trains have been introduced in Sanatnagar-JNPT and Nagpur-JNPT sectors also. This has resulted in reduction in average transit time from 7-8 days to 3-4 days on each of these circuits. For the information of Shippers and Shipping lines, the monthly export/import train schedules and load availability is also being made available on CONCOR's website.

CONCOR came initially into handling of domestic cargo in containers to assist Indian Railways fulfill their obligations in the wagon starved scenario of the mid 1990s. Over the years, as Indian Railways acquired adequate rolling stock for transportation of bulk cargo, the mandate for CONCOR is to bring back to Railways from Roads the piecemeal general goods cargo. This segment has become

CONCOR's niche market today. CONCOR's domestic business saw a marked shift from carrying bulk commodities like cement to general cargo. During the year general cargo volumes went up by 66% from 57,316 TEUs in 1998-99 to 95,125 TEUs in 1999-2000. Marketing its services for white goods alongwith other general cargo shall continue to be a thrust area for the company.

Another significant achievement in the year has been the introduction of Air-Brake BFKI 'N' wagons on major domestic corridors which have greatly helped to improve transit time and reliability. Traffic volumes at major terminals linked by CONTRACK trains went up substantially - at Ahmedabad by 32%, at Calcutta by 46%, Delhi by 46%, Bangalore by 56% and at Tondiarpet by 100%. New commodities like vegetable oils, polypropylene and tea have been handled by CONCOR during the year.

CONCOR would further improve the speed and reliability of its domestic services by introducing new state-of-the-art wagons. For the first time ever, a timetable freight service has been introduced on Indian Railways between Chennai-Calcutta, and several more such services would be started soon.

There is a concerted effort towards being able to progress quickly with a comprehensive distribution management system for CONCOR's domestic business on a nation-wide network. With this, CONCOR will be able to support logistics service needs of major corporate clients.

During the financial year 1999-2000, CONCOR made significant progress towards enhancing its terminal network. Construction work began for several new projects and for expansion of existing facilities. Ballabgarh and Salem Market terminals were made operational. Expansion works taken up at Nagpur, Tuglakabad, DCT/Tuglakabad, Tondiarpet and Moradabad have been completed in a phased manner without affecting the existing business from these terminals. Cossipore Road facility in Calcutta was quickly upgraded as an ICD and the expansion of the Shalimar terminal was also undertaken. Major upgrading of New Mulund facility was also completed during the year under review.

The company recently improved its facilities and logistics at its main Inland Container Depot at Tuglakabad, in Delhi area, to handle about 3,00,000 TEUs annually. It has also been planned to establish a new Mega Inland Container Depot at Dadri, near Delhi. This mega facility is expected to have an estimated capacity of approximately 1,50,000 TEUs in Phase-I which is currently scheduled to be operational by the end of 2001. Company expects to handle containers shipped through the high-traffic density circuit of northern region of the country.



It is said that "Customer is the King" - and in order to improve customer service a modern client/server information system was installed in the ICD-TKD using a state-of-the-art fibre-optic local area network. The older system in the DCT at Okhla was replaced with a new client/server based system, completely developed in house.

As you are aware that the company is required to sign the Memorandum of Understanding with the Ministry of Railways. The targets to be achieved by the company are decided in a meeting of Ad hoc Task Force constituted by the Deptt. of Public Enterprises. The company not only achieved the targets, it surpassed them. As a result, company has bagged the prestigious MOU Award from the Hon'ble Prime Minister of India.

Before, I conclude, I wish to express my deep sense of gratitude to all members of CONCOR family for their sustained hard work, sense of commitment and co-operation. I must appreciate the continued support of Ministries of Government of India and pay my grateful thanks to my colleagues on the Board for their wisdom, guidance and advice. My grateful thanks are also due to our valued customers and business community for their abiding trust and confidence in us.

Thanking you,

New Delhi,
Dated : 15th September, 2000

Shanti Narain
Chairman





NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Shareholders of the Company will be held as under :-

Day : Friday
 Date : 15-09-2000
 Time : 4.00 p.m
 Venue : Hotel Le Meridien, Windsor Place,
 New Delhi - 110001

to transact, with or without modifications, as may be permissible, the following business :

ORDINARY BUSINESS :-

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2000.
3. To appoint a Director in place of Shri S. K. Sharma, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri K. D. Ahuja, who retires by rotation and being eligible, offers himself for reappointment.

5. To appoint a Director in place of Shri Birkhe Ram, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS :-

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.
 - (i) "Resolved that Shri R.C. Dubey be and is hereby appointed as Director of the Company w.e.f. 27.4.2000 as per letter no. 98/E(O)II/5/23 dtd. 20.4.2000 of the Ministry of Railways and shall be liable to retire by rotation."
 - (ii) "Resolved that Shri P. C. Jha and is hereby appointed as Director of the Company w.e.f. 15.7.1999 as per letter no. 86/TC(M&S)/15/26 dtd. 15.7.1999 of the Ministry of Railways and shall be liable to retire by rotation."

By Order of the Board of
CONTAINER CORPORATION OF INDIA LIMITED

RAVI KHANDELWAL
 GENERAL MANAGER (F&A)
 & COMPANY SECRETARY

Regd. Office :
 4th Floor, Kanishka Office Plaza,
 19, Ashoka Road, New Delhi -110001.

Date : 11th July, 2000
 Place : New Delhi

**NOTES:**

- (a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member.
- (b) The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
- (c) The Register of Members and the Share Transfer Books will remain closed from 1-09-2000 to 15-09-2000 (both days inclusive).
- (d) Members are requested to notify immediately change in their address, if any, to the Company at its Registered Office by quoting their Folio Numbers.
- (e) Members are requested to intimate their Bank Account details, if not already sent, to avoid the incidence of fraudulent encashment of the dividend.
- (f) Dividend on Equity Shares as recommended by the Directors for the year ended on 31st March, 2000, when declared at the Meeting, will be paid :
- (i) to those Members whose names appear in the Register of members of the Company, after

giving effect to all valid Share Transfers in physical form lodged with the Company and its Registrars before 1-09-2000.

- (ii) in respect of shares held in electronic form, to those "deemed members" whose names appear on the Statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 15-09-2000.

Explanatory Statement pursuant to Sec. 173 of the Companies Act, 1956

Item No. 6

The Government of India has appointed Shri R. C. Dubey as Director of the company vide their letter no. 98/E(O)II/5/23 dated 20.4.2000 and Shri P. C. Jha vide their letter no. 86/TC(M&S)/15/26 dated 15.7.1999. The company has accordingly filed the requisite forms with the Registrar of companies, NCT of Delhi & Haryana, New Delhi.

In terms of Section 255 of the Companies Act, 1956, their appointment is required to be confirmed in the forthcoming Annual General Meeting.

None of the Directors except Shri R. C. Dubey and Shri P. C. Jha are concerned or interested in the said resolution.