



**CONTAINER CORPORATION OF INDIA LTD.**  
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**Delivering** horizontally  
**Growing** vertically

**Annual Report 2006-07**

Container Corporation of India Limited

## Mission

“Our mission is to join with our community partners and stake holders to make Concor a company of outstanding quality. We do this by providing responsive, cost effective, efficient and reliable logistics solutions to our customers through synergy with our community partners and ensuring profitability and growth. We strive to be the first choice for our customers. We will be firmly committed to our social responsibility and prove worthy of trust reposed in us.”

## मिशन

“हमारा मिशन अपने व्यावसायिक सहयोगियों और शेयरधारकों के साथ मिलकर कॉनकॉर को एक उत्कृष्ट कंपनी बनाने का है। अपने व्यावसायिक सहयोगियों के सक्रिय सहयोग से तथा लाभप्रदता एवं वृद्धि सुनिश्चित करके अपने ग्राहकों को अनुकूलित, लागत प्रभावी, दक्ष और विश्वसनीय संभारतंत्र साधन उपलब्ध कराकर हम अवश्य ही ऐसा कर पाएंगे। हम अपने ग्राहकों की पहली पसंद बने रहने के लिए प्रयासरत हैं। हम अपने सामाजिक दायित्वों के प्रति दृढ़तापूर्वक प्रतिबद्ध हैं और हम पर जो विश्वास रखा गया है, उस पर खरे उतरेंगे।”

## Objectives

“We will be a customer focussed, performance driven, result oriented organisation, focussed on providing value for money to our customers.”

“We will strive to maximise productive utilisation of resources, deliver high quality of services, and be recognised as setting the standards for excellence.”

“We will constantly look for new and better ways to provide innovative services. We will aim for customer convenience and satisfaction, learn from our competitors and always strive for excellence.”

“We will set measurable performance goals to support the objectives and mission of our organisation and work as a professional, competent and dedicated team for the organisation to achieve excellence in all areas of our business and operations by benchmarking ourselves with our competitors.”

“We will follow highest standards of business ethics and add social value for the community at large by discharging social obligations as a responsible corporate entity.”

“We will maintain absolute integrity, honesty, transparency and fair-play in all our official dealings and strive to maintain high standards of morality in our personal life.”

## लक्ष्य

“हम ग्राहक केंद्रित, निष्पादन प्रेरित, परिणाम अभिमुख संगठन बनेंगे जिसका मुख्य लक्ष्य ग्राहकों को प्रतिलाभ दिलाना होगा।”

“हम संसाधनों का लाभप्रद उपभोग करने हेतु तथा उच्च गुणवत्ता वाली सेवाएं देने के लिए प्रयासरत रहेंगे और श्रेष्ठता हेतु मानक स्थापित करने के रूप में हमारी पहचान होगी।”

“हम परिष्कृत नवीन सेवाएं देने के लिए निरन्तर नए और बेहतर विकल्प खोजेंगे। ग्राहकों की सुविधा और संतुष्टि ही हमारा ध्येय होगा। हम अपने व्यावसायिक प्रतिस्पर्धियों से सीख लेंगे और श्रेष्ठता हेतु सदैव प्रयासरत रहेंगे।”

“हम अपने संगठन के लक्ष्यों और मिशन के समर्थन में परिमेय निष्पादन लक्ष्य निर्धारित करेंगे। हम अपने प्रतिस्पर्धियों के मुकाबले स्वयं ही मानक स्थापित करेंगे तथा अपने संगठन की उन्नति के लिए अपने व्यवसाय और परिचालन के सभी क्षेत्रों में एक संव्यवसायिक, सक्षम और समर्पित टीम के रूप में कार्य करेंगे।”

“हम व्यवसाय-सम्मत उच्चतम मानकों का अनुसरण करेंगे तथा उत्तरदायी निगमित हस्ती के रूप में सामाजिक दायित्वों का निर्वहन करते हुए व्यावसायिक समुदाय के लिए सामाजिक मूल्यों में अत्यधिक वृद्धि करेंगे।”

“हम अपने कार्यालयीन कार्यों में पूर्णतः सत्यनिष्ठा, ईमानदारी, पारदर्शिता और निष्पक्षता बनाए रखेंगे। हम अपनी निजी जिंदगी में भी नैतिकता के उच्च आदर्श बनाए रखने हेतु प्रयासरत रहेंगे।”



## Contents

1.	10 Years Performance at a Glance Financial & Physical	1
2.	Company Information	2
3.	Notice	3-4
4.	Directors' Report	5-9
5.	Addendum to Directors' Report	10-11
6.	Corporate Governance Report	12-17
7.	Management Discussion and Analysis	18-20
8.	Certificate on Corporate Governance	21
9.	Balance Sheet	22
10.	Profit & Loss Account	23
11.	Schedules Annexed to Balance Sheet and Profit & Loss Account	24-32
12.	Significant Accounting Policies	33-34
13.	Notes on Account	35-44
14.	Balance Sheet Abstract & Company's General Profile	45
15.	Auditors' Report	46-47
16.	Annexure to the Auditors' Report	48-49
17.	Cash Flow Statement	50
18.	Annual Report of Fresh & Healthy Enterprises Limited (Subsidiary Company)	51-76
19.	Container Corporation of India Ltd. - Consolidated Financial Statements - Auditors' Report on Consolidated Financial Statements	77-102 103-104
20.	Proxy Form	105
21.	Attendance Sheet	106
22.	ECS Mandate & Form	107-108
23.	Offices	109



भारतीय कंटेनर निगम लिमिटेड **CONCOR** CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

## 10 Years performance at a glance - Financial & Physical

### Financial

(Rs. in Crore)

Description	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Paid Up Capital	64.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99
Reserves & Surplus	298.87	407.36	542.77	711.43	844.32	1036.52	1312.25	1633.77	2026.18	2564.84
Capital Employed (Net Fixed Assets + Working Capital + Investment)	337.78	424.58	559.53	723.88	956.75	1115.62	1391.35	1684.86	2069.47	2588.31
Net Worth (Paid Up Capital + Reserves-Preliminary expenses to the extent not written off)	363.81	472.35	607.76	776.42	909.31	1101.51	1377.24	1698.76	2091.17	2629.83
Fixed Assets(Gross block)	218.21	352.78	457.57	605.00	752.65	982.50	1198.79	1538.62	1793.61	2025.33
Income from Operations	606.25	684.77	831.42	1075.92	1286.46	1483.44	1764.43	1995.12	2426.30	3037.29
Other Income	22.30	31.59	33.46	34.00	48.95	50.40	42.97	48.21	62.86	84.60
Total Income	628.55	716.36	864.88	1109.92	1335.41	1533.84	1807.40	2043.33	2489.16	3121.89
Gross Profit	191.49	220.26	287.89	356.29	422.64	474.74	554.00	676.22	753.39	975.83
Depreciation	11.54	12.27	22.62	27.27	33.47	43.94	55.28	66.62	83.26	93.58
Net Profit Before Tax	179.95	207.99	265.27	329.02	389.17	430.80	498.72	609.60	670.13	882.25
Provision for Taxation	63.27	66.51	90.00	112.25	139.31	160.25	142.45	180.73	146.47	186.17
Net Profit	115.80	140.66	177.59	216.65	249.48	272.85	367.59	428.60	525.80	703.82
Dividend	12.99	29.24	35.75	43.54	64.99	71.48	81.24	94.23	116.98	142.98
Earning Per Share (in Rs.)	17.82	21.64	27.32	33.33	38.39	41.98	56.56	65.95	80.90	108.29
<b>Physical (TEUs)*</b>										
International Handling	491481	576790	664490	753368	905058	1031925	1251618	1376516	1556714	1715661
Domestic Handling	230238	225156	238661	291360	326775	351238	350501	351460	373848	389605
Total	721719	801946	903151	1044728	1231833	1383163	1602119	1727976	1930562	2105266

\*Twenty foot equivalent units.





## Company Information

### Board of Directors

Shri V. N. Mathur  
Chairman (Non-Executive)

Shri S. B. Ghosh Dastidar (upto 28.03.2007)  
Chairman (Non-Executive)

Shri Rakesh Mehrotra  
Managing Director

Shri Suresh Kumar  
Director (Finance)

Shri Anil Kumar Gupta  
Director (Domestic Division)

Shri Harpreet Singh  
Director (Projects & Services)

Shri R. K. Tandon  
Director

Shri P. G. Thyagarajan (upto 11.12.2006)  
Director (Intl. Mktg. & Ops)

Shri Ravi Khandelwal  
Executive Director  
(Accounts & Company Secretary)

### Statutory Auditors

M/s. Hingorani M. & Co.,  
New Delhi

### Branch Auditors

M/s. D. K. Chhajer & Co., Kolkata  
M/s. Kalyanasundaram & Co., Chennai  
M/s Sanghvi & Associates, Ahmedabad  
M/s P. Parikh & Associates, Mumbai

### Bankers

ABN Amro Bank  
Allahabad Bank  
Bank of India  
Canara Bank  
Central Bank of India  
CitiBank  
Corporation Bank  
Deutsche Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
Punjab National Bank  
Standard Chartered Bank  
State Bank of India  
Syndicate Bank  
United Bank of India  
UTI Bank  
Indian Bank

### Registrars & Share Transfer Agent

M/s. Alankit Assignments Ltd., New Delhi

Note: Audited Accounts of the Company for the year ended 31.03.2007 are subject to review by the Comptroller & Auditor General of India Under Section 619(4) of the Companies Act, 1956



भारतीय कंटेनर निगम लिमिटेड  
CONCOR CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

## Notice

Notice is hereby given that the 19th Annual General Meeting of the Shareholders of the Company will be held as under :-

Day : Wednesday

Date : 22nd August, 2007

Time : 15:30 Hrs.

Venue : Stein Auditorium, Habitat World, India Habitat Centre,  
Gate No. 3, Lodhi Road, New Delhi - 110003.

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 :

- To receive, consider and adopt the Balance Sheet as at 31st March, 2007, Profit & Loss Account for the year ended on that date and the Report of Board of Directors and Auditors thereon.
- To confirm the payment of Interim dividend and to declare dividend on equity shares for the financial year ended 31st March, 2007.
- To appoint a Director in place of Shri Suresh Kumar who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Shri Anil Kumar Gupta, who retires by rotation and being eligible, offers himself for reappointment.
- To take note of the appointment of M/s. Hingorani M. & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution :

"RESOLVED that the appointment of M/s. Hingorani M. & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2006-07 in terms of the order no. CA. V/COY/CENTRAL GOVT., CCIL(5)/36 dated 26.06.2006 of C & AG of India, be and is hereby noted.

### Special Business :-

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions :

- "RESOLVED that Shri V.N. Mathur be and is hereby appointed as Part- time Chairman of the Company w.e.f. 11.04.2007 in terms of Railway Board's order no. 2004/PL/51/3 dated 11.04.2007 and shall be liable to retire by rotation."
- "RESOLVED that Shri R.K. Tandon be and is hereby appointed as Director of the Company w.e.f. 18.07.2006 in terms of Railway Board's order no. 2004/PL/51/3 dated 18.07.2006 and shall be liable to retire by rotation."
- "RESOLVED that Shri Harpreet Singh be and is hereby appointed as Director of the Company w.e.f. 20.07.2006 in terms of CONCOR's HRD order no. CON/HR/28/4/1057 dated 20.07.2006 and shall be liable to retire by rotation."

By order of Board of  
Container Corporation of India Limited

Place : New Delhi  
Date : 17th July, 2007

(Ravi Khandelwal)  
Executive Director (Accounts) & Company Secretary



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 / herself and proxy need not be a Member.
- (b) The instrument appointing 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 Share Transfer Books will remain close from 10th August, 2007 to 22nd August, 2007 (both days inclusive).
- (d) Members holding shares in Physical form are requested to notify immediately change in their address & Bank account details to the Registrar and Share Transfer Agent of the Company by quoting their folio numbers and those in demat mode, to their Depository Participant.
- (e) Dividend on Equity shares as recommended by the Directors for the year ended on 31st March, 2007 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 Registrar on or before 9th August, 2007.
  - (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 9th August, 2007.
- (f) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends for the financial year ended 31st March, 1999 and thereafter, which remains unclaimed for a period of seven years from the date of transfer of the same will be transferred to Investor Education and Protection fund established by Central Government. Shareholders who have not encashed their dividend warrant (s) so far for the financial year ended 31st March, 1999 or any subsequent financial years are requested to make their claim to the Company or Registrar and Share Transfer Agents, M/s Alankit Assignments Ltd.

Explanatory Statement Pursuant to Sec. 173(2) of The Companies Act, 1956

Item No. 6

The Government of India has appointed Shri V.N. Mathur as Part- time Chairman of the Company w.e.f. 11.04.2007 in terms of Railway Board's order no. 2004/PL/51/3 dated 11.04.2007.

Accordingly, the Company has filed the requisite particulars of Shri V.N. Mathur, in the prescribed forms with the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

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

None of the Directors except Shri V.N. Mathur, is concerned or interested in the resolution.

Item No. 7

The Government of India has appointed Shri R.K. Tandon as Director of the Company w.e.f. 18.07.2006 in terms of Railway Board's order no. 2004/PL/51/3 dated 18.07.2006.

Accordingly, the Company has filed the requisite particulars of Shri R.K. Tandon, in the prescribed forms with the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

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

None of the Directors except Shri R.K. Tandon, is concerned or interested in the resolution.

Item No. 8

The Government of India has appointed Shri Harpreet Singh be and is hereby appointed as Director of the Company w.e.f. 20.07.2006 in terms of CONCOR's HRD order no. CON/HR/28/4/1057 dated 20.07.2006.

Accordingly, the Company has filed the requisite particulars of Shri Harpreet Singh, in the prescribed forms with the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

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

None of the Directors except Shri Harpreet Singh, is concerned or interested in the resolution.

By order of Board of  
Container Corporation of India Limited

Place : New Delhi  
Date : 17th July, 2007

(Ravi Khandelwal)  
Executive Director (Accounts) & Company Secretary



Directors' Report

To the shareholders

Your directors are pleased to present their report on the business and operations of your company for the financial year ending March 31, 2007.

Financial Results

	(Rs. Crore)	
Particulars	2006-07	2005-06
Income from operations	3037.29	2426.30
Profit before depreciation & tax (PBDT)	975.83	753.39
Profit before tax (PBT)	882.25	670.13
Provision for tax	186.17	146.47
Profit after tax (PAT)	696.08	523.66
Profit available for appropriations	703.82	525.80
<b>Appropriations:</b>		
Interim Dividend	71.49	64.99
Proposed Dividend	71.49	51.99
Corporate tax on dividend	22.18	16.41
Transfer to general reserves	70.38	52.58
Balance carried to Balance Sheet	468.28	339.83
Earnings per share (Rs.)	108.29	80.90

Dividend

Keeping in view the Company's capex programme, your Directors recommend a dividend of 220% of the paid up share capital inclusive of Interim Dividend paid @ 110%. The pay out on account of dividend would be Rs.22/- per share of Rs.10/-. The total dividend payable amounts to Rs142.98 crore as compared to Rs. 116.98 crore (excluding dividend tax) for the FY 2005-06.

Financial Highlights

The operating turnover of your company has registered a growth of 25% during the year under review, increasing from Rs.2426.30 crore in the previous year to Rs. 3037.29.crore .Total expenditure has increased in line with the growth in income by 23% After adjusting for the expenditure of Rs.2239.64 crore as compared to Rs.1819.03 crore in the previous year, the profit before tax works out to Rs.882.25 crore, which shows a growth of 32%. After making provisions for income tax, prior period/tax adjustments, the net profit available for appropriations stands at Rs. 703.82 crore, which is a growth in net profit of 33.86%. Increase in Profit After Tax (PAT) is due to better operating margin and increase in amount of tax deduction availed by the company under Section 80IA of Income Tax Act.

Operational Performance

Handling Terminals	F/Y 2006-07	F/Y 2005-06	% age Growth
Exim	17,15,661	15,56,714	10.2%
Domestic	3,89,605	3,73,848	4.2%
Total	21,05,266	19,30,562	9.05%

Capital Structure

There is no change in the capital structure, with the Government of India continuing to hold 63.09% of the shares, the balance 36.91% being held by the public.







Listing and Dematerialization of Concor's Shares

CONCOR's shares are listed with the bourses i.e. Mumbai and National Stock Exchanges. The listing fees of all these stock exchanges have been paid.

The Company's shares have been voluntarily de-listed from the The Delhi Stock Exchange Association w.e.f. January 2, 2006.

To facilitate dematerialization of shares by its shareholders, CONCOR has signed agreements with both the Depositories (NSDL & CDSL). As per SEBI guidelines, CONCOR's shares have been placed under 'Compulsory Demat Mode'. Out of 2,39,91,496 shares listed on the Stock Exchange, 2,39,89,422 shares were in demat mode as on 31st March, 2007.

Capital Expenditure

Capital expenditure of Rs.233.61 crore approx. was incurred mainly on development of terminals, acquisition of wagons and handling equipments.

New Terminals Commissioned

- |            |                            |                |
|------------|----------------------------|----------------|
| 1. Dhappar | Commissioned on 26.09.2006 | Combined (RCT) |
| 2. Sonapat | Commissioned on 29.06.2006 | Combined (RCT) |

High Speed Wagons

During the year 815 high speed wagons were added to the existing fleet of CONCOR owned wagons, increasing the holding of high speed wagons to 5927. Orders totalling 2025 high speed wagons were placed during the year.

Containers

The container fleet (owned and leased) as on 31.03.2007 was 12812 Containers.

Container Handling Equipment

An order for 15 Reach Stackers has been placed. Deliveries are expected during FY 2007-08.

Information Technology

Your company made further progress in the field of Information Technology. The VSAT based network have been extended and now it covers 59 locations. The Terminal Management System for domestic (DTMS), for EXIM (ETMS), ERP for ORACLE Financial and HR Payroll implemented on centralized architecture are running smoothly across field locations / Regional offices and Corporate office. The Web enabled system through a web server is running successfully providing queries to the customers. A customer feedback system has also been implemented on our website which enables us to constantly evaluate our performance and take corrective action on complaints and feedback. A system for e-filing of documents on Commercial system (CCLS) at TKD has been introduced which enables the customers to file their documents electronically.

Your Company has been certified to Information Security Management System (ISO/IEC 27001:2005) Standard by STQC IT Certification Services (Ministry of Communication & Information Technology), Government of India for establishing and maintaining an Information Security Management System for CONCOR IT functions for its business applications.

With the considerable advances in IT front, your Company has been in the forefront of technology, which is being used to enhance efficiency, cost competitiveness and customer satisfaction.

Standardisation/ Certifications

The process of ISO-9000 Quality Systems Certification was taken up for nine Offices/ Terminals (including Corporate Office) and the final Certification Audit was carried out by M/s. Trans Pacific Certification Ltd. (An Accredited Certifying Agency). The Certification Process has been completed by 31st March, 2007 and ISO Certification received for all the nine units.



MOUs/ Strategic Alliances

- a) With approvals being granted by the Ministry of Railways to other private operators for entry into the business domain of CONCOR, 14 parties have entered the field which was hitherto the sole domain of CONCOR. Dialogue was initiated with the major players and MOUs for Co-operation, Co-share/ Co-use of resources etc. were signed with eight parties out of thirteen (PRCL, CWC, Gateway Distriparks, Hind Terminals, Mundra International Container Terminals. India Infrastructure Leasing Company, Delhi Assam Roadways and J.M. Baxi Group). The process of dialogue is on with some other operators also. Steps have also been taken to provide comprehensive multi-modal logistics services in alliance with strong road based majors like Transport Corporation of India and Reliance Logistics. These MOUs will be followed by detailed commercial agreements for joint working.
- b) An agreement has been signed with M/s. I.L. & F.S. to form a SPV for Project Development. The Company, named M/s.Integrated Infra Log Pvt. Ltd. has since come into existence.
- c) A Joint Working Group was formed with M/s. Hindustan Aeronautics Ltd. (HAL) to set up and operate an Air Cargo Complex at Nasik. The construction of the facility named HALCON has been completed and is awaiting Customs Notification for becoming operational.
- d) A MOU has been signed with Gujarat Maritime Board (GMB) for developing Port facilities at Okha and Porbandar in Gujarat.

Human Resource Management

Your company always strives for excellence and perfection through new and innovative ways and believes that highly competent and motivated human resources are the key to its success. Employees are given constant training and development in order to upgrade their skills. The working strength of your company rose from 1036 to 1080. However, the cost of staff continues to remain within the self-imposed limit of 2% of total costs.

Industrial Relations

Industrial relations remained peaceful and harmonious and no man-days were lost during the financial year.

Awards

CONCOR has received MOU Excellence Award for being among the Top Ten best performing PSUs in terms of MOU Performance Rating for two consecutive years viz. 2004-05 and 2005-06. These awards (separately for each year) were conferred by the Hon'ble Prime Minister of India during the function organized on 8th March 2007 by the Ministry of Heavy Industries and Public Enterprises. This is a singular honour for the Company as we are the only Railway PSU to receive this award for two consecutive years.

Foreign Exchange Earnings

Details of total foreign exchange earnings and outgo during the year are as under:

		(Rs. in lakh)
Foreign exchange outgo		
a) CIF value of Imports	:	16.02
b) Capital Goods / Advances	:	3288.89
c) Repayment of loan	:	—
d) Others	:	31.25

Presidential Directives Received From The Government

No presidential directives were received from the Government during the Financial year 2006-07.

Rajbhasha

This year, as in the past, there has been considerable progress in CONCOR in the use of Hindi particularly in matters relating to correspondence. The provisions of section 3(3) of the Official Language Act have been complied with. Every effort is made to correspond with offices situated in 'A' and 'B' regions in Hindi, in terms of the Official Language Act.



During the period under review, one employee passed the Hindi Typing examination conducted under the aegis of the Hindi Teaching Scheme organised by the Department of Official Language, Ministry of Home Affairs. During the year, 82 officers/ employees were given Cash Award for using Hindi Words.

Hindi books of reputed authors are kept in the Library at Corporate Office. Leading Hindi Newspapers as well as monthly and fortnightly magazines continue to be subscribed.

Quarterly meetings of Official Language Implementation Committee were conducted regularly and the decisions taken therein complied with. Hon'ble Draft & Evidence Sub Committee (Parliamentary Committee on Official Language) inspected CONCOR & had a discussion with M.D. for progressive use of Hindi.

During the period under review, Four Regional Offices were notified under Official Language Rule 10(4).

In Sept. 2006, on the occasion of Hindi Pakhwara, a 'Hindi General Knowledge and Glossary of Hindi' contest was organised. The officers and employees of CONCOR participated in this competition with tremendous enthusiasm. A state level Hindi Competition under the banner of Town Official Language Implementation Committee (Undertakings), Delhi was organized.

CONCOR's website and all the computers are bilingual.

### Vigilance

As in the past, Vigilance Division continued its focus on "Preventive Vigilance" during 2006-07. 17 checks were conducted at various Regional Offices/Inland Container Depots/Container Freight Stations, including 4 intensive Examination of major works. In addition, 21 cases were registered/investigated on the basis of complaints and other information.

A sum of Rs. 1,14,03,541.60 was recovered from various contractors/customers during the financial year. In addition, 8 improvements in procedures and systems were recommended to various functional divisions, on the basis of experience gained through preventive examinations and other investigations. The system improvements have been adopted and implemented resulting into improved physical and financial performance in various terminals.

The Vigilance awareness week was celebrated in the Corporate Office as well as in Regional Offices by undertaking various activities. 27 Training programs, 1 workshop and two interactive sessions were organized in different regions in order to create awareness about various aspects of Vigilance.

### Particulars of Energy Conservation, Technology Absorption Etc.

Provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption are not applicable to the Company at this stage.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:

- That in the preparation of the annual accounts for the financial year ended 31st March, 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 or loss of the Company for the Year under review;
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the directors have prepared the accounts for the financial year ended 31st March, 2007 on a 'going concern' basis.



### Particulars of Employees

Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable.

### Auditors

M/s. Hingorani M. & Co., Chartered Accountants, New Delhi, were appointed as Company's Statutory Auditors for the Financial year 2006-07. The Board of Directors' of the Company fixed an audit fee of Statutory Auditors of Rs. 2.80 lakhs (service tax extra).

### Board of Directors

During the financial year 2006-07, seven meetings of the Board of Directors were held for transacting the business of the Company.

Shri V.N. Mathur, Member Traffic / Railway Board was appointed as Chairman / CONCOR w.e.f. 18th April, 2007 vice S. B. Ghosh Dastidar, Chairman / CONCOR on his retirement. Also, Shri Harpreet Singh joined CONCOR as Director (Projects & Services) w.e.f. 20th July 2006. Shri R.K. Tandon joined CONCOR w.e.f. 18th July, 2006 as Director vice Shri Pradeep Bhatnagar.

Shri P.G. Thyagarajan, Director (International Marketing & Operations) ceased to hold his office on 11.12.2006 on completion of his tenure. Your Directors' would like to place on record valuable contribution made by them during their tenure with the Company.

The following Directors held the office till the date of Report :-

- Shri V. N. Mathur, Part-time Chairman;
- Shri Rakesh Mehrotra, Managing Director;
- Shri Suresh Kumar, Director (Finance);
- Shri Anil Kumar Gupta, Director (Domestic Div);
- Shri Harpreet Singh, Director (Projects & Services);
- Shri R. K. Tandon, Director.

### Retirement of Directors By Rotation

In terms of provisions of the Companies Act, 1956, Shri Suresh Kumar and Shri Anil Kumar Gupta, Directors are liable to retire by rotation and being eligible, offer themselves for reappointment.

### Code of Conduct

The Code of Conduct has been laid down for the Board Members and senior management. A copy of the same is available on the website of the Company.

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of Code of Conduct for the financial year ended on March 31, 2007.

### Conclusion

Your Company acknowledges the commitment and dedication of all the employees, the support and understanding extended by the Indian Railways, Customs, Ports and above all the customers.

For and on behalf of the Board of Directors

Place : New Delhi.  
Date : 14-06-2007

(V. N. Mathur)  
Chairman





## Addendum to the Directors' Report 2006-07

Reply to the comments/qualifications in the Auditors' Report for the financial year 2006-07

Points in the Auditor's Report	Auditor's Qualification	Reply of the Management
Point 3(i) of Auditors report	Sale/Lease Deeds in respect of Land & Buildings valuing Rs.17.16 Crore are yet to be executed in favour of the company (Note no. 2, Schedule 3).	The sale/Lease Deed for the asset under reference is being pursued with the concerned authorities.
Point 3(ii) of Auditors report	Balances of Sundry Debtors, Loans & Advances, Deposits, and Sundry Creditors (including Indian Railways) have not been confirmed/reconciled. (Note no. 15, Schedule 11)	The balances have already been reconciled as per our books of accounts. Confirmation/reconciliation of these balances with outside parties is being done whenever required as an ongoing process.
Point 3(iii) of Auditors report	The effect of adjustments that may arise upon reconstruction/reconciliation of accounting records at Eastern Region destroyed in fire during November 1998 has not been ascertained (Note no. 23, Schedule 11)	As the amount involved is immaterial & there are no pending claims, it has been decided to write off the amount involved in the next financial year.
Point 3(iv) of Auditors report	We are unable to comment on the shortfall, if any, in the value of non-moving stock of stores & spare parts. (Note no. 27, schedule 11).	As per the accounting policy for Company, inventories have been valued at cost on weighted average basis. The items of inventory under reference by their very nature are essentially required to be kept and are fit for their intended use. As such, there is no shortfall in their value.
Point no. (i) (b) of the annexure to the auditors report	As per the information and explanations given to us, fixed assets have been physically verified by the management during the year. In respect of containers, the reconciliation is in progress at corporate office.	Latest census of domestic containers was undertaken in March 2007. The reconciliation will soon be completed. The movement of containers are also being monitored continuously on a regular basis.
Point no.(ix)(a) of the annexure to the auditors report	<p>The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, Employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, the undisputed amounts payable in respect of outstanding statutory dues that were in arrears, as at 31st March 2007 for a period of more than six months from the date they became payable are given below:</p> <p><b>NORTHERN REGION</b>                      -Name of the Statue: Customs Act, 1962                      -Nature of dues: Customs Duty                      -Amount (Rs. in crore): 0.90                      -Period to which the amount relates: Upto 2000-01</p> <p><b>NORTHERN REGION</b>                      -Name of the Statue: Customs Act, 1962                      -Nature of dues: Customs Duty                      -Amount (Rs. in crore): 0.02                      -Period to which the amount relates: 2002-03</p>	<p>Demand of custom duty was raised on the pilfered goods during financial year 2000-01 &amp; 2002-03. This amount of custom duty is payable on the receipt of adjudication order/confirmation of demand. The payment is being released in the cases where adjudication orders have already been received.</p>

Points in the Auditor's Report	Auditor's Qualification	Reply of the Management
	<p><b>WESTERN REGION</b>                      -Name of the Statue: Customs Act, 1962                      -Nature of dues: Customs Duty                      -Amount (Rs. in crore): 0.38                      -Period to which the amount relates: Upto 2001-02</p> <p><b>WESTERN REGION</b>                      -Name of the Statue: Customs Act, 1962                      -Nature of dues: Customs Duty                      -Amount (Rs. in crore): 0.09                      -Period to which the amount relates: 2004-05</p> <p>In addition the company has made provision for property tax payable in respect of its assets at various locations amounting to Rs.8.42 crore upto 31st March 2007, on estimated basis, pending commencement/ completion of assessments by the appropriate authorities.</p>	<p>The provision of Rs. 0.47 crore (Rs. 0.38 &amp; Rs. 0.09 crore) for Customs Duty has been made in the books of Western Region on the basis of Customs circulars which were in effect at the time of making provision. The same is subject to confirmation by Customs Department about the applicable rates of customs duty and methods of duty calculation etc. These amounts are not yet due for payment in the absence of receipt of requisite assessment orders/demand notices from customs department.</p> <p>Taking a conservative view, provision for property tax has been done pending any demand or commencement/completion of assessments by the appropriate authorities.</p>
Point no.(ix)(b) of the annexure to the auditors report	<p>According to the information &amp; explanations given to us, dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited on account of any dispute are given below:</p> <p>-Name of the Statue/Authority: Finance Act, 1994                      -Nature of dues: Service Tax                      -Amount (Rs. in crore): 0.02                      -Period to which the amount relates: 1st May 2003 to 16th July 2003</p> <p>-Name of the Statue/Authority: Finance Act, 1994                      -Nature of dues: Service Tax                      -Amount (Rs. in crore): 0.08                      -Period to which the amount relates: August 2002 to December 2003                      -Name of the Statue/Authority: Finance Act, 1994                      -Nature of dues: Service Tax                      -Amount (Rs. in crore): 0.01                      -Period to which the amount relates: January 2004 to March 2004</p> <p>-Name of the Statue/Authority: Sub-registrar, vadodara                      -Nature of dues: Additional stamp duty                      -Amount (Rs. in crore): 0.20                      -Period to which the amount relates: 2003-04</p> <p>-Name of the Statue/Authority: Delhi Value Added Tax, 2004                      -Nature of dues: Penalty u/s 86(19)                      -Amount (Rs. in crore): 0.31                      -Period to which the amount relates: 14th December 2005</p>	<p>All these matters related to service tax are in appeal with the concerned authorities.</p> <p>This matter is in appeal with the concerned authorities.</p> <p>In this matter against the orders of the authorities, CONCOR has filed a Writ Petition in May,2006 in the Hon'ble High Court at Delhi for quashing of various detention orders, seizing/ detaining rolling stock and imposition of penalty. The Hon'ble High Court has stayed operation of the penalty orders passed by the authorities.</p>



## Annexure to the Directors' Report

### Corporate Governance

#### Corporate Philosophy

CONCOR's mission is to provide efficient and reliable multimodal logistics support for the country's EXIM and domestic trade and commerce, and to ensure growing shareholder value. The company is committed to maintaining a high growth rate and maximizing return on capital employed through the optimal use of its resources. The Company strives to conduct its business according to the best principles of good Corporate Governance as indicated by the disclosures given in the annexure.

#### Board of Directors

The Board of Directors of the Company consists of five Executive Directors including a Managing Director, two Govt. Nominee Non-executive Directors including a Part-time Non-executive Chairman and three part-time Non-executive Directors (Independent).

The Board met 7 (Seven) times for transacting business during the financial year 2006-07 on the following dates:

Board Meeting No.	Board Meeting Dates
116	17th April, 2006
117	12th May, 2006
118	15th June, 2006
119	21st July, 2006
120	13th Oct., 2006
121	15th Jan., 2007
122	15th Mar., 2007

CONCOR's Board framed the Code of Conduct for Board Members and Senior Management Personnel, effective from First day of January, 2006. Further, the Provisions of Code of Conduct have been affirmed to be complied with by the Board Members as well as the Senior Management Personnel.

The Composition of Directors, attendance at the Board Meetings during the year, the last Annual General Meeting, the number of other directorships and committee memberships are given below :

Sl. No.	Category of Directorship	Name of Director	No. of Board Mtgs Attended	Attended at last AGM	No. of Committee Membership/ Chairmanship	No. of Outside Directorship/ Chairmanship	No. of outside Committee Membership	No. of outside Committee Chairmanship
<b>(I) Part-time Non-Executive Chairman</b>								
1.	Member Traffic / Railway Board	Sh. V.N. Mathur	N.A. \$	N.A.	Nil	Nil	Two	Nil
	Member Traffic / Railway Board	Sh.S.B. Ghosh Dastidar	Seven	Yes	Nil	Nil	Two	Nil
<b>(II) Executive Directors</b>								
2.	Managing Director	Sh. Rakesh Mehrotra	Seven	Yes	Nil	Nil	Two	Nil
3.	Director (Projects & Services)	Sh. Harpreet Singh \$\$	Four	Yes	One	Nil	Three	Nil
4.	Director (Intl. Marketing & Ops.)	Sh. P.G. Thyagarajan @	Five	N.A.	One	Nil	One	Nil
5.	Director (Finance)	Sh. Suresh Kumar	Seven	N.A.	Two	Nil	Two	Nil
6.	Director (Domestic Division)	Sh. Anil Kumar Gupta	Six	N.A.	One	Nil	Three	Nil
<b>(III) Govt. Nominee Non-Executive Directors</b>								
7.	Ministry of Railways	Shri Pradeep Bhatnagar#	Two	Yes	One	One	Nil	Nil
8.	Ministry of Railways	Shri R.K. Tandon #	Four	Yes	One	One	Nil	Nil
<b>(IV) Part-time Non- Executive Directors (Independent)</b>								
		##						

\$ Appointed on 18.04.2007

\$\$ Appointed on 20.07.2006

@ Ceased to hold office on 11.12.2006 on completion of tenure

# Shri R.K. Tandon appointed w.e.f. 18.07.2006 vice Shri Pradeep Bhatnagar

## Appointment of Independent Directors is under processing by Govt. of India (Ministry of Railways)

### Remuneration Committee & Policy

As a Government of India Undertaking, the functional directors are appointed by President of India through Ministry of Railways. Remuneration is drawn as per industrial dearness allowance (IDA) pay - scales and terms and conditions determined by the Government and as such no Remuneration Committee was required. The details of remuneration of Directors for the financial year 2006-07 is as under :-

Name of the Director	Salary & Allowances (Rs.)	Perquisites (Rs.)	Performance Incentive/ Benefits (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)
Sh. Rakesh Mehrotra	587119	154317	84104	187292	1012832
Sh. P. G. Thyagarajan	431600	95532	55879	677085	1260096
Sh. Suresh Kumar	624430	132480	85282	130208	972400
Sh. Anil Kumar Gupta	652600	132480	78571	201855	1065506
Sh. Harpreet Singh	396183	101525	53344	89325	640377
<b>Total</b>	<b>2691932</b>	<b>616334</b>	<b>357180</b>	<b>1285765</b>	<b>4951211</b>

The Government nominee directors do not draw any remuneration from the company. They draw their remuneration from the Government as government officials. The part-time non-executive directors are paid a sitting fee Rs.20,000/- per meeting attended by them.

### Performance Criteria for Grant of Productivity Linked Scheme

The system of payment under PLI scheme is integrally linked with the Memorandum of Understanding (MOU) signed with the Ministry of Railways. MOU rating reflects the ultimate achievement of laid down targets which briefly contains financial achievements and physical performance.

### Audit Committee

The tenure of independent directors was completed on 19.01.2006. Since then the posts of Independent Directors have not yet been filled by the nominees of Government of India. Pending the appointment of independent directors, an adhoc Audit Committee of following Members was constituted:

Dr. B.P. Mathur - Chairman  
Retired Director, NIFM

Shri D.P. Tripathi - Member  
Retired Secretary to Govt. of India, Ministry of food processing

Shri D.R. Sharma - Member  
Retired Additional Member (Commercial), Railway Board

Shri Ravi Khandelwal, Executive Director (Accounts) & Company Secretary is the Secretary of the Committee.

The Committee met five times during the financial Year 2006-2007 on 17th April, 2006, 15th June 2006, 21st July, 2006, 12th Oct., 2006 and 15th January, 2007.

The details of the attendance of the members in the Committee meetings are as under :-

S. No.	Name of Members	No. of Meetings Attended
1.	Dr. B.P. Mathur	Five
2.	Shri D.P. Tripathi	Five
3.	Shri D.R. Sharma	Five

The Committee reviews the Company's broad structure, various capital and civil projects, business expansion plans & annual / half yearly financial Results before submission to the Board. Further, the Committee reviews with the management the adequacy of internal audit function and internal control systems and discusses with internal auditors any significant findings and follow up there on from time to time. The Committee attempts to ensure that decision making in the company is objective, and that there are adequate internal controls to ensure efficient realization of revenue, and due propriety of expenditure.

### Shareholders' / Investors' Grievance Committee

The shareholders'/ investors' grievance committee comprises :-

Executive Director TT (F), Railway Board / Director nominated by Ministry of Railways	- Member
Director (Finance) / CONCOR	- Member
Director (I-M & O) / CONCOR	- Member

Executive Director TT(F), Railway Board / Director nominated by Ministry of Railways is the Chairman of the Committee.

Shri Ravi Khandelwal, Executive Director (Accounts) & Company Secretary is the secretary of the Committee and also Compliance officer in terms of Listing Agreement with the Stock Exchanges. No Investor Complaint was pending at the end of financial year 2006-07.

### Share Transfer Committee & System

The Share Transfer Committee comprises :-

Director (Finance)	- Chairman
Director (DD)	- Member
Executive Director (A/Cs & CS )	- Member

The trading and holding of shares is in compulsory demat form due to compulsory dematerialization of CONCOR's shares w.e.f. 31st May, 1999.

The Company has appointed M/s. Alankit Assignments Ltd. as Registrar and Share Transfer Agents (RTA), to effect the transfer of shares and other related jobs. No request for transfer in respect of shares in physical mode has been received during the financial year 2006-07 and therefore there was no pending request of any shareholder.

### General Body Meetings

Details of location, time and date of last three AGMs are as under :

AGM Date	Location	Time
04.09.2006	Stein Auditorium, Habitat world, India Habitat Centre, Gate No. 3, Lodhi Road, New Delhi - 110003	3:30 p.m.
28.09.2005	-----Do-----	3:00 p.m.
20.09.2004	-----Do-----	3:00 p.m.

There is no proposal to be conducted through postal ballot at the ensuing AGM to be held on 22nd August, 2007.

### Disclosures

- (i) During the year, there was no transaction of material nature with the directors or their relatives that had potential conflict with the interest of the company.
- Transactions with related parties as per requirements of Accounting Standard (AS-18) - 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note No. 37 of Schedule 11.
- (ii) There were no instances of penalties / strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority due to non compliance on any matter related to capital markets during the last three years.

### Means of Communication

The Quarterly un-audited financial results, shareholding pattern and Annual Report are uploaded on CONCOR website [www.concorindia.com](http://www.concorindia.com) and these are updated from time to time. Tenders of various regions/departments are uploaded on the website and also on government portal <https://tenders.gov.in> for giving wide publicity and transparency.

### General Shareholder Information

(i) Number of Annual General Meeting	19th AGM
Date	22nd August, 2007
Time	15:30 Hrs.
Venue	Stein Auditorium, Habitat World, India Habitat Centre, Gate No. 3, Lodhi Road, New Delhi - 110003
(ii) Financial Calendar	
1st quarter financial results (un-audited)	Within one month of close of quarter.
2nd quarter financial results (un-audited)	Within one month of close of quarter.
Limited Review Report for quarterly financial results (un-audited)	Within Two months of close of quarter
3rd quarter financial results (un-audited)	Within one month of close of quarter.
4th quarter financial results (un-audited)	Within one month of close of quarter
Approval and authentication of annual accounts by Board of Directors	Before end of June, 2007
Adoption of audited Annual Accounts by Shareholders.	Before end of September, 2007
(iii) Date of Book Closure	10th August, 2007 to 22nd August, 2007 (both days inclusive)
(iv) Dividend Payment Date	Within 30 days of declaration at AGM
(v) Listing on Stock Exchanges	(a) The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street Fort, Mumbai 400001. (b) National Stock Exchange of India Ltd. , "Exchange Plaza" Bandra - Kurla Complex, Bandra (E), Mumbai - 400051.
(vi) Stock Code	NSE BSE CONCOR CNCORPI

(vii) Market Price Data

Month	NSE		BSE	
	High	Low	High	Low
April' 06	1959.80	1356.00	1767.35	1385.50
May' 06	2073.10	1360.00	1806.05	1503.95
June' 06	1800.00	1280.00	1696.45	1396.25
July' 06	1750.00	1357.45	1621.65	1401.35
Aug.' 06	1700.95	1456.65	1674.50	1506.25
Sept.' 06	1708.20	1581.30	1681.25	1592.10
Oct.' 06	2060.00	1651.05	2038.95	1680.75
Nov.' 06	2298.00	2005.00	2264.05	2014.40
Dec.' 06	2249.40	1969.00	2179.90	2019.65
Jan.' 07	2150.00	1960.00	2129.95	1996.50
Feb.' 07	2049.00	1810.25	2019.55	1842.80
March' 07	1979.20	1701.00	1908.50	1764.45

