



Delivering horizontally
Growing vertically



CONTAINER CORPORATION OF INDIA LTD.
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Annual Report 2007-08

Container Corporation of India Limited

Mission

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भारतीय कंटेनर निगम लिमिटेड

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CONCOR

CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

10 Years Performance at A Glance - Financial & Physical

Financial

(Rs. In Crore)

Description	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
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	407.36	542.77	711.43	844.32	1036.52	1312.25	1633.77	2026.18	2564.84	3118.93
Capital Employed (Net Fixed Assets + Working Capital + Investment)	424.58	559.53	723.88	956.75	1115.62	1391.35	1684.86	2069.47	2588.31	3185.52
Net Worth	472.35	607.76	776.42	909.31	1101.51	1377.24	1698.76	2091.17	2629.83	3183.92
(Paid Up capital + Reserves - Preliminary expenses to the extent not written off)										
Fixed Assets (Gross Block)	352.78	457.57	605.00	752.65	982.50	1198.79	1538.62	1793.61	2025.33	2244.24
Income from Operations	684.77	831.42	1075.92	1286.46	1483.44	1764.43	1995.12	2426.30	3057.34	3347.30
Other Income	31.59	33.46	34.00	48.95	50.40	42.97	48.21	62.86	84.60	164.47
Total Income	716.36	864.88	1109.92	1335.41	1533.84	1807.40	2043.33	2489.16	3141.94	3511.77
Gross Profit	220.26	287.89	356.29	422.64	474.74	554.00	676.22	753.39	975.83	1054.84
Depreciation	12.27	22.62	27.27	33.47	43.94	55.28	66.62	83.26	93.58	106.34
Net Profit Before Tax	207.99	265.27	329.02	389.17	430.80	498.72	609.60	670.13	882.25	948.50
Provision for Taxation	66.51	90.00	112.25	139.31	160.25	142.45	180.73	146.47	186.17	197.98
Net Profit	140.66	177.59	216.65	249.48	272.85	367.59	428.60	525.80	703.82	752.21
Dividend	29.24	35.75	43.54	64.99	71.48	81.24	94.23	116.98	142.98	168.98
Earning Per Share:(In Rs.)	21.64	27.32	33.33	38.39	41.98	56.56	65.95	80.90	54.15	57.87
Physical (TEUs)*										
International										
Handling	576790	664490	753368	905058	1031925	1251618	1376516	1556714	1715661	1977399
Domestic Handling	225156	238661	291360	326775	351238	350501	351460	373848	389605	470370
Total	801946	903151	1044728	1231833	1383163	1602119	1727976	1930562	2105266	2447769

* Twenty foot equivalent units

Company Information

Board of Directors

Shri V.N. Mathur
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 Yashvardhan
Director (Intl. Marketing & Opn.)

Shri S.K. Das
Director

Shri S. Balachandran
Director

Shri Janat Shah
Director

Shri V. Sanjeevi
Director

Shri T.R. Doongaji
Director

Shri Ravi Khandelwal
Executive Director
(Accounts & Company Secretary)

Statutory Auditors

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

Branch Auditors

M/s. Ghosh & Pande., 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
IDBI Bank

Registrars & Share Transfer Agent

M/s. Alankit Assignments Ltd., New Delhi.

Note : Audited Accounts of the Company for the year ended 31.03.2008 are subject to review by the Comptroller & Auditor General of India under section 619(4) of the Companies Act, 1956

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CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

Notice

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of the Company will be held as under :-

Day : Monday
Date : 25th August, 2008
Time : 15:00 Hrs.
Venue : Stein Auditorium, Habitat World, India Habitat Centre,
Gate No. 3, Lodhi Road, New Delhi - 110 003

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, 2008, Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To confirm the payment of Interim dividend and to declare dividend on equity shares for the financial year ended 31st March, 2008.
3. To appoint a Director in place of Shri V.N. Mathur who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Rakesh Mehrotra, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Harpreet Singh, who retires by rotation and being eligible, offers himself for reappointment.
6. 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 2007-08 in terms of the order no. CA. V/COY/CENTRAL GOVT., CCIL(5)/234 dated 06.08.2007 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:

7. "RESOLVED that Shri S.K. Das be and is hereby appointed as Director of the Company w.e.f. 01.10.2007 in terms of Railway Board's order no. 2004/PL/51/3 dated 01.10.2007 and shall be liable to retire by rotation."
8. "RESOLVED that Shri Yash Vardhan be and is hereby appointed as Director of the Company w.e.f. 28.09.2007 in terms of Railway Board's order no. 2006/E(0)II/40/32 dated 28.09.2007 and shall be liable to retire by rotation."
9. "RESOLVED that Shri S. Balachandran be and is hereby appointed as Director of the Company w.e.f. 01.01.2008 in terms of Railway Board's order no. 2005/PL/51/1 dated 01.01.2008 and shall be liable to retire by rotation."
10. "RESOLVED that Shri V. Sanjeevi be and is hereby appointed as Director of the Company w.e.f. 01.01.2008 in terms of Railway Board's order no. 2005/PL/51/1 dated 01.01.2008 and shall be liable to retire by rotation."
11. "RESOLVED that Shri Janat Shah be and is hereby appointed as Director of the Company w.e.f. 01.01.2008 in terms of Railway Board's order no. 2005/PL/51/1 dated 01.01.2008 and shall be liable to retire by rotation."

By order of Board of
Container Corporation of India Limited

Date : 7th July, 2008
Place : New Delhi

(RAVI KHANDELWAL)
Executive Director (A/cs) & 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 14th August to 25th August, 2008 (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, 2008 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 13th August, 2008.
- (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 13th August, 2008.
- (f) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends for the financial year ended 31st March, 2001 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, 2001 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. 7

The Government of India has appointed Shri S.K. Das as Director of the Company w.e.f. 01.10.2007 in terms of Railway Board's order no. 2004/PL/51/3 dated 01.10.2007.

Accordingly, the Company has filed the requisite particulars of Shri S.K. Das, 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 S.K. Das, is concerned or interested in the resolution.

Item No. 8

The Government of India has appointed Shri Yash Vardhan as Director of the Company w.e.f. 28.09.2007 in terms of Railway Board's order no. 2006/E(O)II/40/32 dated 28.09.2007.

Accordingly, the Company has filed the requisite particulars of Shri Yash Vardhan, 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 Yash Vardhan, is concerned or interested in the resolution.

Item No. 9

The Government of India has appointed Shri S. Balachandran, as Director of the Company w.e.f. 01.01.2008 in terms of Railway Board's order no. 2005/PL/51/1 dated 01.01.2008.

Accordingly, the Company has filed the requisite particulars of Shri S. Balachandran, 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 S. Balachandran, is concerned or interested in the resolution.

Item No.10

The Government of India has appointed Shri V. Sanjeevi as Director of the Company w.e.f. 01.01.2008 in terms of Railway Board's order no. 2005/PL/51/1 dated 01.01.2008.

Accordingly, the Company has filed the requisite particulars of Shri V. Sanjeevi, 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. Sanjeevi, is concerned or interested in the resolution.

Item No.11

The Government of India has appointed Shri Janat Shah as Director of the Company w.e.f. 01.01.2008 in terms of Railway Board's order no. 2005/PL/51/1 dated 01.01.2008.

Accordingly, the Company has filed the requisite particulars of Shri Janat Shah, 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 Janat Shah, is concerned or interested in the resolution.

By order of Board of
Container Corporation of India Limited

(RAVI KHANDLWAL)
Executive Director (A/cs) & Company Secretary

Date : 7th July, 2008
Place : New Delhi

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, 2008.

Financial Results

	(Rs.Crore)	
Particulars	2007-08	2006-07
Income from operations	3347.30	3057.34
Profit before depreciation & tax (PBDT)	1054.84	975.83
Profit before tax (PBT)	948.50	882.25
Provision for tax	197.98	186.17
Profit after tax (PAT)	750.52	696.08
Profit available for appropriations	752.21	703.82
APPROPRIATIONS:		
Interim Dividend	71.49	71.49
Proposed Final Dividend	97.49	71.49
Corporate tax on dividend	28.72	22.18
Transfer to general reserves	75.22	70.38
Balance carried to Balance Sheet	479.29	468.28
Earnings per share (Rs.)*	57.87	54.15

* After considering bonus issue of shares after 31.03.2008

Issue of Bonus Shares & Dividend

The Board of Directors in January, 2008 recommended the issue of maiden Bonus shares in the ratio of 1:1 to the shareholders of the company. Subsequently, an Extra Ordinary General Meeting of the shareholders of the Company was convened on 14th March, 2008. The shareholders approved increase in the Authorised Share Capital from Rs. 100 Crores to Rs. 200 Crores divided into 20 Crore Equity shares of Rs. 10/- each and approved the issue of Bonus Shares in the ratio of 1:1 i.e. one Bonus Share of Rs. 10/- each for every one fully paid up Equity Share of Rs. 10/- each held by them on the 'Record Date' i.e. 17th April, 2008 for the purpose of ascertaining the entitlement of the Shareholders for Bonus Shares. The Board of Directors of the Company allotted the Bonus Shares on 23rd April, 2008 to all the Shareholders, whose names were in the Register of Members or in the respective beneficiary accounts with their depository participants, as on the Record Date. The Demat account of the eligible shareholders was credited for bonus shares as per the confirmation provided by CDSL & NSDL on 28th May 2008. For bonus shares issued in physical form, the corresponding share certificates were dispatched to the addresses of the respective shareholders.

Keeping in view the company's Capex requirements, the Board recommends a final dividend of 75% on the enhanced paid up share capital consequent to 1:1 bonus issue. An interim dividend @ 110% on pre-bonus issue has already been paid. The total dividend payment for the year 2007-08 is Rs 168.98 crore as compared to Rs. 142.98 crore (excluding dividend tax) for the FY 2006-07.

Financial Highlights

The operating turnover of your company registered a growth of 9.48% during the year under review, increasing from Rs. 3057.34 crore in the previous year to Rs. 3347.30 crore. Total expenditure increased by 13.43% & after adjusting the expenditure of Rs 2563.27 crore as compared to Rs. 2259.69 crore in the previous year, the profit before tax works out to Rs. 948.50 crore, which shows a growth of 7.5 %. After making provisions for income tax, prior period/tax adjustments, the net profit available for appropriations stands at Rs 752.21 crore, which is a growth in net profit of 6.88%. Increase in Profit After Tax (PAT) is due to growth in the operating turnover and other income of the company.

Operational Performance

Handling Terminals	F/Y 2007-08	F/Y 2006-07	% age Growth
Exim	19,77,399	17,15,661	15.3
Domestic	4,70,370	3,89,605	20.7
Total	24,47,769	21,05,266	16.3

The double digit growth has been sustained in both the business segments.

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 both the stock exchanges have been paid.

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, 2,39,89,403 shares were in Demat mode as on 31st March, 2008.

Capital Expenditure

Capital Expenditure of Rs 220.63 crore approx. was incurred mainly on development/expansion of terminals, acquisition of wagons and handling equipments etc.

Terminal Network Expansion

During the year under review the work of construction of three new terminals at Suranassi (Jalandhar), Madhosingh (Mirzapur) and Durgapur progressed. While the work for Suranassi and Madhosingh has been substantially completed and these two new terminals will be operationalised shortly, the work of construction of the New Terminal at Durgapur is also fairly advanced.

In addition, the works for expansion of capacity in the existing terminals at Moradabad, Pithampur (Indore), Rattlam , Whitefield (Bangalore), Amingaon (Gauhati), and Rawtha Road (Kota) were also taken up. The expansion works at Pithampur and Rawtha Road were completed during the year.

High Speed Wagons

During the year 2007-08, 795 high speed wagons were added to the existing fleet of CONCOR owned wagons, increasing the holding of high speed wagons to 6722 nos.

Containers

The container fleet (owned and leased) as on 31.03.2008 was 13,517 Containers.

Container Handling Equipment

Fifteen new container handling equipments (Reach Stackers) were commissioned during the year 2007-08 and Five more container handling equipments (Reach Stackers) were ordered and are expected to be commissioned during the 1st quarter of 2008-09.

Information Technology

Your company continued to make progress in the field of Information Technology. The VSAT based network have been extended and now it covers 61 locations. The Terminal Management System for Domestic (DTMS), for EXIM (ETMS), ERP for Oracle Financial, HR Payroll was implemented for the expanded network of terminals and a Data Warehouse Module for commercial applications on centralized architecture is running smoothly across field locations/ Regional Offices and Corporate Office. The Web enabled Customer Interface through a dedicated Web server is running successfully providing facilities to the customers. The Customer feedback facility system as implemented on the website enables us to constantly evaluate our performance and take corrective action on Customer complaints and feedback. A pilot project for Electronic-filing of documents on the Commercial system (CCLS) at TKD has also been introduced which enables the customers to file their documents electronically from their own offices.

Your Company is ISO Certified for Information Security Management System (ISO/IEC:27001:2005 Standard) by STQC IT Certification Service (Ministry Of Communication & Information Technology), Government of India for establishing and maintaining an Information Security Management System for CONCOR IT functions covering its business applications.

With the considerable advances in IT front, your Company continues to be in the forefront of Information Technology, which is being used to enhance efficiency, cost competitiveness and customer satisfaction.

Standardisation/ Certifications:

The process of ISO-9001:2000 Quality Systems Certification was taken up for Sixteen Offices/ Terminals during the year and the Final Certification Audit was carried out by M/s. Quality Management Services (an accredited Certifying Agency). The Certification Process has been completed by 31st March 2008 and ISO Certification received for all the sixteen units.

Joint Ventures/ Strategic Alliances:

- A total of fourteen other operators were granted licenses by IR to run their container train services. Out of the 14 players, as many as seven have commenced their train services. Two out of these have an alliance with CONCOR and are operating their services from our terminals.
- CONCOR's Joint Venture for the third container terminal at JNPT with Maersk AS has been a resounding success and the JV with Dubai Port World for setting up & managing container terminal at Cochin Port (Vallarpadam project) has commenced the work of construction for the new transshipment terminal.
- Infinite Logistic Solutions Private Limited (A Joint Venture with Reliance Logistics Private Limited) to establish logistic freight terminals and to provide the integrated logistic service across the country has since become operational.
- Joint Venture Agreements have been signed with Hind Terminals Private Limited and Allcargo Global Logistics Private Limited for setting up and running JV CFSs at Dadri.
- Container Gateway Limited (A JV Company with Gateway Rail Freight Private Limited, a subsidiary of Gateway District Parks) for operation of existing rail/ road container terminal and setting up of a new terminal at Garhi, Harsaru, (Gurgaon) has since come into existence.
- HALCON (A Joint working group formed with M/s. Hindustan Aeronautics Limited) has finalized an agreement for terminal management at air cargo complex, Nasik. The facility has become operational.

Human Resource Management

Your company considers Human Resources as the key factor for the success and growth of the organization. CONCOR strives towards employee empowerment, growth and development of individuals by realizing their potential, encouraging innovative ideas and fair distribution of rewards. The following successful measures were taken during the financial year to attract and manage talent in CONCOR:

- The working strength of the company rose from 1080 to 1134 to meet the requirements of expanding business. However, the cost of staff continues to remain around 2% of total costs.
- Skill Development of the employees was given special attention through In-house and external training programmes. In all 870 employees underwent training through various development programmes.
- CONCOR revised some of the perks as per ongoing comparable market prices. Individual and Group Awards were given to boost employee morale and encourage excellence at work. The company successfully retained its existing human resources and attracted new talent with attrition rate remaining below 2.5 percent.

Industrial Relations

Harmonious industrial relations in CONCOR are instrumental in providing excellent logistics services to our customers. Industrial relations remained peaceful and no man-days were lost during the financial year.

Honours for your Company

Your company has been selected for MOU Excellence award for the year 2006-07 for the third time in a row as your company had received the awards for two successive years i.e 2004-05 and 2005-06 last year. Your company has also been selected as the top Indian Company in the Shipping and Logistics Sector for the DUN & BRADSTREET-AMERICAN EXPRESS Corporate awards, 2007

Foreign Exchange Earnings

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

	(Rs. in lakh)
Foreign exchange earnings	-
Foreign exchange outgo	
a) Import on CIF basis Stores & Spares	12.22
b) Capital Goods / Advances	4546.25
c) Others	38.38



Presidential Directives Received from the Government

No presidential directives were received from the Government during the financial year 2007-08.

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. As far as possible 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.

Quarterly meetings of Official Language Implementation Committee were held regularly under the chairmanship of Managing Director to review the progress made in promoting use of Hindi in CONCOR and the decisions taken therein were complied with.

Hindi Pakhwara was organised from 14th to 28th Sept., 07 in which various competitions like Essay Writing & Noting Drafting were held. About 70 officers and staff took part in these competitions. Managing Director gave away cash & certificates to all the successful officers and staff in a function organised on the occasion of closing ceremony of Hindi Pakhwara 2007.

During the year, 150 Officers/employees were given Cash Awards for doing their work in Hindi under Rajbhasha Purushkar Yojna.

CONCOR was conferred 'Rajbhasha Sheild' by the Town Official Language Implementation Committee (Undertakings), Delhi for progressive use of Hindi in official work. Also, Bhartiya Sanskriti Sansthan, Delhi conferred 'Rajbhasha Sarthi Sheild' to the Managing Director/CONCOR & "Rajbhasha Prerna Sheild" to Hindi Translator for their contribution in promotion of Rajbhasha. A literary half yearly Hindi magazine called 'Madhubhashika' was introduced during the year under review to encourage literary talent of CONCOR staff.

Hindi books of reputed authors are kept in the Library at Corporate Office. Number of books has increased to 914. Leading Hindi Newspapers as well as monthly and fortnightly magazines continue to be subscribed.

CONCOR's website is bilingual and all the computers have the facility for working bilingually.

Vigilance

With a view to have systems improvements, Vigilance Division continued its focus on 'Preventive Vigilance' during 2007-08. Twelve Preventive/Surprise Checks and Four Intensive Examinations of major works were conducted at various Regional Offices/Inland Container Depots/Container Freight Stations and Project works. In addition, 17 cases were registered/investigated on the basis of complaints and other information.

A sum of Rs. 1.3 Crores was recovered from various contractors/customers during the financial year. In addition, 10 improvements in procedures and systems were recommended to various functional divisions, on the basis of experience gained through preventive examination 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. Thirteen training programmes, one 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:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) 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;
- (iii) 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;
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2008 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 2007-08. The Board of Directors of the Company fixed an audit fee of Statutory Auditors of Rs. 3.50 lakhs (service tax extra).

Board of Directors

During the financial year 2007-08, five meetings of the Board of Directors were held for transacting the business of the Company.

Shri Yashvardhan joined CONCOR as Director (International Marketing & Operations) w.e.f. 28.09.2007. Shri S.K. Das joined CONCOR w.e.f. 01.10.2007 as Govt. Nominee Director vice Shri R.K. Tandon. Shri Janat Shah, Shri V. Sanjeevi and Shri S. Balachandran joined the Board as non-official part-time directors w.e.f. 01.01.2008. Shri Tehmuras R. Doongaji joined the Board as non-official part-time director w.e.f. 04.04.2008.,

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 Yash Vardhan, Director (Intl. Mktg. & Ops.)
- Shri S.K. Das, Director
- Shri S.Balachandran, Director
- Shri Janat Shah, Director
- Shri V. Sanjeevi, Director
- Shri T.R. Doongaji, Director.

Retirement of Directors by Rotation

In terms of provisions of the Companies Act, 1956, Shri Rakesh Mehrotra, Shri V.N. Mathur and Shri Harpreet Singh, 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, 2008.

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 who have continued to patronize the services provided by your Company.

For and on behalf of the Board of Directors

Dated : 12.06.2008
Place : New Delhi.

(V. N. Mathur)
Chairman

Addendum to the Directors' Report 2007-08

Reply to the comments/qualifications in the Auditors' Report for the financial year 2007-08

Points in the Auditors' Report	Auditors' Qualification	Reply of the Management
Point 3(i) of Auditors report	Sale/Lease Deeds in respect of Land & Buildings valuing Rs.15.51 Crore are yet to be executed in favour of the company (Note no. 2, Schedule 3).	Sale deeds in respect of flats valuing Rs. 2.59 crores purchased from Tamilnadu Housing Board at Anna Nagar, West Chennai have already been executed in Nov'2007. The issue of lease/sale deed for remaining assets of Rs.12.92 crores are being pursued with the concerned authorities.
Point 3(ii) of Auditors report	Balances of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (including Indian Railways) have not been confirmed/reconciled. (Note no. 13, 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	We are unable to comment on the shortfall, if any, in the value of non-moving stock of stores & spare parts. (Note no. 21, schedule 11).	As per the accounting policy of the 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.(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, service tax, custom duty, excise duty, 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 2008 for a period of more than six months from the date they became payable are given below:</p> <p>NORTHERN REGION</p> <p>-Name of the Statute: 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>NORTHERN REGION</p> <p>-Name of the Statute: 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 & 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 Auditors' Report	Auditors' Qualification	Reply of the Management
	In addition the company has made provision for property tax payable in respect of its assets at various locations amounting to Rs.9.69 crore upto 31st March 2008, on estimated basis, pending commencement/ completion of assessments by the appropriate authorities.	Taking a conservative view, provision for property tax has been done pending any demand or commencement/completion of assessments by the appropriate authorities.
Point no.(ix)(b) of the annexure to the auditors report	<p>According to the information & 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 Statute/Authority: Finance Act, 1994 -Nature of dues: Service Tax -Amount (Rs. in crore): 0.01 -Period to which the amount relates:1st May 2003 to 16th July 2003</p> <p>-Name of the Statute/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 Statute/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 Statute/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>This matter is in appeal with the concerned authorities.</p> <p>As per the orders of Appellate Authority, this matter has been referred to the concerned assessing Authority for re-assessment.</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>
Point no. (xiv) of the annexure to the Auditors report	In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities and other investments. The investments in the shares of joint venture & subsidiary companies are held by the company in its own name and are not traded. However, letters of allotment/Share Certificates in respect of investments in three joint venture companies costing Rs.12.97 Crore are not available with the company (Note to Schedule 4).	Subscription towards share capital of all three Joint Venture Companies (JVCs) amounting to Rs.12.97 crores was made only in the last quarter of FY 2007-08. As per requirements of company law, the share allotment will be done in the Board of Directors' meeting of JVCs which is likely to be held shortly.

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 four part-time Non-executive Directors (Independent).

The Board met 5 (five) times for transacting business during the financial year 2007-08 on the following dates:

Board Meeting No.	Board Meeting Dates
123	27th April, 2007
124	14th June, 2007
125	25th July, 2007
126	11th Oct, 2007
127	30th Jan., 2008

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, Chairmanship and Committee memberships are given below:

Sl. No.	Category of Directorship	Name of Director	No. of Board Mtgs Attended	Attendance at last AGM	No. of Other committee Membership/ Chairmanship	No. of other Directorship/ Chairmanship
(I) Part-time Non-Executive Chairman						
1.	Member Traffic Railway Board	Sh. V. N. Mathur	Five	Yes	Nil	Two
(II) Executive Directors						
2.	Managing Director	Sh. Rakesh Mehrotra	Five	Yes	Nil	Three
3.	Director (Finance)	Sh. Suresh Kumar	Five	Yes	Two	Two
4.	Director (Domestic)	Sh. Anil Kumar Gupta	Five	Yes	Two	Nil
5.	Director (Projects & Services)	Sh. Harpreet Singh	Five	Yes	Two	Three
6.	Director (Intl. Marketing & Ops.).	Sh Yash Vardhan #	Two	N.A.	Nil	Two
(III) Govt. Nominee Non-Executive Directors (Ministry of Railways)						
7.		Sh. R. K. Tandon@	Three	N.A.	One	One
8.		Sh. S. K. Das@	Two	Yes	One	Nil
(IV) Part-time Non-Executive Directors (Independent)						
9.		Sh. S. Balachandran*	One	N.A.	Nil	Nil
10.		Sh. V. Sanjeevi*	One	N.A.	One	Five
11.		Shri Janat Shah*	One	N.A.	One	One
12.		Shri T.R. Doongaji \$	Nil	N.A.	Nil	Two

Appointed w.e.f. 28.09.2007

@ Shri S.K. Das appointed w.e.f. 01.10.2007 vice Shri R.K. Tandon

* Appointed as Independent Directors w.e.f. 01.01.2008

\$ Appointed as Independent Director w.e.f. 04.04.2008

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. The details of remuneration of Directors for the financial year 2007-08 is as under -:

Name of the Directors	Salary & Allowances (Rs.)	Perquisites (Rs.)	Performance Incentive/ Benefits (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)
Sh. Rakesh Mehrotra	670750	159643	138713	255706	1224812
Sh. Suresh Kumar	772980	149508	137424	228663	1288575
Sh. Anil Kumar Gupta	748863	149508	130439	198349	1227159
Sh. Harpreet Singh	633983	149508	88990	296415	1168896
Sh. Yash Vardhan	338686	232457	126856	-12197	685802
Total	3165262	840624	622422	966936	5595244

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 Memorandum of Understanding (MOU) signed with Ministry of Railways and performance of various regions. MOU rating reflects the ultimate achievement of laid down targets which briefly contains financial and qualitative achievements and physical performance.

Audit Committee

Consequent to the positioning of part time non-official Directors (Independent) on the Board of CONCOR w.e.f. 1st January 2008, the Audit Committee was re-constituted with the following members replacing the erstwhile Ad-hoc Audit Committee:-

Mr. S. Balachandran	-	Chairman
Mr. V. Sanjeevi	-	Member
Prof. Janat Shah	-	Member

Prior to 01-01-2008, an Ad-hoc Audit Committee nominated by the Chairman/CONCOR and comprising of three outside (independent) experts viz. Dr. B.P. Mathur, Shri. D.P.Tripathi and Shri.D.R.Sharma was functioning.

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

The Audit Committee met five times during the financial Year 2007-2008 on 26.04.2007, 14.06.2007, 24.07.2007, 10.10.2007 and 30.01.2008.

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

Name of Members	No. of Meetings Attended
Dr. B.P. Mathur*	Four
Shri D.P. Tripathi*	Four
Shri D.R. Sharma*	Four
Shri S. Balachandran#	One
Shri.V. Sanjeevi#	One
Shri.Janat Shah#	One

* Members of Ad-hoc Audit Committee functional till 31-12-2007.

Members of Regular Audit Committee w.e.f 01-01-2008.

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 (IM & 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 2007-08.

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 Compulsary Demat form due to Compulsary 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 received during the financial year 2007-08 is pending

General Body Meetings

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

AGM Date	Location	Time
22.08.2007	Stein Auditorium, Habitat world, India Habitat Centre, Gate No. 3, Lodhi Road, New Delhi – 110003	3:30 p.m.
04.09.2006	-----DO-----	3:30 p.m.
28.09.2005	-----DO-----	3:00 p.m.

There is no proposal to be conducted through postal ballot at the ensuing AGM to be held on 25th August, 2008.

Disclosures

- 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 Schedule 11.
- 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

Regarding Electronic means of communications, the Quarterly Un-audited financial results, shareholding pattern and Annual Report are uploaded on CONCOR website www.concorindia.co.in and these are updated based on information provided 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 ensuring transparency and wide publicity in tendering process.

General Shareholder Information

(i) Number of Annual General Meeting	20th AGM
Date	25th August, 2008
Time	15:00 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, 2008
Adoption of audited Annual Accounts by Shareholders.	Before end of September, 2008
(iii) Date of Book Closure	14th August, 2008 to 25th August, 2008 (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	CONCOR
BSE	CONCOR

(vii) Market Price Data

Month	NSE		BSE	
	High	Low	High	Low
April'07	2125.00	1822.15	2149.00	1840.00
May '07	2335.00	1950.00	2300.00	1969.25
June' 07	2675.00	2030.00	2444.00	2037.00
July' 07	2375.00	2110.00	2370.00	2165.00
Aug.'07	2222.00	1915.05	2249.00	1911.00
Sept.'07	2338.00	2061.60	2340.00	2075.00
Oct.' 07	2338.65	1800.00	2200.00	1771.90
Nov.'07	2095.00	1746.00	2090.00	1740.00
Dec.'07	1990.00	1762.50	1990.00	1775.05
Jan. '08	2165.00	1960.00	1990.00	1530.00
Feb.'08	2049.00	1810.25	1880.00	1675.05
March'08	1979.20	1701.00	1775.50	1600.00