

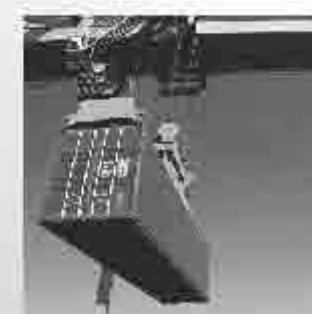


**Responsive, Cost Effective, Efficient
& Reliable Logistics Solutions**



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**Annual Report
2008 - 2009**

Container Corporation of India Limited



CONTAINER CORPORATION OF INDIA LTD.
CONCOR BHAWAN
C-3, Mathura Road, Opposite Apollo Hospital, New Delhi - 110 076
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मिशन

"हमारा मिशन अपने व्यावसायिक सहयोगियों और शेयरधारकों के साथ मिलकर कॉर्पोरेट को एक उत्कृष्ट कंपनी बनाने का है। अपने व्यावसायिक सहयोगियों के सक्रिय सहयोग से तथा लागतप्रवण एवं बुद्धि सुनिश्चित करके अपने ग्राहकों को अनुकूलियशील, लागत प्रभावी, रक्ष और विश्वसनीय संभारतंत्र साधन उपलब्ध कराकर हम अवरुध ही ऐसा कर पाएंगे। हम अपने ग्राहकों की पहली पसंद बने रहने के लिए प्रयासरत हैं। हम अपने सामाजिक दायित्वों के प्रति बुद्धिपूर्वक प्रतिबद्ध हैं और हम पर जो विश्वास रखा गया है, उस पर खरे उठेंगे।"

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."

लक्ष्य

"हम ग्राहक केंद्रित, निष्पक्ष प्रतिक्रिया, परिष्कृत अभिमुख संगठन को बिसय मुख्य लक्ष्य उद्देश्यों को प्रतिस्थापन दिखाना होगा।"

"हम संसाधनों का सापेक्ष उपयोग 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 निरंतर नए और बेहतर विकल्प खोजेंगे। उद्देश्यों की सुविधा और स्तुति ही हमारा ध्येय होगा। हम अपने व्यावसायिक प्रतिस्पर्धियों से सीखेंगे और श्रेष्ठता हेतु उत्कृष्ट प्रयासरत रहेंगे।"

"हम अपने संगठन के लक्ष्यों और मिशन के समर्थन में परिष्कृत निष्पक्ष लक्ष्य निर्धारित करेंगे। हम अपने प्रतिस्पर्धियों के मुकामसे स्वयं ही मानक स्थापित करेंगे तथा अपने संगठन की अग्रति के लिए अपने व्यवसाय और परिचालन के सभी क्षेत्रों में एक संव्यवसायिक, सहज और समर्थित टीम के रूप में कार्य करेंगे।"

"हम व्यवसाय-समस्त उत्कृष्टतम मानकों का अनुसरण करेंगे तथा उत्तरदायी निष्पक्ष इस्ती के रूप में सामाजिक दायित्वों का निर्वहन करते हुए व्यवसायिक स्तुति के लिए सामाजिक मूल्यों में अवधिक वृद्धि करेंगे।"

"हम अपने अवशिष्टित्व कार्यों में पूर्णतः सत्यनिष्ठ, ईमानदारी, पारदर्शिता और निष्पक्षता बनाए रखेंगे। हम निजी विषयों में भी वैश्विकता के उच्च अवर्धन बनाए रखने हेतु प्रयासरत रहेंगे।"

Objectives

"We will be a customer focused, 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."

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भारतीय कंटेनर निगम लिमिटेड
CONTAINER CORPORATION OF INDIA LTD.
Multimodal Logistics Professionals

10 Years Performance at A Glance - Financial & Physical

Financial

(Rs. In Crore)

Description	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Paid Up Capital	64.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99	129.98
Reserves & Surplus	542.77	711.43	844.32	1036.52	1312.25	1633.77	2026.18	2564.84	3118.93	3632.23
Capital Employed (Net Fixed Assets + Working Capital + Investment)	559.53	723.88	956.75	1115.62	1391.35	1684.86	2069.47	2588.31	3185.52	3710.28
Net Worth (Paid Up capital + Reserves - Preliminary expenses to the extent not written off)	607.76	776.42	909.31	1101.51	1377.24	1698.76	2091.17	2629.83	3183.92	3762.21
Fixed Assets (Gross Block)	457.57	605.00	752.65	982.50	1198.79	1538.62	1793.61	2025.33	2244.24	2640.95
Income from Operations	831.42	1075.92	1286.46	1483.44	1764.43	1995.12	2426.30	3057.34	3347.34	3417.16
Other Income	33.46	34.00	48.95	50.40	42.97	48.21	62.86	84.60	162.99	211.09
Total Income	864.88	1109.92	1335.41	1533.84	1807.40	2043.33	2489.16	3141.94	3510.33	3628.25
Gross Profit	287.89	356.29	422.64	474.74	554.00	676.22	753.39	975.83	1054.84	1142.15
Depreciation	22.62	27.27	33.47	43.94	55.28	66.62	83.26	93.58	106.34	115.91
Net Profit Before Tax	265.27	329.02	389.17	430.80	498.72	609.60	670.13	882.25	948.50	1026.24
Provision for Taxation	90.00	112.25	139.31	160.25	142.45	180.73	146.47	186.17	197.98	234.73
Net Profit	177.59	216.65	249.48	272.85	367.59	428.60	525.80	703.82	752.21	791.20
Dividend	35.75	43.54	64.99	71.48	81.24	94.23	116.98	142.98	168.98	181.98
Earning Per Share : (in Rs.)	27.32	33.33	38.39	41.98	56.56	65.95	80.90	54.15	57.87	60.87
Physical TEUs)*										
International Handling	664490	753368	905058	1031925	1251618	1376516	1556714	1715661	1977399	1854959
Domestic Handling	238661	291360	326775	351238	350501	351460	373848	389605	470370	453273
Total	903151	1044728	1231833	1383163	1602119	1727976	1930562	2105266	2447769	2308232

* Twenty foot equivalent units



Company Information

BOARD OF DIRECTORS

Shri Shri Prakash
Chairman (Non-Executive)

Shri Rakesh Mehrotra
Managing Director

Shri Suresh Kumar
Director (Finance)
(upto 30.06.2009)

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 Ambalal Patel & Co.,
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
AXIS Bank
Indian Bank
IDBI Bank
Yes Bank

Registrars & Share Transfer Agent

M/s. Beetal Financial & Computer Services (P) Ltd. ,
New Delhi

NOTE : 1. No gift will be distributed in the Annual General Meeting.
2. Members are requested to bring their copy of Annual Report.



भारतीय कंटेनर निगम लिमिटेड
CONTAINER CORPORATION OF INDIA LTD.
Multimodal Logistics Professionals

Notice

Notice is hereby given that the 21th Annual General Meeting of the Shareholders of the Company will be held as under :-

Day : Saturday
Date : 19th September, 2009
Time : 15:00 Hrs.
Venue : Air Force Auditorium, Subroto Park, New Delhi-110 010

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, 2009, Profit & Loss Account for the year ended on that date and the Reports 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, 2009.
- To appoint a Director in place of Shri Anil Kumar Gupta who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Shri Yash Vardhan, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Shri S.K. Das, 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 2008-09 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:

- "RESOLVED that Shri Shri Prakash be and is hereby appointed as Part-time Chairman of the Company w.e.f. 23.10.2008 in terms of Railway Board's order no. 2004/PL/51/3 dated 23.10.2008 and shall be liable to retire by rotation."
- "RESOLVED that Shri Tehmuras R. Doongaji be and is hereby appointed as Director of the Company w.e.f. 04.04.2008 in terms of Railway Board's order no. 2005/PL/51/1 dated 04.04.2008 and shall be liable to retire by rotation."

By order of Board of
CONTAINER CORPORATION OF INDIA LIMITED

Date : 11.08.2009
Place : New Delhi

(RAVI KHADELWAL)
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 8th September to 19th September, 2009 (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, 2009 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 7th September, 2009.
- (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 7th September, 2009.
- (f) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends for the financial year ended 31st March, 2002 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, 2002 or any subsequent financial years are requested to make their claim to the Company or Registrar and Share Transfer Agents, M/s Beetal Financial & Computer Services (P) Ltd.

EXPLANATORY STATEMENT PURSUANT TO SEC. 173(2) OF THE COMPANIES ACT, 1956 Item No. 7

The Government of India has appointed Sh. Shri Prakash as Part-time Chairman of the Company w.e.f. 23.10.2008 in terms of Railway Board's order no. 2004/PL/51/3 dated 23.10.2008

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

Item No. 8

The Government of India has appointed Shri Tehmuras R. Doongaji as Director of the Company w.e.f. 04.04.2008 in terms of Railway Board's order no. 2005/PL/51/1 dated 04.04.2008

Accordingly, the Company has filed the requisite particulars of Shri Tehmuras R. Doongaji, 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 Tehmuras R. Doongaji, is concerned or interested in the resolution.

By order of Board of
CONTAINER CORPORATION OF INDIA LIMITED

Date : 11.08.2009
Place : New Delhi

(RAVI KHANDELWAL)
Executive Director (A/cs) & 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, 2009.

Financial Results

	(Rs.Crore)	
Particulars	2008-09	2007-08
Income from operations	3417.16	3347.30
Profit before depreciation & tax (PBDT)	1142.15	1054.84
Profit before tax (PBT)	1026.24	948.50
Provision for tax	234.73	197.98
Profit after tax (PAT)	791.51	750.52
Profit available for appropriations	791.20	752.21
APPROPRIATIONS:		
Interim Dividend	77.99	71.49
Proposed Final Dividend	103.99	97.49
Corporate tax on dividend	30.93	28.72
Transfer to general reserves	79.12	75.22
Balance carried to Balance Sheet	499.17	479.29
Earnings per share (Rs.)*	60.87	57.87

* After considering bonus issue of shares after 31.03.2008

Dividend

Keeping in view the company's Capex requirements, the Board recommends a final dividend of 80% on the paid up share capital of Rs.129.98 Crores. An interim dividend @ 60% has already been paid. The total dividend payment for the year 2008-09 is Rs. 181.98 crore as compared to Rs. 168.98 crore (excluding dividend tax) for the FY -2007-08.

Financial Highlights

The operating turnover of your company registered a growth of 2.09% during the year under review, increasing from Rs. 3347.30 crore in the previous year to Rs. 3417.16 crore. Total expenditure increased by 1.57% & after adjusting the expenditure of Rs 2602.01 crore as compared to Rs. 2561.83 crore in the previous year, the profit before tax works out to Rs. 1026.24 crore, which shows a growth of 8.19 %. After making provisions for income tax, prior period/tax adjustments, the net profit available for appropriations stands at Rs 791.20 crore, which is a growth in net profit of 5.18%. Increase in Profit After Tax (PAT) is due to growth in the operating turnover and other income of the company.

Operational Performance

Handling at Terminals (In TEUs)	F/Y 2008-09	F/Y 2007-08	% age growth
Exim	18,54,959	19,77,399	-6.2
Domestic	4,53,273	4,70,370	-3.63
Total	23,08,232	24,47,769	-5.70

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 4,79,82,992 shares listed on the Stock Exchange, 4,79,79,056 shares were in Demat mode as on 31st March, 2009.

Capital Expenditure

Capital Expenditure of Rs 413.28 crore approx. was incurred mainly on development/expansion of terminals, acquisition of wagons , handling equipments and IT Infrastructure etc.

New Terminal & Terminal Network Expansion

- Madhosingh (Mirzapur) in U.P. has been commissioned on 06/10/2008. In addition, MOU has been signed with H.P. Govt. for setting up at ICD at Baddi.

During the year under review, construction works at Moradbad, Dronagiri, Ratlam, Sanathnagar, Amingaon, Dadri and Kota were also taken up.

High Speed Wagons

During the year 2008-09, 1395 high speed wagons have been added to the existing fleet of CONCOR owned wagons, increasing the holding of high speed wagons to 8117 nos.

CONTAINERS

The total number of containers (owned as well as on lease) was 13,576 as on 31.03.2009.

Container Handling Equipment

Five new Reach Stacker machines have been commissioned during the year 2008-09.

Information Technology

Your company continued to make progress in the field of Information Technology. The VSAT based network has been extended and now it covers 63 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. The Electronic-filing of documents on the Commercial system (CCLS) at ICD/ Tughlakabad has also been introduced which enables the customers to file their documents electronically from their own offices. As part of Business Continuity Plan, CONCOR has established Backup site for commercial applications.

Standardisation/ Certifications

The process of ISO-9001:2008 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 2009 and ISO Certification received for all the 16 units. As on 31-03-09, as many as 51 units out of 68 units of the Company have been ISO certified.

Joint Ventures/ Strategic Alliances

With the changed external business environment, your company placed emphasis on providing total logistics and transport solutions to its customers by exploring the possibilities of expanding the presence of the company in all the segments of the Logistics value chain in the EXIM as well as Domestic segments. Possibilities have been explored for strategic alliances, both for the optimal utilization of infrastructure as well as expansion into other segments of the value chain.

Human Resource Management

Human Resources are considered as key assets of CONCOR. The main focus of the HR philosophy is to align with the business of the organization. The company has succeeded in maintaining and raising job satisfaction, morale and productivity of the employees even in the face of global recession which is evident from the following successful HR measures taken during the financial year to attract and manage talent in CONCOR:

1. The working strength of the company rose from 1134 to 1176. However, the cost of staff continues to remain around 2.5 % of total costs despite the implementation of the revised pay scales as per the recommendations of the 2nd Wage Revision Committee for Public Sector Undertakings as accepted by the Govt. Of India.
2. Skill Development of the employees was given special attention through in-house and external training programmes. Overall 920 employees underwent training through various development programmes.



3. CONCOR revised and rationalized some of the HR policies to boost employee morale and encourage excellence at work. The company successfully retained its existing human resources and attracted new talent with attrition rate of below 2 percent.

In recognition of the HR practices of CONCOR, Amity University has awarded CONCOR with "Amity Best HR Practices Award for Innovations in Human Resource Accounting" at the fifth Global HR Summit, 2008.

Industrial Relations

Industrial relations remained harmonious and peaceful and no man-days were lost during the financial year. The company carried out two successful settlements with the CONCOR Employee's Union during the financial year.

Reservation Policy

CONCOR has been following the Presidential Directives and Guidelines issued by the Government of India from time to time regarding reservation for SCs, STs, OBCs, Physically Handicapped and Ex-Servicemen in letter and spirit. Liaison Officer has been appointed to ensure implementation of the Government Directives.

Representation of SCs, STs, OBCs and PHs as on 31.03.2009

Category	No. of Employees in Reserved Categories as on 31.03.2009	
	Number	% of Total Manpower
Schedule Caste	175	15.02
Schedule Tribe	41	3.51
Other Backward Classes	251	21.6
Physically Handicapped	21	1.8

Details of SC, ST, OBC, and PHs candidates who joined CONCOR during the financial year 2008-09 :

Category	No. of Candidates Joined in Reserved Categories during the year 2008-09
Schedule Caste	08
Schedule Tribe	01
Other Backward Classes	21
Physically Handicapped	3

Special Achievements

1. The Customer Satisfaction Index (as determined by an independent survey by an outside agency) for the year 2008 stood at an all time high of 87.5% as against 81% achieved during the year 2007.
2. During the year 2008-09, ISO-9000-2008 Certification was obtained for Sixteen Terminals of CONCOR.
3. CONCOR received the prestigious Dun & Bradstreet- ROLTA Corporate Award-2008 for being the Top Indian Company in Logistics & Transportation Sector. The Company has received this award for the second year in succession.

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	23.26
b) Capital Goods / Advances	9738.82
c) Others	59.71

Presidential Directives Received From The Government

Railway Board vide letter no. 2008PL/49/2 dated 23.03.2009 has issued Presidential Directive under Article - 71 of Memorandum and Articles of Association, for implementation of Revised Pay scales w.e.f. 01.01-2007 in respect of Board Level and below Board level Executives and Non-unionized Supervisors.

RAJBHASHA

There has been considerable progress in the use of official language Hindi in Official work of CONCOR. The provisions of Section 3(3) of the Official Languages Act have been fully complied with and letters received in Hindi were also replied in Hindi. All efforts were made to correspond with offices

situated in 'A', 'B' and 'C' regions in Hindi as per targets set by the Department of Official Languages.

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., 08 in which various competitions like Essay Writing & Noting Drafting, Typing on Computer, etc. were held. About 70 officers and staff took part in these competitions. Managing Director gave away cash awards and certificates to all the award winning officers and staff in a function organised on the occasion of closing ceremony of Hindi Pakhwara 2008. A Kavi Sammelan was also organised during the Pakhwara in which 10 poets of repute took part. 201 officers/employees were given Cash Awards for doing their official work in Hindi under CONCOR Rajbhasha Puraskar Yojna. CONCOR was also conferred with the 1st Prize of Narakas Rajbhasha Shield for the year 2007-08 for its excellent performance in official language Hindi by the Town Official Language Implementation Committee (Undertakings) Delhi. The half-yearly Hindi magazine 'Madhubhashika' which was started last year, has been made a quarterly magazine to promote and encourage literary talent of CONCOR staff.

Hon'ble 2nd Sub Committee of Committee of Parliament on Official Language, visited CONCOR on 9th February 2009 to inspect the progressive use of Hindi in official work and expressed its satisfaction on the work done in Hindi.

Hindi books of reputed authors are kept in the Library at Corporate Office. The Number of books in the Library has increased to 946. 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 2008-09. 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, 16 cases were registered /investigated on the basis of complaints and other information.

At the instance of Vigilance Wing, a sum of Rs.1.01 Crores was recovered from various contractors / customers during the financial year. In addition, eight improvements in systems and procedures 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, which are aimed at improving the physical and financial performance in various terminals.

A focus on cost effectiveness in services led to review of the requirement and deployment of handling infrastructure, which yielded a saving of Rs.2.90 crores from the running expenditure.

Suitable penal action was taken against the erring officials / contractors. CONCOR was the first Railway PSU to adopt and implement the Integrity Pact.

The Vigilance Awareness Week was observed in Corporate Office as well as in Regional Offices by undertaking various activities. Nine training programmes, one workshop and two interactive sessions were organized in different regions in order to create awareness about various aspect 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, 2009, 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 judgments 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, 2009 on a 'going concern' basis.

Particulars of Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 regarding employees in given in Annexure to the Directors' Report.

Auditors

M/s. Hingorani M & Co., Chartered Accountants, New Delhi, were appointed as Company's Statutory Auditors for the Financial year 2008-09.

Board Of Directors

During the financial year 2008-09, six meetings of the Board of Directors were held for transacting the business of the Company. Shri Shri Prakash joined CONCOR as Chairman w.e.f. 23.10.2008. Shri Tehmuras R. Doongaji was appointed as Director w.e.f. 04.04.2008.

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

- Shri Shri Prakash, 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 Anil Kumar Gupta, Shri Yash Vardhan and Shri S.K. Das, 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, 2009.

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

Date : 07.08.2009
Place : New Delhi

(Shri Prakash)
Chairman



Reply to the comments/qualifications in the Auditors' Report for the financial year 2008-09

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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 6 (Six) times for transacting business during the financial year 2008-09 on the following dates:

Board Meeting No.	Board Meeting Dates
128	23rd April, 2008
129	12th June, 2008
130	16th July, 2008
131	24th Sept, 2008
132	15th Oct, 2008
133	23rd Jan, 2009

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	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#	Four	Yes	Nil	Two
		Sh. Shri Prakash#	One	N.A.	Nil	Two
(II) Executive Directors						
2	Managing Director	Sh. Rakesh Mehrotra	Six	Yes	Nil	Three
3.	Director (Finance)	Sh. Suresh Kumar	Six	Yes	Two	Two
4.	Director (Domestic)	Sh. Anil Kumar Gupta	Six	Yes	Five	Nil
5.	Director (Projects & Services)	Sh. Harpreet Singh	Six	Yes	Two	Four
6.	Director (Intl. Marketing & Ops.)	Sh. Yash Vardhan	Six	N.A.	One	Two
(III) Govt. Nominee Non-Executive Directors (Ministry of Railways)						
7.		Sh. S. K. Das	Five	Yes	One	Nil
(IV) Part-time Non-Executive Directors (Independent)						
8.		Sh. S. Balachandran	Six	Yes	Seven	One
9.		Sh. V. Sanjeevi	Six	Yes	Two	Nil
10.		Sh. Janat Shah	Four	Yes	One	Nil
11.		Sh. T.R. Doongaji	Five	Yes	Two	Nil

Sh. Shri Prakash appointed w.e.f. 23.10.2008 vice Shri V.N. Mathur

Remuneration Committee & Policy

During the year, your Company has constituted a Standing Committee of the Board viz., 'HR & Remuneration Committee' to examine and provide inputs for HR Policies and initiatives of the Company besides finalization of the annual bonus/ variable pay and policy for its distribution across the Executives and Non-Unionized Supervisors.

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 2008-09 is as under :-

Name of the Directors	Salary & Allowances (Rs.)	Perquisites (Rs.)	Performance Incentive/ Benefits (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)
Sh. Rakesh Mehrotra	17,18,119	3,98,460	20,29,200	9,97,332	51,43,111
Sh. Suresh Kumar	17,57,016	4,10,775	14,98,130	5,45,779	42,11,700
Sh. Anil Kumar Gupta	19,59,952	2,12,051	14,43,830	14,36,343	50,52,176
Sh. Harpreet Singh	17,46,832	4,31,893	14,23,820	5,32,741	41,35,286
Sh. Yash Vardhan	14,46,598	6,59,321	9,77,847	3,90,152	34,73,918
Total	86,28,517	21,12,500	73,72,827	39,02,347	2,20,16,191

The remuneration drawn by the Directors includes arrears of pay/allowances and PRP for the previous years arising out of the implementation of 2nd Wage Revision for PSU employees w.e.f 01.01.2007. 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 Related Pay (PRP)

The company has introduced the system of Performance Related Pay (PRP) in replacement of PLI scheme earlier in vogue. The PRP System has been introduced w.e.f 2007-08 and the payments under this system are linked to the Performance of the Company vis-à-vis the targets set in the Memorandum of Understanding (MOU) signed with Ministry of Railways and performance of individual executives / non-unionised supervisors. In order to have a robust and Transparent Performance Management System, a detailed study has been commissioned by engaging the services of an outside expert agency. The revised system of Performance Appraisal will be implemented after the recommendations arising out of the study are examined by the HR and Remuneration Committee and approved by the Board of the Company.

Audit Committee

The Audit Committee comprise of the following Independent Directors as its members:

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

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

The Audit Committee met five times during the financial Year 2008-2009 on 23.04.2008, 12.06.2008, 16.07.2008, 15.10.2008 and 23.01.2009. The details of the attendance of the Committee members are as under:-

Name of Members	No. of Meetings Attended
Shri S. Balachandran	Five
Shri V. Sanjeevi	Five
Shri Janat Shah	Four

The Committee reviews the Company's broad structure, various capital and civil projects, business expansion plans & annual / quarterly 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 thereon 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 2008-09.

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. Beetal Financial & Computer Services(P) 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 2008-09 is pending

General Body Meetings

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

AGM Date	Location	Time
25.08.2008	Stein Auditorium, Habitat world, India Habitat Centre, Gate No. 3, Lodhi Road, New Delhi – 110003	3:00 p.m.
22.08.2007	-----DO-----	3:30 p.m.
04.09.2006	-----DO-----	3:00 p.m.

There is no proposal to be conducted through postal ballot at the ensuing AGM to be held on 19th September, 2009.

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 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.com 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	21st AGM
Date	19th September, 2009
Time	15:00 Hrs.
Venue	Air Force Auditorium, Subroto Park, New Delhi-110 010
(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.
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.
Limited Review Report for quarterly financial results (un-audited)	Within Two months of close of quarter
Approval and authentication of annual accounts by Board of Directors	Before end of June, 2009
Adoption of audited Annual Accounts by Shareholders.	Before end of September, 2009
(iii) Date of Book Closure	8th September to 19th September, 2009 (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

	NSE		BSE	
Month	High	Low	High	Low
April'08	1884.95	852.00	1875.55	866.00
May '08	950.00	832.25	951.00	855.00
June '08	883.00	723.15	864.00	730.00
July '08	870.00	727.85	865.00	735.00
Aug.'08	914.45	815.10	912.00	828.00
Sept.'08	924.90	800.00	915.00	780.05
Oct.' 08	855.00	590.05	849.75	590.55
Nov.'08	697.95	541.40	700.00	540.00
Dec.'08	649.90	551.25	662.90	550.10
Jan. '09	758.95	619.85	749.90	615.15
Feb.'09	730.00	626.85	725.00	625.40
March'09	729.00	606.60	725.00	610.50

The Share Prices are after issue of 1 : 1 Bonus Shares to its Shareholders by the Company.