



Annual Report **2014-15**

Container Corporation of India Ltd.
(A Navratna Undertaking of Government of India)



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"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 अनुक्रियाशील, 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।"

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."





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"हम ग्राहक केंद्रित, निष्पादन प्रेरित, परिणामोन्मुख 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 संव्यावसायिक, 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 कार्याकालीन कार्यों में पूर्णतः सत्यनिष्ठा, ईमानदारी, पारदर्शिता और निष्पक्षता बनाए रखेंगे। हम निजी जिंदगी में भी नैतिकता के उच्च आदर्श बनाए रखने हेतु प्रयासरत रहेंगे।"

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."



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10 YEARS FINANCIAL/PHYSICAL PERFORMANCE (YEAR WISE DATA)
FINANCIAL PERFORMANCE

(₹ in crores)

S.No.	PARTICULARS	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
1	Total Income (Including other Income)	2,489.16	3,141.94	3,510.33	3,628.25	3,885.73	4,032.11	4,377.49	4,743.38	5,356.27	5,944.44
	- Operating Income	2,426.30	3,057.34	3,347.34	3,417.16	3,705.68	3,834.85	4,060.95	4,406.16	4,984.55	5,573.70
	- Other Income	62.86	84.60	162.99	211.09	180.05	197.26	316.54	337.22	371.72	370.74
2	Expenditure (Incl. increase/decrease in stock)	1,735.54	2,166.11	2,455.49	2,486.10	2,744.04	2,828.60	3,037.35	3,358.59	3,882.69	4,277.30
3	Operating Margin (1-2)	753.62	975.83	1,054.84	1,142.15	1,141.69	1,203.51	1,340.14	1,384.79	1,473.58	1,667.14
4	Interest Expenses	0.23	-	-	-	-	-	-	-	-	-
5	Depreciation	83.26	93.58	106.34	115.91	135.10	145.23	158.49	172.71	189.33	372.69
6	Profit before Tax	670.13	882.25	948.50	1,026.24	1,006.59	1,058.28	1,181.65	1,212.08	1,284.25	1,294.45
7	Profit after Tax	525.80	703.82	752.21	791.20	786.69	875.95	877.88	940.03	984.76	1,047.55
8	Dividend	116.98	142.98	168.98	181.98	181.98	201.48	214.47	227.47	239.82	261.27
9	Profit & Loss Account Balance	1,805.21	2,273.49	2,752.78	3,251.95	3,747.47	4,301.29	4,842.12	5,422.82	6,028.53	6,574.15
10	General Reserve	220.97	291.35	366.15	380.28	458.95	546.54	634.33	728.33	761.81	866.57
11	Term Loan	-	-	-	-	-	-	-	-	-	-
12	Reserves & Surplus (9+10)	2,026.18	2,564.84	3,118.93	3,632.23	4,206.42	4,847.83	5,476.45	6,151.15	6,790.34	7,440.72
13	Fixed Assets (Gross Block)	1,793.61	2,025.33	2,244.24	2,640.95	2,988.86	3,286.15	3,503.78	3,994.43	4,469.63	5,191.77
14	Sundry Debtors	8.52	9.90	13.83	15.72	17.64	17.27	19.59	25.74	32.98	36.57
15	Foreign Exchange Earnings	-	-	-	-	-	-	-	-	-	-
16	Share Capital	64.99	64.99	64.99	129.98	129.98	129.98	129.98	129.98	194.97	194.97
17	Capital Employed	1,940.09	2,456.61	3,030.16	3,507.20	4,100.33	4,962.42	5,557.11	6,073.22	6,426.30	6,687.68
18	Government Investment	41.00	41.00	41.00	82.00	82.00	82.00	82.00	82.00	120.49	120.49
19	Net Worth (12+16)	2,091.17	2,629.83	3,183.92	3,762.21	4,336.40	4,977.81	5,606.43	6,281.13	6,985.31	7,635.69
20	Profit Before Tax to Capital Employed (6+17)	0.35	0.36	0.31	0.29	0.25	0.21	0.21	0.20	0.20	0.19
21	Operating Margin to Capital Employed (3+17)	0.39	0.40	0.35	0.33	0.28	0.24	0.24	0.23	0.23	0.25
22	Profit after Tax to Share Capital (7+16)	8.09	10.83	11.57	6.09	6.05	6.74	6.75	7.23	5.05	5.37
23	Expenditure to Income (2+1)	0.70	0.69	0.70	0.69	0.71	0.70	0.69	0.71	0.72	0.72
24	Number of Employees	1,036	1,080	1,134	1,176	1,129	1,147	1,164	1,198	1,324	1,331
25	Income per Employee (1+24)	2.40	2.91	3.10	3.09	3.44	3.52	3.76	3.96	4.05	4.47
26	Foreign Exchange Earnings Per Employee (15+24)	-	-	-	-	-	-	-	-	-	-
27	Current Ratio	2.47	2.98	3.54	3.51	4.05	5.59	5.73	5.55	5.19	4.71
28	Debt/Equity Ratio (11+19)	-	-	-	-	-	-	-	-	-	-
29	Investments	129.38	131.70	155.36	203.08	240.54	243.96	293.10	482.16	864.03	1,154.75

PHYSICAL PERFORMANCE (TEUs)*

1	International Handling	1556714	1715661	1977399	1854959	1882277	2018551	2136000	2152034	2361429	2621385
2	Domestic Handling	373848	389605	470370	453273	538970	543746	468311	433652	507183	489371
3	Total (1+2)	1930562	2105266	2447769	2308232	2421247	2562297	2604311	2585686	2868612	3110756

* Twenty Foot equivalent units

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri Anil Kumar Gupta
Chairman & Managing Director

Shri Yash Vardhan
Director (Intl. Marketing & Opn.)

Dr. P. Alli Rani
Director (Finance)

Shri Arvind Bhatnagar
Director (Domestic Division)

Shri V. Kalyana Rama
Director (Projects & Services)

Shri Manoj K. Akhouri
Director

Shri N. Madhusudana Rao
Director

Shri Sudhir Mathur
Director

Shri Pradeep Bhatnagar
Director

Shri M.P. Shorawala
Director

COMPANY SECRETARY

Shri Harish Chandra
Group General Manager (Finance)
& Company Secretary

STATUTORY AUDITORS

M/s Kumar Vijay Gupta & Co.
New Delhi

BRANCH AUDITORS

M/s K.L. Banerjee & Co.
Kolkatta

M/s A.V. Deven & Co.
Chennai

M/s Jain Seth & Co.
Ahmedabad

M/s Chandak Khanzode & Shenwai
Nagpur

M/s Rao & Babu Associates
Hyderabad

M/s RAV & Co.
Mumbai

M/s V. Sahai Tripathi & Co.
New Delhi

M/s Arun Singh & Co.
New Delhi

BANKERS

Vijaya Bank
YES Bank Ltd
Bank of India
IDBI Bank
ICICI Bank Ltd
Corporation Bank
Canara Bank
HDFC Bank Ltd
Axis Bank Ltd
UCO Bank
Jammu & Kashmir Bank Ltd
DCB Bank Ltd
Union Bank
Dena Bank
Syndicate Bank
Bank of Maharashtra
Indian Bank
Bank of Baroda
Punjab National Bank
State Bank of India
Citi Bank
Standard Chartered Bank
Ratnakar Bank Ltd
IndusInd Bank Ltd
Central Bank of India

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

BOARD OF DIRECTORS OF CONCOR



Chairman
& Managing Director

Shri Anil Kumar Gupta took over as Chairman and Managing Director, CONCOR w.e.f. 05.03.2013. He is an IRTS officer of 1982 batch and has worked with Indian Railways at senior positions, prior to joining CONCOR. During his tenure with CONCOR, he has held several key positions, including Director (Domestic) upto 29.12.2009 and Managing Director w.e.f. 30.12.2009. He is a leading transport sector professional with specialist expertise and skills in the areas of Marketing & Commercial Activities, Ports and shipping, Railway Operations and Inter-modal and Landside Transport Logistics and Distribution. Shri Gupta holds qualifications of M.A., M.Phil. (Economics) from Delhi School of Economics and MBA (NMP).

Shri Yash Vardhan took over as Director (International Marketing & Operations), CONCOR w.e.f. 28.09.2007. Prior to joining CONCOR he held various positions, as an IRTS office of 1983 batch, in Indian Railways. In Railways he had worked at various key positions, including Dy. Chief Operations Manager (Goods), Central Railways, Chief Transportation Manager (Petroleum), Western Sector and Chief Catering Manager, Northern Railways. During his tenure with CONCOR he has held inter-alia held the positions of GGM, CGM and Executive Director, Western Region/Mumbai and Executive Director (IM&O). Shri Yash Vardhan has a rich experience in Railway Operations, Commercial, Safety, Planning, Marketing, International Operations and Setting up & management of Container terminals. Shri Yash Vardhan has done B.Sc., M.Sc. & M. Phil. in Chemistry from Delhi University.



Director
(Intl. Marketing & Operations)



Director
(Finance)

Dr. P. Alli Rani, Director (Finance) completed her education in economics at the university level in a M. Phil Degree in economics. Subsequently she acquired twin Post Graduate Degrees in Management specializing in Finance & Marketing and PhD in Economics. Her career began with the Indian Economic Service (IES), a specialized cadre of the Government of India recruited to conduct economic analysis in the Central Ministries and adjunct offices. Subsequently, she joined the Indian Railway Accounts Service in 1986, a specialized cadre for handling the Finances of the Indian Railways. She joined the Telecom Sector in the early years of her career and spent six years in the sector initially in the DoT and the last two years in BSNL. She once again joined the Railways in 2001 but this time as part of its Corporate Business, taking over as Group General Manager/ Finance of CONCOR. Subsequently elevated as Executive Director, she was elected to the Board of Directors of the company in the year 2009 by the Public Enterprises Selection Board (PESB) and took over as Director Finance of the company.

BOARD OF DIRECTORS OF CONCOR

Shri Arvind Bhatnagar, Director (Domestic Division) has done BE (HONS) Electrical & Electronics, BITS Pilani, MBA Marketing Operations Research, FMS Delhi University. He belongs to IRTS 1982 batch and joined CONCOR on deputation as Chief General Manager, Western Region and was absorbed as Executive Director. He took over as Director (Domestic) on 09.09.2013. He has worked in various capacities during the last 30 years in handling Rail Freight and Passenger, Commercial Working, Multi-modal Logistics involving Container Terminal Management of ICDs and Container Rail Operations, apart from this, having experience of nearly 5 years in heading the largest Container /Port Terminal in India.



Director
(Domestic Division)



Director
(Projects & Services)

Shri V. Kalyana Rama was appointed as Director (Projects & Services)/Container Corporation of India Limited (CONCOR) w.e.f. 03.06.2015. He is B. Tech (Mech.) with ICWA. He is an Ex-Railway officer of 1987 batch. Prior to joining Board, he was holding the post of Executive Director, South Central Region of CONCOR. He had worked in BHEL, BHPV before joining Indian Railways. He had held various challenging assignments in his career with Indian Railways. He has been professionally trained in Railways and multi modal transport logistics. He was instrumental in development of container depots in South Central and Southern regions of CONCOR. He has been involved in all the developmental planning and operational activities of EXIM and Domestic cargo at the various dry port terminals of CONCOR. He was also Chief Executive Officer, M/s Infinite Logistics Solutions Private Limited now M/s TCI CONCOR Multimodal Solutions Private Limited, a Joint Venture of CONCOR. He has wide experience in the field of Engineering, System design, Railways & multi modal logistics operations and Project planning and commissioning.

Shri Manoj Krishna Akhouri, an IRTS officer has done M.Sc. (Tech) in Applied Geology from Indian School of Mines, Dhanbad, in 1985. Joined Indian Railways in Indian Railway Traffic Service (1987 Batch) and has wide experience in Railway operations, planning traffic related works, remodeling mega terminal to enhance handling capacity, development of multi modal logistic parks, etc and has held significant posts over Zonal Railways and in Ministry of Railways (Railway Board) in the Operating, Safety and Planning Departments. Also worked as General Manager (Operations) in Dedicated Freight Corridor and Group General Manager (International Marketing) in Container Corporation of India.



Director

BOARD OF DIRECTORS OF CONCOR



Director

Shri Narayanam Madhusudana Rao, Executive Director (Rates) Railway Board, an officer of the Indian Railway Traffic Service 1982 batch joined Indian Railways in 1984. He is a Post-Graduate in Economics from Delhi School of Economics and an MBA from Australia. He has had vast and varied experience in Railway Operations, Investment Planning and Development of Terminals etc. He was Divisional Railway Manager, Kota, in 2011-13 and prior to that was Executive Director (Planning) in Railway Board where he pioneered the policy for allowing private investment in new lines. He has held the key charges of freight and passenger operation on Zonal Railways.

Shri Sudhir Mathur, Part-Time Non-Official Director (Independent), an IRAS officer, retired as Director Finance of Irocon International Ltd. with over 35 years of experience, straddling both the Government and Public sector, his focus areas have been strategic planning & execution, resource mobilization, international concessions, financial management & control systems. He has done B.A.(Hons.) in Economics and M.A.(Public Administration).



Director



Director

Shri Pradeep Bhatnagar, Part-Time Non-Official Director (Independent) is ex-AM(Traffic), Railway Board. He had worked for more than 16 years in position of Jt. Secretary and above and in the past held positions of Chairman, Kutch Railway Corporation, Director of CONCOR, Dedicated Freight Corridor Corpn. Ltd. and Konkan Railway and as Special Invitee in Board of Directors of Coal India Ltd. He is a person of eminent of proven track record in management as he had held senior position of management in Government and Public Sector Undertakings. While with Indian Railways he had experience at Divisional, Zonal Railways and Railway Board's levels on matters like day to day management of Passenger & Freight Transportation, Cadre controlling of all staff and officers and dealing with industrial relations. His experience with Railways also include planning of short and long term development of Indian Railways so that it has enough capacity to achieve loading targets, introduction of new passenger trains and to achieve all financial targets.

Shri M.P. Shorawala, Part-Time Non-Official Director (Independent) is an expert in Industrial, Banking, Taxation & Property Laws. Shri Shorawala is an Advocate-on-Record of Hon'ble Supreme Court of India since 1985. He has done M.A. (Eng. Literature), M.Com. and LL.B. from Agra University. He has worked for Union of India at Supreme Court of India and as their panel lawyer assisted Attorney General, Solicitor General and other Senior Advocates for Union of India. Further, he has vast experience of dealing with legal matters related to Contract & Agreement drafting, Patents, Trademarks, Cyber Laws, Customs, Corporate affairs, Company Law Board, Joint Ventures management, property cases, Income Tax Tribunal, Industrial and Labour Disputes resolutions, etc.



Director

LETTER FROM CHAIRMAN AND MANAGING DIRECTOR

Dear member,

Greetings !

It is my proud privilege to inform you that your company has been granted Navratna status by Government of India during 2014-15. I would like to congratulate all the stakeholders for achieving this landmark & for yet another successful year of growth and achievements for CONCOR. In the year 2014-15 your company's physical performance, for the first time, has crossed the mark of 3 million TEUs in which it handled 3.11 million TEUs registering an increase of 8.44% over previous year. It achieved a gross turnover and net profit of ₹5,944 crores and ₹1,048 crores respectively. The net worth of your company increased to ₹7,636 crores from ₹6,985 crores in the previous year.

The company is continuing to expand its infrastructure and during the year it incurred an amount of ₹746 crores toward the capital expenditure on creation of new terminals, expansion of existing ones and acquiring wagons, containers, etc. It has plans to set up 15 new multi-modal Logistics Parks (MMLPs) within 12th five year plan period for providing seamless connectivity and one stop solutions to its customers. It has been giving good returns to its shareholders in the form of dividend, which is increasing every year. The dividend declared during the year on equity share of ₹10 each was ₹13.40 (134%) per share, against ₹12.30 (123%) in previous year. The company has always followed the strategy of ploughing back its profits in the expansion of its infrastructure for the sustainable long term growth of the company.

In the year 2014-15, a moderate growth of 4.18% in originating freight loading on Indian Railways was recorded as compared to the previous year. The originating containerized cargo transported by rail increased to 48.83 million tonnes, an increase of 12%. Containers handled in all ports of the country registered a healthy growth of 10.33% from around 10.45 million TEUs in 2013-14 to 11.53 million TEUs in 2014-15. The level of inland penetration of containers from ports to hinterland was around 19%, which is on the lower side mainly due to high cost and poor turn around. In this business environment, your company managed to continue as lead player in the sector. It continued to place greater emphasis on providing total logistics solutions to its customers by expanding the business in all segments of transport value chain, both in EXIM and domestic sectors.

In the recent past positive change in the economic scenario was observed and the Indian Economy growth at 7.5% in the Q4 of 2014-15. This growth rate is likely to be higher going forward in the year 2015-16 and 2016-17. The Government has taken various initiatives like Make in India, Digital India, allowing FDI in major sectors, including defence, increased spending on infrastructure, auctioning of coal blocks and spectrum, etc. All these efforts give positive signals for the long term improvement in the business environment and economic growth of the country.

Your company is the undisputed leader in the field of Multi Modal Transport in India with largest available network of State-of-the-art inter-modal terminals across the country providing unparallel reach and penetration, combined with strong presence at almost all container handling ports. In order to expand its business and to be the first choice of its customer for providing logistics services, it has always laid emphasis on having alliances in the form of joint ventures with reputed players in the field, having strategic tie-ups with Government companies, State Industrial Corporations and newly emerging ports. It has also set-up subsidiaries to expand in other areas of businesses like cold chain and Air cargo. Therefore, your company is well poised to face the challenges and tap new business opportunities, including the one arising from the likely increase in container volumes due to development of Dedicated Freight Corridors (DFC) as it is developing its infrastructure along the proposed DFC routes.

Your company has always followed the best Corporate Governance practices which is the key for achieving its long term goals. It believes that the guiding principles of Corporate Governance framework should be based upon compliance of Law/regulations in letter and spirit, adopting transparent systems, safeguarding the interest of its stakeholders and creating an environment of trust and confidence by means of transparent and timely disclosure of information. By conducting its businesses in a socially and environmentally responsible manner and by putting in place an effective CSR policy structure, your company has brought about meaningful difference in the lives of many underprivileged people of the society. The thrust CSR areas of your company include health & medical care, education/literacy enhancement, community development & rehabilitation measures, environment protection, conservation of natural resources and infrastructure development. Some of these initiatives taken during the year are:

- Ø Contribution in Swachh Bharat Kosh and Clean Ganga Fund administered by Government of India.
- Ø Constructing of classrooms in 6 schools of Ganjam district in Odisha, which witnessed havoc of cyclone 'Phailin'.
- Ø Rainwater harvesting, solar energy projects in the States of Himachal Pradesh.