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17th annual report

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कॉनकॉर
CONCOR

भारतीय कंटेनर निगम लिमिटेड
(भारत सरकार का उपक्रम)

Container Corporation of India Limited
(A Govt. of India Undertaking)

भारतीय कंटेनर निगम लिमिटेड
CONTAINER CORPORATION OF INDIA LTD.

मिशन

"हमारा मिशन अपने व्यावसायिक सहयोगियों और शेयरधारकों के साथ मिलकर कॉनकॉर को एक उत्कृष्ट कंपनी बनाने का है। अपने व्यावसायिक सहयोगियों के सक्रिय सहयोग से तथा लाभप्रदता एवं वृद्धि सुनिश्चित करके अपने ग्राहकों को 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।"

लक्ष्य

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

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

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

"हम अपने संगठन के लक्ष्यों और मिशन के समर्थन में परिमेय निष्पादन लक्ष्य निर्धारित करेंगे। हम अपने प्रतिस्पर्धियों के मुकाबले स्वयं ही मानक स्थापित करेंगे तथा अपने संगठन की उन्नति के लिए अपने व्यवसाय और परिचालन के सभी क्षेत्रों में एक 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 कार्यालयीन कार्यों में पूर्णतः सत्यनिष्ठा, ईमानदारी, पारदर्शिता और निष्पक्षता बनाए रखेंगे। हम अपनी निजी जिंदगी में भी नैतिकता के उच्च आदर्श बनाए रखने हेतु प्रयासरत रहेंगे।"

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."

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."

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

Multimodal Logistics Professionals

Seventeenth Annual Report 2004-2005

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BOARD OF DIRECTORS

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

Shri R.N. Aga (till 31.07.2005)
Chairman (Non-Executive)

Shri Rakesh Mehrotra (w.e.f. 15.06.2005)
Managing Director

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

Shri Pradeep Bhatnagar
Govt. Nominee Director, Ministry of Railways

Shri R. K. Narang
Non-Executive Director

Dr. D. Babu Paul
Non- Executive Director

Dr. P.S. Sarma
Non- Executive Director

Shri Ravi Khandelwal
GGM(Accounts) & Company Secretary

STATUTORY AUDITORS

M/s. S. N. Dhawan & Co.,
New Delhi

BRANCH AUDITORS

M/s. D. K. Chhajer & Co.,
Kolkata
M/s. R. Gopala Krishnan & Co.,
Chennai
M/s Kedia & Kedia Associates,
Ahmedabad
M/s Ghalla & Bhansali,
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

Registrars & Share Transfer Agent

M/s. Alankit Assignments Ltd., New Delhi

NOTE : AUDITED ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31.03.2005 ARE SUBJECT TO REVIEW BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956

10 YEARS PERFORMANCE AT A GLANCE - FINANCIAL & PHYSICAL

Financial (Rs. In Crore)

Description	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**	**2004-05**
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	116.41	197.37	298.87	407.36	542.77	711.43	844.32	1036.52	1312.25	1633.77
Capital Employed (Net Fixed Assets + Working Capital + Investment))	171.60	252.84	337.78	424.58	559.53	723.88	956.75	1115.62	1391.35	1684.86
Net Worth (Paid Up capital + Reserves - Preliminary expenses to the extent not written off)	181.35	262.33	363.81	472.35	607.76	776.42	909.31	1101.51	1377.24	1698.76
Fixed Assets (Gross Block)	157.41	189.62	218.21	352.78	457.57	605.00	752.65	982.50	1198.79	1538.62
Income from Operations	389.36	534.32	606.25	684.77	831.42	1075.92	1286.46	1483.44	1764.43	2003.49
Other Income	6.68	14.17	22.30	31.59	33.46	34.00	48.95	50.40	42.97	48.21
Total Income	396.04	548.49	628.55	716.36	864.88	1109.92	1335.41	1533.84	1807.40	2051.70
Gross Profit	115.78	176.73	191.49	220.26	287.89	356.29	422.64	474.74	554.00	676.22
Depreciation	8.93	10.39	11.54	12.27	22.62	27.27	33.47	43.94	55.28	66.62
Net Profit Before Tax	106.85	166.34	179.95	207.99	265.27	329.02	389.17	430.80	498.72	609.60
Provison for Taxation	53.73	70.94	63.27	66.51	90.00	112.25	139.31	160.25	142.45	180.73
Net Profit	52.23	95.25	115.80	140.66	177.59	216.65	249.48	272.85	367.59	428.60
Dividend	7.79	12.99	12.99	29.24	35.75	43.54	64.99	71.48	81.24	94.23
Earning Per Share : (in Rs.)	8.04	14.66	17.82	21.64	27.32	33.33	38.39	41.98	56.56	65.95

Physical (TEUs)*

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
International Handling	349141	424741	491481	576790	664490	753368	905058	1031925	1251618	1376516
Domestic Handling	244977	278801	230238	225156	238661	291360	326775	351238	350501	351460
Total	594118	703542	721719	801946	903151	1044728	1231833	1383163	1602119	1727976

* Twenty foot equivalent units

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Shareholders of the Company will be held as under -:

Day	:	Wednesday
Date	:	28th September, 2005
Time	:	3.00 P.M.
Venue	:	Stein Auditorium, Habitat World, India Habitat centre, Gate No. 3, Lodhi Road, New Delhi-110003.

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

ORDINARY BUSINESS -:

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

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2005, Profit & Loss Account for the year ended on that date and the Report 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, 2005.

3. To appoint a Director in place of Dr. D. Babu Paul who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint a Director in place of Shri Pradeep Bhatnagar, who retires by rotation and being eligible, offers himself for reappointment.

5. To take note of the appointment of M/s. S. N. Dhawan & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and to authorize Board of Directors of the Company to determine the remuneration of Statutory Auditors in terms of provisions of Section 224(8) (aa) of the Companies Act, 1956 and to pass the following resolution as an Ordinary Resolution :

   "RESOLVED that the appointment of M/s. S. N. Dhawan & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2004-05 in terms of the order no. CA. V/COY/CENTRAL GOVT., CCIL(5)/360 dated 6.9.2004 of C & AG of India, be and is hereby noted.

   FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to determine the remuneration payable to Statutory Auditors for the financial year 2004-05 and future years as and when communication is received from the Comptroller and Auditor General of India regarding appointment of the Auditors of the Company.

   Further RESOLVED that the remuneration of the Auditors of the Company so fixed by the Board of Directors shall be reported by the Company in its Directors' Report of the relevant year to the Shareholders."

SPECIAL BUSINESS -:

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

6. "RESOLVED that Shri Rakesh Mehrotra be and is hereby appointed as Managing Director of the Company w.e.f. 15.06.2005 in terms of Railway Board's order no. 2004/E(O)II/7/28 dated 15.06.2005 and shall be liable to retire by rotation."

   To consider, and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution :

7. "RESOLVED subject to the provisions of SEBI (Delisting of Securities) Guidelines, 2003 and other applicable provisions of relevant Acts, Rules, Regulations, Notifications, Circulars, Stock Exchange Guideliness and such Amendments therein as may come into force or may be promulgated from time to time, that consent be and is hereby accorded for delisting of Equity shares of the Company from The Delhi Stock Exchange Association Ltd.

   Further Resolved that Board of Directors of the Company be and is hereby authorized to take such actions as may be considered necessary to give effect to the aforesaid resolution."

By order of Board of
CONTAINER CORPORATION OF INDIA LIMITED

(RAVI KHANDELWAL)
GROUP GENERAL MANAGER (Accounts)
& COMPANY SECRETARY

Date : 10.08.2005
Place : New Delhi

NOTES :

(a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / 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 closed from 16th September, 2005 to 28th September, 2005 (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, 2005 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 15th September, 2005.

(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 15th September, 2005.

(f) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends for the financial year ended 31st March, 1998 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, 1998 or any subsequent financial years are requested to make their claim to the Company or Registrar and Share Transfer Agents, M/s Alankit Assignments Ltd.

EXPLANATORY STATEMENT PURSUANT TO SEC. 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Government of India has appointed Shri Rakesh Mehrotra as Managing Director of the Company w.e.f. 15.06.2005 and communicated through Ministry of Railways, Govt. of India vide order no. 2004/E(O)II/7/28 dated 15.06.2005.

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

Item No. 7

Consequent to the recent rapid changes in the capital market and with the availability of nationwide trading facility coupled with wide and extensive networking of centers on BSE and NSE, investors have access to online dealing in the Company's securities across the Country and substantial volume of trading is carried out through these two principle exchanges. There is virtually no trading on DSE. Moreover, the Company's equity shares is one of the scripts which Securities and Exchange Board of India (SEBI) has specified for settlement only in demat form by all investors.

The proposed delisting of the Company's equity shares from the DSE will not adversely affect any investor/member.

SEBI (Delisting of Securities) Guildelines, 2003 permit voluntary delisting from any stock exchange including the regional stock exchange without providing exit opportunity. The Company's equity shares will continue to be listed on the other two nation wide stock exchanges viz. BSE and NSE.

In accordance with the Delisting Guidelines, shareholders approval is required by passing special resolution for delisting of equity shares from Delhi Stock Exchange.

The Board recommends the passing of special resolution.

None of the Directors of the Company is concerned or interested in the resolution.

By order of Board of
CONTAINER CORPORATION OF INDIA LIMITED

(RAVI KHANDELWAL)
GROUP GENERAL MANAGER (Accounts)
& COMPANY SECRETARY
Date : 10.08.2005
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, 2005.

FINANCIAL RESULTS (RS. IN CRORE)

Particulars	2004-05	2003-04
Income from operations	2003.49	1,764.43
Profit before depreciation & tax (PBDT)	676.22	554.00
Profit before tax (PBT)	609.60	498.72
Provision for tax	180.73	142.45
Profit after tax (PAT)	428.87	356.27
Profit available for appropriations	428.60	367.59
APPROPRIATIONS:		
Interim Dividend	38.99	-
Proposed Dividend	55.24	81.24
Tax on dividend	12.85	10.62
Transfer to general reserves	42.86	36.76
Balance carried to Balance Sheet	278.66	238.97
Basic and Diluted Earnings per share (Rs.)	65.95	56.56

DIVIDEND

Keeping in view the Company's capex programme, your Directors recommend a dividend of 145 % of the paid up share capital inclusive of Interim Dividend paid @ 60%. The pay out on account of dividend would be Rs. 14.50 per share of Rs. 10/-. The total dividend payable amounts to Rs. 94.23 crore as compared to Rs. 81.24 crore (excluding dividend tax) during 2003-04.

FINANCIAL HIGHLIGHTS

The operating turnover of your company has registered a growth of 13.55% during the year under review, increasing from Rs. 1,764.43 crore in the previous year to Rs. 2003.49 crore.

Total expenditure has increased in line with the growth in income by 10.20%. After adjusting for the expenditure of Rs. 1442.10 crore as compared to Rs. 1,308.68 crore in the previous year, the profit before tax works out to Rs. 609.60 crore, which shows a growth of 22.23%. After making provisions for income tax, prior period/tax adjustments, the net profit available for appropriations stands at Rs.428.60 crore, which is a growth in net profit of 16.60%. Increase in Profit After Tax (PAT) is due to better operating margin and increase in amount of tax deduction availed by the company under Section 80IA of Income Tax Act.

OPERATIONAL PERFORMANCE

Handling in TEUs	2004-05	2003-04	% age Growth
Exim	13,76,516	1,251,618	9.98%
Domestic	3,51,460	3,50,501	0.27%
Total	17,27,976	16,02,119	7.86%

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, Delhi and National Stock Exchanges. The listing fees of all these 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, 2,39,88,367 shares were in demat mode as on 31st March, 2005.

WORLD BANK LOAN

Out of the outstanding balance of US$ 2.73 million as on 31 March 2004, the company has repaid an amount equivalent to US$ 0.32 million during the current year. The outstanding balance as on 31 March 2005 is US$ 2.41 million.

CAPITAL EXPENDITURE

Capital outgo of Rs. 382 crore approx. was incurred mainly on development of terminals, acquisition of wagons and handling equipment.

NEW TERMINALS

In line with the expansion plan for setting up new terminals and expansion of existing facilities, the following new terminals were commissioned during the year:

Combined terminal at Desur	-	commissioned in September 2004
Combined terminal at Ankleshwar	-	commissioned in January 2005
ICD at Tirupur	-	commissioned in January 2005
Combined terminal at Rawtha Road (Kota)	-	commissioned in March 2005

In addition expansion work was carried out at 13 locations.

HIGH SPEED WAGONS

The existing CONCOR fleet of wagons increased by 1435 additional high speed wagons increasing the holding of high speed wagons to 4606. This is the highest ever induction of High Speed Wagons by CONCOR in any single year.

Order for 1315 high speed wagons were placed during the year.

CONTAINERS

The container fleet (owned and leased) as on 31.03.2005 was 10874 TEUs.

HANDLING EQUIPMENT

During the year 4 Rubber Tyred Gantry Cranes (RTG's) have been commissioned at ICD/Dadri, an order for two RTG Cranes for ICD/TKD was placed. Both the machines were received during the year. An order of two RTG cranes for ICD/ Dandharikalan (Ludhiana) was also placed.

INFORMATION TECHNOLOGY

Your company made further progress in the field of Information Technology. The dedicated and reliable communication network through VSAT was extended to 5 additional locations bringing the total coverage to 52 at the end of the year. The customized ERP packages for Oracle Financials & HR Payroll implemented last year based on centralized architecture is running smoothly and is being used by all the locations. The Terminal Management System for Domestic Terminals is already implemented in 25 Domestic Terminals and 140 adhoc locations. The coverage for EXIM Terminals (ETMS) was extended to 35 EXIM Terminals during the year. With this coverage, the centralized packages have been implemented throughout the company in majority of its functional areas. As a further step towards providing "Customer Friendly Services", your company has established Web Enabled System through a web server for enabling dynamic customer queries.

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

NEW VENTURES

The strategy initiated last year, of expanding business horizons by diversifying in allied areas by way of strategic alliances and Joint Ventures, was continued and persued with full vigour. Following events are noteworthy in this regard:

1. The CFS constructed in Dadri by M/s Star Track Terminal (Pvt.) Limited a JV company formed with Maersk last year, was made operational in February 2005.

2. Other two JVs initiated during last fiscal for ICD Dadri with M/S Transworld Group of companies and APL were also cemented and JVs put in place. Both the companies have since started functioning and are in the advanced stages of construction of their respective CFSs in Dadri. Both CFSs are likely to be commissioned in 2005-06.

3. One new Joint Venture was initiated during the year for ICD Dadri with M/S CMA-CGM, a French line. The negotiations with them were brought to final stages and detailed JV/ shareholder agreement put in place. Construction work for this terminal is likely to commence in 2005.

4. The Joint Venture initiated during last fiscal for third berth at JN Port was cemented in form of Gateway Terminal. The construction work is in full swing. The terminal is likely to be commissioned during next fiscal.

5. A Joint Venture was initiated for participation in Management of Rajiv Gandhi Terminal and International Container Transshipment Terminal at Cochin port with M/S Dubai Ports International (DPI). The negotiations with them were brought to final stages and detailed shareholder agreement put in place.

6. Yet another JV initiated during last fiscal for Management and Operation of Rail Container Terminal in Birgunj (Nepal) was also finalized in form of M/S Himalayan Terminals. The terminal was commissioned during July 2004.

7. In BOD Meeting dated 27.7.2005 it has been decided to initiate cold chain project in a phased manner.

HUMAN RESOURCE MANAGEMENT

Along with the expansion of the business of the company, the working strength has also risen from 915 to 988 employees. The cost however, continues to remain within the self-imposed limit of 2% of the total cost. The information about employees history and record is available on ERP system.

INDUSTRIAL RELATIONS

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

FOREIGN EXCHANGE EARNINGS (Rs. in lakh)

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

Foreign exchange earnings	:	66.08
Foreign exchange outgo		
a) CIF value of Imports	:	18.56
b) Capital Goods / Advances	:	1530.78
c) Repayment of loan	:	139.99
d) Others	:	74.82

PRESIDENTIAL DIRECTIVES RECEIVED FROM THE GOVERNMENT

No presidential directive was received during the Financial Year 2004-05.

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.

During the period under review, one employee passed the Hindi Typing examination conducted under the aegis of the Hindi Teaching Scheme organised by the Department of Official Language, Ministry of Home Affairs.

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

Quarterly meetings of Official Language Implementation Committee were conducted regularly and the decisions taken therein complied with.

In Sept. 2004, on the occasion of Hindi Pakhwara, a Hindi General Knowledge and Glossary of Hindi contest was organised. The officers and employees of CONCOR participated in this competition with tremendous enthusiasm.

CONCOR's website and all the computers are bilingual.

VIGILANCE

Vigilance Division continued its focus on "Preventive Vigilance" during 2004-05. **14** checks were conducted at various Regional Offices/Inland Container Depots/Container Freight Stations, including **4** intensive Examination of major works. In addition, **25** cases were registered/investigated on the basis of complaints and other information.

A sum of Rs. 20.92 lacs (approx.) was recovered from various contractors/customers/employees during the financial year. In addition, **14** improvements in procedures and systems were recommended to various functional divisions, on the basis of experience gained through preventive examinations and other investigations. Administrative action was taken against **18** employees and minor penalty was imposed in respect of 1 officer and charge sheet for major penalty against **2** officers and minor penalty in respect of 1 officer were issued. The Vigilance awareness week was celebrated in the Corporate as well as Regional Offices by undertaking various activities. Training programs and workshops 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, 2005, 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, 2005 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.S.N. Dhawan & Co., Chartered Accountants, New Delhi, were appointed as Company's statutory auditors for the year 2004-05.

BOARD OF DIRECTORS

During the financial year 2004-05, seven meetings of the Board of Directors were held for transacting the business of the Company.

Shri R.N. Aga, Member Traffic/ Railway Board was appointed as a Chairman/ CONCOR vice Shri K.K. Aggarwal, Chairman/ CONCOR on his superannuation on 31st July 2004.

Shri Rakesh Mehrotra was appointed as Managing Director/ CONCOR vice Shri A.K. Kohli, Managing Director/ CONCOR, who resigned from the services w.e.f. 22nd March 2005. Shri Arun. N. Pai, Director (Finance) and Shri S.C. Misra, Director (Domestic) held office till 15th December 2004 and 25th May 2005 respectively.

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

- Shri R.N. Aga, Part-time Chairman;
- Shri Rakesh Mehrotra, Managing Director
- Shri P. G. Thyagarajan, Director (IM & O);
- Shri Pradeep Bhatnagar, Director;
- Shri R. K. Narang, Director;
- Dr. P. S.Sarma, Director;
- Dr. D. Babu Paul, Director.

RETIREMENT OF DIRECTORS BY ROTATION

In terms of provisions of the Companies Act, 1956, Shri Pradeep Bhatnagar, Director and Dr. D. Babu Paul, Director are liable to retire by rotation and being eligible, offer themselves for reappointment.

CONCLUSION

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

For and on behalf of the Board of Directors

R.N. Aga
Chairman

Dated : 27.07.2005
Place : New Delhi.

ADDENDUM TO THE DIRECTORS' REPORT 2004-05

Reply to the comments/qualifications in the Auditors' Report for the financial year 2004-05:

Points in the Auditors' Report	Auditors' Qualification	Reply of the Management
3 (i)	Reference is invited to Note 39 according to which, as in previous years, freight, handling and other related revenues (as well as expenses) have been recognized at the time of booking of containers. In our view this is not in compliance with Accounting Standard-9, 'Revenue Recognition' issued by The Institute of Chartered Accountants of India. It is also not in compliance with the three opinions of the Expert Advisory Committee of the ICAI obtained by the Company on the issue, in view of the following: (a) performance is not substantially complete at the time of booking. (b) it is possible to segregate the consideration between major services, and (c) merely because the company has an executory contract with carriers to carry the goods, its own liability to the customer for risks related to non performance does not become insignificant. In the absence of relevant information, consequential impact on the working results of the Company in terms of profits/assets/liabilities could not be ascertained.	Management's viewpoint has already been stated in Note No.39 of Schedule 12. CONCOR's accounting policy on revenue recognition is stated at point no.9 in Schedule 11 of the accounts. This policy is being followed consistently since the inception of CONCOR. Expert Advisory Committee of the Institute of Chartered Accountants of India has also delivered its opinion saying that CONCOR may consider the performance as substantially complete and accordingly recognize revenue at the time of handing over the containers to the carriers subject to the conditions that it is not feasible to segregate the consideration between different services rendered and that the liabilities for risks related to non-performance are not significant at the time of handing over the containers to the carrier. Since the services are being offered as an integrated package, it is not possible to segregate the consideration received and the liability for non performance are also insignificant because of back to back agreement for settlement of claims with Indian Railways, the present policy is in line with the opinion delivered and duly takes care of all the revenue transactions taken place during the year. In addition, regional auditors have also agreed with the opinion of the ICAI.
(ii)	Provision of Rs. 1.68 crore has not been made in case of amount recoverable which is more than five years old.(Refer Note 41)	Since the amount of Rs.1.68 crore, which represents expenditure incurred on behalf of Government of India towards dis-investment of company's shares stands good for recovery, no provision for the same is required. Company is continuously monitoring this issue with the respective ministerial offices. Ministry of Railways (MOR) which is the administrative ministry to CONCOR has also requested to the Secretary (Co-ordination), Inter Ministerial Group (IMG), Cabinet Secretariat vide its letter no. 2005/TT-III/73/4 dated 08.08.2005 to take up this long pending issue in their next meeting.
(iii)	We are unable to comment on the shortfall, if any, in the provision of 'Wagon Maintenance	Refer Note No.40 of Schedule 12, which reads as- "During the year, Indian Railways (IR) has demanded Rs.41.98 crore

	Charges' claimed by Indian Railways.(Refer Note 40)	towards wagons maintenance charges (including arrears w.e.f. April, 2001) out of this CONCOR has already paid/ provided Rs.33.62 crore and for the difference, the matter is being pursued with IR to accept revised calculations". The matter is being pursued with Indian Railways for early settlement.
(iv)	Balances under Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (Including Indian Railways) have not been reconciled/confirmed. Adjustment, if any, will be made upon completion of such reconciliation/conformation.(Refer Note 26)	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.
(v)	Invocation of performance guarantees amounting to Rs. 15.57 crore stand credited to "Capital Work In Progress" instead of showing under Current Liabilities.(Refer Note 9a & 9c)	The presentation and position about the issues involved, which are also matters of arbitration(s), have already been clarified in Note No. 9(a) and 9(c) of Schedule 12.
(vi)	We are unable to express our opinion as to the realisability of the amounts debited to the party, since the matter is sub-judice.(Refer Note 9b)	The arbitration proceedings are in progress in this case.
(vii)	The effect of adjustments that may arise upon reconstruction/reconciliation exercise of accounting records at Eastern Region destroyed in fire during November, 1998 has not been ascertained till date(Refer Note 36)	After the records were destroyed in fire at Eastern Region in November 1998, the reconstruction/reconciliation exercise of same has already been completed except for some transactions, the impact of which will not be material.
(viii)	Non-disclosure of information as required by AS-27-'Financial Reporting of Interests in Joint Ventures' issued by The Institute of Chartered Accountants of India in respect of a Subsidiary Company.(Refer Note 34b)	Since the first financial year of Himalayan Terminals (P) Limited, a subsidiary of CONCOR ended in July, 2005, the relevant figures for the same were not available for incorporation in CONCOR's annual accounts for FY 2004-05.
(ix)	Non –disclosure of contingent liability of Rs. 88.16 crore (upto 2003-04) towards interest demanded by two parties on their claims lodged with the arbitrator.	Company is disclosing contingent liabilities to the extent of claims received (excluding interest demanded on the basic claim where legal cases are going on) as the claims themselves are not certain. This fact has also been disclosed in Note No.2 of Schedule 12.
(x)	We are unable to comment on the shortfall, if any, in value of non-moving stock of stores & spares at Northern Region as the realizable value has not been determined.(Refer Note 43)	As per the accounting policy of Company, inventories have been valued at cost on weighted average basis. Further, Stores & spare parts amounting to Rs.3.64 crore include items amounting Rs.1.20 crore, which have not been consumed during last three years. These items by their very

		nature are essentially to be kept and are fit for their intended use.
(xi)	We are unable to comment on impairment, if any, in the value of Fixed Assets as required by AS-28, 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, in view of the fact that no detailed working has been carried out to ascertain the same. (Refer Note 44)	Since during the financial year under reference, no indications were present that any impairment of assets has taken place, no provision for impairment of assets is necessary under AS-28 related to 'Impairment of Assets' issued by the Institute of Chartered Accountants of India (ICAI).
Point iv) of Annexure to Auditors' Report	In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores & spare parts, fixed assets, and for rendering services. Further, during the course of our audit and according to the information and explanations given to us, we have neither come across nor have any information of any instances of continuing failure to correct any major weaknesses in the internal control procedures except that:	
	a) The Company has implemented Financial Accounting System-Oracle Financials, in the year 2002-03. As explained to us, the new system is facing implementation problems and will be stabilized and streamlined during the subsequent financial year.	The Oracle Financial System (OFS) has been implemented smoothly and the compilation of accounts during the year has been done from OFS. This system has also helped us in early consolidation of accounts. Users have also not reported any problem in the using of OFS during the year under reference.
	b) Northwest Region:	
	i) The Account Receivable (AR) Module of ORACLE System has still not become operational, leading to non-synchronisation of debtors and advance received from customers, for which remedial measures need to be initiated.	Complete Oracle Financial System (OFS) including its AR Module has been implemented by the Company. The ERP Systems namely ETMS/DTMS are catering to all the commercial transactions relating to capturing of information about customers and the transactions with them. Therefore, the party-wise balances (including advances) are completely available in the ETMS/DTMS systems maintained for this purpose. The OFS and ETMS/DTMS are completely meeting all the finance, accounting and commercial requirements of the Company.
	ii) Partial billing of Ground Rent charges, Warehousing charges and billing of recoveries from Custom House Agents (CHA) on account	(a) Billing of rent and electricity charges to Custom House Agents (CHA's) at ICD Sabarmati and DCT Khodiyar are special type of transactions different from routine

	of rent and electricity is not done through ETMS/DTMS but is done manually for which the remedial measures need to initiated.	affairs. ETMS/DTMS does not have the provision for billing of such special business transactions. However, the collection against these billings is made through ETMS. (b) Billing of ground rent charges is completely done through ETMS/DTMS. Except in few cases, where special rates are offered to customers, billing of warehousing charges is also done through ETMS/DTMS. The OFS and ETMS/DTMS are completely meeting all the finance, accounting and commercial requirements of the Company.
Point vii) of Annexure to Auditors' Report	In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However, functioning thereof (including extent of coverage) needs to be strengthened.	The Internal Audit of all the regions and Corporate Office of the Company is being conducted by the independent Chartered Accountants firms engaged specifically for this purpose. A comprehensive audit programme covering major operational and financial aspects of the Company is issued to the internal auditors and they are asked to conduct the internal audit in accordance with the scope of work. The audit programme is quite comprehensive and is updated from time to time with a view to improve the overall working. Scope of work has been enlarged for the current FY 2005-2006. The periodicity of audit has also been modified taking into account the operations at the individual units. Compliance reports on the observations of auditors are obtained from the concerned regions/departments in order to take corrective action, if necessary. The internal auditors have access to the higher management. Even though the system of the internal audit in vogue in the Company has been found to be working satisfactorily, Company always endeavors to further improve the system on an ongoing basis.
Point ix) a) of Annexure to Auditors' Report	According to the information and explanations given to us and according to the records examined by us, the Company is generally regular in depositing with the appropriate authorities the undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us except for the cases stated below in respect of the following Regions, there are no undisputed amounts payable in respect of income tax, wealth tax,	

	sales tax, custom duty, excise duty and cess which were in arrears as at 31st March, 2005 for a period of more than six months from the date they became payable: NORTH WEST REGION: -Name of the Statute/Authority: Gujarat Sales Tax Act -Nature of dues: Sales Tax -Amount Due (Rs.): 26559 -Due date of Payment: 2004-05 -Amount Paid (Rs.): 26559 -Date of Payment: 07.04.05 -Remarks: Nil	(a) Sales Tax: Payment has since been made.
	-Name of the Statute/Authority: Gujarat Electricity Board-Nature of dues: Electricity dues -Amount Due (Rs.): 133851 -Due date of Payment: 2003-04 -Amount Paid (Rs.): NIL -Date of Payment: NIL -Remarks: Held in stale cheque account dated 04-08-03	(b) Electricity Charges: Payment was made to Gujarat Electricity Board within the stipulated time period, but neither the cheque has been presented for payment till 31.03.2005 nor any defaulter notice has been issued to the Company.
	CENTRAL REGION: -Name of the Statute/Authority: Nagpur Municipal Corpn.-Nature of dues: Property Taxes -Amount Due (Rs.): 1860408 and 352404-Due date of Payment: 1997-98 to 2002-03 & 2002-03 -Amount Paid (Rs.): Nil -Date of Payment: Nil -Remarks: Nil	Municipal tax payable in the books of Central Region represents tax payable to Nagpur Municipal Corporation (NMC) in respect of Nagpur Container Terminal for the financial year(s) 1997-98 to 2002-03. NMC has already been requested to carry out assessment in this case. As no assessment order/demand notice has been received from NMC, the amount under reference is not due for payment.
	NORTHERN REGION: -Name of the Statue/Authority: Customs Department-Nature of dues: Custom Duty -Amount Due (Rs.): 9006678 and 1097430 -Due date of Payment: 2001-02 & 2002-03 -Amount Paid (Rs.): Nil -Date of Payment: Nil -Remarks: Ad-hoc Provision made on the basis of show cause notices received.	The amount of custom duty is payable on receipt of adjudication orders/confirmation of demand. The payment has already been released/is being released in cases where adjudication orders have already been received.
	WESTERN REGION: -Name of the Statute/Authority: Customs Department-Nature of dues: Custom Duty & Municipal Taxes -Amount Due (Rs.): 3833754 (Custom Duty) & 244088 (Municipal Taxes) -Due date of Payment: 2001-02 (Customs Duty) & 2001-02 to 2003-04 (Municipal Taxes)	(a) Customs Duty: Customs duty payable in the books of Western Region is an adhoc provision to take care of future liability/demand from Custom Authorities in respect of goods auctioned at New Mulund (NGSM) for FY 2001-02. As no assessment order/demand notice has been received from the authorities, the amount under reference is not due for payment.

	-Amount Paid (Rs.): Nil -Date of Payment: Nil -Remarks: Ad-hoc Provision made (Custom Duty)	(b) Municipal Taxes: Municipal tax and non-agriculture tax payable in the books of Western Region is an adhoc provision to take care of future liability/demand from these authorities for FY 2001-02, 2002-03 and 2003-04. As no assessment order/demand notice has been received from these authorities, the amount under reference is not due for payment.
Point ix) b) of Annexure to Auditors' Report	According to records of the Company and information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute, except in the case of North West Region where additional stamp duty of Rs.74,74,748 pertaining to year 2003-04, in respect of purchase of properties has not been deposited against which an appeal was preferred before sub-registrar, Vadodra.	Being a disputed liability, amount has been shown as contingent liability in the accounts of the Company for the financial year ended 31st March, 2005.

ANNEXURE TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

CORPORATE PHILOSOPHY

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

BOARD OF DIRECTORS

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

The Board met 7 (Seven) times for transacting business during the financial year 2004-05 on the following dates :

Board Meeting No.	Board Meeting Dates
102	27th April, 2004
103	09th July, 2004
104	29th July, 2004
105	26th Oct., 2004
106	13th Dec., 2004
107	19th Jan., 2005
108	19th March, 2005

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	Atten-Dance At last AGM	No. of committee		No. of outside		No.of Outside Committee	
					Membership	Chairmanship	Directorship	Chairmanship	Membership	Chairmanship
(I)	**Part-time Non-Executive Chairman**									
1.	Member Traffic, Railway Board	Sh. K. K. Agarwal*	Three	N.A.	Nil	Nil	Two	Two	Nil	Nil
2.	Member Traffic, Railway Board	Shri R. N. Aga**	Three	Yes	Nil	Nil	Two	Two	Nil	Nil
(II)	**Executive Directors**									
3.	Managing Director	Sh. A. K. Kohli @	Seven	Yes	Nil	Nil	Nil	Nil	Nil	Nil
4.	Director (Projects & Services)	Sh. Rakesh Mehrotra	Seven	Yes	Nil	Nil	Nil	Nil	Nil	Nil
5.	Director (Intl. Marketing & Ops.)	Sh. P. G. Thyagarajan	Seven	Yes	One	Nil	Nil	Nil	Nil	Nil
6.	Director (Finance)	Sh. Arun N. Pai @@	Five	Yes	One	Nil	Nil	Nil	Nil	Nil
7.	Director (Domestic Division)	Sh. S. C. Misra	Five	Yes	Nil	Nil	Nil	Nil	Nil	Nil
(III)	**Govt. Nominee Non-Executive Directors**									
8.	Ministry of Railways	Shri Pradeep Bhatnagar	Seven	Yes	One	One	Nil	Nil	Nil	Nil
(IV)	**Part – time Non- Executive Directors(Independent)**									
9.		Sh. R. K. Narang	Seven	Yes	One	One	Nil	Nil	Nil	Nil
10.		Dr. P. S. Sarma	Seven	N. A.	One	Nil	Nil	Nil	Nil	Nil
11.		Dr. D. Babu Paul	Seven	Yes	One	Nil	Three	Nil	Two	One

* Held office till 31.07.2004.
** Appointed w.e.f. 12.08.2004.
@ Held office till 22.03.2005.
@@ Held office till 15.12.2004.

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 2004-05 is as under -:

Name of the Director	Salary & Allowances (Rs.)	Perquisites (Rs.)	Performance Incentive/ Benefits (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)
Sh. A. K.Kohli	6,10,575	3,46,904	86,105	9,61,266	**20,04,850**
Sh. Rakesh Mehrotra	5,98,346	2,20815	77,636	1,41,493	**10,38,290**
Sh. P. G. Thyagarajan	5,48,413	83,114	77,636	1,62,860	**8,72,023**
Sh. S. C. Misra	5,88,424	2,78,847	76,536	1,65,054	**11,08,861**
Shri Arun N.Pai	6,33,138	33,670	40,407	39,185	**7,46,400**
Total	**29,78,896**	**9,63,350**	**3,58,320**	**14,69,858**	**57,70,424**

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 INCENTIVE

Productivity Linked Incentive (PLI) to all CONCOR employees is paid at a uniform rate taking into consideration the performance of entire Corporation and is directly related to the extent of performance of entire Corporation on various parameters spelt out in the Memorandum of Understanding signed by CONCOR with the Administrative Ministry i.e. Ministry of Railways on year to year basis. The performance of the Company is assessed by the Department of Public Enterprises of the Govt. of India with reference to these parameters and a score is given. The incentive is linked to the composite MOU score obtained by the Company. The MOU composite score of the year 2003-04 was 1.08 and accordingly PLI was granted @24.21% of the basic pay.

AUDIT COMMITTEE

The Audit Committee comprises :-

Shri R. K. Narang - Chairman
Part-time Non-Executive Director (Independent)

Dr. P. S. Sarma - Member
Part-time Non-Executive Director (Independent)

Dr. D. Babu Paul - Member
Part-time Non-Executive Director (Independent)

Shri Ravi Khandelwal, Group General Manager (Accounts) & Company Secretary is the Secretary of the Committee.

The committee met 4 (four) times during the financial Year 2004-2005.

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

S. No.	Name of Members	No. of Meetings Attended
1.	Shri R. K. Narang *Part-time Non-Executive Director (Independent)*	Four
2.	Dr. P. S. Sarma *Part-time Non-Executive Director (Independent)*	Four
3.	Dr. D. Babu Paul *Part-time Non-executive Director (Independent)*	Four

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 internals controls to ensure efficient realization of revenue, and due propriety of expenditure.

SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The shareholders'/ investors' grievance committee comprises :-

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

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

Shri Ravi Khandelwal, Group General Manager (Accounts) & Company Secretary is the secretary of the Committee and also Compliance officer in terms of Listing Agreement with the Stock Exchanges. Only one complaint was pending at the end of financial year 2004-05 and the same has been resolved.

SHARE TRANSFER COMMITTEE & SYSTEM

The Share Transfer Committee comprises :-

Director (Finance)	- Chairman
Director (DD)	- Member
GGM (Accounts) & 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 has been received during the financial year 2004-05 & therefore there was no pending share transfer request of any shareholder.

GENERAL BODY MEETINGS

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

AGM Date	Location	Time
20.09.2004	Stein Auditorium, Habitat World, India Habitat Centre, Gate no. 3, Lodhi Road, New Delhi – 110003.	3.00 p.m.
29.09.2003	——————Do——————	5.00 p.m.
23.09.2002	——————Do————	4.00 p.m.

No Special Resolution was passed and put through postal ballot during last year.

There is no proposal to be conducted through postal ballot at the ensuing AGM to be held on 28th September, 2005.

DISCLOSURES

(i) During the year, there was no transaction of material nature with the directors or their relatives that had potential conflict with the interest of the company.

(ii) There were no instances of penalties / strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority due to non compliance on any matter related to capital markets during the last three years.

MEANS OF COMMUNICATION

Quarterly un-audited financial results of the Company are announced within one month of the close of every quarter and are published in the prominent daily Newspapers like Economic Times, Financial Express, Hindustan Times, Jansatta etc. Further these results, Shareholding pattern and Annual Report are uploaded on company's website www.concorindia.com. The website is regularly updated to incorporate the latest factual data. Whenever formal presentations are made to institutional investors and analysts, these are also displayed on the website. Management Discussion & Analysis report forms a part of the Annual report.

GENERAL SHAREHOLDER INFORMATION

(i)	Number of Annual General Meeting	17th AGM
	Date	28th Sept., 2005
	Time	3.00 p.m
	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 July
Adoption of audited annual account by Shareholders.	Before end of September

(iii) Date of Book Closure — 16.09.2005 to 28.09.2005 (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) The Delhi Stock Exchange Association Ltd., DSE House, 3/1 Asaf Ali Road, New Delhi – 110002.

(c) National Stock Exchange of India Ltd., “Exchange Plaza” Bandra - Kurla Complex, Bandra (E), Mumbai – 400051.

(vi) Stock Code

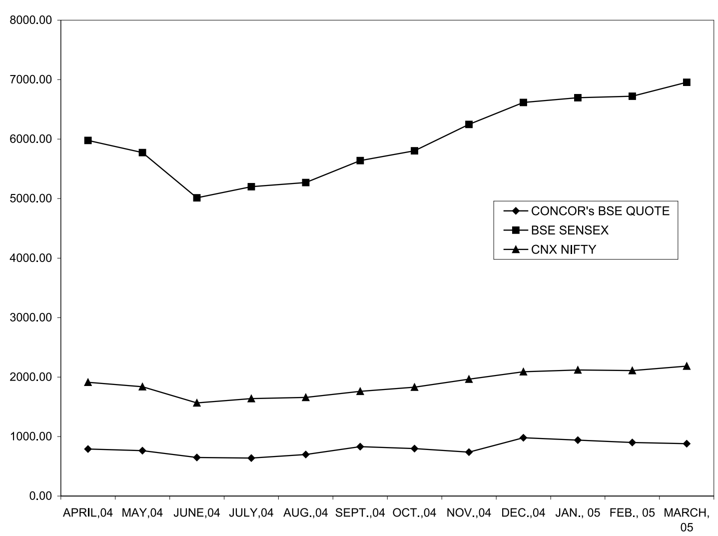
NSE	CONCOR
BSE	CNCORPI

(vii) Market Price Data

	NSE		MSE	
Month	**High**	**Low**	**High**	**Low**
April’04	791.00	702.00	790.00	715.05
May ’04	773.95	500.00	763.00	490.00
June’ 04	649.00	505.35	649.00	500.10
July’ 04	646.00	551.10	639.00	552.20
Aug.’04	699.95	596.15	699.00	615.00
Sept.’04	895.00	675.00	830.00	671.00
Oct.’ 04	754.00	670.00	798.00	631.00
Nov.’04	770.00	631.15	738.00	648.00
Dec.’04	1000.00	690.10	980.00	692.00
Jan. ’05	940.00	792.00	939.00	795.00
Feb.’05	910.00	796.00	900.00	790.00
March’05	924.00	771.20	880.00	780.00

(viii) Stock Exchange Index

	NSE		MSE	
Month	**High**	**Low**	**High**	**Low**
April’04	1912.35	1771.45	5979.25	5599.12
May ’04	1837.95	1292.20	5772.64	4227.50
June’ 04	1566.50	1437.90	5012.52	4613.94
July’ 04	1638.70	1472.55	5200.85	4723.04
Aug.’04	1658.90	1573.70	5269.22	5022.29
Sept.’ 04	1760.80	1619.90	5638.79	5178.57
Oct., ‘04	1829.45	1737.85	5803.82	5558.14
Nov.’04	1963.80	1776.70	6248.43	5649.03
Dec.’04	2088.45	1944.50	6617.15	6176.09
Jan. ’05	2120.15	1894.40	6696.31	6069.33
Feb.’05	2110.15	2036.60	6721.08	6508.33
March’05	2183.45	1971.15	6954.86	6321.31



(ix) Registrar and Share Transfer Agents

M/s Alankit Assignments Ltd.
RTA Division
2 E/8, First Floor,
Jhandewalan Extension,
New Delhi-110055.

(x) Distribution of Shareholding as on 31.03.2005

	Particulars	No. of Shares	Percentage
(a)	Government of India	4,09,99,901	63.08
(b)	Banks, Financial Institutions, Insurance Companies	17,64,678	2.72
(c)	Foreign Institutional Investors	1,80,69,951	27.80
(d)	Mutual Funds and UTI	23,17,662	3.57
(e)	Private Corporate Bodies	6,05,268	0.93
(f)	Indian Public	11,86,552	1.83
(g)	NRIs / OCBs	46,785	0.07
(h)	Others	600	0.00
		6,49,91,397	100.00

(xi) Dematerialization of Shares and liquidity.

For electronic trading of shares, CONCOR has agreement with NSDL & CDSL. Out of 2,39,91,496 Shares listed on Stock Exchanges, 2,39,88,367 Shares were in demat mode as on 31.03.2005.

(xii) Outstanding GDRs / ADRs / Warrants or any convertible instruments : N. A.

(xiii) Plant locations :

The Company has 45 Nos. of Inland Container Depots (ICDs) and 8 Nos. of Domestic Container Terminals as on 31.03.2005.

(xiv) Address for Correspondence

Shri Ravi Khandelwal,
Group General Manager (Accounts) &
Company Secretary,
Container Corporation of India Ltd.,
CONCOR Bhawan,
C-3, Mathura Road,
Opposite Apollo Hospital,
New Delhi –110076.
Ph. No. 51673093, 94, 95 & 96

Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting

Name	Date of Birth	Date of Appointment	Qualifications	Expertise in specific functional areas	List of other Public companies in which Directorship held as on 31.03.2005	Details of Committee Membership	Details of Outside Committee Membership
Sh. Rakesh Mehrotra	03.10.1949	15.06.2005	B.Sc. GRAD. I. MECH.E (LONDON) GRAD.I.PROD.E (LONDON) A.M.I.ELECT.E (LONDON)	Overall management of the Company	NIL	NIL	NIL
Sh. Pradeep Bhatnagar ED TT(F), Ministry of Railway, Govt. Director/ CONCOR	24.03.1952	22.09.2003	M.A.	Traffic Operations & Management	NIL	NIL	NIL
Dr. D. Babu Paul	11.04.1941	20.01.2003	B.Sc. (Eng.), M.A., Phd., F.I.E. (India)	Management (Govt. & PSU)	3*	1	2**

* Name of the companies (1) Neyveli Lignite Corporation Ltd. (2) Cochin Shipyard Ltd. (3) O/E/N India Ltd.

** Chairman, Audit Committee, Cochin Shipyard Ltd.
Member, Investors Grievance Committee, Neyveli Lignite Corporation Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In so far as containerised international (EXIM) traffic is concerned, there was a buoyancy in the traffic with all major ports handling over 4.23 million TEUs during FY 2004-05. In addition, the ports of Pipavav and Mundra handled 0.28 million TEUs. In all over 4.51 million TEUs were handled at the ports signifying an increase of around 12% over previous year. The containerization, however, stayed at the level of 48.2% of general cargo only.

The year also saw significant changes in the infrastructure arrangements relating to container handling, both at ports as well as in the hinterland. At the port end, construction works were started for establishment of 3rd container terminal at JN Port by Gateway Terminal India (Pvt.) Limited (GTPIL) which is a joint venture of Maersk and CONCOR. It is anticipated that this berth will provide an additional capacity of handling over 1.3 million TEUs at JN Port where otherwise the throughput increased only very marginally by 4% (the two existing terminals handled 23.71 lakh TEUs in 2004-2005 as compared to 22.69 lakh TEUs last year). Arrangements were also finalised for establishment of Vallarpadam Terminal in Cochin which will provide capacity for handling at least 1.3 million TEUs. The work there is being taken up by Dubai Port International (DPI). CONCOR has also decided to participate in the project. Some of the other port projects in offing are the projects for Chennai Second berth, Ennore, Kandla and Mumbai. Setting up of Second Container Terminal at Tuticorin is also in the offing. In the hinterland, a major significant change was in respect of Garhi Harsaru ICD which was bought over by Gateway Distripark Ltd. who, with this facility, will enter hinterland operations for the first time.

For CONCOR the year was quite difficult due to many structural imbalances in the flows between ports and ICDs which put lot of strains on wagon capacity. Company's operational performance during the year can be gauged from the figures tabulated hereunder:

Handling in TEUs	F/Y 2004-05	F/Y 2003-04	%age Growth
EXIM	13,76,516	12,51,618	9.98%
Domestic	3,51,460	3,50,501	0.27%
TOTAL	17,27,976	16,02,119	7.86%

EXIM BUSINESS

Our company's EXIM business grew by around 10% during FY 2004-05. We handled a total of 13,76,516 TEUs during the year as against 12,51,618 TEUs handled during last fiscal. The significant feature was our making forays into other ports as against dominance of JN Port in earlier years. Therefore, while our share in JN Port traffic remained at a level of around 30%, in Mundra we moved over 38% of total containers handled there. For Pipavav, the share was 69.5%. The significant aspect of the shift of traffic towards Mundra and Pipavav was an acute imbalance in flows which resulted in unproductive wagon hauls. For instance, while Mundra had more imports than exports, for JN Port the situation was exactly opposite for quite a substantial part of year. The ban on imports of scrap from October, 2004 to February, 2005 had a impact on growth of exim business volumes.

From its present share of 30%, the prospects of increasing the Company's business share are substantial. Potential for expansion also exists for traffic being handled at other major ports. In the EXIM segment, the company plans to enhance capacity for transportation, terminal operations and storage by operating through a few large and several small, customized terminals at strategic locations throughout India. CONCOR plans to establish strategic presence at some major container handling ports so as to tie up both end points of the transportation stream. The programme of acquisition of new rail flat cars will continue to get emphasis so that the company can achieve the twin objectives of lowering rail haul costs in real terms and reduce transit times.

DOMESTIC BUSINESS

The domestic business was marginally up at around 0.3% as against the decline recorded in the last fiscal. Total of 351,460 domestic TEUs were handled with majority of traffic coming in 4th quarter. In fact, there was a drop of traffic in first 9 months of FY 2004-05 as only 2,45,218 TEUs could be handled as against 2,61,439 TEUs handled during corresponding period of last year. The prime reasons for this were (a) drying up of public foodgrains traffic during 2004; and (b) non availability of adequate reliable rolling stock for domestic use. The situation improved somewhat during 4th quarter during which there was an increase of over 19%, over 4th quarter figures of fiscal 2004. This was mainly on account of turn round in wagon availability situation which improved considerably due to increased induction of new rakes. However, the increase was still subdued on account of massive changes in the domestic rating principles in November, 2004 which led to elimination of 'W' category of rates. Efforts are now been made to deploy as many CONCOR wagons for domestic loading as possible so that adverse impacts of very high rates for loading of domestic cargo of IR wagons can be avoided. As regards quality of service, there was a marked improvement in the service levels which was reflected in two of the domestic terminals getting the highest rating in customer survey organized by TNT, an independent survey organization. The upgradation in service reliability level through IT and effective use of DTMS made this possible.

For domestic business, CONCOR is committed to bring back to rail a significant share of containerisable general goods cargo through aggressive marketing efforts. The main competition in this area comes from road transportation of goods by trucks. However, since we provide better risk coverage, in addition to controlled transit times and overall reliability, we feel we are geared to attract the traffic segment that presently uses road. The company has ready developed new type of BLL wagons for the movement of 45 foot / 22 foot containers which has also enabled faster transit of domestic containers. In addition, we will be retaining our prime focus on running regular, scheduled point-to-point services by rail. The CONTRACK services will be expanded to several more origin-destination (O-D) points. Greater efficiency will be introduced through the use of newly acquired rolling stock. Special cargo and corporates will get particular focus by customization of services.

INTERNAL CONTROL SYSTEM

CONCOR has in place well defined roles, responsibilities and authorities for employees at various levels. This, coupled with robust internal MIS systems, ensures appropriate information flow to facilitate effective monitoring. Adherence to these processes is monitored through frequent internal audits. The company has an internal audit system that requires the internal audit firms to certify the appropriateness of internal controls in operation. The internal auditors are external firms directly reporting to the management at higher level, which also ensures their independence. Reports of the internal auditors are reviewed and compliances are solicited and the reports along with the compliances are put up to Audit Committee periodically.

HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

Along with the expansion of the business of the company, the working strength has also risen from 915 to 988 employees. The cost however, continues to remain within the self-imposed limit of 2% of the total cost. The information about employees history and record is available on ERP system. Industrial relations remained peaceful and harmonious and no man-days were lost during the financial year.

SECURED LOANS

No secured loans were taken during FY 2004-05.

UNSECURED LOANS

Unsecured loan is the loan taken from International Bank of Reconstruction and Development. The loan was arranged primarily for the procurement of high speed container flat wagons. The disbursements under this loan had closed in December 2001. The amount of loan outstanding as on 31st March, 2004 was US$ 2.73 million which is now reduced to US$ 2.41 Million as on 31st March, 2005 after repayment of US$ 0.32 million during the year.

FIXED ASSETS

Year Ended March 31 (Rs. crore)	2005	2004	%age Growth
Original cost of assets	1538.62	1,198.79	28.35
Less accumulated depreciation	301.39	235.59	27.93
Net Fixed Assets	**1237.23**	**963.20**	**28.45**

An amount to the tune of Rs 341.83 crore has been capitalized during the year. The main additions are on accounts of construction of buildings, purchase of wagons, equipments and acquisition of land.

WAGONS

The total number of wagons deployed on all streams of traffic as on 31/03/05 is as follows:-

	Nos.	Owned/IR
- High speed wagons (BLC/BLL)	4,606	CONCOR Owned
- Container flats (BFKN)	1,357	CONCOR Owned
- Other wagons (BFKI/BOXK/BOXKH/BRNKH)	1,619	Indian Railways
Total	**7,582**	

During the year under review, 1,435 High Speed Wagons (BLC/ BLL) were inducted into the fleet. This is the highest ever induction in any single year by CONCOR so far.

INVESTMENTS

During previous years the company had invested Rs. 258 lakh in M/s. Star Track Terminal (Pvt) Limited, a joint venture company formed by CONCOR and Maersk for setting up and running a CFS in Dadri. The CFS started its operations in February 2005.

Other two Joint ventures initiated during last fiscal for ICD Dadri with M/S Transworld Group of companies and APL were also cemented and JVs put in place. CONCOR invested Rs. 36 lakh in M/s. Albatross (Pvt) Limited, a joint venture company formed by CONCOR and Transworld Group, during the year 2004-05 thus raising the total investment in the project to Rs. 294 lakh. The investment in Trident Terminal (with APL) was Rs 198.45 lakh. Both the companies have since started functioning and are in the advanced stages of construction of their respective CFSs in Dadri. Both CFSs are likely to be commissioned within 2005.

One more Joint venture was initiated during the year for ICD Dadri with M/S CMA-CGM, a French line. The negotiations with them were brought to final stages and detailed JV/ shareholder agreement put in place. Construction work for this terminal is likely to commence in 2005.

The Joint venture initiated during last fiscal for third berth at JN Port was cemented in form of Gateway Terminal. The company's total investment in the prestigious project is Rs. 75.24 crores. The construction work is in full swing. The terminal is likely to be commissioned during next fiscal.

Yet another Joint venture initiated during last fiscal for Management and Operation of Rail Container Terminal in Birgunj (Nepal) was also finalized in form of M/S Himalayan Terminals. The company has invested Rs. 37.50 lakh in this prestigious project, the first project outside India. The terminal was commissioned during July 2004. It has enabled us mop up 5,365 TEUs at Kolkata port during 2004-05.

INVENTORIES

The company being a service company does not have stock in trade. The inventory is represented by stores and spares kept by the company for maintenance of its own equipments.

SUNDRY DEBTORS

Sundry debtors are 0.29% of the operating income of the year. Provision for doubtful debts wherever considered necessary has been made.

CASH AND BANK BALANCES

The company keeps all its cash balances in short term fixed deposits with the banks. These cash reserves have been retained for financing the expansion activities and investments in JVs as per the Capex Plan of the corporation.

INCOME

Income from operations have grown by 13.55% over FY2003-04. The growth in operational income is in line with the physical performance of the company. Between the two business segments i.e. EXIM & Domestic, EXIM contributes the major share of freight revenues. Construction of new terminals, upgradation of existing ones and successful induction and running of high speed wagons have been the main reasons for the company's business growth.

EXPENSES

Terminal and other service charges have grown by 8.37% over FY2003-04. The proportion of direct expenses to revenue has remained more or less the same.

ADMINISTRATIVE EXPENSES

The increase in administrative expenses by 25.25% over FY2003-04, it is mainly on account of expenses incurred for maintenance of wagons.

EMPLOYEE REMUNERATION

The employee cost has grown by 15.89% over FY2003-04 which is on account of annual increments, revision of pay scales, promotion, increase in dearness allowance, provision for performance linked incentive (PLI), etc.

TAXATION

In making income tax provision, the requirements of Accounting Standard 22 are being duly complied with. As detailed in the notes on accounts, this has resulted in a deferred tax provision of Rs. 13.42 crore during the year. Like in the previous year, in the current year also, the company has availed tax benefit under section 80IA of the Income Tax Act, 1961.

REVENUE RECOGNITION POLICY

The Company has been following the policy of revenue recognition and accounting of expenses on account of freight and handling charges consistently over past many years.

As the revenue recognition policy was being qualified by the auditors, the case was referred to the Institute of Chartered Accountants of India (ICAI) for their opinion. The opinion of ICAI in this case has been received and is in line with the accounting policy being followed by the company. As ICAI opinion is in line with the management's viewpoint in this case, no changes are required in the revenue recognition policy of the company.

CONCERNS

1. Company is unable to adopt a long term pricing strategy for its customers since both the timing and the rate of increase of haulage charges by Railways are unpredictable. The market for rail transport continues to be very sensitive to pricing given the competition from the road sector.

2. While there is no specific threat of competition as at present in the rail transportation of containers, the fact remains that logistics is a very competitive field. Quality of services and value addition are the driving factors in order to command reasonable profits and market share. A large number of logistic services providers are mushrooming across the country offering synergies between various modes of transport and customer friendly services. CONCOR requires to assess the situation and position itself suitably with an appropriate product-mix in this context in order to consolidate its position in the sector.

For and on behalf of the Board of Directors

(R.N. Aga)
Chairman

Dated: 27.07.2005
Place : New Delhi.

CERTIFICATE

To the Members of
CONTAINER CORPORATION OF INDIA LIMITED

(i) We have examined the compliance of conditions of Corporate Governance by CONTAINER CORPORATION OF INDIA LIMITED for the year ended 31st March, 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

(ii) The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

(iii) In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

(iv) We state that no investor Grievance is pending for a period exceeding one month against the Company, as certified by the Registrar and Share Transfer Agents of the Company.

(v) We further state such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for Akhil Rohatgi & Co.

Place : New Delhi
Date : 8th August, 2005

(Akhil Rohatgi)
Company Secretary in Practice

BALANCE SHEET AS AT 31ST MARCH, 2005

(Rs. in Crore)

	SCHEDULE			AS AT 31.03.05			AS AT 31.03.04
SOURCES OF FUNDS							
SHAREHOLDERS' FUNDS							
Share Capital	1		**64.99**			64.99	
Reserves & Surplus	2		**1,633.77**	**1,698.76**		1,312.25	1,377.24
LOAN FUNDS							
Unsecured Loan	3			**10.60**			11.99
DEFERRED TAX LIABILITIES (NET OF ASSETS)				**130.89**			117.48
TOTAL				**1,840.25**			1,506.71
APPLICATION OF FUNDS							
FIXED ASSETS	4						
Gross Block			**1,538.62**			1,198.79	
Less: Depreciation/Amortisation			**301.39**			235.59	
Net Block			**1,237.23**			963.20	
Capital Works in progress (including advances)			**155.39**	**1,392.62**		115.36	1,078.56
INVESTMENTS	5			**84.00**			3.45
CURRENT ASSETS, LOANS & ADVANCES	6						
Inventories		**3.38**			2.95		
Sundry Debtors		**5.73**			5.78		
Cash & Bank Balances		**549.85**			598.98		
Other Current Assets		**12.94**			15.61		
Loans & Advances		**54.51**	**626.41**		82.18	705.50	
LESS : CURRENT LIABILITIES & PROVISIONS	7						
Current Liabilities		**195.71**			186.03		
Provisions		**67.07**	**262.78**		94.77	280.80	
NET CURRENT ASSETS				**363.63**			424.70
Significant Accounting Policies	**11**						
Notes on Accounts	**12**						
TOTAL				**1,840.25**			1,506.71

Schedules "1" to "12" form an integral part of the Accounts

Ravi Khandelwal G.G.M (Accounts) & Company Secretary	P.G. Thyagarajan Director (IM&O)	Rakesh Mehrotra Managing Director	As per our report of even date For S.N Dhawan & Co. Chartered Accountants

Dated : 27.07.2005
Place : New Delhi

Suresh Seth
Partner

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005

(Rs. in Crore)

	SCHEDULE		YEAR ENDED 31.03.05		YEAR ENDED 31.03.04
INCOME					
Income from Operations			**2,003.49**		1,764.43
Other income	**8**		**48.21**		42.97
TOTAL			**2,051.70**		1,807.40
EXPENDITURE					
Terminal and Other Service Charges			**1,233.73**		1,138.45
Employees Remuneration & Benefits	**9**		**27.28**		23.54
Administrative & Other Expenses	**10**		**114.18**		91.16
Interest			**0.29**		0.25
Depreciation/Amortisation			**66.62**		55.28
TOTAL			**1,442.10**		1,308.68
PROFIT BEFORE TAX			**609.60**		498.72
PROVISION FOR TAXATION					
Current Tax		**161.74**		118.09	
Deferred Tax		**18.99**	**180.73**	24.36	142.45
PROFIT AFTER TAX			**428.87**		356.27
Add/(Less): Prior period adjustments (Net)			**0.80**		(6.12)
Add/(Less):Tax adjustments for earlier years (Net)			**(6.65)**		17.44
Add/(Less): Deferred tax adjustments for earlier years (Net)			**5.58**		-
NET PROFIT			**428.60**		367.59
APPROPRIATIONS					
Interim Dividend			**38.99**		-
Proposed Dividend			**55.24**		81.24
Tax on Dividend			**12.85**		10.62
Transfer to General Reserve			**42.86**		36.76
Balance carried to Balance Sheet			**278.66**		238.97
			428.60		367.59
Basic and Diluted earnings per share of Rs. 10 each (Rs.) (Refer Schedule 12 Note 20)			**65.95**		56.56

Schedules “1” to “12” form an integral part of the Accounts

Ravi Khandelwal G.G.M (Accounts) & Company Secretary	P.G. Thyagarajan Director (IM&O)	Rakesh Mehrotra Managing Director	As per our report of even date For S.N Dhawan & Co. Chartered Accountants

Dated : 27.07.2005
Place : New Delhi

Suresh Seth
Partner

SCHEDULE 1 : SHARE CAPITAL

(Rs. in Crore)

	AS AT 31.03.05	AS AT 31.03.04
AUTHORISED		
10,00,00,000 Equity Shares of Rs.10/- each	**100.00**	100.00
ISSUED, SUBSCRIBED AND PAID UP		
6,49,91,397 Equity shares of Rs.10/- each fully Paid-up	**64.99**	64.99
TOTAL	**64.99**	64.99

SCHEDULE 2 : RESERVES & SURPLUS

(Rs. in Crore)

		AS AT 31.03.05		AS AT 31.03.04
GENERAL RESERVE				
As per Last Balance Sheet	**125.53**		88.77	
Add: Transfer from Profit & Loss Account	**42.86**	**168.39**	36.76	125.53
PROFIT AND LOSS ACCOUNT				
As per Last Balance Sheet	**1,186.72**		947.75	
Additions during the Year	**278.66**	**1,465.38**	238.97	1,186.72
TOTAL		**1,633.77**		1,312.25

SCHEDULE 3 : UNSECURED LOAN

(Rs. in Crore)

	AS AT 31.03.05	AS AT 31.03.04
OTHERS		
Foreign Currency Loan from International Bank for Reconstruction & Development (IBRD) [guaranteed by the Govt.of India]	**10.60**	11.99
TOTAL	**10.60**	11.99

SCHEDULE 4 : FIXED ASSETS

(Rs. in Crore)

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.04	Additions during the Year	Sale/ Adjustments	**As at 31.03.05**	As at 01.04.04	**For the Year**	On Sale/ Adjustments	**Upto 31.03.05**	**As at 31.03.05**	As at 31.03.04
Tangible Assets										
Freehold Land	12.18	0.00	0.00	**12.18**	0.00	**0.00**	0.00	**0.00**	**12.18**	12.18
Leasehold Land	100.19	2.32	0.04	**102.47**	3.17	**1.14**	0.00	**4.31**	**98.16**	97.02
Buildings	317.42	60.79	0.42	**377.79**	45.36	**10.96**	0.00	**56.32**	**321.47**	272.06
Railway Siding	30.50	1.36	0.00	**31.86**	4.85	**1.52**	0.00	**6.37**	**25.49**	25.65
Plant & Machinery	594.46	259.48	0.07	**853.87**	130.74	**38.18**	0.01	**168.91**	**684.96**	463.72
Containers	48.05	0.00	0.00	**48.05**	13.35	**2.27**	0.00	**15.62**	**32.43**	34.70
Electrical Fittings	27.01	6.24	0.00	**33.25**	13.30	**2.13**	0.00	**15.43**	**17.82**	13.71
Computers	28.98	3.90	0.83	**32.05**	9.93	**4.47**	0.50	**13.90**	**18.15**	19.05
Furniture & Fixtures	5.53	1.99	0.01	**7.51**	2.60	**0.61**	(0.06)	**3.27**	**4.24**	2.93
Office Equipment	4.04	0.61	0.01	**4.64**	1.21	**0.25**	0.00	**1.46**	**3.18**	2.83
Telephone Systems	1.18	0.19	0.06	**1.31**	0.36	**0.07**	0.03	**0.40**	**0.91**	0.82
Air Conditioner	1.61	1.14	0.00	**2.75**	0.40	**0.10**	0.06	**0.44**	**2.31**	1.21
Vehicles	0.59	0.00	0.00	**0.59**	0.33	**0.05**	0.00	**0.38**	**0.21**	0.26
Capital Expenditure *	19.31	1.69	0.00	**21.00**	8.71	**3.18**	0.00	**11.89**	**9.11**	10.60
Sub-total	1191.05	339.71	1.44	**1529.32**	234.31	**64.93**	0.54	**298.70**	**1230.62**	956.74
Intangible Assets										
Software	7.74	2.12	0.56	**9.30**	1.28	**1.69**	0.28	**2.69**	**6.61**	6.46
Sub-total	7.74	2.12	0.56	**9.30**	1.28	**1.69**	0.28	**2.69**	**6.61**	6.46
Total	1198.79	341.83	2.00	**1538.62**	235.59	**66.62**	0.82	**301.39**	**1237.23**	963.20
Capital Work-in-Progress (including Advances of Rs.101.09 Crore {Previous Year Rs.53.60 Crore})									**155.39**	115.36
Grand Total									**1392.62**	1078.56
Previous year	982.50	220.44	4.15	**1198.79**	180.38	**55.28**	0.07	**235.59**	**963.20**	

* Refer Note No. 33 of Schedule 12

Note: 1) Gross Block of Plant & Machinery and Containers includes Rs.2.09 crore (Previous Year Rs.2.03 crore), and Rs.0.10 crore (Previous Year Rs.0.10 crore) respectively for items retired from active use due to obsolescence/ condemnation.

2) Land and Buildings includes assets valuing Rs.17.54 crore (Previous Year Rs.47.65 crore) in respect of which sale/ lease deeds are yet to be executed.

3) Buildings includes freehold buildings valuing Rs.9.75 crore (Previous year Rs.6.20 crore)

4) Depreciation provided during the current year includes Rs.0.11 crore (Dr.) [Previous Year Rs.0.01 crore (Cr)] related to prior period (Net).

SCHEDULE 5 : INVESTMENTS

(Rs. in Crore)

			AS AT 31.03.05	AS AT 31.03.04
LONG TERM INVESTMENTS (AT COST)				
TRADE INVESTMENTS (UNQUOTED)				
I. In Business Arrangement(s)				
	With Hindustan Aeronautics Ltd. & Mysore Sales International Ltd. by the name of "Joint Working Group Air Cargo Complex".		**0.87**	0.87
			0.87	0.87
I. In Shares of Joint Venture(s)				
25,80,095	Equity shares of Rs.10 each fully paid up in Star Track Terminals Pvt. Ltd.		**2.58**	2.58
29,40,000	Equity shares of Rs.10 each fully paid up in Albatross CFS Pvt. Ltd. (Purchased during the year)		**2.94**	-
19,84,500	Equity shares of Rs.10 each fully paid up in Trident Terminals Pvt. Ltd. (Purchased during the year)		**1.98**	-
7,52,44,000	Equity shares of Rs.10 each fully paid up in Gateway Terminals India Pvt. Ltd. (Purchased during the year)		**75.25**	-
5,000	Equity shares of Rs.10 each fully paid up in Freshways Enterprises Pvt. Ltd. (Purchased during the year)	**0.01**		
Less:	Provision for Diminution in value	**0.01**	**-**	-
			82.75	**2.58**
III. In Shares of Foreign Subsidiaries				
60,000	Equity shares of Nepalese Rupiah 100 (Equivalent INR 62.50) each fully paid up in HimalayanTerminals Pvt. Ltd. (Purchased during the year)		**0.38**	-
			0.38	-
	TOTAL		**84.00**	3.45

SCHEDULE 6 : CURRENT ASSETS, LOANS AND ADVANCES

(Rs. in Crore)

		AS AT 31.03.05		AS AT 31.03.04
CURRENT ASSETS				
INVENTORIES				
(As taken, valued & certified by the Management)				
Stores & Spare Parts (At Cost)	**3.64**		3.21	
Less Provision for Obsolete Stores	**0.26**	**3.38**	0.26	2.95
		3.38		2.95
SUNDRY DEBTORS				
Debts outstanding for over six months:				
Unsecured, Considered good	**1.07**		0.80	
Unsecured, Considered doubtful	**0.78**		0.77	
	1.85		1.57	
Less: Provision for doubtful debts	**0.78**	**1.07**	0.77	0.80
Others:				
Unsecured, Considered good		**4.66**		4.98
		5.73		5.78
CASH AND BANK BALANCES				
Cash in hand (Including Imprest)		**0.23**		0.17
Cheques in hand		**9.30**		8.93
Remittance in transit		**0.73**		0.38
Balance with Scheduled Banks in :				
Current Accounts	**23.49**		21.35	
Term Deposits	**516.10**	**539.59**	568.15	589.50
		549.85		598.98
OTHER CURRENT ASSETS				
Interest accrued on deposits, loans and advances		**12.94**		15.61
LOANS AND ADVANCES				
Loans to employees		**5.15**		4.51
Advances [Recoverable in cash or in kind or for value to be received]	**40.59**		32.85	
Less : Provision for doubtful advances	**0.10**	**40.49**	0.15	32.70
Deposits:				
Govt. Authorities		**5.15**		5.87
Others	**1.23**		2.52	
Less : Provision for doubtful deposits	**0.03**	**1.20**	0.03	2.49
(Unsecured, but Considered Good Rs.46.84 crore; Prev. Year Rs. 41.06 crore, Secured and Considered Good-Rs. 5.15 crore; Previous Year Rs. 4.51 crore)				
Advance Income Tax/TDS(Net of Provisions)		**2.52**		36.61
		54.51		82.18
TOTAL		**626.41**		705.50

SCHEDULE 7 : CURRENT LIABILITIES AND PROVISIONS

(Rs. in Crore)

		AS AT 31.03.05		AS AT 31.03.04
CURRENT LIABILITIES				
Sundry Creditors				
Small scale industrial Undertakings	**-**		0.10	
Others	**113.56**	**113.56**	120.46	120.56
Advances / Deposits from Customers		**32.60**		24.59
Unclaimed Dividend **(*)**		**0.06**		0.04
Interest accrued but not due on Loans		**0.03**		0.02
Book Overdraft		**22.35**		14.97
Others		**27.11**		25.85
		195.71		186.03
PROVISIONS				
Proposed Dividend	**55.24**		81.24	
Corporate Tax on Dividend	**7.75**		10.62	
Retirement Benefits	**4.08**	**67.07**	2.91	94.77
TOTAL		**262.78**		280.80

(*) There is no amount due and outstanding as on 31.03.2005 to be credited to Investor Education and Protection Fund

SCHEDULE 8 : OTHER INCOME

(Rs. in Crore)

	YEAR ENDED 31.03.05	YEAR ENDED 31.03.04
Interest earned on :		
Short Term I.C.D's/ Bank Deposits	**37.07**	35.03
(Includes TDS of Rs. 7.74 Crore; Previous Year Rs. 8.53 Crore)		
Staff advances	**0.38**	0.31
Loan to Housing Society	**0.11**	0.13
(Includes TDS of Rs. 0.02 crores; Previous Year Rs.0.03 crores)		
Excess provision written back	**3.11**	1.11
Miscellaneous Income (Note-31)	**7.53**	6.39
Profit due to Exchange fluctuations	**0.01**	-
TOTAL	**48.21**	42.97

SCHEDULE 9 : EMPLOYEES REMUNERATION AND BENEFITS

(Rs. in Crore)

	YEAR ENDED 31.03.05	YEAR ENDED 31.03.04
Salary, Allowances & Other Benefits	**20.49**	18.00
Contribution to PF, FPF, ESI & Labour welfare fund	**1.60**	1.27
Lease Rent (Net)	**1.35**	1.09
Welfare & Medical	**3.03**	2.53
Gratuity	**0.49**	0.37
Staff Training	**0.32**	0.28
TOTAL	**27.28**	23.54

SCHEDULE 10 : ADMINISTRATIVE AND OTHER EXPENSES

(Rs. in Crore)

		YEAR ENDED 31.03.05		YEAR ENDED 31.03.04
Printing & Stationery		**1.78**		1.63
Travelling and Conveyance (Including Directors' Travelling Rs. 0.48 Crore; Previous year Rs.0.63 Crore)		**6.85**		6.09
Rent and Licence fee for office building		**3.36**		3.57
Power & Fuel		**9.93**		8.18
Consumption of Stores & Spares		**1.59**		0.99
Repairs & Maintenance :				
-Buildings	**3.71**		3.69	
-Plant & Machinery	**37.07**		28.23	
-Others	**10.27**	**51.05**	5.87	37.79
Security Expenses		**10.50**		8.45
Vehicle Running & Maintenance Expenses		**0.09**		0.10
Business Development		**1.14**		1.69
Postage, Telephone & Internet		**4.37**		4.23
Books & Periodicals		**0.25**		0.22
Bank Charges		**0.12**		0.08
Legal & Professional services		**3.15**		2.46
Insurance		**0.72**		0.44
Fees & Subscriptions		**0.21**		0.09
Advertisement		**0.91**		1.03
Auditors' Remuneration :				
-Audit Fee	**0.04**		0.04	
-Tax Audit Fee	**0.01**		0.01	
-Other Services	**0.03**		0.03	
-Out of Pocket	**0.04**	**0.12**	0.04	0.12
Rebate & Discounts		**8.37**		8.30
Rates & Taxes		**2.15**		1.50
Bads debts and advances written off		**1.40**		-
Miscellaneous expenses (Note-31)		**6.04**		1.78
Loss of assets due to fire		**-**		0.03
Provision for :				
Diminution in value of Investment		**0.01**		-
Doubtful Debts		**0.02**		0.41
Obsolete Assets		**0.05**		1.98
TOTAL		**114.18**		91.16

SCHEDULE 11:
SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting convention & concepts:

The financial statements are prepared under the historical cost convention generally on accrual basis, in accordance with the applicable mandatory Accounting Standards and relevant presentational requirements of the Companies Act, 1956. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principles.

2. Fixed Assets & Capital Work in Progress:

a. Tangible Assets:

Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost of acquisition is net of interest on capital advances and is inclusive of freight, duties, taxes and other incidental expenses. In respect of assets due for capitalisation where final bills/claims are to be received/ passed, the capitalisation is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised. Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use, advances paid to acquire fixed assets and the cost of assets not put to use before the Balance Sheet date.

Grants received towards specific fixed assets are deducted from the gross value of the asset or capital work in progress as the case may be. Unutilised amount out of grant received is shown as current liability.

b. Intangible Assets (Software):

Expenditure on software which is not an integral part of hardware is capitalised as an intangible asset if its value in each case exceeds Rs.50,000, otherwise the same is charged to revenue. The cost of software includes license fee and implementation cost and is capitalised in the year of its implementation.

3. Borrowing costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets and all other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

4. Investments:

a) Long term investments are stated at cost. A provision for diminution in value is made to recognise a decline other than temporary in nature.

b) Current investments are stated at lower of cost or fair value.

5. Inventories:

Stores and Spare Parts

Stores and spare parts are valued at cost on weighted average basis. Provision for obsolescence is made, whenever required.

6. Depreciation/Amortisation:

a) Depreciation on fixed assets including assets created on leasehold land is provided on "Straight Line Method" at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, except for Roads/ Pavements/Boundary wall/ Warehouses and Electrical Fittings of terminals on which depreciation has been provided @ 3.34% and 10.34% respectively and for upgraded BFKI Wagons @ 6.79%.

b) Leasehold land and residential accommodation(taken from Indian Railways on lease) are amortised over the period of lease.

c) Capital expenditure on land not belonging to the Company is written off to the Profit & Loss Account over its approximate period of utility or over a relatively brief period not exceeding five years, whichever is less. For this purpose, land is not considered to be belonging to the company if the same is not owned or leased / licensed to the company.

d) Intangible software is amortised over a period of five years.

7. Retirement benefits:

a) Gratuity liability to employees is provided for on accrual basis based on valuation done by an independent actuary as at the Balance Sheet date. Contributions are made to approved Gratuity Fund created in a Trust set up by the Company for this purpose.

b) Liability for leave salary payable to employees is provided for on accrual basis based on valuation done by an independent actuary as at the Balance Sheet date.

c) Contribution to defined contribution schemes such as Provident Fund and Family Pension Fund are charged to the Profit & Loss Account as and when accrued.

8. Foreign Currency Transactions:

a) Income & Expenditure denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

b) Loans, Current liabilities and Current assets in foreign currencies are translated at the exchange rate prevailing at the end of financial year.

c) Gains or losses due to foreign exchange fluctuations on loans/liabilities relating to the acquisition of fixed assets are adjusted to the cost of such fixed assets and those relating to other accounts are recognised in the Profit & Loss Account.

9. Income from Operations (Terminal & other Service Charges):

Freight, handling income & related expenses are accounted for at the time of booking of containers. Ground rent and Wharfage are accounted at the time of release of containers on “completed service contract method”.

10. Adjustments pertaining to prior period items:

Income/expenditure items relating to prior period(s) which do not exceed Rs.50,000 in each case are treated as income/expenditure for the current year.

11. Claims/Counter-claims/ Penalties/Awards:

Claims/counter-claims/penalties/awards are accounted for in the year of its settlement.

12. Taxes On Income:

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred tax on account of timing difference between taxable and accounting income is provided considering the tax rates and tax laws enacted or substantively enacted by the Balance Sheet date, in accordance with Accounting Standard-22 ‘ Accounting for Taxes on Income’ of the Institute of Chartered Accountants of India.

13. Contingent Liabilities:

Contingent liabilities are determined on the basis of available information. These liabilities are not provided for and disclosed by way of notes on accounts.

SCHEDULE – 12 :

NOTES ON ACCOUNTS :

1. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances) :

	2004-05	2003-04
		(Rs. crore)
a) In relation to joint ventures	**81.08**	-
b) Company's other unexecuted Capital Commitment	**290.44**	386.57
2. Contingent liabilities not provided for in respect of:		
a) Outstanding Letters of Credit	**0.16**	2.27
b) Bank guarantee/bid bond for joint ventures/subsidiaries	**12.20**	0.15
c) Claims against the Company not acknowledged as debts[include claims under arbitration Rs.216.48 crore (previous year Rs.215.04 crore)]	**324.29**	288.63

Contingent liabilities are disclosed to the extent of claims received, excluding interest demanded on the basic claim where legal cases are going on, as the claim itself is not certain. No provision is required to be made for the contingent liabilities stated at (c) above, as on the basis of information available, careful evaluation of facts, past experience of legal aspects of the matters involved, it is not probable that an outflow of future economic benefits will be required for the same.

3. The Company has executed "Custodian cum carrier bonds" of Rs.17,222.82 crore(previous year: Rs.9,354.40 crore) in favour of Customs Department under the Customs Act, 1962. No claim was lodged by the Customs Authorities during the year.

4. Haulage charges for transportation of containers by rail are paid on fortnightly basis to Indian Railways at the rates prescribed by the Ministry of Railways (MOR) from time to time. Reconciliation of the amount paid/ payable is done on an ongoing basis periodically and difference, if any, is adjusted in the payments for the ensuing periods.

5. Income from operations consists of revenue from freight, handling, ground rent, demurrage and other operating income.

   Terminal & other service charges include expenses for freight, handling and other operating expenses.

6. Following expenses during the year have been accounted for on estimated basis:-

a) Rent payable to Railways for the use of their office premises in Southern Region, pending settlement of terms and conditions thereof: Rs.0.04 crore (previous year: Rs.0.09crore).

b) Property tax at various locations pending commencement/ completion of assessment by the appropriate authorities Rs.1.41 crore (previous year: Rs.0.88 crore).

c) Performance linked incentive (PLI) amounting to Rs.2.26 crore (previous year: Rs.1.87 crore) for the financial year 2004-2005 under Salary, Allowances & Other Benefits.

7. Loans & Advances include Rs.0.93 crore (previous year: Rs.0.88 crore) given to Customs & Port Trust.

8. During the year, the company realised Rs.11.76 crore (previous year: Rs.6.90 crore) by way of auction of undelivered containers out of which Rs.3.32 crore (previous year: Rs.2.52 crore) is paid/ payable for custom duty, Rs.5.58 crore (previous year: Rs.3.62 crore) have been recognised as income towards terminal services and the balance of Rs.2.86 crore (previous year: Rs.0.76 crore) has been shown as Current Liabilities.

9. a) CONCOR entered into a contract for Rs.163.90 crore towards supply of 1,500 wagons by Cimmco Birla Ltd. (CBL). After the supply of 180 wagons, the contract was terminated during the FY-2000-01, for non-fulfillment of obligation on the part of CBL. CONCOR invoked the Bank Guarantee for Rs.30.42 crore for refund of unadjusted advance against contract to CBL and Rs.8.20 crore towards performance guarantee for non-fulfillment of terms of contract on the part of CBL. CBL and CONCOR have made claims and counter claims respectively but repudiated by both. The matter had been referred to an Arbitration Tribunal and arbitration proceedings are in progress. Pending decision of the Arbitration Tribunal, the amount of Rs.8.20 crore realized from invocation of performance guarantee stands credited in "Capital Work In Progress".

   b) Upto FY 2004-05, an amount of Rs.2.10 crore(previous year : Rs.1.77 crore) has been debited to the account of CBL towards the differential cost of wheel sets recoverable from them.

c) CONCOR entered into a contract towards supply of 1320 wagons by Hindustan Engineering and Industries Ltd. (HEI). After the supply of 1050 wagons, the contract was terminated during FY 2004-05, for non fulfillment of obligation on the part of HEI. CONCOR invoked the bank guarantee for Rs.5.99 crore for refund of unadjusted advance against contract to HEI and Rs.7.37 crore towards performance guarantee for non-fulfillment of terms of contract on the part of HEI. The matter has been referred to an Arbitration Tribunal and arbitration proceedings are to start shortly. The amount realized from invocation of performance guarantee stands credited to "Capital Work In Progress."

10. Depreciation on assets created on leasehold land is provided in line with the accounting policy of the company related to depreciation/amortization as stated in the Significant Accounting Policies(Schedule-11), irrespective of the land lease period as in the opinion of the management the leases are likely to be renewed/extended.

11.a) The liability towards IBRD loan has been revalued as at 31.03.2005. Exchange loss of Rs.0.01 crore (Previous year gain: Rs.1.05 crore) as a result of this revaluation has been adjusted in the carrying amount of capital works in progress and fixed assets.

b) During the year, an amount of Rs.0.05 crore (previous year: Rs.0.08 crore) incurred towards interest and other charges on foreign currency loan taken from International Bank for Reconstruction and Development (IBRD) has been adjusted in Fixed Assets & Capital works in progress.

c) CONCOR has already repaid/prepaid a major portion of its foreign currency loan taken from IBRD and Rs. 10.60 crore (Previous year Rs. 11.99 crore) is outstanding now.

12. Details of Managerial Remuneration paid/payable to Directors:

(Rs. in crore)

Managing & whole time Directors.	**Year ended 31.3.2005**	Year ended 31.3.2004
Salary & allowances	**0.33**	0.31
Value of perquisites	**0.10**	0.14
Contribution to Gratuity, Provident Fund, Pension and Leave Encashment	**0.15**	0.07
Total	**0.58**	0.52

The above does not include payment of sitting fee to directors. Further, Managing Director and whole time directors have been allowed to use the company car for private use for which necessary recoveries are being made in accordance with the instructions issued by Govt. of India from time to time.

13. Loans and advances include Rs.0.04 crore (previous year: Rs.0.05 crore) being amount due from Directors and other officers. Maximum outstanding balance during the year was Rs.0.05 crore (previous year: Rs.0.06 crore).

14. Provision for stamp duty payable on the immovable properties is made as and when conveyance deed for the properties is executed and the liability is ascertained.

15. Segment Reporting under Accounting Standard-17:

(a) Primary Segments:

The company is organized on All-India basis into two major operating divisions- EXIM and Domestic. The divisions are the basis on which the company reports its primary segment information. Both EXIM and Domestic divisions of the company are engaged in handling, transportation & warehousing activities.

Segment revenue and expenses directly attributable to EXIM and Domestic segments are allocated to the two segments. Joint revenue and expenses have been allocated on a reasonable basis. Segment assets include all operating assets used by a segment and consist principally of inventories, sundry debtors, cash & bank balances, loans & advances, other current assets and fixed assets net of provisions. Similarly, segment liabilities include all operating liabilities and consists principally of sundry creditors, advance from customers, other liabilities and provisions. Segment assets and liabilities do not, however, include provisions for taxes. Joint assets & liabilities have been allocated to segments on a reasonable basis.

The information about business segments on primary reporting format is as under:

(Rs. in crore)

Particulars	EXIM		Domestic		Unallocable		Total	
	2004-05	2003-04	**2004-05**	2003-04	**2004-05**	2003-04	**2004-05**	2003-04
REVENUE								
Segment Revenue	**1,551.76**	1,305.14	**451.73**	459.29	**-**	-	**2,003.49**	1,764.43
RESULT								
Segment Result	**510.60**	412.01	**82.56**	69.45	**-**	-	**593.16**	481.46
Corporate Expenses	**-**	-	**-**	-	**31.48**	25.46	**31.48**	25.46
Operating Profit	**-**	-	**-**	-	**-**	-	**561.68**	456.00
Interest Expenses	**-**	-	**-**	-	**0.29**	0.25	**0.29**	0.25
Interest & other Income	**-**	-	**-**	-	**48.21**	42.97	**48.21**	42.97
Income Taxes	**-**	-	**-**	-	**180.73**	142.45	**180.73**	142.45
Prior Period Adjustments (Net)	**-**	-	**-**	-	**0.80**	(6.12)	**0.80**	(6.12)
Tax adjustments for earlier years(Net)	**-**	-	**-**	-	**(1.07)**	17.44	**(1.07)**	17.44
Net Profit	**-**	-	**-**	-	**-**	-	**428.60**	367.59
OTHER INFORMATION								
Segment Assets	**1,042.23**	775.56	**247.39**	234.34	**-**	-	**1,289.62**	1,009.90
Unallocated Corporate Assets	**-**	-	**-**	-	**813.41**	777.61	**813.41**	777.61
Total Assets	**-**	-	**-**	-	**-**	-	**2,103.03**	1,787.51
Segment Liabilities	**118.41**	107.63	**30.73**	41.85	**-**	-	**149.14**	149.48
Unallocated Corporate Liabilities	**-**	-	**-**	-	**1,953.89**	1,638.03	**1,953.89**	1,638.03
Total Liabilities	**-**	-	**-**	-	**-**	-	**2,103.03**	1,787.51
Capital Expenditure	**274.51**	179.91	**56.25**	32.94	**11.07**	7.59	**341.83**	220.44
Depreciation	**49.56**	38.91	**14.16**	13.41	**2.90**	2.96	**66.62**	55.28
Non cash expenses other than depreciation	**0.07**	0.29	**0.39**	0.19	**0.05**	1.98	**0.51**	2.46

Note : Prior period adjustments have not been allocated to any segment.

(b) Secondary Segments:

As the operations of the Company are mainly confined to the geographical territory of India, except some overseas shipping transactions, not significant in nature, there is no reportable secondary segment.

16. **Related Party Disclosures under Accounting Standard-18:**

a) Key Management Personnel : Directors of the Company

(Rs. in lakh)

Name of Related Party	Nature of Transaction (excl. reimbursable)			
	Remuneration paid including perks		**Loans and advances receivable**	
	2004-05	2003-04	**2004-05**	2003-04
i) Whole time directors				
A.K. Kohli, Managing Director, Upto 21st March, 2005	**20.04**	13.26	**-**	-
Birkhe Ram, Ex-Director (Finance)	**-**	7.87	**-**	-
Arun N. Pai, Director (Finance), Upto 15th December, 2004	**7.46**	1.05	**-**	-
Rakesh Mehrotra, Director (P&S) & Managing Director (officiating) w.e.f. 22nd March, 2005.	**10.38**	10.35	**-**	-
P.G. Thyagarajan, Director (IM&O)	**8.72**	8.96	**2.33**	2.64
S.C. Misra, Director (Domestic)	**11.08**	10.54	**1.55**	2.26
	Sitting Fee			
ii) Nominated/ Independent Directors				
R.K.Narang	**2.20**	1.05		
D. Babu Paul	**2.20**	0.45		
P.S. Sarma	**2.20**	0.65		

b) Joint Ventures :

i. Star Track Terminals Pvt. Ltd.
ii. Trident Terminals Pvt. Ltd.
iii. Albatross CFS Pvt. Ltd.
iv. Gateway Terminals India Pvt. Ltd.
v. Freshways Enterprises Pvt. Ltd.
vi. JWG-Air Cargo Complex (a business arrangement)

c) Subsidiary: Himalayan Terminals Pvt. Ltd. :

Transactions relating to parties referred to (b) & (c) above are :

(Rs. in lakh)

	Joint ventures		**Subsidiaries**	
	2004-05	2003-04	**2004-05**	2003-04
Rent & Maintenance Charges received	**69.31**	21.09	**-**	-
Security Deposit received-balance	**88.27**	30.00	**-**	-
Current assets, loans & advances	**2.62**	7.76	**-**	-
Investment made during the year	**8,017.35**	279.01	**37.50**	-
Share in the income received/receivable	**677.82**	383.02	**-**	-

17. Leases under Accounting Standard -19:

i) In respect of assets taken on lease/rent :

(Rs. in crore)

		2004-05	2003-04
(a)	From the Balance Sheet date, the future Minimum lease Payments under non-cancelable operating leases entered into on or after 1st April, 2001 are :		
(i)	Not later than one year	**8.43**	6.99
(ii)	Later than one year and not later than 5 years	**8.76**	4.44
(iii)	Later than 5 years	**-**	-

(b) Lease payments recognized in the accounts are Rs.11.19 crore (previous year: Rs.18.07 crore)

(c) Sub lease recoveries recognized in the accounts are Rs.0.11 crore (previous year: Rs.0.13 crore).

The operating leases are in respect of containers, office premises and accommodation provided to staff. The period of lease arrangements varies from case to case.

ii) In respect of assets leased/rented out :

	2004-05	2003-04
Gross Carrying amount (buildings & warehouses)	**9.20**	9.16
Accumulated Depreciation	**1.05**	0.86
Depreciation during the year	**0.18**	0.15

18. Accounting for taxes on income under Accounting Standard-22:

Components of Deferred Tax Assets and Liabilities:

(Rs. in crore)

	2004-05	2003-04
i. Deferred Tax Liabilities:		
Difference between book and tax depreciation.	**135.05**	121.32
ii. Deferred tax assets:		
Expenditure disallowable u/s 43B	**2.93**	2.54
Provision for doubtful advances/debts	**0.31**	0.34
Others	**0.92**	0.96
	4.16	3.84
iii. Net deferred tax liability [i-ii]	**130.89**	117.48

19.a) The company has gone in appeal against some of the disallowance(s) by the Income tax Authorities. Demands raised against the said disallowance(s) have already been paid/adjusted by the department.

b) The provision for taxation for the year has been made after considering deduction U/S 80IA on the same basis as was applied during previous years for which assessment U/S 143(3) is yet to be completed.

20. Earning per share (EPS) :

	2004-05	2003-04
Profit after taxation, prior period adjustments & tax adjustments for earlier years as per Profit and Loss Account (Rs. in crore)	**428.60**	367.59
Weighted average number of equity shares outstanding.	**64,991,397**	64,991,397
Basic and diluted earnings per share in rupees (face value of Rs. 10/- per share)	**65.95**	56.56

21. Prior period adjustments include the following:-

(Rs. in crore)

	2004-05	2003-04
Income		
Income from operations	**0.01**	-
Other income	**1.26**	-
Total (A)	**1.27**	-
Expenses		
Terminal & other service charges	**0.13**	5.86
Legal & Professional	**0.08**	-
Security Expenses	**-**	0.12
Rebate Expenses	**0.20**	-
Others	**0.06**	0.14
Total (B)	**0.47**	6.12
Net Prior Period Adj. (A– B)	**0.80**	(6.12)

22. Remittance in foreign currencies for dividend:

The company has not remitted any amount in foreign currencies on account of dividend during the year.

23. Details of expenditure and earnings in foreign currency :

(Rs.in lakh)

	2004-05	2003-04
1) Expenditure in Foreign Currencies*:		
i) Books & periodicals	**0.45**	0.32
ii) Fees & subscriptions	**0.04**	0.19
iii) Travelling	**42.38**	46.57
iv) Interest	**20.17**	19.24
v) Training	**3.19**	1.46
vi) Meetings & conference	**8.59**	0.53
vii) Medical Expenses	**-**	0.17
2) Value of Imports on C.I.F. basis in respect of:-		
i) Spares	**18.56**	17.87
ii) Capital Goods (including advances)	**1530.78**	1709.09
3) Earnings in Foreign Currencies:		
i) Import Overseas Freight	**66.08**	26.00

*Disclosure is for actual payments made during the year.

24. **Expenditure on consumption of Stores & Spares:**

	2004-05		2003-04	
	(Rs. in crore)	**% age**	(Rs. in crore)	%age
i) Imported	**0.34**	**22%**	0.11	11%
ii) Indigenous	**1.19**	**78%**	0.88	89%

25. **Excess provision written back during the year includes following:**

(Rs. in crore)

Particulars	**2004-05**	2003-04
a) Rail Freight & Demurrage	**0.58**	0.31
b) Handling	**0.18**	0.15
c) Rates & Taxes	**0.74**	0.13
d) Auction realisation	**0.89**	-
e) Rebate	**0.03**	-
f) Customer advances	**0.31**	-
g) Land Licence Fee	**0.01**	0.21
h) Others	**0.37**	0.31
TOTAL	**3.11**	1.11

26. Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors(including Indian Railways), etc. are subject to confirmation/reconciliation.

27. In line with the requirements of AS-26 relating to Intangible Assets, the software has been classified under intangible assets.

28. The disclosure, in terms of clause 32 of the listing agreement is as under:

(Rs. in crore)

Name	**Repayment beyond seven years**				**Rate of interest is below Section 372A of the Companies Act, 1956**			
	Amount outstanding as on		Maximum amount outstanding during FY		Amount outstanding as on		Maximum amount outstanding during FY	
	31st March, 2005	31st March, 2004	**2004-05**	2003-04	**31st March, 2005**	31st March, 2004	**2004-05**	2003-04
IRWO	**1.20**	1.40	**1.40**	1.60	**-**	-	**-**	-
Miscellaneous staff loans*	**4.90**	4.36	**6.01**	4.88	**0.84**	0.82	**1.08**	1.08

* The list being too long, names are not specified.

29. Sundry Creditors include an amount of Rs. NIL (previous year: Rs.0.10 crore) due to Small Scale Industrial Undertakings as defined under Industries (Development and Regulation) Act, 1951. To the extent information available, there are no Small Scale Industrial Undertaking to whom company owes an amount which is outstanding for more than 30 days (previous year V.S. Engineering Works & Leotronic Scale Pvt. Ltd.).

30. In terms of Presidential directives received from the Ministry of Railways, the company has made loan to Indian Railway Welfare Organization (IRWO) at a simple interest of 8.5% p.a. Amount of loan outstanding is Rs.1.20 crore (previous year Rs.1.40 crore).

31. Miscellaneous expenses include loss on sale of assets & donation amounting to Rs.43.28 lakh(previous year: Rs.4.13 lakh) & Rs.425.85 lakh(previous year: Rs.2.05 lakh) respectively. Miscellaneous income include Rs.0.48 lakh (previous year: Rs.10.90 lakh) towards profit on sale of assets.

32. As per the tripartite business arrangement of the company with M/s Hindustan Aeronautics Ltd. & Mysore Sales International Ltd. for operating the air cargo complex at Banglore (JWG-ACC) , surplus amounting to Rs.6.78 crore (previous year Rs.3.83 crore) being share of the company in the profit of the entity has been accounted for as income.

33. Details of capital expenditure on land not belonging to the company (Refer schedule-4) are as under :

(Rs. in crore)

	2004-05	2003-04
Building	**5.66**	4.96
Railway Siding	**9.37**	9.37
Plant & Machinery	**3.04**	3.04
Electrical Fittings	**2.72**	1.77
Furniture	**0.04**	0.04
Others	**0.17**	0.13
Total	**21.00**	19.31

34. Financial Reporting of Interests in Joint Ventures – Accounting Standard – 27:

a) Brief description of Joint Ventures of the Company where investments have been made are:

Particulars	**Country of incorporation**	**(%) Holding**
*** Star Track Terminals Pvt. Ltd. :** A Joint venture with M/s Maersk India Pvt. Ltd. for setting up and running a CFS at Dadri, U.P.	India	49
# Trident Terminals Pvt. Ltd. : A Joint venture with APL India Pvt. Ltd. for setting up CFS at Dadri, U.P.	India	49
# Albatross CFS Pvt. Ltd. : A Joint venture with Transworld group of Companies for CFS at Dadri, U.P.	India	49
# Gateway Terminals India Pvt. Ltd. : A Joint Venture with M/s Maersk A/S, Copenhagen for third birth at JN Port, Mumbai.	India	26
# Freshways Enterprises Pvt. Ltd. : This joint venture has been shelved and necessary steps are being taken up for the closure of this company.	India	50
# Himalayan Terminals Pvt. Ltd. : A joint venture of Nepalese and Indian Enterprises(CONCOR, Interstate Multimodal Transport Pvt. Ltd. of Nepal & Nepal Transit & Warehouse Co. Ltd.) for management and operation of rail container terminal at Birgunj (Nepal). It is a subsidiary of CONCOR.	Nepal	60
*** JWG-Air Cargo Complex :** A business arrangement between CONCOR, Hindustan Aeronautics Ltd. & Mysore Sales International Ltd. for air cargo business at Bangalore.	India	33.33

* same for previous year
# investments made during the year

b) CONCOR's share of assets, liabilities, Income, expenditure, contingent liabilities & capital commitment in the above Joint ventures is as follows :

(Rs. in lakh)

	Assets	Liabilities	Income	Expenditure	Contingent liability & capital commitment
Star Track Terminal Pvt. Ltd.	**1,064.09**	**806.08**	**2.43**	**124.25**	**95.55**
	(268.61)	(10.60)	-	-	(412.08)
Trident Terminals Pvt. Ltd.	**198.86**	**0.41**	**-**	**-**	**453.00**
	-	-	-	-	-
Albatross CFS Pvt. Ltd.	**295.50**	**1.50**	**-**	**-**	**548.53**
	-	-	-	-	-
Gateway Terminals India Pvt. Ltd.	**2,537.33**	**108.33**	**19.32**	**454.71**	**1451.16**
	-	-	-	-	-
JWG-Air Cargo Complex	**475.07**	**344.59**	**822.93**	**145.11**	-
	(212.45)	(155.99)	(479.19)	(96.17)	-

In the above statement previous year figures are in brackets and :

- the figures of Star Track Terminals Pvt. Ltd. for current year and previous year have been included for their financial year ended on 31st December, 2004 & 31st December, 2003 respectively.

- Accounts of Himalayan Terminals Pvt. Ltd., a subsidiary of CONCOR have not been included as it is their first financial year, which will be ending in July, 2005.

- Amounts for Freshways Enterprises Pvt. Ltd. not included as the project has been shelved & steps have been taken for striking off the name of the company.

35. As per Accounting Standard 29, the particulars of provisions are as under :

(Rs. in crore)

	2004-05				2003-04			
	Property tax	**Productivity linked incentive***	**Rent to Railway**	**Gratuity & Leave encashment**	Property tax	Productivity linked incentive	Rent to Railway	Gratuity & Leave encashment
Opening balance	**4.59**	**1.87**	**0.09**	**2.92**	3.76	-	-	2.65
Addition during the year	**1.41**	**2.26**	**0.04**	**1.91**	0.88	1.87	0.09	0.59
Amount used /incurred	**-**	**1.86**	**-**	**0.74**	0.05	-	-	0.70
Unused amount reversed during the year	**0.72**	**-**	**-**	**0.01**	-	-	-	(0.38)
Closing Balance	**5.28**	**2.27**	**0.13**	**4.08**	4.59	1.87	0.09	2.92

*Amount used/incurred does not include Rs.0.03 crore paid over and above the provision available.

36. Reconstruction/reconciliation exercise of accounting records at Eastern Region destroyed in fire during November 1998 is in progress. The necessary accounting adjustment entries for the pending accounts shall be made on completion of their reconciliation.

37. Payments for the work carried by Railways/ its units for the company are normally accounted for on the basis of correspondence /estimates/advice etc.

38. Term deposits includes fixed deposits amounting to Rs.10.40 crore (previous year Rs.2.33 crore) kept under lien with the banks against letters of credit and guarantees.

39. CONCOR's accounting policy on revenue recognition is stated at point no.9 in Schedule 11 of the accounts. This policy is being followed consistently since the inception of CONCOR. Expert Advisory Committee of the Institute of Chartered Accountants of India has also delivered its opinion saying that CONCOR may consider the performance as substantially complete and accordingly recognize revenue at the time of handing over the containers to the carriers subject to the conditions that it is not feasible to segregate the consideration between different services rendered and that the liabilities for risks related to non- performance are not significant at the time of handing over the containers to the carrier. Since, it is not possible to segregate the consideration received and the liability for non performance are also insignificant, the present policy is in line with the opinion delivered and duly takes care of all the material transactions taken place during the year.

40. During the year, Indian Railways(IR) has demanded Rs.41.98 crore towards wagons maintenance charges(including arrears w.e.f. April, 2001) out of this CONCOR has already paid/provided Rs.33.62 crore and for the difference the matter is being pursued with IR to accept the revised calculations.

41. An amount of Rs.1.68 crore (Previous year Rs. 1.68 crore) has been shown as recoverable from Government of India since 1998, in connection with expenditure incurred on their behalf towards disinvestment of company's shares.

42. Land license fee paid/payable to the Indian Railways(IR) is calculated on the basis of number of twenty equivalent units(TEUs) handled in terms of instructions issued by Ministry of Railways. In the Northern Region of CONCOR at TKD, CONCOR has suitably updated the systems to capture activities pertaining to other empty parks, so as to ensure payment of land license fee as per guidelines.

43. Stores & spare parts amounting to Rs.3.64 crore(previous year : Rs.3.21 crore) include items amounting Rs.1.20 crore which have not been consumed during last three years. These items by their very nature are essentially to be kept and are fit for their intended use.

44. In the opinion of the management, during the year there are no indications that impairment of any asset has taken place accordingly, provision for impairment of assets is not required under AS 28 related to impairment of assets. Further, guidelines for timely identification of any impairment of assets are also being framed.

45. M/s. Himalayan Terminals Private Limited, a Subsidiary Company started operations in August, 2004 and the first financial year of the Company will end in July, 2005 therefore the required information u/s 212 of the Companies Act, 1956 shall be disclosed in the Annual Report of CONCOR for the financial year 2005-06.

46. Pending issuance of notification under Section 441A of the Companies Act, 1956, no provision has been made towards cess on the turnover of the company.

47. Provisions relating to disclosure of information as required by other sub-clauses of Clause-3 of Part-II of Schedule VI to the Companies Act, 1956, are not applicable, as CONCOR is not a manufacturing company.

48. a) Unless otherwise stated, the figures are in rupees crores.

    b) Previous year's figures have been recast/regrouped/ rearranged wherever considered necessary to conform to this year's classification.

SCHEDULE 12 (Cont'd)

NOTES ON ACCOUNTS (Cont'd)

49 Balance Sheet Abstract and Company's General Profile
(IN TERMS OF AMENDMENT TO SCHEDULE VI PART IV)

I. Registration Details

Registration No.	030915	STATE CODE	55
Balance Sheet Date	31 Date	03 Month	2005 Year

II. Capital Raised during the year (Rs. in crore)

Public / Euro Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Rs. in crore)

Total Liabilities	Total Assets
2,103.03	2,103.03
Sources of Funds :	
Paid-up Capital	Reserves & Surplus
64.99	1,633.77
Secured Loans	Unsecured Loans
-	10.60
Current Liabilities	Deferred Tax Liabilities
262.78	130.89
Application of Funds :	
Net Fixed Assets	Investments
1,392.62	84.00
Current Assets	Misc. Expenditure
626.41	-
Accumulated Losses	
-	

IV. Performance of the Company (Rs. in crore)

Turnover (Including Other Income)	Total Expenditure
2,051.70	1,442.10
Profit Before Tax	Profit After Tax
609.60	428.60
EPS	Dividend %
65.95	145%

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

1. Transportation of containers.
2. Handling of containers.
3. Parking of containers.

Item Code No. (ITC Code) Not applicable.

Product Description Not applicable.

"SIGNATURES TO SCHEDULE 1 TO 12"

Ravi Khandelwal G.G.M (Accounts) & Company Secretary	P.G. Thyagarajan Director (IM&O)	Rakesh Mehrotra Managing Director	As per our separate report attached For S.N Dhawan & Co. Chartered Accountants
Place: New Delhi Dated: 27.07.2005			Suresh Seth Partner

AUDITORS' REPORT

To the Members of

CONTAINER CORPORATION OF INDIA LIMITED

We have audited the attached Balance Sheet of **CONTAINER CORPORATION OF INDIA LIMITED,** as at 31st March, 2005 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto in which are incorporated the accounts of Six Regions audited by Branch Auditors and the accounts of Northern Region, North Central Region and Corporate Office, New Delhi audited by us. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. Attention is drawn to Note 19 (b) of Schedule 12. The Company has made provision for Income Tax for the years 2003-04 & 2004-05 after considering deduction available u/s 80IA of the Income Tax Act, 1961 amounting to Rs. 83.93 crore (including Rs. 51.57 crore upto to the year 2003-04). Based on expert opinion, the Company is of the view that such deduction is available to them on new inland ports and rail system including rolling stock. However, the assessments are yet to be completed.

3. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :

(i) *Reference is invited to Note 39 according to which, as in previous years, freight, handling and other related revenues (as well as expenses) have been recognized at the time of booking of containers. In our view this is not in compliance with Accounting Standard-9, 'Revenue Recognition' issued by The Institute of Chartered Accountants of India. It is also not in compliance with the three opinions of the Expert Advisory Committee of the ICAI obtained by the Company on the issue, in view of the following : (a) performance is not substantially complete at the time of booking. (b) it is possible to segregate the consideration between major services, and (c) merely because the company has an executory contract with carriers to carry the goods, its own liability to the customer for risks related to non performance does not become insignificant. In the absence of relevant information, consequential impact on the working results of the Company in terms of profits/assets/liabilities could not be ascertained.*

ii) *Provision of Rs. 1.68 crore has not been made in case of amount recoverable which is more than five years old. (Refer Note 41)*

iii) *We are unable to comment on the shortfall, if any, in the provision of 'Wagon Maintenance Charges' claimed by Indian Railways. (Refer Note 40)*

iv) *Balances under Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (Including Indian Railways) have not been reconciled/confirmed. Adjustment, if any, will be made upon completion of such reconciliation/ confirmation. (Refer Note 26)*

v) *Invocation of performance guarantees amounting to Rs. 15.57 crore stand credited to "Capital Work in Progress" instead of showing under Current Liabilities (Refer Note 9a & 9c)*

vi) *We are unable to express our opinion as to the realisability* *of the amounts debited to the party, since the matter is sub-judice. (Refer Note 9b)*

vii) *The effect of adjustments that may arise upon reconstruction/reconciliation exercise of accounting records at Eastern Region destroyed in fire during November, 1998 has not been ascertained till date (Refer Note 36)*

viii) *Non-disclosure of information as required by AS-27- 'Financial Reporting of Interests in Joint Ventures' issued by The Institute of Chartered Accountants of India in respect of a Subsidiary Company. (Refer Note 34b)*

ix) *Non-disclosure of contingent liability of Rs. 88.16 crore (up to 2003-04) towards interest demanded by two parties on their claims lodged with the arbitrator.*

x) *We are unable to comment on the shortfall, if any, in value of non-moving stock of stores & spares at Northern Region as the realizable value has not been determined. (Refer Note 43)*

xi) *We are unable to comment on impairment, if any, in the value of Fixed Assets as required by AS-28- 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, in view of the fact that no detailed working has been carried out to ascertain the same. (Refer Note 44).*

4. We further report that :-

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to our comments in paragraphs 3(i), 3 (viii) & 3 (xi) above.

e) The reports on the accounts of the Regions of the Company audited by Branch Auditors have been forwarded to us and have been duly dealt with while preparing this report;

f) In terms of Department of Company Affairs GSR 829 (E) dated 21st October, 2003, Government Companies are exempt from applicability of Provisions of Section 274 (1) (g) of the Companies Act, 1956.

We further report that, subject to our comments in paragraphs 3 (v), 3 (viii) & 3 (ix) above and without considering the observation made in paragraph 3(i), 3(iii), 3 (vi), 3 (vii), 3 (x) & 3 (xi) above the effect of which could not be determined, had the impact of the observation made by us in paragraph 3 (ii) above been considered the profits for the year would have been Rs. 426.92 crore (as against the reported figure of Rs. 428.60 crore), Reserves and Surplus would have been Rs. 1632.09 crore (as against the reported figure of Rs. 1633.77 Crore) the said accounts read together with the Significant Accounting Policies and Notes on Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005;

b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

FOR S. N. DHAWAN & CO.
CHARTERED ACCOUNTANTS

DATE : 27.07.2005 (SURESH SETH)
PLACE : NEW DELHI PARTNER
Mem. No. 10577

Annexure referred to in Paragraph 1 of our Report of even date on the Accounts of Container Corporation of India Limited for the year ended 31st March, 2005 :

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As per information and explanations given to us, the fixed assets, except Wagons and Containers, have been physically verified by the management during the year. In our opinion the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.

(ii) a) The inventory of the Company consisting of stores & spares parts has been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable.

b) The procedures of physical verification of stores and spare parts followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company is maintaining proper records of stores and spare parts. The discrepancies noticed on physical verification between the physical stock and book records were not material and have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and as such clauses 4 (iii) (b) to (iii) (d) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores & spare parts, fixed assets, and for rendering services. Further, during the course of our audit and according to the information and explanations given to us, we have neither come across nor have any information of any instances of continuing failure to correct any major weaknesses in the internal control procedures except that :

a) The Company has implemented Financial Accounting System - ORACLE Financials, in the year 2002-03. As explained to us, the new system is still facing implementation problems and will be stabilised and streamlined during the subsequent financial year.

b) North West Region :

(i) The Account Receivable (AR) Module of ORACLE System has still not become operational, leading to non-synchronisation of debtors and advance received from customers, for which remedial measures need to be initiated.

(ii) Partial billing of Ground Rent Charges, Warehousing charges and billing of recoveries from Custom House Agents (CHA) on account of rent and electricity is not done through ETMS/ DTMS but is done manually for which the remedial measures need to initiated.

v) a) In our opinion and according to the information and explanations given to us there are no transactions that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956.

b) In our opinion and according to the information and explanations given to us as there are no transactions that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956, clause (v) (b) of the order is not applicable.

vi) As the Company has not accepted any deposits from the public, clause 4 (vi) of the order is not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However, functioning thereof (including extent of coverage) needs to be strengthened.

(viii) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.

(ix) (a) According to the information and explanations given to us and according to the records examined by us, the Company is generally regular in depositing with the appropriate authorities the undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us except for the cases stated below in respect of the following Regions, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess which were in arrears as at 31st March, 2005 for a period of more than six months from the date they became payable :

Name of Statute/ Authority	Nature of Dues	Amount Due (Rs.)	Due Date of Payment	Amount paid (Rs.)	Date of Payment	Remarks
NORTH WEST REGION						
Gujarat Sales Tax Act	Sales Tax	26559	2004-05	26559	07.04.05	
Gujarat Electricity Board	Electricity dues	133851	2003-04	---	---	Held in stale cheque account dated 04.08.03
CENTRAL REGION						
Nagpur Municipal Corpn.	Property Tax	1860408	1997-98 to 2002-03	----	----	
		352404	2002-03	----	----	
NORTHERN REGION						
Customs Department	Custom duty	9006678 1097430	2001-02 2002-03	---	---	Ad-hoc Provision made on the basis of show cause notices received.
WESTERN REGION						
Customs Department	Custom duty	3833754	2001-2002	---	---	Ad-hoc Provision made
	Municipal Taxes	244088	2001-02 to 2003-04	---	---	

The provisions of Employees State Insurance Act are not applicable to the Company and during the year no amount was due for deposit under investor education and protection fund.

b) According to records of the Company and information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute, except in the case of North West Region where additional stamp duty of Rs. 74, 74, 748 pertaining to year 2003-04, in respect of purchase of properties has not been deposited against which an appeal was preferred before sub-registrar, Vadodara.

(x) The Company has neither accumulated losses as at the end of the financial year nor it has incurred any cash losses during the financial year covered by our audit and immediately preceding financial year.

(xi) During the year there is no default in repayment of dues to financial institution or banks. The Company has not issued any debentures.

(xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence provisions of clause 4 (xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by others from banks are not prima facie prejudicial to the interest of the Company.

(xvi) According to the information and explanations given to us, the Company has not taken any term loans during the year. Consequently, the provisions of clause 4 (xvi) of the Order are not applicable.

(xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short-term basis, which have been used for long-term investments.

(xviii) As the Company has not made any preferential allotment of shares during the year, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through public issue during the year.

(xxi) According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

FOR S. N. DHAWAN & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATE : 27.07.2005

(SURESH SETH)
PARTNER
M. No. 10577

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005
(PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)

(Rs. in Crore)

		2004-2005	2003-2004
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax and Extraordinary Items	**609.60**	498.72
	Adjustment for :-		
	Depreciation/Amortisation	**66.62**	55.28
	Interest paid	**0.29**	0.25
	Interest & Dividend Income	**(37.53)**	(35.47)
	Foreign Exchange Fluctuations	**(0.01)**	-
	Loss on Sale of fixed Assets	**0.43**	(0.07)
	Operating Profit Before Working Capital Changes	**639.40**	518.71
	Adjustment for :-		
	Trade & Other Receivables	**(3.75)**	52.76
	Inventories	**(0.43)**	(0.42)
	Trade Payable & Provisions	**10.83**	23.30
	Cash Generated from Operations	**646.05**	594.35
	Prior Period Adjustments	**0.80**	(6.12)
	Direct Taxes paid	**(134.30)**	(126.02)
	Net Cash from Operating Activities (A)	**512.55**	462.21
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	**(341.31)**	(216.80)
	Sale of Fixed Assets	**0.23**	0.51
	Capital Work-in-Progress/advances	**(40.03)**	(21.98)
	Purchase of Investment	**(80.55)**	(2.79)
	Sale of Investments	**-**	-
	Interest, Dividend & Other Income	**37.53**	35.47
	Advances - Joint Venture Company	**0.05**	(0.08)
	Net Cash used in Investing Activities (B)	**(424.08)**	(205.67)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest paid	**(0.29)**	(0.25)
	Foreign Exchange Fluctuations	**0.01**	(0.01)
	Dividend paid (including tax on dividend)	**(135.93)**	(80.64)
	Proceeds from Long-Term Borrowings	**-**	-
	Repayment of Long Term Loan	**(1.39)**	(2.38)
	Net Cash from Financing Activities (C)	**(137.60)**	(83.28)
	Net Change in Cash & Cash Equivalents (A+B+C)	**(49.13)**	173.26
	OPENING BALANCE OF CASH & CASH EQUIVALENTS	**598.98**	425.71
	Effect of Exchange rate changes in cash & cash equivalents	**-**	0.01
	CLOSING BALANCE OF CASH & CASH EQUIVALENTS	**549.85**	598.98

Note : Previous year figures have been re-grouped/rearranged wherever considered necessary to conform to this year's classifications.

Ravi Khandelwal G.G.M (Accounts) & Company Secretary	P.G. Thyagarajan Director (IM&O)	Rakesh Mehrotra Managing Director	As per our report of even date For S.N Dhawan & Co. Chartered Accountants

Dated: 27.07.2005
Place: New Delhi

(Suresh Seth)
Partner

CONTAINER CORPORATION OF INDIA LTD.
(A Govt. of India Undertaking)
Regd. office : CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi - 110076

PROXY FORM

D.P. Id*	
Client Id*	

Regd. Folio No	

I / We ……………………………………………………………………………………..of ….............……………………………being a member / members of CONTAINER CORPORATION OF INDIA LTD. hereby appoint ………………………………………………………….of …………….......................…………………………………………………… or failing him ………of ……………………………………………………as my / our proxy to vote for me / us and on my /our behalf at the **17TH ANNUAL GENERAL MEETING** to be held on Wednesday, 28th September, 2005 at 3.00 p.m. or any adjournment thereof.

Signed this……………..day of …………..2005
* Applicable for investors holding shares in electronic form.

Affix Re. 1
Revenue
Stamp

Note :

(1) The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

(2) Member holding shares under more than one folio may use photo copy of this proxy form for other folios. The Company shall provide additional forms on request.

CONTAINER CORPORATION OF INDIA LTD.

(A Govt. of India Undertaking)

Regd. office : CONCOR Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi - 110076

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF MEETING VENUE.

Joint shareholders may obtain additional Attendance Slip at the venue of the meeting.

D.P. Id*	
Client Id*	

Regd. Folio No	

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held :

I hereby record my presence at the **17TH ANNUAL GENERAL MEETING** of the Company held on Wednesday, 28th September, 2005 at Stein Auditorium, Habitat World, India Habitat centre, Gate No. 3, Lodhi Road, New Delhi-110003.

* Applicable for investors holding shares in electronic form.

(Signature of the Member or proxy)

CONTAINER CORPORATION OF INDIA LTD.

(A Govt. of India Undertaking)
Regd. office : CONCOR Bhawan, C-3, Mathura Road,
Opp. Apollo Hospital, New Delhi - 110076

Dear Shareholder,

SUBJECT : ELECTRONIC CLEARING SERVICE (ECS) FOR DIVIDEND PAYMENT

We are pleased to advise that the Board of Directors have recommended dividend @ 145% i.e. Rs. 14.50/- per share (inclusive of interim dividend @ 60%, already paid) for the financial year 2004-05, subject to approval by the shareholders at the Annual General Meeting. The Register of Members will be closed during the period 16th September,2005 to 28th September, 2005 (both days inclusive).

Securities and Exchange Board of India (SEBI) vide its circular dated 15th October, 2001 has advised that "all companies should mandatorily use ECS facility for distributing dividends or other cash benefits to the investors wherever the ECS facility is available and in the absence of availability of ECS facility, the Companies may use warrants for distributing the dividends".

SEBI has also advised the Companies to mandatorily print the bank account details of the shareholders on the dividend warrants / payment instruments in the absence of ECS facility.

We are extending the facility to the shareholders of Electronic Clearing Services (ECS) provided by Reserve Bank of India for dividend payment upto Rs. 5 lakhs. Needless to mention that dividend payment through ECS avoids the risks like postal delay, loss in transit, fraudulent encashment etc.

Under the ECS facility, your bank will credit the dividend amount in your bank account on due date and indicate the credit entry as "ECS" in your Pass Book/Bank Statement without issuing or handling paper instrument/warrant.

In order to avail the ECS facility, the shareholders are requested to fill and sign the enclosed ECS mandate form. The form thereafter be sent –

In case of shareholder holding shares in Physical Mode to – **Alankit Assignments Ltd.,** Unit : Container Corporation of India Ltd., 2E/8, First Floor, Jhandewalan Extension, New Delhi-110055.
In case of shareholder holding shares in Electronic Mode/Dematerialized form to- **The Depository Participant** with whom your account is maintained.

All information should be accurate and complete so that you get the credit of dividend in time. Kindly attach a photocopy of a cheque from your cheque book issued by your bank for verifying the accuracy of the MICR code no. indicated at the bottom of the cheque. Please note that these instructions will supersede all your previous bank mandates/details including those that may have been incorporated at the time of opening a beneficiary account with the Depository Participant.

In view of the advantages of the ECS facility of payment of dividend, it is advised that the shareholders may avail of the facility.

Yours faithfully,
For CONTAINER CORPORATION OF INDIA LTD.

(Ravi Khandelwal)
GGM (Accounts) & Company Secretary

Date : 10.08.2005
Place : New Delhi

CONTAINER CORPORATION OF INDIA LTD.

(A Govt. of India Undertaking)

Regd. office : CONCOR Bhawan, C-3, Mathura Road,

Opp. Apollo Hospital, New Delhi - 110076

Electronic Clearing Service Mandate Form

To, Alankit Assignments Ltd., Unit : Container Corporation of India Limited, 2 E/8, First Floor,Jhandewalan Extension, New Delhi – 110055. (In case of Shareholding in Physical form)	To The Depository Participant concerned (In case of shareholding in Electronic form)

Dear Sir,

Subject : ECS Mandate for Dividend Payment

Folio No. :……………………................/ Client ID: ……........…………………….. DP ID: …....................……………………….

This is in response to the letter dated 10th August, 2005 of Container Corporation of India Ltd. regarding the ECS facility for payment of dividend. The following is the updation of my bank account details and I hereby affirm my choice to opt for payment of dividend through ECS.

I understand that Container Corporation of India Ltd. also reserves the right to send the dividend payable to me by a physical dividend warrant / draft, on account of any unforeseen circumstances beyond the control of Container Corporation of India Ltd., that may affect the payment of dividend through ECS.

1. First Shareholder's Name: Shri /Smt/Kum./M/s. ____________________________
____
2. First Shareholder's Address: ____________________________
____________________________ Pin Code ____________
3. Particulars of bank:

Bank Name ____________________________

Branch ____________________________

(Name, Address & Telephone No.) ____________________________

Bank City ____________________________

Account No. (As appearing in Cheque Book) ____________________________

Account Type ____________________________

9 digit MICR No. ____________________________

as appearing on the Cheque

(Please enclose cancelled / photocopy of cheque)

4. PAN/GIR No. ____________________________

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold Container Corporation of India Ltd. responsible. I also agree for printing of the bank details on the dividend warrant / DD if the payment of dividend is effected by warrant / DD.

PLACE: (Sole / First shareholder)

(Signature should be as per the specimen sign. recorded with Container Corp. of India Ltd.)

DATE:

Certification by the Bank

(This is required if cancelled cheque / photocopy of the cheque is not enclosed)

Certified that the Bank details furnished above are correct as per our records.

(Bank Stamp) Signature of authorized official of the Bank

Date :

CONTAINER CORPORATION OF INDIA LTD.
CONCOR Bhawan, C-3, Mathura Road,
Opposite Apollo Hospital, New Delhi –110076.
Ph. No. 51673093, 94, 95 & 96
Fax : 011-51673112
Email : concor.co@concorindia.com
website. www.concorindia.com

Regional Offices

CENTRAL REGION
BPCL Building, 1st floor, 7 Chitnavis Marg,
Near National Fire Service College, Civil Lines,
Nagpur-440001
Phones : 0712-2540406, 2540551
Fax No. : 0712-2554485
E-mailr.cr.cg@concorindia.com

EASTERN REGION
Container Corporation of India Ltd. IISCO House,
6th floor, 50, Jawharlal Nehru Road,
Kolkata-71
Phones : 033-22821169/75/76, Vsat Ph.:1022
Fax : 033-22821166
e-mail : er.ro@concorindia.com

NORTHERN REGION
Container Corporation of India Ltd.,
Inland Container Depot,
Tughlakabad, **New Delhi-110020**
Telephone : 011-26368100,26362180 (Rly. 7358/59/60)
Fax : 011-26368085
E-mail : nr.ro@concorindia.com

NORTH CENTRAL REGION
Container Corporation of India Ltd.
502, 5th floor, P-5, Ocean Plaza, Sector-18
Noida – 201 301 (UP)
Telephone: 0120-2516310,2516313
Fax: 0120-2516335
E-mail : ncr.cgm@concorindia.com

NORTH WEST REGION
Address : Container Corporation of India Ltd.
509, 5th floor, ATMA House, Opp.: Old RBI Bldg.,
Ashram Road, **Ahmedabad-380009**
Phones : 079-26581807
Fax : 079-26581808
E-mail : nwr.ro@concorindia.com

SOUTHERN REGION
Address : Container Corporation of India Ltd. No.
51, Montieth Road, First Floor, Egmore,
Chennai-600003 EPABX : 044-28591931-34,
Fax : 044-28591935
E-Mail sr.ro@concorindia.com

SOUTH CENTRAL REGION
Address : Container Corporation of India Ltd. No.
602, 6th Floor, Navketan Building,
Opp. : Clock Tower, S. D. Road,
Secunderabad-500003.
EPABX : 040-27808938, 27808939, 55315240,
55315241 RLY. NO. 88109 & 88378
Fax : 040-27800346
E-mail scr.ro@concorindia.com

WESTERN REGION
Container Corporation of India Ltd.
5th Floor, New Administrative Bldg.,
Central Railway, D.N.Road, Fort,
Mumbai-400 001
EPBX : 022-22622053-54, 22679699, 22623725
Fax : 022-22624497
E.mail : wr.ro@concorindia.com