



Delivering horizontally
Growing vertically

Annual Report 2006-07



CONTAINER CORPORATION OF INDIA LTD.
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Container Corporation of India Limited

Mission

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

मिशन

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

Objectives

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

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

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

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

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

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

लक्ष्य

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

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

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

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

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

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





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10 Years performance at a glance - Financial & Physical

Financial

(Rs. in Crore)

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

*Twenty foot equivalent units.

Company Information

Board of Directors

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

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

Shri Rakesh Mehrotra
Managing Director

Shri Suresh Kumar
Director (Finance)

Shri Anil Kumar Gupta
Director (Domestic Division)

Shri Harpreet Singh
Director (Projects & Services)

Shri R. K. Tandon
Director

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

Shri Ravi Khandelwal
Executive Director
(Accounts & Company Secretary)

Statutory Auditors

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

Branch Auditors

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

Bankers

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

Registrars & Share Transfer Agent

M/s. Alankit Assignments Ltd., New Delhi

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



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

Multimodal Logistics Professionals

Notice

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

Day : Wednesday

Date : 22nd August, 2007

Time : 15:30 Hrs.

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

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

Ordinary Business --:

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

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2007, Profit & Loss Account for the year ended on that date and the Report of Board of Directors and Auditors thereon.
2. To confirm the payment of Interim dividend and to declare dividend on equity shares for the financial year ended 31st March, 2007.
3. To appoint a Director in place of Shri Suresh Kumar who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Anil Kumar Gupta, who retires by rotation and being eligible, offers himself for reappointment.
5. To take note of the appointment of M/s. Hingorani M. & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution :
"RESOLVED that the appointment of M/s. Hingorani M. & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2006-07 in terms of the order no. CA. V/COY/CENTRAL GOVT., CCIL(5)/36 dated 26.06.2006 of C & AG of India, be and is hereby noted.

Special Business --:

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

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

By order of Board of
Container Corporation of India Limited

Place : New Delhi
Date : 17th July, 2007

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



Notes

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and proxy need not be a Member.
- (b) The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
- (c) The Register of Members and Share Transfer Books will remain close from 10th August, 2007 to 22nd August, 2007 (both days inclusive).
- (d) Members holding shares in Physical form are requested to notify immediately change in their address & Bank account details to the Registrar and Share Transfer Agent of the Company by quoting their folio numbers and those in demat mode, to their Depository Participant.
- (e) Dividend on Equity shares as recommended by the Directors for the year ended on 31st March, 2007 when declared at the Meeting, will be paid:
- (i) To those Members whose names appear in the Register of Members of the Company, after giving effect to all valid Share Transfers in Physical form lodged with the Company and its Registrar on or before 9th August, 2007.
- (ii) In respect of Shares held in electronic form, to those "deemed members" whose names appear on the Statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 9th August, 2007.
- (f) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends for the financial year ended 31st March, 1999 and thereafter, which remains unclaimed for a period of seven years from the date of transfer of the same will be transferred to Investor Education and Protection fund established by Central Government. Shareholders who have not encashed their dividend warrant (s) so far for the financial year ended 31st March, 1999 or any subsequent financial years are requested to make their claim to the Company or Registrar and Share Transfer Agents, M/s Alankit Assignments Ltd.

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

Item No. 6

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

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

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

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

Item No. 7

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

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

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

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

Item No. 8

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

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

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

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

By order of Board of
Container Corporation of India Limited

Place : New Delhi
 Date : 17th July, 2007

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



Directors' Report

To the shareholders

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

Financial Results

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

Dividend

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

Financial Highlights

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

Operational Performance

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

Capital Structure

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



Listing and Dematerialization of Concor's Shares

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

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

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

Capital Expenditure

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

New Terminals Commissioned

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

High Speed Wagons

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

Containers

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

Container Handling Equipment

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

Information Technology

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

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

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

Standardisation/ Certifications

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



MOUs/ Strategic Alliances

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

Human Resource Management

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

Industrial Relations

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

Awards

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

Foreign Exchange Earnings

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

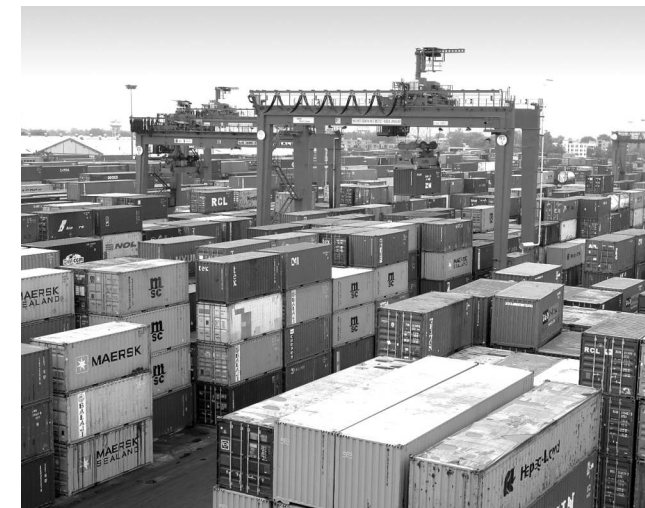
		(Rs. in lakh)
Foreign exchange outgo		
a) CIF value of Imports	:	16.02
b) Capital Goods / Advances	:	3288.89
c) Repayment of loan	:	—
d) Others	:	31.25

Presidential Directives Received From The Government

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

Rajbhasha

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



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

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

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

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

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

CONCOR's website and all the computers are bilingual.

Vigilance

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

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

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

Particulars of Energy Conservation, Technology Absorption Etc.

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

Directors' Responsibility Statement

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

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



Particulars of Employees

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

Auditors

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

Board of Directors

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

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

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

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

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

Retirement of Directors By Rotation

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

Code of Conduct

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

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

Conclusion

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

For and on behalf of the Board of Directors

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

(V. N. Mathur)
Chairman



Addendum to the Directors' Report 2006-07

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

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

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

Annexure to the Directors' Report

Corporate Governance

Corporate Philosophy

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

Board of Directors

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

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

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

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

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

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

\$ Appointed on 18.04.2007

\$\$ Appointed on 20.07.2006

@ Ceased to hold office on 11.12.2006 on completion of tenure

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

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

Remuneration Committee & Policy

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

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

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

Performance Criteria for Grant of Productivity Linked Scheme

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

Audit Committee

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

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

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

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

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

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

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

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

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

Shareholders' / Investors' Grievance Committee

The shareholders'/ investors' grievance committee comprises :-

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

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

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

Share Transfer Committee & System

The Share Transfer Committee comprises :-

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

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

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

General Body Meetings

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

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

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

Disclosures

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

Means of Communication

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



General Shareholder Information

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

(vii) Market Price Data

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



(viii) Stock Exchange Index

Month	NSE		BSE	
	High	Low	High	Low
April' 06	3598.95	3290.35	6,649.42	6,118.42
May' 06	3774.15	2972.90	6,772.74	6,140.97
June' 06	3134.15	2595.65	7,228.21	6,647.36
July' 06	3208.85	2878.25	7,708.59	7,123.11
Aug.' 06	3452.30	3113.60	7,921.39	7,537.50
Sept.' 06	3603.70	3328.45	8,722.17	7,818.90
Oct.' 06	3782.85	3508.65	8,821.84	7,656.15
Nov.' 06	3976.80	3737.00	9,033.99	7,891.23
Dec.' 06	4046.85	3657.65	9,442.98	8,769.56
Jan.' 07	4167.15	3833.60	9,945.19	9,158.44
Feb.' 07	4245.30	3674.85	10,422.65	9,713.51
March' 07	3901.75	3554.50	11,356.95	10,344.26

The Financial Performance of CONCOR has been reflected in the investors confidence and the share price of CONCOR on NSE has increased over the year 2006-07. The Market Capitalisation as on 31.03.2006 was Rs.9395.40 Crores (with a share price of Rs.1,445.40) and the same increased to Rs.12,662 Crores (with a share price of Rs.1,948.00) as on 31.03.2007.

(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 31.03.2007

Particulars	No. of Shares	Percentage
(a) Government of India	4,09,99,901	63.08
(b) Banks, Financial Institutions, Insurance Companies	11,02,983	1.69
(c) Foreign Institutional Investors	1,77,32,449	27.28
(d) Mutual Funds and UTI	29,77,219	4.58
(e) Private Corporate Bodies	8,93,400	1.37
(f) Indian Public	12,30,691	1.89
(g) NRIs / OCBs	52,766	0.08
(h) Others	1,988	0.03
	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, 2,39,89,422 Shares were in demat mode as on 31.03.2007.

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

(xiii) Plant locations :

The Company has 48 Nos. of Inland Container Depots (ICDs) and 9 Nos. of Domestic Container Terminals as on 31.03.2007.

(xiv) Address for Correspondence
Shri Ravi Khandelwal,
Executive Director (Accounts) & Company Secretary,
Container Corporation of India Ltd.,
CONCOR Bhawan, C-3, Mathura Road,
Opposite Apollo Hospital, New Delhi-110076.
Ph. No. 41673149



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	Details of Committee Membership	Details of Outside Committee Membership
Sh. V.N.Mathur	20.09.1948	18.04.2007	B.Sc., M.A., PG Diploma in Tpt. & Dev.	Intermodal & Freight Operations, Traffic costing, IT application, rating, marketing & planning	Two #	NIL	NIL
Sh.Suresh Kumar	15.06.1949	03.11.2005	M.Sc.(Physics), MBA (Finance)	Finance & Accounts	Two *	Two###	NIL
Sh. Anil Kumar Gupta	24.09.1956	16.02.2006	M.A., M.Phil. Economics, M.B.A. (NMP)	Railway Operations Commercial & Safety related issues. Expertise in Container Terminal Planning and management & marketing of services	Three**	One###	NIL
Sh. Harpreet Singh	24.11.1957	20.07.2006	Grad.I. Mech.E (London), AMIE (Mech. Engg.), Institution of Engineers India, AMIE (Elect. Engg.), Institution of Engineers India, MBA (Finance)	Management of Projects & Services	Three***	Nil	Nil
Sh. R.K. Tandon	03.07.1954	18.07.2006	M.A., M.Phil	Rly. Operations (Freight & Commercial), Safety, Traffic costing & statistics, passenger & freight marketing, Public Relations	Nil	One \$	Nil

Name of the Companies :

- # 1. Indian Railway Catering & Tourism Corporation Ltd.
2. Pipavav Railway Corporation Ltd.
- * 1. Integrated Infra Log Private Limited
2. Fresh & Healthy Enterprises Ltd.
- ## Member of Shareholders'/ Investors' Grievance Committee & Share Transfer Committee of CONCOR
- ** 1. Gateway Terminals India Pvt. Ltd.
2. Integrated Infra Log Private Limited
3. Fresh & Healthy Enterprises Ltd.
- ### Member of Share Transfer Committee of CONCOR.
- *** 1. Fresh & Healthy Enterprises Ltd
2. Integrated Infra Log Private Limited
3. India Gateway Terminals Private Ltd.
- \$ Member of Shareholders'/ Investors' Grievance Committee





The total handling was 3,89,605 TEUs during FY 2006-07 compared to 3,73,848 TEUs handled during FY 2005-06, i.e. an increase of 4.2%. The year under review saw an up trend in the growth of Domestic business. With continued focus on the Domestic segment, the growth rate is likely to increase. Specific Service Agreements have been signed with the major customers to provide total Logistics Services:

In addition to the above, a scheme of appointing Business Associates has been launched and 23 Business associates have been appointed.

Internal Control Systems

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

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

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

Secured and Unsecured Loans

No secured and unsecured loans were taken during FY 2006-07.

Fixed Assets

	(Rs. in Crore)		
Year ended March 31	2007	2006	%age Growth
Original Cost of Assets	2025.33	1793.61	12.92
Less Accumulated Depreciation	473.81	381.71	24.13
Net Fixed Assets	1551.52	1411.90	9.89

An amount to the tune of Rs. 233.61 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 31.03.2007 as follows:-

	Nos.	Owned/IR
- High Speed Wagons (BLC/BLL)	5927	CONCOR Owned
- Container flats (BFKN)	1357	CONCOR Owned
- Other Wagons	1293	Indian Railway
Total	8577	

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.

Management Discussion and Analysis

Industry Overview

Year 2006-07 witnessed the advent of multiple container train operators on the Indian multi-modal scene. As many as Fourteen new operators (besides CONCOR) signed the Concession Agreement with Indian Railway Administration for running container trains with Indian Railways for a period of 20 years, extendable by another 10 years. While the entry of new operators into the Container Train operations has thrown new challenges for CONCOR, the Company has geared itself with new strategies and initiated measures to reorient the business processes to enable it to become more customer friendly and cost competitive. We are confident of meeting the emerging challenges successfully and retaining the lead position in the industry with the objective of remaining the first choice of customers in the competitive environment also.

EXIM Business

EXIM traffic grew from 15.56 lacs TEUs to 17.15 lacs TEUs registering an increase of 10.217%.

With approvals being granted by the Ministry of Railways to other private Operators for entry into the business domain of CONCOR, 14 parties have entered the field which was hitherto the sole domain of CONCOR. Dialogue was initiated with the major players and MOUs for Co-operation, Co-share / Co-use of resources etc. were signed with eight parties out of thirteen.

Also, Strategic Long Term Business Alliances are under finalisation with Major Shipping Lines.

Domestic Business

For the year ended March 2007, the outward booking was 1,93,413 TEUs as compared to booking of 1,89,091 TEUs during the previous year 2005-06, i.e. an increase of 2.3%.

Sundry Debtors

Sundry debtors are 0.33% of the operating income of the year. Provision for doubtful debts wherever considered necessary has been made.

Cash and Bank Balance

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 has grown by 25% over FY 2005-06. 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 25% over FY 2005-06. The proportion of direct expenses to revenue has remained more or less the same.

Administrative Expenses

The increase in administrative expenses is by 2.63% over FY 2005-06.

Employee Remuneration

The employee cost has grown by 23% over FY 2005-06 which is on account of annual increments, revision of pay scales, promotion, increase in dearness allowance, provision for performance linked incentive (PLI), salary arrears 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, a deferred tax provision of Rs. 17.47 crore has been made 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.

Concerns

With the rapidly changing business scenario, appropriate strategy has to be evolved to meet the challenge of change. The management has taken the competition as an opportunity to improve the productivity and efficiency and resolves to make all efforts to achieve the targets for the year. While we are evolving proactive strategies including dynamic pricing policies to meet the challenges of competition effectively, one of the key determinants will be quality of service. We need to take all the necessary steps to be the market leader in terms of excellence in our quality of service. There is also a paramount need for reaching out to the Customer so as to understand specific Customer needs and expectations and offer tailor made solutions to satisfy our Customers.

As more and more private operators start running their own trains, a deceleration in exim growth rate of CONCOR may be inevitable. However, in order to attract more volumes, we will continue to match the services offered by other operators in terms of quality of services and pricing.

For and on behalf of the Board of Directors

(V. N. Mathur)
Chairman

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



Certificate

To the Members of

CONTAINER CORPORATION OF INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by CONTAINER CORPORATION OF INDIA LIMITED for the year ended 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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.

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 except that all the three independent directors, who were also the members of the Audit Committee, ceased to be the directors with effect from 19.01.2006. Pending appointment of independent directors, an adhoc Audit Committee has been set up as disclosed in the Company's 'Corporate Governance Report'.

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 : 26-06-2007

(Akhil Rohatgi)
Company Secretary in Practice



Balance Sheet as at 31st March, 2007

(Rs. in Crore)					
SCHEDULE	AS AT 31.03.2007		AS AT 31.03.2006		
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	64.99		64.99	
Reserves & Surplus	2	2,564.84	2,629.83	2,026.18	2,091.17
DEFERRED TAX LIABILITIES (NET OF ASSETS)		161.31		143.84	
TOTAL		2,791.14		2,235.01	
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	3	2,025.33		1,793.61	
Less: Depreciation/Amortisation		473.81		381.71	
Net Block		1,551.52		1,411.90	
Capital Works in progress (including advances)		202.83	1,754.35	165.54	1,577.44
INVESTMENTS	4		131.70		129.38
CURRENT ASSETS, LOANS & ADVANCES					
(A) Current Assets		1,098.27		714.75	
(B) Loans & Advances		263.73	1,362.00	173.67	888.42
LESS : CURRENT LIABILITIES & PROVISIONS					
(A) Current Liabilities	6	366.43		296.14	
(B) Provisions		90.48	456.91	64.09	360.23
NET CURRENT ASSETS			905.09		528.19
Significant Accounting Policies	10				
Notes on Accounts	11				
TOTAL		2,791.14		2,235.01	

Schedules 1 to 11 form an integral part of the accounts

Ravi Khandelwal
ED (Accounts) & Company Secretary

Suresh Kumar
Director (Finance)

Rakesh Mehrotra
Managing Director

As per our report of even date
for **Hingorani M. & Co.**
Chartered Accountants

Place: New Delhi
Dated: 14-06-2007

(Pardeep Kumar)
Partner



Profit and Loss Account for the Year Ended 31st March, 2007

(Rs. in Crore)			
SCHEDULE	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006	
INCOME			
Income from Operations	3,037.29		2,426.30
Other income	7	84.60	62.86
TOTAL	3,121.89		2,489.16
EXPENDITURE			
Terminal and Other Service Charges	2,029.19		1,627.54
Employees Remuneration & Benefits	8	36.43	29.62
Administrative & Other Expenses	9	80.44	78.38
Interest		-	0.23
Depreciation/Amortisation		93.58	83.26
TOTAL	2,239.64		1,819.03
PROFIT BEFORE TAX	882.25		670.13
PROVISION FOR TAX			
Current Tax	167.87		132.66
Deferred Tax	17.47		12.95
Fringe Benefit Tax	0.83	186.17	0.86
PROFIT AFTER TAX	696.08		523.66
Add/(Less): Prior period adjustments (Net)	(0.35)		(0.11)
Add/(Less): Tax adjustments for earlier years (Net)	8.09		2.25
NET PROFIT	703.82		525.80
APPROPRIATIONS			
Interim Dividend Paid	71.49		64.99
Proposed Final Dividend	71.49		51.99
Corporate Dividend Tax	22.18		16.41
Transfer to General Reserve	70.38		52.58
Balance carried to Balance Sheet	468.28		339.83
	703.82		525.80
Basic and Diluted earning per share of Rs. 10/- each (Rs.) (Note No. 39, Schedule 11)	108.29		80.90

Schedules 1 to 11 form an integral part of the accounts

Ravi Khandelwal
ED (Accounts) & Company Secretary

Suresh Kumar
Director (Finance)

Rakesh Mehrotra
Managing Director

As per our report of even date
for **Hingorani M. & Co.**
Chartered Accountants

Place: New Delhi
Dated: 14-06-2007

(Pardeep Kumar)
Partner



SCHEDULE 1 : SHARE CAPITAL

	(Rs. in Crore)	
	AS AT 31.03.2007	AS AT 31.03.2006
AUTHORISED		
10,00,00,000 Equity Shares of Rs. 10/- each	<u>100.00</u>	<u>100.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
6,49,91,397 Equity shares of Rs.10/- each fully paid-up	<u>64.99</u>	<u>64.99</u>
TOTAL	<u>64.99</u>	<u>64.99</u>

SCHEDULE 2 : RESERVES & SURPLUS

	(Rs. in Crore)			
	AS AT 31.03.2007		AS AT 31.03.2006	
GENERAL RESERVE				
Opening Balance	220.97		168.39	
Add: Transfer from Profit & Loss Account	<u>70.38</u>	<u>291.35</u>	<u>52.58</u>	220.97
PROFIT AND LOSS ACCOUNT				
Opening Balance	1,805.21		1,465.38	
Addition during the Year	<u>468.28</u>	<u>2,273.49</u>	<u>339.83</u>	<u>1,805.21</u>
TOTAL		<u>2,564.84</u>		<u>2,026.18</u>

SCHEDULE 3 : FIXED ASSETS

(Rs. in Crore)

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 01.04.2006	Additions during the Year	Sale/ Adjustments	As at 31.03.2007	As at 01.04.2006	For the Year	On Sale/ Adjustments	Up to 31.03.2007	As at 31.03.2007	As at 31.03.2006
Tangible Assets										
Freehold Land	12.18	-	-	12.18	-	-	-	-	12.18	12.18
Leasehold Land	102.47	-	-	102.47	6.44	2.10	-	8.54	93.93	96.03
Buildings	426.59	33.65	0.45	459.79	68.65	15.00	0.27	83.38	376.41	357.94
Railway Siding	37.54	3.22	0.09	40.67	8.06	1.85	0.09	9.82	30.85	29.48
Plant & Machinery	987.80	187.07	0.01	1174.86	216.48	56.66	-0.04	273.18	901.68	771.32
Containers	48.05	-	-	48.05	17.90	2.28	-	20.18	27.87	30.15
Electrical Fittings	37.71	1.33	0.07	38.97	18.07	2.91	0.08	20.90	18.07	19.64
Computers	36.04	4.53	0.66	39.91	18.60	5.21	0.58	23.23	16.68	17.44
Furniture & Fixtures	8.01	0.38	0.00	8.39	3.81	0.50	0.00	4.31	4.08	4.20
Office Equipment	5.21	0.40	0.10	5.51	1.70	0.27	0.04	1.93	3.58	3.51
Telephone Systems	1.38	0.09	0.01	1.46	0.49	0.07	0.01	0.55	0.91	0.89
Air Conditioner	4.86	0.12	0.06	4.92	0.66	0.23	0.02	0.87	4.05	4.20
Vehicles	0.56	0.04	0.00	0.60	0.40	0.05	0.00	0.45	0.15	0.16
Capital Expenditure *	23.25	-0.02	0.44	22.79	15.37	3.65	0.43	18.59	4.20	7.88
Sub-total	1731.65	230.81	1.89	1960.57	376.63	90.78	1.48	465.93	1494.64	1355.02
Intangible Assets										
Software	11.96	2.80	-	14.76	4.81	2.48	-	7.29	7.47	7.15
Registration Fee	50.00	0.00	-	50.00	0.27	0.32	-	0.59	49.41	49.73
Sub-total	61.96	2.80	-	64.76	5.08	2.80	-	7.88	56.88	56.88
Total	1793.61	233.61	1.89	2025.33	381.71	93.58	1.48	473.81	1551.52	1411.90
Capital Work-in-Progress (including Advances of Rs. 143.19 Crore {Previous Year Rs.106.73 Crore})									202.83	165.54
Grand Total									1754.35	1577.44
Previous year	1538.62	259.86	4.87	1793.61	301.39	83.26	2.94	381.71	1411.9	

* Refer Note No. 18 of Schedule 11

Note:

- Gross Block of Plant & Machinery and Containers includes Rs.0.10 crore (Previous Year Rs.Nil), and Rs.0.10 crore (Previous Year Rs.0.10 crore) respectively for items retired from active use due to obsolescence/condemnation.
- Gross Block of Land and Buildings includes assets valuing Rs.17.16 crore (Previous Year Rs.17.16 crore) in respect of which sale/lease deeds are yet to be executed.
- Gross Block of Buildings includes freehold buildings valuing Rs.9.75 crore (Previous year Rs.9.75 crore)
- Depreciation provided during the current year includes Rs.1.33 crore (Dr.) [Previous Year Rs.0.43 crore (Dr.) related to prior period (Net)].



SCHEDULE 4 : INVESTMENTS

(Rs. in Crore)

	AS AT 31.03.2007	AS AT 31.03.2006
LONG TERM INVESTMENTS (AT COST)		
TRADE INVESTMENTS (UNQUOTED)		
I. In Business Arrangements		
- With Hindustan Aeronautics Ltd. and Mysore Sales International Ltd. by the name of "Joint Working Group - Air Cargo Complex".	0.87	0.87
- With Hindustan Aeronautics Ltd. by the name of "HALCON".	3.19	0.88
	<u>4.06</u>	<u>1.75</u>
II. In Shares of Joint Ventures		
2,580,095 Equity shares of Rs.10/- each fully paid up in Star Track Terminals Pvt. Ltd.	2.58	2.58
2,940,000 (P.Y. 2,940,000) Equity shares of Rs.10/- each fully paid up in Albatross CFS Pvt. Ltd.	2.94	2.94
2,443,630 (P.Y. 2,443,630) Equity shares of Rs.10/- each fully paid up in Trident Terminals Pvt. Ltd.	2.44	2.44
75,244,000 (P.Y. 75,244,000) Equity shares of Rs. 10/- each fully paid up in Gateway Terminals India Pvt. Ltd.	75.25	75.25
NIL (P.Y. NIL) Equity shares of Rs.10/- each fully paid up in Freshways Enterprises Pvt. Ltd. (1)	-	0.01
Less : Investment written off	-	0.01
1,425,900 (P.Y. 1,425,900) Equity shares of Rs.10/- each fully paid up in CMA-CGM Logistic Park (Dadri) Pvt. Ltd.	1.42	1.42
7,500,000 (P.Y. 7,500,000) Equity shares of Rs. 10/- each fully paid up in India Gateway Terminal Pvt. Ltd.	7.50	7.50
5,000 (P.Y. Nil) Equity shares of Rs. 10/- each in Integrated Infra Log Pvt. Ltd.	0.01	-
	<u>92.14</u>	<u>92.13</u>
III. In Shares of Foreign Joint Venture		
80,000 (P.Y. 80,000) Equity shares of Nepalese Rupiah 100/- (Equivalent INR 62.50) each fully paid up in Himalayan Terminals Pvt. Ltd., Nepal	0.50	0.50
	<u>0.50</u>	<u>0.50</u>
IV. In Shares of Indian Subsidiary (Wholly Owned)		
35,000,000 (P.Y. 35,000,000) Equity shares of Rs.10/- each fully paid up in Fresh and Healthy Enterprises Ltd.	35.00	35.00
	<u>35.00</u>	<u>35.00</u>
TOTAL	<u>131.70</u>	<u>129.38</u>

Notes :

- Venture has been shelved and the confirmation about striking off of the name of this company from the records of Registrar of Companies has been received.



SCHEDULE 5 : CURRENT ASSETS, LOANS AND ADVANCES

	(Rs. in Crore)			
	AS AT 31.03.2007		AS AT 31.03.2006	
A. CURRENT ASSETS				
INVENTORIES				
(As taken, valued & certified by the Management)				
Stores & Spare Parts (At Cost) (Note No. 27, Schedule 11)	4.87		4.99	
Less: Provision for Obsolete Stores	0.26	4.61	0.26	4.73
		4.61		4.73
SUNDRY DEBTORS				
Outstanding for period exceeding six months				
Unsecured Considered good	2.05		1.17	
Unsecured Considered doubtful	0.85		0.77	
	2.90		1.94	
Less: Provision for doubtful debts	0.85	2.05	0.77	1.17
Others				
Unsecured Considered good		7.85		7.35
		9.90		8.52
CASH AND BANK BALANCES				
Cash in hand (Including Imprest)	0.34		0.28	
Cheques in hand	16.11		12.66	
Remittance in transit	0.05		0.18	
Balance with Scheduled Banks				
- in Current Accounts	61.69		29.36	
- in Term Deposits (Note No. 25(i), Schedule 11)	984.40	1,046.09	633.86	663.22
		1,062.59		676.34
OTHER CURRENT ASSETS				
Interest accrued on deposits, loans and advances (Note No. 25(ii), Schedule 11)		21.17		25.16
TOTAL CURRENT ASSETS - A		1098.27		714.75
B. LOANS AND ADVANCES				
LOANS TO EMPLOYEES (Secured)		8.70		6.20
LOANS TO OTHERS (Unsecured)		0.80		2.02
ADVANCES (Unsecured)				
Recoverable in cash or in kind or for value to be received	77.16		52.74	
Less : Provision for doubtful advances	0.09	77.07	0.10	52.64
DEPOSITS (Unsecured)				
- Govt. Authorities		2.23		2.57
- Others	0.65		0.64	
Less : Provision for doubtful deposits	0.03	0.62	0.03	0.61
ADVANCE INCOME TAX/TDS (NET OF PROVISIONS)		174.31		109.63
TOTAL LOANS AND ADVANCES - B		263.73		173.67
TOTAL (A + B)		1362.00		888.42



SCHEDULE 6 : CURRENT LIABILITIES AND PROVISIONS

	(Rs. in Crore)			
	AS AT 31.03.2007		AS AT 31.03.2006	
CURRENT LIABILITIES				
Sundry Creditors				
- Small Scale Industrial Undertakings	0.29		-	
- Others	142.44	142.73	131.77	131.77
Advances / Deposits from Customers		76.21		42.51
Unclaimed Dividend (*)		0.06		0.07
Book Overdraft (Note No. 13, Schedule 11)		111.35		66.70
Others		36.08		55.09
TOTAL CURRENT LIABILITIES - A		366.43		296.14
PROVISIONS				
Proposed Final Dividend	71.49		51.99	
Corporate Dividend Tax	12.15		7.29	
Employee Retirement Benefits	6.84	90.48	4.81	64.09
TOTAL PROVISIONS - B		90.48		64.09
TOTAL (A + B)		456.91		360.23

(*) During the year an amount of Rs.61,258/- (Previous Year Rs. 98,000/-) has been deposited in the Investor Education and Protection Fund.



SCHEDULE 7 : OTHER INCOME

	(Rs. in Crore)	
	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006
Interest earned on :		
-Short Term I.C.D's/Bank Deposits (TDS Rs.13.39 Crore; Previous Year: Rs. 9.08 Crore)	59.20	42.15
-Loans to Employees	0.42	0.44
-Loan to IRWO (Note No.17, Schedule 11) (TDS Rs. 0.02 Crore; Previous Year: Rs. 0.02 Crore)	0.08	0.09
Excess provision written back (Note No. 33, Schedule 11)	2.74	3.60
Miscellaneous Income	11.37	9.72
Share in Profit of Business Arrangement (Note no. 22, Schedule 11)	10.79	6.86
TOTAL	84.60	62.86

SCHEDULE 8 : EMPLOYEES REMUNERATION AND BENEFITS

	(Rs. in Crore)	
	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006
Salary, Allowances & Other Employee Benefits	27.80	22.60
Contribution to PF, FPF, ESI & Labour welfare fund	2.09	1.76
Rent for Leased Accomodation (Net)	1.42	1.38
Employee Welfare & Medical	4.21	3.24
Gratuity	0.79	0.39
Staff Training	0.12	0.25
TOTAL	36.43	29.62

SCHEDULE 9 : ADMINISTRATIVE AND OTHER EXPENSES

	(Rs. in Crore)	
	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006
Printing & Stationery	2.36	1.98
Travelling and Conveyance (Including Directors' Travelling Rs. 0.26 Crore; Previous year Rs.0.27 Crore)	7.64	7.54
Rent and Licence fee for office building	2.07	1.95
Power & Fuel	15.06	11.57
Consumption of Stores & Spares	2.08	1.43
Repairs & Maintenance :		
- Buildings	4.09	2.86
- Plant & Machinery	1.96	1.49
- Others	9.51	8.05
Security Expenses	16.43	12.44
Vehicle Running & Maintenance Expenses	0.04	0.07
Business Development	0.92	0.81
Postage, Telephone & Internet	4.77	4.65
Books & Periodicals	0.28	0.26
Bank Charges	0.25	0.13
Legal & Professional Charges	3.46	2.56
Insurance	1.23	0.92
Fees & Subscriptions	0.09	0.07
Advertisement	2.11	1.30
Auditors' Remuneration		
- Audit Fee	0.08	0.04
- Tax Audit Fee	0.01	0.01
- Other Services	0.05	0.04
- Out of Pocket	0.04	0.13
Rates & Taxes	3.18	1.95
Donations (Including Rs.Nil; Previous year Rs. 2.00 Crore to P.M. National Relief Fund)	0.48	3.11
Miscellaneous Expenses (Note No.21, Sch. 11)	2.00	9.28
Fixed Assets written off	0.12	3.82
Investment written off	-	0.01
Provision for :		
- Doubtful Debts	0.08	-
- Obsolute Assets	0.05	-
TOTAL	80.44	78.38

SCHEDULE 10 : SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention & Concepts:

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with the applicable mandatory Accounting Standards and relevant presentation 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:

- 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.
- 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.
- 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.

3. Intangible Assets:

i) Software:

Expenditure on computer software which is not an integral part of hardware is capitalised as an intangible asset. The cost of software includes license fee and implementation cost and is capitalised in the year of its implementation. Software is amortized over five years.

ii) Registration Fee:

The registration fee paid to Ministry of Railway (MOR) for approval for movement of container trains on Indian Railways is capitalized as an Intangible Asset. The registration fee is amortized over a period of 20 years.

4. 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.

5. Investments:

- Long term investments are stated at cost. A provision for diminution in value is made to recognise a decline other than temporary in nature.
- Current investments are stated at lower of cost or fair value.

6. Inventories:

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

7. Depreciation/Amortization:

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



iii) 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.

8. Impairment of Assets:

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

9. Retirement Benefits:

i) 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.

ii) 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.

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

10. Foreign Currency Transactions:

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

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

iii) 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.

11. 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".

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

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

13. Taxes on Income:

i) Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

ii) 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' issued by the Institute of Chartered Accountants of India.

14. Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognised in respect of obligations where, based on the evidence available, their existence on the Balance Sheet date is considered probable.

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

Contingent assets are not recognized in the accounts.

SCHEDULE 11 : NOTES ON ACCOUNTS

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

	(Rs. in Crore)	
	2006-07	2005-06
a) In relation to joint ventures	96.18	70.60
b) Others	350.18	254.59
2. Contingent liabilities not provided for :		
a) Outstanding Letters of Credit & bank guarantees	16.87	45.19
b) Bank guarantee/bid bond for joint ventures/subsidiary	192.19	121.21
c) Claims against the Company not acknowledged as debt, net of advances/payments under protest, arbitration, court orders, etc. [include claims of Rs. 374.39 crore (previous year: Rs.325.08 crore) pending in arbitration/courts pursuant to arbitration awards]	543.51	392.20

Contingent liabilities are disclosed to the extent of claims received and include an amount of Rs.5.13 crore (Previous year: Rs.2.55 crore) which may be reimbursable to the company. Any interest demand on the basic claim is not considered where legal cases are pending, as the claim itself is not certain. No provision has been made for the contingent liabilities stated at (c) above, as on the basis of information available, careful evaluation of facts and past experience of legal aspects of the matters involved, it is not probable that an outflow of future economic benefits will take place.

3. a) The Company entered into a contract with Cimmco Birla Ltd. (CBL) for supply of 1,500 wagons for Rs. 163.90 crore. After the supply of 180 wagons, the contract was terminated during the FY-2000-01, for non-fulfilment of obligations on the part of CBL. The Company invoked the Bank Guarantee of Rs.30.42 crore for refund of unadjusted advance and Rs.8.20 crore towards performance guarantee for non-fulfilment of terms of contract. CBL and the company have made claims and counter claims respectively but repudiated by both. The matter had been referred to an Arbitration Tribunal and the award of the Tribunal has been announced. As per the award, the company paid/provided an amount of Rs.19.88 crore during the year 2005-06. This amount has been reduced from the claim amount in contingent liabilities.

CBL filed an application before the Hon'ble Delhi High Court for setting aside the remaining part of the award. The company has also filed objections before the Hon'ble Delhi High Court for setting aside the award and refund of performance security with interest and costs and the matter is pending.

The company entered into a contract for supply of 1320 wagons by Hindustan Engineering and Industries Ltd (HEI). After the supply of 1050 wagons, the contract was terminated during FY2004-05, for non-fulfilment of obligations on the part of HEI. The company invoked the bank guarantee of Rs.5.99 crore for refund of unadjusted advance and Rs.7.37 crore towards performance guarantee for non-fulfilment of terms of contract on the part of HEI. The matter has been referred to an Arbitration Tribunal and arbitration proceedings are in progress. The amount realized from invocation of performance guarantee stands credited to "Capital Work In Progress."

4. The Company has executed "Custodian cum Carrier Bonds" of Rs. 19,123.60 crore (previous year: Rs.18,308.42 crore) in favour of Customs Department under the Customs Act, 1962. These bonds are of continuing nature, for which claims may be lodged by the Custom Authorities.

5. a) As in earlier years, the provision for tax for the year is after considering tax deduction of Rs.112.59 crore (previous year: Rs.81.00 crore) under section 80IA of the Income Tax Act, 1961 in respect of Rail system & ICDs.

b) As per assessment orders under section 143(3) of the Income Tax Act, 1961, the Income Tax department disallowed certain claims of the company, mainly deduction under section 80IA in respect of Rail system and Inland Container Depots (ICDs) for the assessment years 2003-04, 2004-05 & 2005-06 and raised demands of tax and interest amounting to Rs.21.23 crore, Rs.43.81 crore & Rs.42.03 crore respectively. The company filed appeals before the Commissioner of Income Tax (Appeals) against the said assessment orders. During the year, appeal for the AY2003-04 has been decided by CIT(A) in which certain claims including claim u/s 80IA in respect of Rail System have been allowed. For claim u/s 80IA in respect of ICDs, an appeal to Income Tax Appellate Tribunal (ITAT) has been filed.



6. 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.
7. i) Income from operations consists of revenue from freight, handling, ground rent, demurrage and other operating income and is net of waivers, discounts & refunds of Rs.20.73 crore (previous year: Rs.13.05 crore).
ii) Terminal & other service charges include expenses for rail freight, handling, road transportation and other operating expenses.
8. The accounting policy on revenue recognition, as stated in point no. 11 of schedule 10, is being followed consistently since inception. Expert Advisory Committee of the Institute of Chartered Accountants of India has opined that in case it is determined, on the basis of various factors (for example, the risk of liability with regard to damages borne by the company in case of damage to goods during transit) that the liabilities for risks related to non-performance in so far as the company is concerned are not significant at the time of handing over the containers to the carrier, the company may consider the performance as substantially complete and accordingly, recognize revenue at the time of handing over the containers to the carriers. Moreover:
i) Full consideration is received at the time of issue of IWB's and there is no uncertainty about its realizability;
ii) The freight payable to Railways is also recognized based on the issue of IWB's under Indian Railway Act; and
iii) Based on past experience, the liability for risks related to non-performance, so far as the company is concerned, are very negligible.
9. i) Loans and Advances include Rs.1.28crore (previous year: Rs.1.11 crore) given to Customs & Port Trust.
ii) Loans to employees include Rs.0.15 crore (previous year: Rs.0.06 crore) being amount due from Directors and officers of the company. Maximum outstanding balance during the year was Rs.0.17 crore (previous year: Rs.0.06 crore).
iii) Advances include an amount of Rs.1.68 crore (Previous year: Rs.1.68 crore) recoverable from Government of India (GOI) since 1998, in connection with expenditure incurred on their behalf towards disinvestment of company's shares. As the amount is recoverable from GOI, it is considered as good for recovery.
10. During the year, the company realised Rs.14.30 crore (previous year: Rs.15.64 crore) from auction of undelivered containers. Out of the amount realized, Rs.4.47 crore (previous year: Rs.4.10 crore) is paid/ payable as custom duty, Rs.8.05 crore (previous year: Rs.9.47 crore) has been recognised as income and the balance of Rs.1.78 crore (previous year: Rs.2.07 crore) has been shown as Current Liabilities.
11. Depreciation on assets created on leasehold land is provided in line with the accounting policy of the company irrespective of the land lease period, as the leases are likely to be renewed/extended.
12. Current liabilities-others includes Rs.2.51 crore (previous year: Rs.1.18 crore) towards unutilised grant received for acquisition of specific fixed assets in CONCOR/business arrangement.
13. Book Overdraft represents cheques issued by the company pending clearance against the flexi/other deposits with the banks classified under Term Deposits.
14. As per the policy issued by the Ministry of Railways, Government of India, for movement of Container trains on Indian Railways, the company paid Rs.50 crore during FY2005-06 towards Registration fee for a period of 20 years. Ministry of Railways vide letter No.2002/TT-III/15/39, dated 21.02.2006 issued the 'In Principle Approval' to the company. Accordingly, the registration fee was capitalized as an Intangible Asset and an amount of Rs.0.27 crore was amortized on pro-rata basis from the date of the said letter. However, concession agreement with Railways has been signed on 04.01.2007. As per this agreement, the date of commencement of concession period would be the date of execution of the agreement. Therefore, the date of capitalisation of registration fee as well as the date of start of amortization has been changed to 04.01.2007.
15. Balances of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (including Indian Railways), etc. are subject to confirmation/reconciliation.
16. Sundry Creditors include an amount of Rs.0.29 crore (previous year: Rs. NIL) 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 Undertakings to whom company owes an amount, which is outstanding for more than 30 days (previous year: NIL).



17. During the year 1998-99, in terms of Presidential directive received from the Ministry of Railways, the company made loan to Indian Railway Welfare Organization (IRWO) at a simple interest of 8.5% p.a. As on 31-03-2007 the amount of loan outstanding is Rs.0.80 crore (previous year: Rs.1.00 crore).
18. Details of capital expenditure on land not belonging to the company (Refer schedule-3) are as under:

	(Rs. in crore)	
	As at 31-03-2007	As at 31-03-2006
Building	5.97	6.05
Railway Siding	11.30	11.30
Plant & Machinery	3.04	3.04
Electrical Fittings	2.36	2.23
Furniture	0.03	0.04
Others	0.09	0.59
Total	22.79	23.25

19. **Effect of change in accounting policies:**
 - a) Hitherto, the value of software upto Rs.50,000 in each case was charged to revenue. During the year, the company has changed its accounting policy and entire amount incurred towards software is capitalized and depreciation provided on the same as per accounting policy. This change in accounting policy has no impact on the accounts for the year.
 - b) Hitherto, the value of prior period items upto Rs.50,000 in each case was treated as income/expenditure for the year. During the year, the company has changed its accounting policy and now all items of Income/Expenditure relating to prior period are accounted as prior period items. As a result of this change, a sum of Rs.0.03 crore has been booked under prior period adjustments (net). Accordingly, the profit for the year (before prior period adjustments) is higher by Rs.0.03 crore.
20. The auditors' remuneration includes an amount of Rs.0.03 crore, relating to earlier years.
21. Miscellaneous expenses include loss on sale of fixed assets and exchange fluctuation (loss) amounting to Rs.19.28 lakh (previous year: Rs.10.01 lakh) and Rs.0.03 lakh (previous year: Rs.0.11 lakh) respectively.
22. As per the tripartite business arrangement of the company with Hindustan Aeronautics Ltd. and Mysore Sales International Ltd. for operating air cargo complex at Bangalore (JWG-ACC), an amount of Rs.10.79 crore (previous year:Rs.6.86 crore) being company's share in the profit of the entity for the year ended 31st March, 2007 has been accounted for under other income.
23. Reconstruction/reconciliation exercise of accounting records at Eastern Region destroyed in fire during November 1998 is in progress. The necessary accounting adjustment entries, if any, shall be made on completion of their reconciliation.
24. Payments for the work carried by Railways / its units for the company are normally accounted for on the basis of correspondence/ estimates/ advice etc.
25. (i) Balance in Term deposits include fixed deposits amounting to Rs. NIL (previous year: Rs.10.40 crore) kept under lien with a bank against a guarantee issued on behalf of the company.
(ii) Pending acceptance of liability by the respective banks, an amount of Rs.0.52 crore towards interest accrued on premature withdrawal of term deposits with banks has not been recognised.
26. Land license fee paid/payable to the Indian Railways (IR) is calculated on the basis of number of twenty feet equivalent units (TEUs) handled in terms of instructions issued by Ministry of Railways. The company has lodged claim of Rs.2.82 crore towards land license fee paid to Indian Railway for internal movement of empty containers during the years 1999-2000 to 2003-04. However, as a matter of prudence, the same will be accounted for on receipt/acceptance.
27. Stores & spare parts include items amounting to Rs.1.16 crore (previous year: Rs.1.31 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.



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

	(Rs. in crore)	
	2006-07	2005-06
Managing & whole time Directors		
Salary & allowances	0.31	0.17
Value of perquisites	0.06	0.03
Contribution to Gratuity, Provident Fund, Pension and Leave Encashment	0.13	0.11
Total	0.50	0.31

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.

29. Prior period adjustments include the following:

	(Rs. in Crore)	
	2006-07	2005-06
Income		
Income from operations	0.03	-
Total (A)	0.03	-
Expenses		
Terminal & other service charges	0.11	0.10
Legal & Professional	0.07	0.01
Repair & Maintenance	0.18	-
Others	0.02	-
Total (B)	0.38	0.11
Net Prior Period Adj. (A-B)	(0.35)	(0.11)

30. Remittance in foreign currencies for dividend:

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

31. Details of expenditure and earnings in foreign currency (on payment basis):

	(Rs. in lakh)	
	2006-07	2005-06
1) Expenditure in Foreign Currencies:		
i) Books & periodicals	1.05	0.34
(ii) Travelling	14.47	55.49
(iii) Interest	0.00	29.35
(iv) Training	3.60	1.40
(v) Meeting & conference	11.98	31.91
(vi) Membership & subscription	0.15	-
2) Value of Imports on C.I.F. basis in respect of:		
i) Spares	16.02	62.19
ii) Capital Goods (including advances)	3288.89	3156.96

32. Expenditure on consumption of Stores & Spares:

	(Rs. in crore)			
	2006-07		2005-06	
	Amount	% age	Amount	%age
i) Imported	0.16	07%	0.34	24%
ii) Indigenous	1.92	93%	1.09	76%

33. Excess provision written back during the year includes:

Particulars	(Rs. in crore)	
	2006-07	2005-06
a) Rail Freight & Demurrage	0.05	0.15
b) Handling	0.26	0.81
c) Custom cost recovery	0.27	-
d) Rates & Taxes	-	0.20
e) Customer advances	-	0.02
f) Provision for investment/ fixed assets	-	2.04
g) Exigency charges	1.28	-
h) Others	0.88	0.38
TOTAL	2.74	3.60

34. 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.

35. 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.

36. Segment Information as per 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:

Particulars	(Rs. in crore)							
	EXIM		Domestic		Unallocable		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
REVENUE								
Segment Revenue	2,445.01	1,899.40	592.28	526.90	-	-	3,037.29	2,426.30
RESULT								
Segment Result	725.92	549.29	101.67	99.57	-	-	827.59	648.86
Corporate Expenses	-	-	-	-	29.94	41.36	29.94	41.36
Operating Profit	-	-	-	-	-	-	797.65	607.50
Interest Expenses	-	-	-	-	-	0.23	-	0.23
Interest & other Income	-	-	-	-	84.60	62.86	84.60	62.86
Income Taxes	-	-	-	-	186.17	146.47	186.17	146.47
Prior Period Adjustments (Net)	-	-	-	-	(0.35)	(0.11)	(0.35)	(0.11)
Tax adjustments for earlier years (Net)	-	-	-	-	8.09	2.25	8.09	2.25
Net Profit	-	-	-	-	-	-	703.82	525.80
OTHER INFORMATION								
Segment Assets	1,417.25	1,221.39	347.46	312.68	-	-	1,764.71	1,534.07
Unallocated Corporate Assets	-	-	-	-	1,483.34	1,061.17	1,483.34	1,061.17
Total Assets	-	-	-	-	-	-	3,248.05	2,595.24
Segment Liabilities	286.04	181.98	50.34	53.54	-	-	336.38	235.52
Unallocated Corporate Liabilities	-	-	-	-	2,911.67	2,359.72	2,911.67	2,359.72
Total Liabilities	-	-	-	-	-	-	3,248.05	2,595.24
Capital Expenditure	211.96	220.43	20.34	37.29	1.31	2.14	233.61	259.86
Depreciation	71.92	61.78	17.86	17.79	3.80	3.69	93.58	83.26
Non cash expenses other than depreciation	0.32	0.05	0.09	0.02	0.02	3.86	0.43	3.93

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.

37. Related Party Disclosures as per Accounting Standard-18:

a) Key Management Personnel: Directors of the Company

Name of Related Party	(Rs. in lakh)			
	Nature of Transaction (excl. Reimbursable)		Loans and advances receivable	
	Remuneration paid including perks			
	2006-07	2005-06	2006-07	2005-06
i) Whole time directors				
Rakesh Mehrotra, Managing Director	10.13	9.15	3.40	-
P.G. Thyagarajan, Director (IM&O) Upto 11.12.2006	12.60	8.71	0.57	2.00
S.C. Misra, Director (Domestic) Upto 25th May, 2005	-	8.40	-	-
Suresh Kumar, Director (Finance) w.e.f 3rd November, 2005	9.72	3.14	1.19	1.92
Anil K. Gupta, Director (Dom.) w.e.f. 16th February, 2006	10.66	2.02	3.57	-
Harpreet Singh, Director (Project & Services) w.e.f. 20.07.2006	6.40	-	4.93	-
		Sitting Fee		
ii) Nominated/ Independent Directors				
R.K.Narang (upto 19.01.2006)	-	1.80		
D. Babu Paul (upto 19.01.2006)	-	2.00		
P.S. Sarma (upto 19.01.2006)	-	2.00		

b) Joint Ventures:

- Star Track Terminals Pvt. Ltd.
- Trident Terminals Pvt. Ltd.
- Albatross CFS Pvt. Ltd.
- Gateway Terminals India Pvt. Ltd.
- JWG-Air Cargo Complex (a business arrangement)
- Himalayan Terminals Pvt. Ltd.
- CMA-CGM Logistics Park (Dadri) Pvt. Ltd.
- HALCON (a business arrangement)
- India Gateway Terminal Pvt. Ltd.
- Integrated Infra log Pvt. Ltd.

c) Wholly owned Subsidiary: Fresh And Healthy Enterprises Ltd.

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

	(Rs. in lakh)			
	Joint ventures		Subsidiary	
	2006-07	2005-06	2006-07	2005-06
Rent, Maintenance charges and interest income received/receivable	145.58	151.37	-	-
Security Deposit received-balance	123.12	123.12	-	-
Current assets, loans & advances	0.61	102.08	-	51.86
Investment (Net) made during the year	231.21	1,039.01	-	3,500.00
Share in the income received/receivable	1078.95	685.67	-	-
Current Liabilities	-	-	-	2,000.00

38. Leases - Accounting Standard 19:

i) In respect of assets taken on lease/rent:	(Rs.in crore)	
	2006-07	2005-06
(a) The future Minimum lease Payments under non- cancellable operating leases entered into on or after 1st April, 2001 are:		
(i) Not later than one year	9.14	9.54
(ii) Later than one year and not later than 5 years	4.18	9.03
(b) Lease payments recognized in the accounts are Rs.19.38 crore (previous year: Rs.15.29 crore).		
(c) Sub lease recoveries recognized in the accounts are Rs.0.15 crore (previous year: Rs.0.11 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:

	(Rs.in crore)	
	2006-07	2005-06
Gross Carrying amount (Buildings & warehouses)	26.21	19.91
Accumulated Depreciation	2.30	1.84
Depreciation during the year	0.39	0.40

39. Earning per share (EPS): The calculation of EPS as per Accounting Standard (AS)-20 is as under:

	(Rs.in crore)	
	2006-07	2005-06
Profit after tax, prior period adjustments & tax adjustments for earlier years as per Profit and Loss Account (Rs. in crore)	703.82	525.80
Weighted average number of equity shares of face value Rs.10/- each	64,991,397	64,991,397
Basic and diluted earning per share (in rupees)	108.29	80.90

40. Accounting for taxes on income - Accounting Standard-22

	(Rs.in crore)	
	2006-07	2005-06
Components of Deferred Tax Assets and Liabilities:		
i. Deferred Tax Liabilities:		
Difference between book and tax depreciation	167.17	147.85
ii. Deferred tax assets:		
Expenditure disallowable u/s 43B	4.85	3.47
Provision for doubtful advances/ debts	0.34	0.31
Others	0.67	0.23
	5.86	4.01
iii. Net deferred tax liability [i-ii]	161.31	143.84



41. 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 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 Maersk A/S, Copenhagen for third berth at JN Port, Mumbai.	India	26
*JWG-Air Cargo Complex: A business arrangement with Hindustan Aeronautics Ltd. and Mysore Sales International Ltd. for air cargo business at Bangalore.	India	33.33
*Himalayan Terminals Pvt. Ltd.: A joint venture with Nepalese Enterprises (Interstate Multimodal Transport Pvt. Ltd. of Nepal & Nepal Transit & Warehouse Co. Ltd.) for management and operation of rail container terminal at Birgunj (Nepal).	Nepal	40
*CMA-CGM Logistics Park (Dadri) Pvt. Ltd: A joint venture with CMA CGM Global India Pvt. Ltd. (CCGIPL) for CFS at Dadri,UP.	India	49
*HALCON: A business arrangement with Hindustan Aeronautics Ltd. for operating an air cargo complex & ICD at Ozar airport, Nasik.	India	50
*India Gateway Terminal Pvt. Ltd.: A joint venture with Dubai Port International (DPI) for setting up and managing Container Terminals at Cochin.	India	15
#Integrated Infra Log Pvt. Ltd.: A joint Venture with IL&FS infrastructure Development Corporation Ltd. to carry on the business of establishing, acquiring, developing, managing & maintaining logistic infrastructure, etc.	India	50
*Same for previous year		
#Investment made during the year		

b) During the year, the company has entered into agreements with the following parties for setting up JV companies. However, no investment has been made upto 31st March, 2007.

Name of Party	Proposed shareholding (%)
1. Gateway Rail Freight Private Ltd.	49
2. Reliance Logistics Private Ltd.	49

c) Company's share of assets, liabilities, income, expenditure, contingent liabilities & capital commitments in the Joint ventures is as follows:

(Rs. in lakh)

	Assets	Liabilities	Income	Expenditure	Contingent liability & capital commitment
Star Track Terminal Pvt. Ltd.	886.58 (877.86)	849.65 (928.41)	922.18 (375.87)	834.70 (493.65)	344.87 (344.87)
Trident Terminals Pvt. Ltd.	862.92 (807.21)	685.84 (565.19)	237.00 -	302.42 -	245.10 (0.10)
Albatross CFS Pvt. Ltd.	1006.23 (898.79)	759.70 (607.77)	562.10 (0.95)	607.19 (62.37)	245.36 (7.96)
*Gateway Terminals India Pvt. Ltd.	24,829.89 (20,564.83)	19,991.66 (14,737.07)	2,149.66 (151.75)	3,428.57 (1,202.28)	20,436.60 (23,936.39)
JWG-Air Cargo Complex	950.47 (548.59)	692.16 (441.63)	1339.41 (964.00)	260.46 (278.33)	-
Himalayan Terminals Pvt. Ltd	36.67 (23.34)	156.49 (94.05)	154.62 (114.22)	203.78 (182.94)	-
CMA -CGM Logistics Park (Dadri) Pvt. Ltd.	595.86 (293.12)	485.06 (148.28)	7.10 -	41.13 -	- (184.00)
HALCON	316.22 (48.01)	1.85 (0.38)	0.82 (0.35)	4.17 (1.35)	- -
India Gateway Terminal Pvt. Ltd.	1,528.46 (1,836.10)	1,284.45 (1,262.52)	1,161.41 (990.21)	1,252.68 (1,159.97)	2,131.90 (1284.08)

*The figures for previous year are for twelve months ended 31st March, 2006 and current year figures are for the twelve months ended 31st December, 2006.

In the above statement :

- Previous year figures are in brackets
- Current year figures, to the extent available are un-audited (provisional), except for "JWG-Air Cargo Complex".
- Previous year figures are audited, except for Himalayan Terminals Pvt. Ltd. and HALCON.

42. In the opinion of the management, during the year there are no indications that impairment of any asset has taken place. Accordingly, no provision for impairment of assets is required as per AS-28.



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

(Rs. in crore)

	2006-07				2005-06			
	Property tax	Salary arrears & PLI	Rent to Railway	Gratuity & Leave encashment	Property Tax	Salary arrears & PLI	Rent to Railways	Gratuity & Leave encashment
Opening Balance	6.03	2.47	0.63	4.83	5.25	2.27	0.39	4.08
Addition during the year	2.49	3.88	1.06	2.68	1.58	2.46	0.28	1.71
Amount used/ incurred	0.10	2.42	0.04	0.79	0.22	2.13	0.04	0.96
Unused amount reversed during the year	-	0.03	-	-	0.58	0.13	-	-
Closing Balance	8.42	3.90	1.65	6.72	6.03	2.47	0.63	4.83

The above provisions are in the nature of statutory liabilities and liabilities on account of terms of employment, etc. The timing of payment for the same would be: salary arrears & PLI (productivity linked incentive) - as and when paid, gratuity- in accordance with payment of gratuity Act, leave encashment- as per company's policy, property tax and rent to railways- normally on demand. There is a certainty about these payments in future and no reimbursement is expected against any of the above.

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

- a) Loan- Others include loan of Rs. NIL (previous year: Rs. 1.02 crore) to M/s Star Track Terminals Pvt. Ltd. (A joint venture co.) Maximum amount outstanding during the year is Rs. 1.02 crore (previous year: Rs. 1.23 crore).
- b) Other Loans and advances:

(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 2007	31st March 2006	2006-07	2005-06	31st March 2007	31st March 2006	2006-07	2005-06
IRWO	0.80	1.00	1.00	1.20	-	-	-	-
Miscellaneous Staff loans*	7.33	5.84	7.62	6.20	5.26	0.91	5.37	0.99

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

45. The wage revision of the employees of the company is due w.e.f. 1st January, 2007. Pending decision of the committee formed by Government of India, a provision of Rs. 1.29 crore has been made on estimated basis.
46. The company's liability towards cess, if any payable on building and other construction work under the provisions of the Delhi Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002, Building and other Construction Workers Welfare Cess Act, 1996 and Building and Other Construction Workers Cess Rules, 1998 is being examined and appropriate treatment will be given on the basis of the legal opinion.
47. 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 11 (Cont'd)

NOTES ON ACCOUNTS (Cont'd)

48 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	03	2007
Date		Month	Year

II. Capital Raised during the year

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

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	Total Assets
3,248.05	3,248.05

Sources of Funds :

Paid-up Capital	Reserves & Surplus
64.99	2,564.84
Secured Loans	Unsecured Loans
-	-
Current Liabilities	Deferred Tax Liabilities
456.91	161.31

Application of Funds :

Net Fixed Assets	Investments
1,754.35	131.70
Current Assets	Misc. Expenditure
1,362.00	-
Accumulated Losses	
-	

IV. Performance of the Company

Turnover (Including Other Income)	Total Expenditure
3,121.89	2,239.64
Profit Before Tax	Profit After Tax
882.25	703.82
EPS (Rupees)	Dividend %
108.29	220%

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

- Transportation of containers.
 - Handling of containers.
 - Parking of containers.
- Not applicable.
Not applicable.

Item Code No. (ITC Code)

Product Description

"SIGNATURES TO SCHEDULE 1 TO 11"

RAVI KHANDELWAL
 ED(A/C) & Company Secretary

SURESH KUMAR
 Director (Finance)

RAKESH MEHROTRA
 Managing Director

As per our separate report attached for **Hingorani M. & Co.**
 Chartered Accountants

(Pardeep Kumar)
 Partner

Place: New Delhi
 Dated: 14-06-2007



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 2007, and the profit & loss account and also the cash flow statement of the company for the year ended on that date annexed thereto, in which are incorporated the accounts of six regions audited by respective branch auditors appointed by the Comptroller and Auditor General of India, relied upon by us 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 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 includes assessing the accounting principles used and significance estimate, 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 (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of such examination of the books and records of the Company as we considered appropriate and the information and explanations given during the course of audit and after considering the reports of branch auditors, we enclose in the Annexure a Statement on the matters specified in paragraph 4 and 5 of the said order.
- 2) Attention is drawn to Note No. 5 of schedule 11. The company has made provision for Income Tax for the year after considering tax deduction of Rs. 112.59 crore under section 80IA of the income Tax Act, 1961 in respect of new Inland Container Depots (ICDs) (Rs. 26.41 crore) and Rail System (Rs 86.18 crore). The income tax department disallowed the deduction claimed by the company u / s 80IA in earlier years. However, in appeal for the Assessment Year 2003-04, the Commissioner of Income Tax (Appeals) has allowed the deduction u / s 80IA in respect of rail system and for deduction in respect of ICDs, the company has filed appeal before the Income Tax Appellate Tribunal (ITAT).
- 3) Further in our comments in the annexure referred to in paragraph 1 above, we report that:
 - i. Sale/lease deeds in respect of Land & Building valuing Rs. 17.16 crore are yet to be executed in favour of the company (Note no. 2, schedule 3).
 - ii. Balance of sundry debtors, Loans & Advances, deposits, Sundry Creditors (including Indian Railways) have not been confirmed/reconciled. (Note no. 15, Schedule 11).
 - iii. The effect of adjustment that may arise upon reconstruction/reconciliation of accounting records at Eastern Region destroyed in fire during November 1998 has not been ascertained (Note no. 23, Schedule 11).
 - iv. We are unable to comment on the shortfall, if any, in the value of non-moving stock of stores & spare parts. (Note no. 27, Schedule 11).
- 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 purposes 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 and proper returns adequate for the purpose of our audit have been received from the branch auditors in respect of the regions audited by them.
 - c) The report of the branch auditors on the accounts of regions audited by them have been received and considered by us in preparing this report after making such adjustments, as we considered necessary.
 - d) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the book of account.

- e) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- 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.
- g) In our opinion and to the best of our information and according to the explanation given to us, the said accounts, *subject to our comments in paragraph 3 (i) above and without considering the observations made in paragraphs 3(ii), (iii), and (iv) above, the effect of which could not be determined,* read together with significant Accounting Policies and Notes on accounts, given the information required by the companies act, 1956, in the manner so required and give a true and fare view in conformity with the accounting principles generally accepted in India-
 - i) In the case of Balance Sheet, of the state of affaire of the company as at 31st March, 2007;
 - ii) In the case of Profit & Loss Account, of the profit for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

for **Hingorani M. & Co.**
Chartered Accountants

(Pardeep Kumar)
Partner
M. No. 085630

Place: New Delhi
Date: 14-06-2007



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, 2007.

- (i) (a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As per the information and explanation given to us, fixed assets have been physically verified by the management during the year. In respect of containers, the reconciliation is in progress at corporate office.
- (c) The company has disposed/ written off some of its fixed assets during the year. However, in our opinion this has not affected the going concern status of the company.
- (ii) (a) The inventory of the company consisting of stores and spare parts has been physically verified by the management on test check basis. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are generally 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 inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) Not applicable in view of para (a) above.
- (c) Not applicable in view of para (a) above.
- (d) Not applicable in view of para (a) above.
- (e) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (f) Not applicable in view of para (e) above.
- (g) Not applicable in view of para (e) above.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to the purchase of stores and spare parts, fixed assets and for rendering services.
- (v) (a) According to the information and explanations given to us, we are of the opinion that there are no contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (b) Not applicable in view of para (a) above.
- (vi) The company has not accepted any deposits from the public in terms of section 58A and 58AA and other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion, the company has an internal audit system, which is generally commensurate with the size and nature of its business. *However, we are of the view that follow up of the reports, including compliance, needs to be improved.*
- (viii) As information to us, the Central Government has not prescribed maintenance of cost record under section 209 (1) (d) of the Companies Act, 1956, in respect of the business of the company.
- (ix) (a) the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, Employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, *the undisputed amounts payable in respect of outstanding statutory dues that were in arrears, as at 31st, March 2007 for a period of more than six months from the date they become payable are given below:*



Name of the Statute	Nature of the Dues	Amount (Rs. in Crore)	Period to which the amount Relates
Custom Act, 1962	Custom Duty (Northern Region)	0.90	Upto 2000-01
Custom Act, 1962	Custom Duty (Northern Region)	0.02	2002-03
Custom Act, 1962	Custom Duty (Western Region)	0.38	Upto 2001-02
Custom Act, 1962	Custom Duty (Western Region)	0.09	2004-05

In addition the company has made provision for property tax payable in respect of its assets at various locations amounting to Rs. 8.42 crore upto 31st March 2007, on estimate basis, pending commencement / completion of assessments by the appropriate authorities.

(b) According to the information and explanations given to us, *dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, and cess that have not been deposited on account of any dispute are given below:*

Name of the Statute / Authority	Nature of the Dues	Amount (Rs. in Crore)	Period to which the amount Relates
Finance Act, 1994	Service Tax	0.02	01st May 2003 to 16th July 2003
Finance Act, 1994	Service Tax	0.08	August 2002 to December 2003
Finance Act, 1994	Service Tax	0.01	January 2004 to March 2004
Sub-registrar, Vadodara	Additional Stamp Duty	0.20	2003-04
Delhi Value Added Tax, 2004	Penalty u/s 86(19)	0.31	14th December 2005

- (x) The company has neither accumulated losses as at end of the financial year nor has incurred any cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) The company has not defaulted 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 shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities and other investments. The investments in the shares of joint ventures & subsidiary company are held by the company in its own name and are not traded.
- (xv) The company has given counter indemnity to the guarantor (a joint venture partner) in relation to the guarantor providing payment guarantees to the banks for loan raised by the joint venture company, to the extent of 26% (the shareholding of the company in joint venture) of the loan and interest outstanding. As at 31st March 2007, the amount of such counter indemnity works out to Rs. 190.15 crore. In our opinion, the terms and conditions thereto are not prima-facie prejudicial to the interests of the company.
- (xvi) The company has not taken any term loans during the year.
- (xvii) As the company has not raised any funds on short-term basis, this clause is not applicable.
- (xviii) The company has not made any allotment of shares during the year.
- (xix) The company has not issued any debentures during the year.
- (xx) As the company has not raised money by public issues during the year, this clause is not applicable.
- (xxi) As per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

for **Hingorani M. & Co.**
Chartered Accountants

(Pardeep Kumar)
Partner
M. No. 085630

Place: New Delhi
Date: 14-06-2007



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

(PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)

(Rs. in Crore)

	2006-2007	2005-2006
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	882.25	670.13
Adjustment for :-		
Depreciation/Amortisation	93.58	83.26
Interest paid	-	0.23
Interest & Dividend Income	(70.49)	(42.68)
Provision for obsolete assets	0.05	(2.03)
Provision of diminution in value of investment	-	(0.01)
Provision for doubtful debts	0.08	-
Investment written off	-	0.01
Fixed assets written off	0.12	3.82
Loss on Sale of fixed Assets	0.19	0.10
Operating Profit Before Working Capital Changes	905.78	712.83
Adjustment for :-		
Trade & Other Receivables	(23.86)	(26.07)
Inventories	0.12	(1.35)
Trade Payable & Provisions	72.33	101.15
Cash Generated from Operations	954.37	786.56
Prior Period Adjustments	(0.35)	(0.11)
Direct Taxes paid	(225.29)	(238.38)
Net Cash from Operating Activities (A)	728.73	548.07
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(233.57)	(259.86)
Sale of Fixed Assets	0.01	0.05
Capital Work-in-Progress/advances	(37.29)	(10.15)
Purchase of Investment	(2.32)	(45.51)
Sale of Investments	-	0.12
Interest, Dividend & Other Income	70.49	42.68
Advances/loans - Joint Ventures (net)	1.01	(0.99)
Net Cash used in Investing Activities (B)	(201.67)	(273.66)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	(0.23)
Dividend paid (including tax on dividend)	(140.81)	(137.09)
Repayment of Long Term Loan	-	(10.60)
Net Cash from Financing Activities (C)	(140.81)	(147.92)
Net Change in Cash & Cash Equivalents (A+B+C)	386.25	126.49
OPENING BALANCE OF CASH & CASH EQUIVALENTS	676.34	549.85
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,062.59	676.34

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

(RAVI KHANDELWAL) (SURESH KUMAR) (RAKESH MEHROTRA) As per our report of even date
 ED(A/C) & COMPANY SECRETARY DIRECTOR (FINANCE) MANAGING DIRECTOR for **Hingorani M. & Co.**
 Chartered Accountants

Place: New Delhi (Pardeep Kumar)
 Date : 14-06-2007 Partner

Statement Pursuant to Section 212 (1)(e) of the Companies Act, 1956, relating to Company's interest in the Subsidiary Company

NAME OF THE SUBSIDIARY COMPANY	FRESH & HEALTHY ENTERPRISES LTD.
1. The Financial year of the subsidiary Company ended on	31.03.2007
2. Date from which it became subsidiary Company	01.02.2006
3 (a) Number of Shares held by Container Corporation of India Ltd. alongwith its nominees in the subsidiary at the end of financial year of the Subsidiary company.	3,50,00,000 Equity Shares of Rs. 10/- each
(b) Extent of Shareholding	100%
4. The net aggregate amount of Profit/Loss of the subsidiary so far it concerns the members of the holding company	
(a) not dealt with in the holding company accounts:	
(i) for the financial year ended 31.03.2007	Loss of Rs. 18,78,216
(ii) for the previous financial years of the subsidiary Company since it become the holding Company's subsidiary	Nil
(b) dealt with in the holding company accounts:	
(i) for the financial year ended 31.03.2007	Nil
(ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary.	Nil

RAVI KHANDELWAL SURESH KUMAR RAKESH MEHROTRA
 ED (Accounts) & Company Secretary Director (Finance) Managing Director

Place: New Delhi
 Date: 14-06-2007



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

Directors' Report

To the shareholders

Your Directors are pleased to present their report on the working of the Company together with the Audited Accounts for the period 1st April, 2006 to 31st March, 2007.

OPERATIONAL REVIEW

In its maiden year, FHEL started operations by procuring Apples from Shimla & Kinnaur districts of Himachal Pradesh. These apples were transported in the specially developed cartons through ordinary trucks/reefers. Out of 52,838 apple boxes procured during the season, 52,835 boxes were sold and there was normal wastage of three boxes.

FINANCIAL REVIEW

During the financial year ended on 31st March, 2007, your Company registered an operating turnover of Rs. 475.54 lacs with other income of Rs. 15.21 lacs and incurred total expenditure of Rs. 501.17 lacs. After providing for Depreciation & tax of Rs. 1.37 lacs & Rs. 1.46 lacs, respectively and writing off of Preliminary expenses amounting to Rs. 5.53 lacs, Company suffered a loss of Rs. 18.78 lacs for the financial year 2006-07.

CAPITAL STRUCTURE

There is no change in the Authorized Share Capital of Rs. 35 Crore, with Container Corporation of India Ltd. (CONCOR) continuing to hold 100% of the Equity Share Capital of FHEL.

SECURED LOANS

The Company has tied up Secured Term Loan and Working Capital Loan of Rs. 65 Crore & Rs. 8 Crore, respectively with UTI Bank for the purpose of setting up the Cold Chain Project and meeting the working Capital Requirement. Out of sanctioned Term Loan of Rs. 65 Crore, FHEL has drawn Rs. 30.34 Crore, till 31.03.2007, to meet its Capital expenditure.

CONTROLLED ATMOSPHERE (CA) STORE

In order to increase the shelf life of fruits and vegetables produced in the Country, Company is setting up Controlled Atmosphere (CA) Store consisting of 3 units of 4000 MT capacity each at Rai, Sonapat.

PARTICULARS OF EMPLOYEES

There being no employee in the Company with remuneration over the specified amount, the particulars prescribed under Sec. 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars in respect of Conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable at this stage.

AUDITORS

M/s. Khanna Gulati & Associates, Chartered Accountants, New Delhi were appointed as Company's Statutory Auditors for the year 2006-07. The Board of Directors' of the Company fixed a remuneration of Statutory Auditors' of Rs. 50,000/-, subject to approval of Shareholders.

BOARD OF DIRECTORS

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

Shri P. G. Thyagarajan, Director ceased to hold the office on 11th Dec., 2006. Your Directors would like to place on record valuable contribution made by him during his tenure with the Company.



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

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

- (1) Shri Rakesh Mehrotra, Chairman;
- (2) Shri Suresh Kumar, Director;
- (3) Shri Anil Kumar Gupta, Director;
- (4) Shri Harpreet Singh, Director.

RETIREMENT OF DIRECTORS BY ROTATION

In terms of provisions of the Companies Act, 1956, Shri Rakesh Mehrotra, Chairman and Shri Suresh Kumar, Director are liable to retire by rotation and being eligible, offer themselves for re-appointment.

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, 2007, 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 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, 2007 on a 'going concern' basis.

AUDIT COMMITTEE

The Company is conscious of the concept and the principles underlying the Corporate Governance. As a part of good governance, the Company has been taking steps to implement such concepts. The Board of Directors' has constituted an Audit Committee on 24.07.2006, comprising of :-

Shri Suresh Kumar	- Chairman;
Shri Anil Kumar Gupta	- Director;
Shri Harpreet Singh	- Director.

During the year, the Committee met on 24th January, 2007 with the presence of all the members.

The Committee reviews Company's broad based structure, financial Results before submission to the Board of Directors. Further, Committee has discussion with the Auditors, periodically.

CONCLUSION

Your Company acknowledges the support and understanding extended by Container Corporation of India Limited and Auditors of the Company.

For and on behalf of the Board of Directors

(Rakesh Mehrotra)
Chairman

Place : New Delhi
Date : 14-06-2007



FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

Addendum to the Directors' Report

ADDENDUM TO THE DIRECTORS' REPORT 2006-07

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

Points in the Auditors' Report	Auditors' Qualification	Reply of Management
Point no. ix (a)	According to records of the company, the company has been generally regular in depositing the undisputed statutory dues except tax deducted at source and work contract tax with the appropriate Authorities.	In one case there was some delay in depositing TDS & WCT with appropriate authorities because of certain interpretations of rules. The same has since been deposited in accordance with provisions of applicable law.

FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

Balance Sheet as at 31st March, 2007

		(Amount in Rs.)	
	SCHEDULE	AS AT 31.03.2007	AS AT 31.03.2006
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	1	350,000,000	350,000,000
LOAN FUNDS			
Secured Loan	2	304,715,345	-
Unsecured Loan		-	5,186,483
		<u>654,715,345</u>	<u>355,186,483</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	754,724	-
Less: Depreciation		136,669	-
Net Block		618,055	-
Capital Work In Progress (Including Advances)		542,145,785	-
		<u>542,763,840</u>	-
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	4	612,038	-
Cash and Bank Balances		149,740,897	150,005,000
Other Current Assets		542,898	-
Loans & Advances		72,934,183	201,195,200
		<u>223,830,016</u>	<u>351,200,200</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	5	115,356,481	47,336
Provisions		129,366	-
		<u>115,485,847</u>	<u>47,336</u>
NET CURRENT ASSETS			
		<u>108,344,169</u>	<u>351,152,864</u>
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)			
Preliminary Expenses	6	1,729,120	1,932,160
Pre-Operative Expenses		-	2,101,459
PROFIT AND LOSS ACCOUNT			
Significant Accounting Policies	11	1,878,216	-
Notes on Accounts	12		
		<u>654,715,345</u>	<u>355,186,483</u>
Schedules 1 to 12 form an integral part of the accounts		-	-

As per our report of even date
 for Khanna Gulati & Associates
 Chartered Accountants

Rakesh Mehrotra
 Chairman

Suresh Kumar
 Director

Suman Lata
 Company Secretary

Rohit Khanna
 Partner
 M.No: 084878

Place: New Delhi
 Date: 14-06-2007



FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

Profit & Loss for the Period Ended 31st March, 2007

(Amount in Rs.)			
	SCHEDULE	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006
INCOME			
Sales		47,554,427	-
Other Income	7	1,520,991	-
TOTAL		49,075,418	-
EXPENDITURE			
Cost of Sales	8	42,889,698	-
Employees Remuneration & Benefits	9	3,762,241	-
Administrative & Other Expenses	10	3,465,584	-
Depreciation		136,669	-
Preliminary Expenses Written Off		553,040	-
TOTAL		50,807,232	-
Profit/(Loss) before Tax		(1,731,814)	-
Less: Provision for Taxation			
Fringe Benefit Tax		146,402	-
Profit/(Loss) after Tax		(1,878,216)	-
Balance brought forward		-	-
Balance Carried to Balance Sheet		(1,878,216)	-
Basic and Diluted earning/(Loss) per share of Rs.10/- each (in Rs.)		(0.05)	-
(Note No:5 of Schedule 12)			

Schedules 1 to 12 form an integral part of the accounts.

As per our report of even date

for **Khanna Gulati & Associates**
 Chartered Accountants

Rakesh Mehrotra
 Chairman

Suresh Kumar
 Director

Suman Lata
 Company Secretary

Rohit Khanna
 Partner
 M.No: 084878

Place: New Delhi
 Date: 14-06-2007



FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

Schedules forming part of the accounts

SCHEDULE 1 : SHARE CAPITAL

(Amount in Rs.)		
	AS AT 31.03.2007	AS AT 31.03.2006
AUTHORIZED	350,000,000	350,000,000
3,50,00,000 (Previous year 3,50,00,000) Equity Shares of Rs.10/- each		
ISSUED, SUBSCRIBED & PAIDUP	350,000,000	350,000,000
3,50,00,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 3,50,00,000)		
TOTAL	350,000,000	350,000,000

FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 2 : SECURED & UNSECURED LOANS

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
SECURED LOAN		
Loans and Advances from Bank (Includes Interest accrued and due of Rs.13,15,345/-) (Previous Year Nil) (Secured against first charge on the present and future fixed assets (movable and immovable) of the Company and second charge on the present and future current assets of the Company.)	304,715,345	-
UNSECURED LOAN	-	5,186,483
Loans and Advances from Corporate (Holding Company, Container Corporation of India Ltd.)		
TOTAL	304,715,345	5,186,483

FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 3 : FIXED ASSETS

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2006	Additions during the Year	Sale/ Adjustment	As at 31.03.2007	As at 01.04.2006	For the Year	Sale/ Adjustment	Up to 31.03.2007	As at 31.03.2007	As at 31.03.2006
Tangible Assets										
Office Equipments	-	177,591	-	177,591	-	33,039	-	33,039	144,552	-
Computer	-	461,310	-	461,310	-	16,676	-	16,676	444,634	-
Furniture & Fittings	-	115,823	-	115,823	-	86,954	-	86,954	28,869	-
Total	-	754,724	-	754,724	-	136,669	-	136,669	618,055	-
CAPITAL WORK IN PROGRESS * (Including Capital Advances of Rs.28,466,134/- (Previous Year - Nil))									542,145,785	-
Grand Total	-	754,724	-	754,724	-	136,669	-	136,669	542,763,840	-
Previous Year	-	-	-	-	-	-	-	-	-	-

* Refer Note No. 2 of Schedule 12



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 4 : CURRENT ASSETS, LOANS AND ADVANCES

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
INVENTORIES		
(As taken, valued & certified by the Management)		
Packing Materials	612,038	-
TOTAL	612,038	-
CASH AND BANK BALANCES		
Cheques in Hand	3,671	-
Balance with Scheduled Banks		
- Current Accounts	29,037,226	150,005,000
- Deposit Accounts*	120,700,000	-
TOTAL	149,740,897	150,005,000
* Pledged with Sales Tax Authorities of Rs.2,00,000 (Previous Year - Rs. NIL)		
OTHER CURRENT ASSETS		
Interest accrued on deposits, loans and advances	542,898	-
TOTAL	542,898	-
LOANS AND ADVANCES		
(Unsecured and considered good)		
Advances recover-able in cash or in kind or for value to be received	403,826	200,000,000
Fixed Deposits with Corporate	67,500,000	-
Security Deposits with		
- Govt Authorities	4,375,450	1,195,200
- Others	319,770	-
Tax Deducted at Source	335,137	-
TOTAL	72,934,183	201,195,200



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 5 : CURRENT LIABILITIES AND PROVISIONS

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
CURRENT LIABILITIES		
Sundry Creditors		
- Small Scale Industrial Undertaking	-	-
- Others*	105,324,775	-
Other Liabilities	10,031,706	47,336
TOTAL	115,356,481	47,336
* Includes Sundry Creditors for Capital Expenditure of Rs.1,05,283,797 (Previous Year - Rs. NIL)		
PROVISIONS		
Retirement Benefit	112,078	-
Fringe benefit tax	17,288	-
(Net of Advance Fringe Benefit Tax of Rs.1,29,114)		
(Previous Year - Rs. NIL)		
TOTAL	129,366	-



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 6 : MISCELLANEOUS EXPENDITURE

	(Amount in Rs.)	
	AS AT 31.03.2007	AS AT 31.03.2006
Preliminary Expenses		
Opening Balance	1,932,160	-
Add: Incurred during the year	350,000	2,415,200
Less: Written Off during the year (1/5th)	553,040	483,040
TOTAL	1,729,120	1,932,160
Pre - Operative Expenses		
Opening Balance	2,101,459	2,101,459
Less: transferred to Capital work in progress	2,101,459	-
TOTAL	-	2,101,459

FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 7 : OTHER INCOME

	(Amount in Rs.)	
	AS AT 31.03.2007	AS AT 31.03.2006
Interest earned on :		
- Short Term Deposits with Scheduled Banks (TDS Rs.2,23,485/-)	1,097,660	-
- Short Term Deposit with Financial Institutions (TDS Rs.94,524/-)	421,233	-
Miscellaneous Income	2,098	-
TOTAL	1,520,991	-



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 8 : COST OF SALES

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
Cost of Sales		
Opening Stock (A)		
Fresh Fruits	-	-
Packing Material	-	-
	-	-
Add: Purchases (B)		
Fresh Fruits	35,536,830	-
Packing Material	1,047,110	-
	36,583,940	-
Less: Closing Stock (C)		
Fresh Fruits	-	-
Packing Material	612,038	-
	612,038	-
Net (A+B-C)	35,971,902	-
Freight Expenses	3,149,747	-
Supervision Expenses	805,285	-
APMC Fees	335,690	-
Marketing Expenses	1,839,523	-
Storage Expenses	560,378	-
Handling/Labour Charges	227,173	-
TOTAL	42,889,698	-

FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 9 : EMPLOYEES REMUNERATION AND BENEFITS

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
Salary, Allowances & Other Employee Benefits	3,078,060	-
Contribution to PF & FPF	239,283	-
Rent for Leased Accommodation (Net)	247,973	-
Employees Welfare & Medical	117,055	-
Gratuity	77,820	-
Training Expenses	2,050	-
TOTAL	3,762,241	-



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 10 : ADMINISTRATIVE & OTHER EXPENSES

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
Auditors Remuneration		
- Audit Fee	39,284	-
- Tax Audit Fee	16,836	-
Advertisement	58,312	-
Bank Charges	45,572	-
Books & Periodicals	15,883	-
Electricity	21,930	-
Insurance	63,043	-
Legal & Professional Fee	415,984	-
Miscellaneous Expenses	172,070	-
Office Expenses	103,564	-
Communication	197,614	-
Printing & Stationery	104,797	-
Rent	751,739	-
Repair & Maintenance - Building	153,656	-
Traveling & Conveyance	727,533	-
Vehicle Running & Maintenance	577,767	-
TOTAL	3,465,584	-



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

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

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 capitalization where final bills/claims are to be received or passed, the capitalization is based on engineering estimates. Final adjustments for cost and depreciation are made retrospectively in the year of ascertainment of actual cost and finalization 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 capitalized.

Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use, advances paid to acquire/ construction of fixed assets, direct costs, related incidental expenses (including cost of borrowed funds for acquisition/construction) incurred during construction of the assets till the assets are capitalized.

3. Borrowing Cost

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 assets is one that necessarily takes substantial period of time to get ready for intended use.

4. Inventories

Inventories are valued at cost or realizable value which ever is lower.

5. Depreciation

Depreciation is provided on the 'Straight-Line Method' at the rate and in the manner provided in Schedule XIV of The Companies Act, 1956.

6. Impairment of Assets

An asset is said to be impaired when the carrying amount of asset is more than the recoverable value of the asset. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired.

7. Retirement Benefits

Gratuity liability to employees is provided for on accrual basis based on valuation done by an independent actuary as at the Balance Sheet date.

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

8. Revenue Recognition

Sales

Revenue from Sale of Goods is recognized when the significant risk and reward of ownership of goods are transferred to the customer and no significant uncertainty as to its determination or realization exists.

Other Income

Revenue is recognized on accrual basis.



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

9. Taxes on Income

- Provision for current tax is made as per the applicable provisions of the Income Tax Act, 1961.
- Deferred tax is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable Income and accounting income that originate in one period and are capable of reversal in one or more subsequent years.
- Provision for Fringe Benefit Tax is made as per the applicable provisions of the Income Tax Act, 1961.

10. Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized in respect of obligations where, based on the evidence available, their existence on the Balance Sheet date is considered probable.

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

Contingent assets are not recognized in the accounts.

11. Preliminary Expenses

Preliminary expenses are amortized over a period of five years.

12. Leases

Lease rentals are expensed with reference to lease terms.

FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

SCHEDULE 12 : NOTES ON ACCOUNTS

- Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances).

	(Amount in Rs.)	
	2006-07	2005-06
Cold Chain Plant at Rai	12,18,12,726	Nil
1. b) Contingent Liabilities not provided for in respect of Bank Guarantee	2,00,000	Nil
2. Pending capitalization and allocation amount spent on account of construction/acquisition of assets for Controlled Atmosphere Unit (CA Unit) at Rai has been shown under Capital work In Progress (including advances). The break up is as under:		
	2006-07	2005-06
Capital Expenditure	50,74,27,968	Nil
Interest on Borrowed Funds	18,01,889	Nil
Expenses Incurred during Construction including Pre-operative Expenses	44,49,794	Nil
Advance Payments	2,84,66,134	Nil
Total	54,21,45,785	Nil

- Sales have been accounted for based on the consignment note and the invoice received from the marketing associates.

4. Related party Disclosure

Related party disclosure as required under accounting standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

a) **Relationship:**

i) **Parties whose Control Exists**

Holding Company - Container Corporation of India Ltd.

ii) **Key Management Personnel**

Rakesh Mehrotra	Chairman
Suresh Kumar	Director
Anil Kumar Gupta	Director
Harpreet Singh	Director

b) **The following transactions were carried out with related party in the ordinary course of business.**

	(Amount in Rs.) 31/03/2007	(Amount in Rs.) 31/03/2006
i) Parties Whose Control exists (Holding Company)		
Investment in Equity	-	35,00,00,000
Expenses to be reimbursed	-	51,86,483
ii) Key Management Personnel	NIL	NIL
Balances at the end of the year		
Parties whose Control exists (Holding Company)	NIL	NIL
Expenses to be reimbursed	NIL	NIL

Note: Technical and Managerial Support has been provided for and paid by the Holding Company.



FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

5. **Earning Per Share**

	31/03/2007	31/03/2006
Profit / (Loss) after Taxation as per Profit & Loss Account	Rs.(18,78,216)	NIL
Weighted Average No. of Equity Share outstanding	3,50,00,000	3,50,00,000
Basic and Diluted Earning/(Loss) Per Share	Rs.(0.05)	NIL

6. Pending issuance of Notification u/s 441A of the Companies Act, 1956, no provision has been made towards Cess on turnover.

	2006-07	2005-06
Expenditure in foreign currency Traveling	Rs.50,761	Nil

8. Additional information required as per part II of Schedule VI of the Company Act, 1956 regarding purchase, sale and stock.

Class of Goods	Opening Stock		Purchase		Sales		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Fruits (In Boxes)	NIL	NIL	52838	35536830	52835	47072340	NIL	NIL
CFB Cartons (In Numbers)	NIL	NIL	41580	1047110	16181	482087	24799	612038

Note: Difference in quantities is due to normal wastage and internal consumption.

9. As per AS-19 amount charged to Profit & Loss Account in respect of Operating lease for office and staff is Rs.9,99,712 which is net of recovery of Rs.8386.

10. Since the company has started its operation in the current financial year, previous year figures have been indicated, where ever applicable. The figures have been rounded off to the nearest rupees.

11. The company is trading in fresh fruits. All the activities of the company revolve around this business and all the operations are in India. As such there is no other reportable segment defined by Accounting Standard (AS) 17 related to segment reporting.

12. During the year, the Company had no employee drawing remuneration equal to or more than the limits prescribed under the Companies (Particulars of Employees) Rules, 1975.

13. During the year, provision for current tax is not made as the company is under tax holiday as per Section 80-IB of the Income Tax Act, 1961.

14. During the year under review, no treatment for deferred tax assets (net of deferred tax liability) under prudence policy has been given in the books of accounts.

FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

15. **Balance Sheet Abstract and Company's General Profile**

(IN TERMS OF AMENDMENT TO SCHEDULE VI PART IV)

I. **Registration Details**

Registration No	U51909DL2006PLC145734		
STATE CODE:	55		
Balance Sheet Date	31	03	2007
	Date	Month	Year

II. **Capital Raised during the year (Rs. in Lacs)**

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. **Position of Mobilization and Deployment of Funds**

	(Rs. in Lacs)
Total Liabilities	Total Assets
7702.01	7702.01
Sources of Funds	
Paid up Capital	Reserves & Surplus
3500.00	Nil
Secured Loan	Unsecured Loan
3047.15	Nil
Current Liabilities	Deferred Tax Liabilities
1154.86	Nil
Application of Funds	
Net Fixed Assets	Investments
5427.64	Nil
Current Assets	Misc. Expenditure
2238.30	17.29
Accumulated Loss	
18.78	

IV. **Performance of the Company**

	(Rs. in Lacs)
Turnover (Including Other Income)	Total Expenditure
490.75	508.07
Profit/(Loss) Before Tax	Profit/(Loss) after Tax
(17.32)	(18.78)

V. **Generic Names of Principal Product (As per monetary terms)**

Product Description Apples

"SIGNATURES TO SCHEDULE 1 TO 12"

As per our separate report attached for **Khanna Gulati & Associates** Chartered Accountants

Rakesh Mehrotra
 Chairman
 Place: New Delhi
 Date : 14-06-2007

Suresh Kumar
 Director

Suman Lata
 Company Secretary

Rohit Khanna
 Partner



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

Auditors' Report

To the Members of

Fresh and Healthy Enterprises Limited

1. We have audited the attached Balance Sheet of **Fresh and Healthy Enterprises Limited** as at 31st March 2007, the Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. 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.
2. We 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.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further, we 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 comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. 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.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said 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 the accounting principles generally accepted in India :
 - i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007; and
 - ii) In case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - iii) In case of the cash flow statement, of the cash flows for the year ended on that date.

for **Khanna Gulati & Associates**
Chartered Accountants

(Rohit Khanna)
Partner
M. No. 84878

Place : New Delhi
Dated : 14-06-2007



FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

Annexure

Re: Fresh & Healthy Enterprises Limited

Referred to in paragraph 3 of our Report of even date.

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) The Fixed Assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed of by the Company during the year.
- ii) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) a) As informed, the Company has not granted any loan to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such clause 4(iii) (a) to 4 (ii) (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
b) The Company has taken an unsecured loan from one Company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs.51.86 Lakhs and the year-ended balance of loan taken from such party was Rs.NIL.
c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima Facie, prejudicial to the interest of the company.
d) The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- iv) In our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- v) a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained in section 301 of the Act have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly paragraph 4(vi) of the order is not applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the Company.
- ix) a) According to the records of the Company, the Company has been generally regular in depositing the undisputed statutory dues except tax deducted at source and work contract tax with the appropriate authorities.

Further, since the Central Government has till date not prescribed the amount of Cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.



FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, and excise duty were in arrears, as at 31st March 2007 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty, which have not been deposited on account of any dispute.
- x) In our opinion, the accumulated losses of the Company are not more than 50% of its net worth. Further the company has incurred cash losses during the financial year covered by our audit and no such loss was incurred in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other Securities.
- xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its associates or subsidiaries from bank or financial institutions.
- xvi) In our opinion, the term loans have been applied for the purpose for which they are raised.
- xvii) According to the information and explanations given to us, the Company and on overall examination of the Balance Sheet of the company, we report that the no funds raised on a short-term basis which have been used for long-term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- xx) During the period covered by our Audit Report, the Company has not raised any money by public issues. Therefore, the provisions of clause (xx) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- xxi) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the informations and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

for **Khanna Gulati & Associates**
 Chartered Accountants

(Rohit Khanna)
 Partner
 M. No. 84878

Place : New Delhi
 Dated : 14-06-2007



FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

Cash Flow Statement for the Year Ended 31st March, 2007

	(Amount in Rs.)	
	For the year ended 31.03.2007	For the year ended 31.03.2006
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(Loss) before tax and extraordinary items	(1,731,814)	-
Adjustments for :		
Depreciation	136,669	-
Interest earned	(1,518,893)	-
Preliminary Expenses Written off	553,040	-
Operating profit before Working Capital changes	<u>(2,560,998)</u>	<u>-</u>
Adjustments for :		
Trade & other receivables	127,718,119	(201,195,200)
Inventories	(612,038)	-
Trade Payables & Provisions	<u>115,421,223</u>	<u>47,336</u>
Cash flow from operating activities	<u>239,966,306</u>	<u>(201,147,864)</u>
Less : Fringe Benefit Tax Paid	129,114	-
Net Cash flow from operating activities	<u>239,837,192</u>	<u>(201,147,864)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Share Capital	-	350,000,000
Preliminary Expenses	(350,000)	(1,932,160)
Preoperative Expenses	2,101,459	(2,101,459)
Purchase of Fixed Assets	(754,724)	-
Interest Received	1,518,893	-
Capital Work in progress/Advances	<u>(542,145,785)</u>	<u>-</u>
Net Cash from /(Used) in Investing Activities	<u>(539,630,157)</u>	<u>345,966,381</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	299,528,862	5,186,483
Net Cash from/(Used) in Financing Activities	<u>299,528,862</u>	<u>5,186,483</u>
Net Increase / (decrease) in Cash and Cash Equivalents	<u>(264,103)</u>	<u>150,005,000</u>
Opening Cash and Cash Equivalents	150,005,000	-
Closing Cash and Cash Equivalents	<u>149,740,897</u>	<u>150,005,000</u>
Net increase / (decrease) as per Books	<u>(264,103)</u>	<u>150,005,000</u>

for **Khanna Gulati & Associates**
 Chartered Accountants

Rakesh Mehrotra
 Chairman

Suresh Kumar
 Director

Suman Lata
 Company Secretary

Rohit Khanna
 Partner
 M.No: 084878

Place: New Delhi
 Date: 14-06-2007



FRESH & HEALTHY ENTERPRISES LIMITED
 (A Wholly Owned Subsidiary of CONCOR)

Comments

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF FRESH AND HEALTHY ENTERPRISES LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2007.

The preparation of financial statements of Fresh and Healthy Enterprises Limited for the year ended 31 March 2007 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor general of India under section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their audit report dated 14.06.2007.

I on behalf of the comptroller and Auditor General of India have decided not to review the report of the statutory auditors' on the accounts of Fresh and Healthy Enterprises Limited for the year ended 31 March 2007 and as such have no comments to make under section 619 (4) of the Companies Act, 1956.

For and on the behalf of the
 Comptroller and Auditor General of India

(Meera Swarup)

Principal Director of Commercial Audit and
 ex-officio Member Audit Board- III, New Delhi

Place: New Delhi
 Date: 22-06-2007



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet as at 31st March, 2007

			(Rs. in Crore)
SCHEDULE			AS AT
			31.03.2007
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	64.99	
Reserves & Surplus	2	<u>2,564.65</u>	2,629.64
LOAN FUNDS			
Secured Loan	3		30.47
Unsecured Loan			
DEFERRED TAX LIABILITIES (NET OF ASSETS)			<u>161.31</u>
TOTAL			<u>2,821.42</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	2,025.40	
Less: Depreciation/Amortisation		<u>473.82</u>	
Net Block		1,551.58	
Capital Works in progress (including advances)		<u>257.04</u>	1,808.62
INVESTMENTS			
5			
CURRENT ASSETS, LOANS & ADVANCES			
6			
(A) Current Assets		1,113.36	
(B) Loans & Advances		<u>271.02</u>	1,384.38
LESS : CURRENT LIABILITIES & PROVISIONS			
7			
(A) Current Liabilities		377.96	
(B) Provisions		<u>90.49</u>	468.45
NET CURRENT ASSETS			915.93
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Preliminary Expenses	11		0.17
Significant Accounting Policies			
12			
Notes on Accounts			
13			
TOTAL			<u>2,821.42</u>
Schedules 1 to 13 form an integral part of the accounts			

Ravi Khandelwal
 ED (Accounts) & Company Secretary

Suresh Kumar
 Director (Finance)

Rakesh Mehrotra
 Managing Director

As per our report of even date
 for **Hingorani M. & Co.**
 Chartered Accountants

Date: 25-07-07
 Place: New Delhi

Pardeep Kumar
 Partner



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Profit & Loss Account for the Period Ended 31st March, 2007

		(Rs. in Crore)
	SCHEDULE	YEAR ENDED 31.03.2007
INCOME		
Income from Operations		3,042.05
Other income	8	84.75
TOTAL		<u>3,126.80</u>
EXPENDITURE		
Terminal and Other Service Charges		2,033.48
Employees Remuneration & Benefits	9	36.80
Administrative & Other Expenses	10	80.78
Interest		-
Depreciation/Amortisation		93.60
Preliminary Expenses Written Off		0.06
TOTAL		<u>2,244.72</u>
PROFIT BEFORE TAX		882.08
PROVISION FOR TAX		
Current Tax	167.87	
Deferred Tax	17.47	
Fringe Benefit Tax	<u>0.85</u>	186.19
PROFIT AFTER TAX		695.89
Add/(Less): Prior period adjustments (Net)		(0.35)
Add/(Less): Tax adjustments for earlier years (Net)		8.09
NET PROFIT		<u>703.63</u>
APPROPRIATIONS		
Interim Dividend Paid		71.49
Proposed Final Dividend		71.49
Corporate Dividend Tax		22.18
Transfer to General Reserve		70.38
Balance carried to Balance Sheet		468.09
		<u>703.63</u>
Basic and Diluted earning per share of Rs. 10/- each (Rs.) (Note No. 15, Schedule 13)		108.26

Schedules 1 to 13 form an integral part of the accounts

Ravi Khandelwal
ED (Accounts) & Company Secretary

Suresh Kumar
Director (Finance)

Rakesh Mehrotra
Managing Director

As per our report of even date
For **Hingorani M. & Co.**
Chartered Accountants
Pardeep Kumar
Partner

Date: 25-07-07
Place: New Delhi



CONSOLIDATED FINANCIAL STATEMENTS

Schedules

SCHEDULE 1 : SHARE CAPITAL

		(Rs. in Crore)
		AS AT 31.03.2007
AUTHORISED		
10,00,00,000 Equity Shares of Rs. 10/- each		<u>100.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
6,49,91,397 Equity shares of Rs.10/- each fully paid-up		64.99
TOTAL		<u>64.99</u>



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 2 : RESERVES & SURPLUS

	(Rs. in Crore)	
	AS AT 31.03.2007	
GENERAL RESERVE		
Opening Balance	220.97	
Add: Transfer from Profit & Loss Account	<u>70.38</u>	291.35
PROFIT AND LOSS ACCOUNT		
Opening Balance	1,805.21	
Addition during the Year	<u>468.09</u>	2,273.30
TOTAL		<u>2,564.65</u>

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 3 : SECURED & UNSECURED LOAN

	(Rs. in Crore)
	AS AT 31.03.2007
SECURED LOAN	
Loans and Advances from Bank	
(Including Interest Accrued and due of Rs. 0.13 crore, (Prev. year Nil)	
(Secured against first charge on the present and future fixed assets (movable and immovable) of the Company and second charge on the present and future current assets of the Company)	30.47
TOTAL	<u>30.47</u>



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 4 : FIXED ASSETS

(Rs. in Crore)

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2006	Additions during the Year	Sale/ Adjustment	As at 31.03.2007	As at 01.04.2006	For the Year	On Sale/ Adjustment	Up to 31.03.2007	As at 31.03.2007
Tangible Assets									
Freehold Land	12.18	0.00	0.00	12.18	0.00	0.00	0.00	0.00	12.18
Leasehold Land	102.47	0.00	0.00	102.47	6.44	2.10	0.00	8.54	93.93
Buildings	426.59	33.65	0.45	459.79	68.65	15.00	0.27	83.38	376.41
Railway Siding	37.54	3.22	0.09	40.67	8.06	1.85	0.09	9.82	30.85
Plant & Machinery	987.80	187.07	0.01	1174.86	216.48	56.66	-0.04	273.18	901.68
Containers	48.05	0.00	0.00	48.05	17.90	2.28	0.00	20.18	27.87
Electrical Fittings	37.71	1.33	0.07	38.97	18.07	2.91	0.08	20.90	18.07
Computers	36.04	4.57	0.66	39.95	18.60	5.21	0.58	23.23	16.72
Furniture & Fixtures	8.01	0.39	0.00	8.40	3.80	0.52	0.00	4.32	4.08
Office Equipment	5.21	0.42	0.10	5.53	1.70	0.27	0.04	1.93	3.60
Telephone Systems	1.38	0.09	0.01	1.46	0.49	0.07	0.01	0.55	0.91
Air Conditioner	4.86	0.12	0.06	4.92	0.66	0.23	0.02	0.87	4.05
Vehicles	0.56	0.04	0.00	0.60	0.40	0.05	0.00	0.45	0.15
Capital Expenditure *	23.25	-0.02	0.44	22.79	15.37	3.65	0.43	18.59	4.20
Sub-total	1731.65	230.88	1.89	1960.64	376.62	90.80	1.48	465.94	1494.70
Intangible Assets									
Software	11.96	2.80	0.00	14.76	4.81	2.48	0.00	7.29	7.47
Registration Fee	50.00	0.00	0.00	50.00	0.27	0.32	0.00	0.59	49.41
Sub-total	61.96	2.80	0.00	64.76	5.08	2.80	0.00	7.88	56.88
Total	1793.61	233.68	1.89	2025.40	381.70	93.60	1.48	473.82	1551.58
Capital Work-in-Progress (including Advances of Rs. 146.04 Crore)									257.04
Grand Total									1808.62



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 5 : INVESTMENTS

(Rs. in Crore)

		AS AT 31.03.2007
LONG TERM INVESTMENTS (AT COST)		
TRADE INVESTMENTS (UNQUOTED)		
I. In Business Arrangements		
	-With Hindustan Aeronautics Ltd. and Mysore Sales International Ltd. by the name of "Joint Working Group - Air Cargo Complex".	0.87
	-With Hindustan Aeronautics Ltd. by the name of "HALCON".	3.19
		<u>4.06</u>
II. In Shares of Joint Ventures		
2,580,095 (P.Y. 2,580,095)	Equity shares of Rs.10/- each fully paid up in Star Track Terminals Pvt. Ltd.	2.58
2,940,000 (P.Y. 2,940,000)	Equity shares of Rs.10/- each fully paid up in Albatross CFS Pvt. Ltd.	2.94
2,443,630 (P.Y. 2,443,630)	Equity shares of Rs.10/- each fully paid up in Trident Terminals Pvt. Ltd.	2.44
75,244,000 (P.Y. 75,244,000)	Equity shares of Rs. 10/- each fully paid up in Gateway Terminals India Pvt. Ltd.	75.25
1,425,900 (P.Y. 1,425,900)	Equity shares of Rs.10/- each fully paid up in CMA-CGM Logistic Park (Dadri) Pvt. Ltd.	1.42
7,500,000 (P.Y. 7,500,000)	Equity shares of Rs. 10/- each fully paid up in India Gateway Terminal Pvt. Ltd.	7.50
5,000 (P.Y. Nil)	Equity shares of Rs. 10/- each in Integrated Infra Log Pvt. Ltd.	0.01
		<u>92.14</u>
III. In Shares of Foreign Joint Venture		
80,000 (P.Y. 80,000)	Equity shares of Nepalese Rupiah 100/- (Equivalent INR 62.50) each fully paid up in Himalayan Terminals Pvt. Ltd., Nepal	0.50
		<u>0.50</u>
TOTAL		<u>96.70</u>



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 6 : CURRENT ASSETS, LOANS AND ADVANCES

(Rs. in Crore)

	AS AT 31.03.2007	
A. CURRENT ASSETS		
INVENTORIES		
(As taken, valued & certified by the Management)		
Stores & Spare Parts (At Cost) (Note No. 11, Schedule 13)	4.87	
Packing material	0.06	
Less: Provision for Obsolete Stores	<u>0.26</u>	<u>4.67</u>
		<u>4.67</u>
SUNDRY DEBTORS		
Outstanding for period exceeding six months		
Unsecured Considered good	2.05	
Unsecured Considered doubtful	<u>0.85</u>	
	2.90	
Less: Provision for doubtful debts	<u>0.85</u>	2.05
Others		
Unsecured Considered good		<u>7.85</u>
		<u>9.90</u>
CASH AND BANK BALANCES		
Cash in hand (Including Imprest)		0.34
Cheques in hand		16.11
Remittance in transit		0.05
Balance with Scheduled Banks		
- in Current Accounts	64.59	
- in Term Deposits	<u>996.48</u>	<u>1,061.07</u>
		<u>1,077.57</u>
OTHER CURRENT ASSETS		
Interest accrued on deposits, loans and advances		21.22
TOTAL CURRENT ASSETS - A		<u>1113.36</u>
B. LOANS AND ADVANCES		
LOANS TO EMPLOYEES (Secured)		8.70
LOANS TO OTHERS (Unsecured)		0.80
ADVANCES (Unsecured)		
Recoverable in cash or in kind or for value to be received	83.95	
Less : Provision for doubtful advances	<u>0.09</u>	83.86
DEPOSITS (Unsecured)		
- Govt. Authorities		2.67
- Others	0.68	
Less : Provision for doubtful deposits	<u>0.03</u>	0.65
ADVANCE INCOME TAX/TDS (NET OF PROVISIONS)		174.34
TOTAL LOANS AND ADVANCES - B		<u>271.02</u>
TOTAL (A + B)		<u>1384.38</u>



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 7 : CURRENT LIABILITIES AND PROVISIONS

(Rs. in Crore)

	AS AT 31.03.2007	
A. CURRENT LIABILITIES		
Sundry Creditors		
- Small Scale Industrial Undertakings	0.29	
- Others	<u>152.97</u>	153.26
Advances / Deposits from Customers		76.21
Unclaimed Dividend (*)		0.06
Book Overdraft		111.35
Others		<u>37.08</u>
TOTAL CURRENT LIABILITIES - A		<u>377.96</u>
B. PROVISIONS		
Proposed Final Dividend	71.49	
Corporate Dividend Tax	12.15	
Employee Retirement Benefits	<u>6.85</u>	90.49
TOTAL PROVISIONS - B		<u>90.49</u>
TOTAL (A + B)		<u>468.45</u>

(*) During the year an amount of Rs.61,258/- has been deposited in the Investor Education and Protection Fund.



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 8 : OTHER INCOME

	(Rs. in Crore)
	YEAR ENDED 31.03.2007
Interest earned on :	
-Short Term I.C.D's/Bank Deposits (TDS Rs.13.39 Crore)	59.35
-Loans to Employees	0.42
-Loan to IRWO (TDS Rs. 0.02 Crore)	0.08
Excess provision written back	2.74
Miscellaneous Income	11.37
Share in Profit of Business Arrangement (Note no. 10, Schedule 13)	10.79
TOTAL	84.75

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 9 : EMPLOYEES REMUNERATION AND BENEFITS

	(Rs. in Crore)
	YEAR ENDED 31.03.2007
Salary, Allowances & Other Employee Benefits	28.11
Contribution to PF, FPF, ESI & Labour welfare fund	2.11
Rent for Leased Accomodation (Net)	1.44
Employee Welfare & Medical	4.22
Gratuity	0.80
Staff Training	0.12
TOTAL	36.80



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 10 : ADMINISTRATIVE & OTHER EXPENSES

	(Rs. in Crore)	
	YEAR ENDED 31.03.2007	
Printing & Stationery		2.37
Travelling and Conveyance (Including Directors' Travelling Rs. 0.26 Crore)		7.71
Rent and Licence fee for office building		2.14
Power & Fuel		15.06
Consumption of Stores & Spares		2.08
Repairs & Maintenance :		
-Buildings	4.11	
-Plant & Machinery	1.96	
-Others	9.51	15.58
Security Expenses		16.43
Vehicle Running & Maintenance Expenses		0.10
Business Development		0.92
Postage, Telephone & Internet		4.79
Books & Periodicals		0.28
Bank Charges		0.25
Legal & Professional Charges		3.50
Insurance		1.24
Fees & Subscriptions		0.09
Advertisement		2.12
Auditors' Remuneration		
-Audit Fee	0.09	
-Tax Audit Fee	0.01	
-Other Services	0.05	
-Out of Pocket	0.04	0.19
Rates & Taxes		3.18
Donations		0.48
Miscellaneous Expenses		2.02
Fixed Assets written off		0.12
Investment written off		-
Provision for :		
Doubtful Debts		0.08
Obsolete Assets		0.05
TOTAL		80.78



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 11 : MISCELLANEOUS EXPENDITURE

	(Rs. in Crore)
	AS AT 31.03.07
A. Preliminary Expenses	
Opening Balance	0.19
Add: Incurred during the year	0.04
Less: Written Off during the year (1/5th)	0.06
SUB TOTAL	0.17
B. Pre-Operative Expenses	
Opening Balance	0.21
Less : Transferred to Capital work in progress	0.21
SUB TOTAL	-
TOTAL	0.17



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 12: SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention & Concepts:

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with the applicable mandatory Accounting Standards and relevant presentation 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:

- 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.
- 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.
- 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.

3. Intangible Assets:

i) Software:

Expenditure on computer software which is not an integral part of hardware is capitalised as an intangible asset. The cost of software includes license fee and implementation cost and is capitalised in the year of its implementation. Software is amortized over five years.

ii) Registration Fee:

The registration fee paid to Ministry of Railway (MOR) for approval for movement of container trains on Indian Railways is capitalized as an Intangible Asset. The registration fee is amortized over a period of 20 years.

4. 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.



CONSOLIDATED FINANCIAL STATEMENTS

5. Investments:

- Long term investments are stated at cost. A provision for diminution in value is made to recognise a decline other than temporary in nature.
- Current investments are stated at lower of cost or fair value.

6. Inventories:

- Stores and spare parts are valued at cost on weighted average basis. Provision for obsolescence is made, whenever required (CONCOR)
- Inventories are valued at cost or realizable value whichever is lower (FHEL).

7. Depreciation/Amortization:

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

8. Impairment of Assets:

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

9. Retirement Benefits:

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



CONSOLIDATED FINANCIAL STATEMENTS

10. Foreign Currency Transactions:

- i) Income & Expenditure denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
- ii) Loans, Current liabilities and Current assets in foreign currencies are translated at the exchange rate prevailing at the end of financial year.
- iii) 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.

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

- a) 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 (CONCOR).
- b) Revenue from Sale of Goods is recognized when the significant risk and reward of ownership of goods are transferred to the customer and no significant uncertainty as to its determination or realization exists (FHEL).

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

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

13. Taxes on Income:

- i) Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.
- ii) 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' issued by the Institute of Chartered Accountants of India.

14. Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognised in respect of obligations where, based on the evidence available, their existence on the Balance Sheet date is considered probable.

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

Contingent assets are not recognized in the accounts.

15. Preliminary Expenses

Preliminary expenses are amortized over a period of five years (FHEL).



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 13: NOTES ON ACCOUNTS

1. Basis of Consolidation :

The consolidated financial statements relate to the Container Corporation of India Limited (CONCOR) and its wholly owned subsidiary Fresh and Healthy Enterprises Limited (FHEL), incorporated in India. CONCOR's investments in Joint Ventures (JVs) are for strategic purpose. It does not have control over economic and operating activities of the JVs, but has only protective rights as per the JV Agreement. In view of this, CONCOR's interests in the JVs have not been considered in preparation of consolidated financial statements.

a) Basis of Accounting:

- (i) The financial statements of the subsidiary company in the consolidation are drawn up to the same reporting date as that of CONCOR.
- (ii) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21-'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and generally accepted accounting principles.

b) Principles of consolidation:

The financial statements of the CONCOR and its subsidiary are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra group transactions and unrealised profits or losses, if any.

- c) The detailed accounting policies and notes on accounts of CONCOR and FHEL are separately stated in their respective stand alone financial statements and only the notes which are of material nature have been stated in the consolidated financial statements.
- d) For certain items, CONCOR and its subsidiary have followed different accounting policies. However, the impact of the same is not material.
- e) CONCOR is preparing the consolidated financial statement for the first time. Accordingly, comparative previous year figures have not been given.
- f) Unless otherwise stated, the figures are in rupees crores.

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

	(Rs. crore)
a) In relation to joint ventures	96.18
b) Others	362.37

3. Contingent liabilities not provided for :

a) Outstanding Letters of Credit & bank guarantees	16.89
b) Bank guarantee/bid bond for joint ventures/subsidiary	192.19



CONSOLIDATED FINANCIAL STATEMENTS

- c) Claims against the Company not acknowledged as debt, net of advances/payments under protest, arbitration, court orders, etc. [include claims of Rs. 374.39 crore pending in arbitration/ courts pursuant to arbitration awards] **543.51**

Contingent liabilities are disclosed to the extent of claims received and include an amount of Rs.5.13 crore which may be reimbursable to the company. Any interest demand on the basic claim is not considered where legal cases are pending, as the claim itself is not certain. No provision has been made for the contingent liabilities stated at (c) above, as on the basis of information available, careful evaluation of facts and past experience of legal aspects of the matters involved, it is not probable that an outflow of future economic benefits will take place.

4. Gross Block of Land and Buildings includes Assets valuing Rs. 17.16 Crore in respect of which sale/lease deeds are yet to be executed.
5. The Company has executed "Custodian cum Carrier Bonds" of Rs. 19,123.60 crore in favour of Customs Department under the Customs Act, 1962. These bonds are of continuing nature, for which claims may be lodged by the Custom Authorities.
6. a) As in earlier years, the provision for tax for the year is after considering tax deduction of Rs.112.59 crore under section 80IA of the Income Tax Act, 1961 in respect of Rail system & ICDs.
 b) As per assessment orders under section 143(3) of the Income Tax Act, 1961, the Income Tax department disallowed certain claims of the company, mainly deduction under section 80IA in respect of Rail system and Inland Container Depots (ICDs) for the assessment years 2003-04, 2004-05 & 2005-06 and raised demands of tax and interest amounting to Rs.21.23 crore, Rs.43.81 crore & Rs.42.03 crore respectively. The company filed appeals before the Commissioner of Income Tax (Appeals) against the said assessment orders. During the year, appeal for the AY2003-04 has been decided by CIT(A) in which certain claims including claim u/s 80IA in respect of Rail System have been allowed. For claim u/s 80IA in respect of ICDs, an appeal to Income Tax Appellate Tribunal (ITAT) has been filed.
7. As per the policy issued by the Ministry of Railways, Government of India, for movement of Container trains on Indian Railways, the company paid Rs.50 crore during FY2005-06 towards Registration fee for a period of 20 years. Ministry of Railways vide letter No.2002/TT-III/15/39, dated 21.02.2006 issued the 'In Principle Approval' to the company. Accordingly, the registration fee was capitalized as an Intangible Asset and an amount of Rs.0.27 crore was amortized on pro-rata basis from the date of the said letter. However, concession agreement with Railways has been signed on 04.01.2007. As per this agreement, the date of commencement of concession period would be the date of execution of the agreement. Therefore, the date of capitalisation of registration fee as well as the date of start of amortization has been changed to 04.01.2007.
8. Balances of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (including Indian Railways), etc. are subject to confirmation/reconciliation.



CONSOLIDATED FINANCIAL STATEMENTS

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

	(Rs. in crore)
	As at 31-03-2007
Building	5.97
Railway Siding	11.30
Plant & Machinery	3.04
Electrical Fittings	2.36
Furniture	0.03
Others	0.09
Total	22.79

10. As per the tripartite business arrangement of the company with Hindustan Aeronautics Ltd. and Mysore Sales International Ltd. for operating air cargo complex at Bangalore (JWG-ACC), an amount of Rs.10.79 crore being company's share in the profit of the entity for the year ended 31st March, 2007 has been accounted for under other income.
11. Stores & spare parts include items amounting to Rs.1.16 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.
12. **Segment Information as per 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.



CONSOLIDATED FINANCIAL STATEMENTS

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

(Rs. in crore)

Particulars	EXIM	Domestic	Un-allocable	Total
REVENUE				
Segment Revenue	2,445.01	592.28	4.76	3,042.05
RESULT				
Segment Result	725.92	101.67	-0.32	827.27
Corporate Expenses	-	-	29.94	29.94
Operating Profit	-	-	-	797.33
Interest Expenses	-	-	-	0
Interest & other Income	-	-	84.75	84.75
Income Taxes	-	-	186.19	186.19
Prior Period Adjustments (Net)	-	-	-0.35	-0.35
Tax adjustments for earlier years (Net)	-	-	8.09	8.09
Net Profit	-	-	-	703.63
OTHER INFORMATION				
Segment Assets	1,417.25	347.46	-	1,764.71
Unallocated Corporate Assets	-	-	1,525.16	1,525.16
Total Assets	-	-	-	3,289.87
Segment Liabilities	286.04	50.34	-	336.38
Unallocated Corporate Liabilities	-	-	2,953.49	2,953.49
Total Liabilities	-	-	-	3,289.87
Capital Expenditure	211.96	20.34	1.38	233.68
Depreciation	71.92	17.86	3.82	93.6
Non cash expenses other than depreciation	0.32	0.09	0.02	0.43

Note: (i) Prior period adjustments have not been allocated to any segment.
 (ii) The figures of FHEL have been considered as un-allocable for the purpose of segmentation.

(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.



CONSOLIDATED FINANCIAL STATEMENTS

13. Related Party Disclosures as per Accounting Standard-18:

a) Key Management Personnel: Directors of the Company

Related Party	Nature of Transaction (excl. Reimbursable)	
	Remuneration Paid including perks	Loans and advances receivable
Managing Director	10.13	3.40
Other Directors	39.38	10.26

b) Joint Ventures:

- Star Track Terminals Pvt. Ltd.
- Trident Terminals Pvt. Ltd.
- Albatross CFS Pvt. Ltd.
- Gateway Terminals India Pvt. Ltd.
- JWG-Air Cargo Complex (a business arrangement)
- Himalayan Terminals Pvt. Ltd.
- CMA-CGM Logistics Park (Dadri) Pvt. Ltd.
- HALCON (a business arrangement)
- India Gateway Terminal Pvt. Ltd.
- Integrated Infra log Pvt. Ltd.

c) Wholly owned Subsidiary: Fresh And Healthy Enterprises Ltd.

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

	(Rs. in lakh)
	Joint ventures
Rent, Maintenance charges and interest income received/receivable	145.58
Security Deposit received-balance	123.12
Current assets, loans & advances	0.61
Investment (Net) made during the year	231.21
Share in the income received/receivable	1078.95
Current Liabilities	-



CONSOLIDATED FINANCIAL STATEMENTS

14. Leases - Accounting Standard 19:

i) In respect of assets taken on lease/rent:	(Rs.in crore)
(a) The future Minimum lease Payments under non- cancellable operating leases entered into on or after 1st April, 2001 are:	
(i) Not later than one year	9.14
(ii) Later than one year and not later than 5 years	4.18
(b) Lease payments recognized in the accounts are Rs.19.48 crore .	
(c) Sub lease recoveries recognized in the accounts are Rs.0.15 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:	
Gross Carrying amount (Buildings & warehouses)	26.21
Accumulated Depreciation	2.30
Depreciation during the year	0.39

15. Earning per share (EPS): The calculation of EPS as per Accounting Standard (AS)-20 is as under:

Profit after tax, prior period adjustments & tax adjustments for earlier years as per Profit and Loss Account (Rs. in crore)	703.63
Weighted average number of equity shares of face value Rs.10/- each	64,991,397
Basic and diluted earning per share (in rupees)	108.26

16. Accounting for taxes on income - Accounting Standard-22:

Components of Deferred Tax Assets and Liabilities:	(Rs in crore)
i. Deferred Tax Liabilities:	
Difference between book and tax depreciation	167.17
ii. Deferred tax assets:	
Expenditure disallowable u/s 43B	4.85
Provision for doubtful advances/ debts	0.34
Others	0.67
	<u>5.86</u>
iii. Net deferred tax liability [i-ii]	<u>161.31</u>



CONSOLIDATED FINANCIAL STATEMENTS

17. 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 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 Maersk A/S, Copenhagen for third berth at JN Port, Mumbai.	India	26
*JWG-Air Cargo Complex: A business arrangement with Hindustan Aeronautics Ltd. and Mysore Sales International Ltd. for air cargo business at Bangalore.	India	33.33
*Himalayan Terminals Pvt. Ltd.: A joint venture with Nepalese Enterprises (Interstate Multimodal Transport Pvt. Ltd. of Nepal & Nepal Transit & Warehouse Co. Ltd.) for management and operation of rail container terminal at Birgunj (Nepal).	Nepal	40
*CMA-CGM Logistics Park (Dadri) Pvt. Ltd.: A joint venture with CMA-CGM Global India Pvt. Ltd. (CCGIPL) for CFS at Dadri,UP.	India	49
*HALCON: A business arrangement with Hindustan Aeronautics Ltd. for operating an air cargo complex & ICD at Ozar airport, Nasik.	India	50
*India Gateway Terminal Pvt. Ltd.: A joint venture with Dubai Port International (DPI) for setting up and managing Container Terminals at Cochin.	India	15
#Integrated Infra Log Pvt. Ltd.: A joint Venture with IL&FS infrastructure Development Corporation Ltd. to carry on the business of establishing, acquiring, developing, managing & maintaining logistic infrastructure, etc.	India	50

#Investment made during the year



CONSOLIDATED FINANCIAL STATEMENTS

b) During the year, the company has entered into agreements with the following parties for setting up JV companies. However, no investment has been made upto 31st March, 2007.

Name of Party	Proposed shareholding (%)
1. Gateway Rail Freight Private Ltd.	49
2. Reliance Logistics Private Ltd.	49

c) Company's share of assets, liabilities, income, expenditure, contingent liabilities & capital commitments in the Joint ventures is as follows:

(Rs. in lakh)

	Assets	Liabilities	Income	Expenditure	Contingent liability & capital commitment
Star Track Terminal Pvt. Ltd.	886.58	849.65	922.18	834.70	344.87
Trident Terminals Pvt. Ltd.	862.92	685.84	237.00	302.42	245.10
Albatross CFS Pvt. Ltd.	1006.23	759.70	562.10	607.19	245.36
*Gateway Terminals India Pvt. Ltd.	24,829.89	19,991.66	2,149.66	3,428.57	20,436.60
JWG-Air Cargo Complex	950.47	692.16	1339.41	260.46	-
Himalayan Terminals Pvt. Ltd	36.67	156.49	154.62	203.78	-
CMA -CGM Logistics Park (Dadri) Pvt. Ltd.	595.86	485.06	7.10	41.13	-
HALCON	316.22	1.85	0.82	4.17	-
India Gateway Terminal Pvt. Ltd.	1,528.46	1,284.45	1,161.41	1,252.68	2,131.90

*The figures for current year are for the twelve months ended 31st December, 2006.

In the above statement :

-Current year figures, to the extent available are un-audited (provisional), except for "JWG-Air Cargo Complex".

18. In the opinion of the management, during the year there are no indications that impairment of any asset has taken place. Accordingly, no provision for impairment of assets is required as per AS 28.



CONSOLIDATED FINANCIAL STATEMENTS

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

(Rs. in crore)

	Property tax	Salary arrears & PLI	Rent to Railway	Gratuity & Leave encashment
Opening balance	6.03	2.47	0.63	4.83
Addition during the year	2.49	3.88	1.06	2.69
Amount used /incurred	0.10	2.42	0.04	0.79
Unused amount reversed during the year	-	0.03	-	-
Closing Balance	8.42	3.90	1.65	6.73

The above provisions are in the nature of statutory liabilities and liabilities on account of terms of employment, etc. The timing of payment for the same would be: salary arrears & PLI (productivity linked incentive) - as and when paid, gratuity- in accordance with payment of gratuity Act, leave encashment- as per company's policy, property tax and rent to railways- normally on demand. There is a certainty about these payments in future and no reimbursement is expected against any of the above.

Ravi Khandelwal
ED (Accounts) & Company Secretary

Suresh Kumar
Director (Finance)

Rakesh Mehrotra
Managing Director

As per our report of even date
For **Hingorani M. & Co.**
Chartered Accountants

Date: 25-07-07
Place: New Delhi

Pardeep Kumar
Partner



CONSOLIDATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

(PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)

(Rs. in Crore)

	2006-2007
A CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit Before Tax and Extraordinary Items	882.08
Adjustment for :-	
Depreciation/Amortisation	93.60
Interest & Dividend Income	(70.64)
Provision for obsolete assets	0.05
Provision for doubtful debts	0.08
Preliminary exps.	0.06
Fixed assets written off	0.12
Loss on Sale of fixed Assets	0.19
Operating Profit Before Working Capital Changes	905.54
Adjustment for :-	
Trade & Other Receivables	(11.05)
Inventories	0.06
Trade Payable & Provisions	83.86
Cash Generated from Operations	978.41
Prior Period Adjustments	(0.35)
Direct Taxes paid	(225.34)
Net Cash from Operating Activities (A)	752.72
B CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(233.68)
Sale of Fixed Assets	0.01
Capital Work-in-Progress/advances	(91.29)
Purchase of Investment	(2.32)
Interest, Dividend & Other Income	70.64
Advances/loans - Joint Ventures (net)	1.01
Net Cash used in Investing Activities (B)	(255.63)
C CASH FLOW FROM FINANCING ACTIVITIES	
Dividend paid (including tax on dividend)	(140.81)
Proceeds of Long Term Loan	29.95
Net Cash from Financing Activities (C)	(110.86)
Net Change in Cash & Cash Equivalents (A+B+C)	386.23
OPENING BALANCE OF CASH & CASH EQUIVALENTS	691.34
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,077.57

(RAVI KHANDELWAL)
ED(A/C)&COMPANY SECRETARY

(SURESH KUMAR)
DIRECTOR (FINANCE)

(RAKESH MEHROTRA)
MANAGING DIRECTOR

As per our report of even date
For **Hingorani M. & Co.**
Chartered Accountants

DATE : 25-07-07
PLACE: NEW DELHI

(Pardeep Kumar)
Partner



CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Report

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF CONTAINER CORPORATION OF INDIA LTD ON CONSOLIDATED FINANCIAL STATEMENTS OF CONTAINER CORPORATION OF INDIA LTD., AND ITS SUBSIDIARY.

We have examined the attached Consolidated Balance Sheet of Container Corporation of India Ltd. and its subsidiary as at 31st March 2007 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on the date annexed thereto. 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 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.
- We did not audit the financial statements of subsidiary namely Fresh & Healthy Enterprises Ltd., whose financial statements reflect total assets of Rs. 65.47 Crore as at March 31, 2007 and total revenue of Rs. 4.91 Crore and net cash flows of Rs. 0.03 Crore for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
- We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
- Attention is drawn to Note No. 6 of Schedule 13. The Company has made provision for Income Tax for the year after considering tax deduction of Rs. 112.59 crore under section 80IA of the Income Tax Act, 1961 in respect of new Inland Container Depots (ICDs) (Rs.26.41 crore) and Rail System (Rs.86.18 crore). The income tax department disallowed the deduction claimed by the company u/s 80IA in earlier years. However, in appeal for the Assessment Year 2003-04, the Commissioner of Income Tax (Appeals) has allowed the deduction u/s 80IA in respect of rail system and for deduction in respect of ICDs, the company has filed appeal before the Income Tax Appellate Tribunal (ITAT).
- We report that:
 - Sale/Lease Deeds in respect of Land & Buildings valuing Rs. 17.16 Crore are yet to be executed in favour of the company (Note no.4,Schedule 13).
 - Balances of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (including Indian Railways) have not been confirmed/reconciled. (Note no. 8, Schedule 13).
 - We are unable to comment on the shortfall, if any, in the value of non-moving stock of stores & spare parts. (Note no.11, Schedule 13).



CONSOLIDATED FINANCIAL STATEMENTS

6. We further report that on the basis of information and explanations given to us and on the consideration of separate audit reports on individual audited financial statements of the Company and its subsidiary, and subject to our observations in paragraphs 5 above, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- a. in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Company as at 31st March, 2007;
 - b. in the case of Consolidated Profit & Loss Account, of the consolidated profit for the year ended on that date; and
 - c. in the case of Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For **Hingorani M. & Co.**

Chartered Accountants

(Pardeep Kumar)
Partner
M. No. 085630

Date : 25-07-2007
Place : New Delhi

Proxy Form

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* Regd. Folio No.....

Client ID*

I/Weof.....

.....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 19TH ANNUAL
GENERAL MEETING to be held on Wednesday, 22nd August, 2007 at 3:30 p.m. or any adjournment thereof.

Signed thisday of2007

Affix Re. 1
Revenue
Stamp

* Applicable for investors holding shares in electronic form.

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.



Attendance Slip

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* Regd. Folio No.

Client Id*

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held :

I hereby record my presence at the **19TH ANNUAL GENERAL MEETING** of the Company held on Wednesday, 22nd August, 2007 at Stein Auditorium, Habitat World, India Habitat Centre, Gate No. 3, Lodhi Road, New Delhi - 110003.

(Signature of the Member or proxy)

* Applicable for investors holding shares in electronic form.



ECS

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 @ 220% i.e. Rs. 22/- per share (inclusive of interim dividend @ 110%, already paid) for the financial year 2006-07, subject to approval by the shareholders at the Annual General Meeting. The Register of Members will be closed during the period 10th August, 2007 to 22nd August, 2007 (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)

Executive Director (Accounts) &
Company Secretary

Place: New Delhi
Date: 17-07-2007



ECS Mandate Form

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

Electronic Clearing Service Mandate Form

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

Dear Sir,

Subject : ECS Mandate for Dividend Payment

Folio No. :/Client ID: DP ID:

This is in response to the letter dated 17-07-2007 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.

First Shareholder's Name: Shri /Smt/Kum./M/s. _____

FirstShareholder's Address: _____

_____ Pin Code _____

Particulars of bank:

Bank Name _____

Branch _____

(Name&Address&TelephoneNo.) _____

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.

(Sole / First shareholder)

Place: _____ (Signature should be as per the specimen sign.)

Date: _____ recorded with Container Corp. of India Ltd.)

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 :



Offices

CONTAINER CORPORATION OF INDIA LIMITED

CONCOR Bhawan, C-3, Mathura Road,
 Opposite Apollo Hospital, New Delhi-110076.
 Ph. No.41673093, 94, 95 & 96 Fax : 011-41673112
 Email : concor.co@concorindia.com
 Website. www.concorindia.com

REGIONAL OFFICES

CENTRAL REGION

Container Corporation of India Ltd.
 BPCL Building, 1st floor, 7 Chitnavis Marg,
 Near Nation Fire Service College, Civil Lines,
 Nagpur-440001
 Phones : 0712-2540406,2540551
 Fax no. : 0712-2554485
 E-mail: cr.ro@concorindia.com

EASTERN REGION

Container Corporation of India Ltd. IISCO House
 6st floor, 50, Jahawarlal 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

NORTHERN CENTRAL REGION

Container Corporation of India Ltd.
 502,5th floor, P-5, Ocean Plaza, Sector-18
 Noida- 201301(UP)
 Telephone : 0120-4058300
 Fax : 0120-2516310
 E-mail : ncr.cgm@concorindia.com

NORTHERN WESTERN REGION

Container Corporation of India Ltd.
 509,5th floor, ATMA House, Opp.: Old RBI Bldg.,
 Ashram Road, Ahmedabad-380009
 Phones : 079-26581807
 Fax : 079-26581808
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SOUTHERN REGION

Container Corporation of India Ltd.
 No.51, Montieth Road, First Floor, Egmore,
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SOUTH CENTRAL REGION

Container Corporation of India Ltd.
 No.602, 6th floor, Navketan Building,
 Opp.Clock Tower, S.D. Road,
 Secunderabad-500003
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 RLY NO. 88109 & 88378
 Fax : 040-27800346
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WESTERN REGION

Container Corporation of India Ltd.
 5th floor, New Administrative Bldg.,
 Central Railway, D.N.Road, Fort,
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