



Delivering horizontally
Growing vertically

Annual Report 2007-08



CONTAINER CORPORATION OF INDIA LTD.
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Container Corporation of India Limited

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10 Years Performance at A Glance - Financial & Physical

Financial

Description	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Paid Up Capital	64.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99	64.99
Reserves & Surplus	407.36	542.77	711.43	844.32	1036.52	1312.25	1633.77	2026.18	2564.84	3181.93
Capital Employed (Net Fixed Assets + Working Capital + Investment)	424.58	559.53	723.88	956.75	1115.62	1391.35	1684.86	2069.47	2588.31	3185.52
Net Worth	472.35	607.76	776.42	909.31	1101.51	1377.24	1698.76	2091.17	2629.83	3183.92
(Paid Up capital + Reserves - Preliminary expenses to the extent not written off)										
Fixed Assets (Gross Block)	352.78	457.57	605.00	752.65	982.50	1198.79	1538.62	1793.61	2025.33	2244.24
Income from Operations	684.77	831.42	1075.92	1286.46	1483.44	1764.43	1995.12	2426.30	3057.34	3347.30
Other Income	31.59	33.46	34.00	48.95	50.40	42.97	48.21	62.86	84.60	164.47
Total Income	716.36	864.88	1109.92	1335.41	1533.84	1807.40	2043.33	2489.16	3141.94	3511.77
Gross Profit	220.26	287.89	356.29	422.64	474.74	554.00	676.22	753.39	975.83	1054.84
Depreciation	12.27	22.62	27.27	33.47	43.94	55.28	66.62	83.26	93.58	106.34
Net Profit Before Tax	207.99	265.27	329.02	389.17	430.80	498.72	609.60	670.13	882.25	948.50
Provision for Taxation	66.51	90.00	112.25	139.31	160.25	142.45	180.73	146.47	186.17	197.98
Net Profit	140.66	177.59	216.65	249.48	272.85	367.59	428.60	525.80	703.82	752.21
Dividend	29.24	35.75	43.54	64.99	71.48	81.24	94.23	116.98	142.98	168.98
Earning Per Share (in Rs.)	21.64	27.32	33.33	38.39	41.98	56.56	65.95	80.90	54.15	57.87
Physical (TEUs)*										
International										
Handling	576790	664490	753368	905058	1031925	1251618	1376516	1556714	1715661	1977399
Domestic Handling	225156	238661	291360	326775	351238	350501	351460	373848	389605	470370
Total	801946	903151	1044728	1231833	1383163	1602119	1727976	1930562	2105266	2447769

* Twenty foot equivalent units

Company Information

Board of Directors

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

Shri Rakesh Mehrotra
Managing Director

Shri Suresh Kumar
Director (Finance)

Shri Anil Kumar Gupta
Director (Domestic Division)

Shri Harpreet Singh
Director (Projects & Services)

Shri Yashvardhan
Director (Intl. Marketing & Opn.)

Shri S.K. Das
Director

Shri S. Balachandran
Director

Shri Janal Shah
Director

Shri V. Sanjeevi
Director

Shri T.R. Doongaji
Director

Shri Ravi Khandelwal
Executive Director
(Accounts & Company Secretary)

Statutory Auditors

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

Branch Auditors

M/s. Ghosh & Pande., Kolkata
M/s. Kalyanasundaram & Co., Chennai
M/s Sanghvi & Associates, Ahmedabad
M/s P. Parikh & Associates, Mumbai

Bankers

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

Registrars & Share Transfer Agent

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

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



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Notice

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

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

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

Ordinary Business :-

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

- To receive, consider and adopt the Balance Sheet as at 31st March, 2008, Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
- To confirm the payment of Interim dividend and to declare dividend on equity shares for the financial year ended 31st March, 2008.
- To appoint a Director in place of Shri V.N. Malhur who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Shri Rakesh Mehrotra, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Shri Harpreet Singh, who retires by rotation and being eligible, offers himself for reappointment.
- To take note of the appointment of M/s. Hingorani M. & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution:
"RESOLVED that the appointment of M/s. Hingorani M. & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2007-08 in terms of the order no. CA. V/COY/CENTRAL GOVT., CCL(5)/234 dated 06.08.2007 of C & AG of India, be and is hereby noted."

SPECIAL BUSINESS :-

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

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

By order of Board of
Container Corporation of India Limited

Date : 7th July, 2008
Place : New Delhi

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



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Notes

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and proxy need not be a Member.
- (b) The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
- (c) The Register of Members and Share Transfer Books will remain close from 14th August to 25th August, 2008 (both days inclusive).
- (d) Members holding shares in Physical form are requested to notify immediately change in their address & Bank account details to the Registrar and Share Transfer Agent of the Company by quoting their folio numbers and those in demat mode, to their Depository Participant.
- (e) Dividend on Equity shares as recommended by the Directors for the year ended on 31st March, 2008 when declared at the Meeting, will be paid:
- (f) to those Members whose names appear in the Register of Members of the Company, after giving effect to all valid Share Transfers in Physical form lodged with the Company and its Registrar on or before 13th August, 2008.
- (g) in respect of Shares held in electronic form, to those 'deemed members' whose names appear on the Statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 13th August, 2008.
- (h) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends for the financial year ended 31st March, 2001 and thereafter, which remains unclaimed for a period of seven years from the date of transfer of the same will be transferred to Investor Education and Protection fund established by Central Government. Shareholders who have not encashed their dividend warrant (s) so far for the financial year ended 31st March, 2001 or any subsequent financial years are requested to make their claim to the Company or Registrar and Share Transfer Agents, M/s. Alankrit Assignments Ltd.

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

Item No. 7

The Government of India has appointed Shri S.K. Das as Director of the Company w.e.f. 01.10.2007 in terms of Railway Board's order no. 2004/PL/S/1/3 dated 01.10.2007.

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

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

None of the Directors except Shri S.K. Das, is concerned or interested in the resolution.

Item No. 8

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

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

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

None of the Directors except Shri Yash Vardhan, is concerned or interested in the resolution.

Item No. 9

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

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

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

None of the Directors except Shri S. Balachandran, is concerned or interested in the resolution.

Item No.10

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

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

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

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

Item No.11

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

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

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

None of the Directors except Shri Janat Shah, is concerned or interested in the resolution.

By order of Board of
Container Corporation of India Limited
(RAVI KHANDELWAL)
Executive Director (A/cs) & Company Secretary

Date : 7th July, 2008
Place : New Delhi



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Directors' Report

To the shareholders

Your directors are pleased to present their report on the business and operations of your company for the financial year ending March 31, 2008.

Financial Results

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

*After considering bonus issue of shares after 31.03.2008

Issue of Bonus Shares & Dividend

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

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

Financial Highlights

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



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Operational Performance

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

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

Capital Structure

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

Listing and Dematerialization of CONCOR's Shares

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

To facilitate dematerialization of shares by its shareholders, CONCOR has signed agreements with both the Depositories (NSDL & CDSL). As per SEBI guidelines, CONCOR's shares have been placed under 'Compulsory Demat Mode'. Out of 2,39,91,496 shares listed on the Stock Exchange, 2,39,89,403 shares were in Demat mode as on 31st March, 2008.

Capital Expenditure

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

Terminal Network Expansion

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

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

High Speed Wagons

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

Containers

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

Container Handling Equipment

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

Information Technology

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



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

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

Standardisation/ Certifications:

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

Joint Ventures/ Strategic Alliances:

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

Human Resource Management

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

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

Industrial Relations

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

Honours for your Company

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

Foreign Exchange Earnings

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

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



Presidential Directives Received from the Government

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

Rajbhasha

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

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

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

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

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

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

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

Vigilance

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

A sum of Rs. 1.3 Crores was recovered from various contractors/customers during the financial year. In addition, 10 improvements in procedures and systems were recommended to various functional divisions, on the basis of experience gained through preventive examination and other investigations. The system improvements have been adopted and implemented resulting into improved physical and financial performance in various terminals.

The vigilance Awareness Week was celebrated in the Corporate Office as well as in Regional Offices by undertaking various activities. Thirteen training programmes, one workshop and two interactive sessions were organized in different regions in order to create awareness about various aspects of vigilance.

Particulars of Energy Conservation, Technology Absorption etc.

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

Directors' Responsibility Statement

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

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

- (ii) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2008 on a 'going concern' basis.

Particulars of Employees

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

Auditors

M/s. Hingorani M & Co., Chartered Accountants, New Delhi, were appointed as Company's Statutory Auditors for the financial year 2007-08. The Board of Directors of the Company fixed an audit fee of Statutory Auditors of Rs. 3.50 lakhs (service tax extra).

Board of Directors

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

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

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

- Shri V.N. Mathur, Part-time Chairman;
- Shri Rakesh Mehrotra, Managing Director;
- Shri Suresh Kumar, Director (Finance);
- Shri Anil Kumar Gupta, Director (Domestic Div);
- Shri Harpreet Singh, Director (Projects & Services);
- Shri Yash Vardhan, Director (Intl. Mktg. & Ops.);
- Shri S.K. Das, Director
- Shri S. Balachandran, Director
- Shri Janal Shah, Director
- Shri V. Sanjeevi, Director
- Shri T.R. Doongaji, Director.

Retirement of Directors by Rotation

In terms of provisions of the Companies Act, 1956, Shri Rakesh Mehrotra, Shri V.N. Mathur and Shri Harpreet Singh, Directors are liable to retire by rotation and being eligible, offer themselves for reappointment.

Code of Conduct

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

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of Code of Conduct for the financial year ended on March 31, 2008.

Conclusion

Your Company acknowledges the commitment and dedication of all the employees, the support and understanding extended by the Indian Railways, Customs, Ports and above all the customers who have continued to patronize the services provided by your Company.

For and on behalf of the Board of Directors

Dated : 12.06.2008
Place : New Delhi.

(V. N. Mathur)
Chairman

Addendum to the Directors' Report 2007-08

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

Points in the Auditors' Report	Auditors' Qualification	Reply of the Management
Point 3(i) of Auditors report	Sale/Lease Deeds in respect of Land & Buildings valuing Rs.15.51 Crore are yet to be executed in favour of the company (Note no. 2, Schedule 3).	Sale deeds in respect of flats valuing Rs. 2.59 crores purchased from Tamilnadu Housing Board at Anna Nagar, West Chennai have already been executed in Nov 2007. The issue of lease/sale deed for remaining assets of Rs.12.92 crores are being pursued with the concerned authorities.
Point 3(ii) of Auditors report	Balances of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (including Indian Railways) have not been confirmed/reconciled. (Note no. 13, Schedule 11)	The balances have already been reconciled as per our books of accounts. Confirmation/reconciliation of these balances with outside parties is being done whenever required as an ongoing process.
Point 3(iii) of Auditors report	We are unable to comment on the shortfall, if any, in the value of non-moving stock of stores & spare parts. (Note no. 21, schedule 11).	As per the accounting policy of the Company, inventories have been valued at cost on weighted average basis. The items of inventory under reference by their very nature are essentially required to be kept and are fit for their intended use. As such, there is no shortfall in their value.
Point no. (ix)(a) of the annexure to the auditors report	The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, Employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, the undisputed amounts payable in respect of outstanding statutory dues that were in arrears, as at 31st March 2008 for a period of more than six months from the date they became payable are given below: NORTHERN REGION -Name of the Statute: Customs Act, 1962 -Nature of dues: Customs Duty -Amount (Rs. in crore): 0.90 -Period to which the amount relates: Upto 2000-01 NORTHERN REGION -Name of the Statute: Customs Act, 1962 -Nature of dues: Customs Duty -Amount (Rs. in crore): 0.02 -Period to which the amount relates: 2002-03	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 Auditors' Report	Auditors' Qualification	Reply of the Management
	In addition the company has made provision for property tax payable in respect of its assets at various locations amounting to Rs.9.69 crore upto 31st March 2008, on estimated basis, pending commencement/completion of assessments by the appropriate authorities.	Taking a conservative view, provision for property tax has been done pending any demand or commencement/completion of assessments by the appropriate authorities.
Point no. (ix)(b) of the annexure to the auditors report	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 Statute/Authority: Finance Act, 1994 -Nature of dues: Service Tax -Amount (Rs. in crore): 0.01 -Period to which the amount relates: 1st May 2003 to 16th July 2003 -Name of the Statute/Authority: Finance Act, 1994 -Nature of dues: Service Tax -Amount (Rs. in crore): 0.01 -Period to which the amount relates: January 2004 to March 2004 -Name of the Statute/Authority: Sub-registrar, vadodara -Nature of dues: Additional stamp duty -Amount (Rs. in crore): 0.20 -Period to which the amount relates: 2003-04 -Name of the Statute/Authority: Delhi Value Added Tax, 2004 -Nature of dues: Penalty u/s 86(19) -Amount (Rs. in crore): 0.31 -Period to which the amount relates: 14th December 2005	This matter is in appeal with the concerned authorities. As per the orders of Appellate Authority, this matter has been referred to the concerned assessing Authority for re-assessment. 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.
Point no. (xiv) of the annexure to the Auditors report	In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities and other investments. The investments in the shares of joint venture & subsidiary companies are held by the company in its own name and are not traded. However, letters of allotment/Share Certificates in respect of investments in three joint venture companies costing Rs.12.97 Crore are not available with the company (Note to Schedule 4).	Subscription towards share capital of all three Joint Venture Companies (JVCs) amounting to Rs.12.97 crores was made only in the last quarter of FY 2007-08. As per requirements of company law, the share allotment will be done in the Board of Directors' meeting of JVCs which is likely to be held shortly.

Annexure to the Directors' Report

Corporate Governance

Corporate Philosophy

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

Board of Directors

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

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

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

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

The Composition of Directors, attendance at the Board Meetings during the year, the last Annual General Meeting, the number of other Directorships, Chairmanship and Committee memberships are given below.

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

Appointed w.e.f. 28.09.2007

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

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

§ Appointed as Independent Director w.e.f. 04.04.2008

Remuneration Committee & Policy

As a Government of India Undertaking, the Functional Directors are appointed by President of India through Ministry of Railways. Remuneration is drawn as per industrial dearness allowance (IDA) pay - scales and terms and conditions determined by the Government. The details of remuneration of Directors for the financial year 2007-08 is as under :-

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

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

Performance Criteria for Grant of Productivity Linked Scheme

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

Audit Committee

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

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

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

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

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

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

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

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

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

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

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The shareholders' / investors' grievance committee comprises:-

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

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

Shri Ravi Khandelwal, Executive Director (Accounts) & Company Secretary is the secretary of the Committee and also Compliance Officer in terms of Listing Agreement with the Stock Exchanges. No Investor Complaint was pending at the end of financial year 2007-08.

Share Transfer Committee & System

The Share Transfer Committee comprises:-

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

The trading and holding of shares is in 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 received during the financial year 2007-08 is pending

General Body Meetings

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

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

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

Disclosures

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

Means of Communication

Regarding Electronic means of communications, the Quarterly Un-audited financial results, shareholding pattern and Annual Report are uploaded on CONCOR website www.concorindia.co.in and these are updated based on information provided from time to time. Tenders of various Regions/ Departments are uploaded on the website and also on Government portal https://tenders.gov.in for giving wide publicity and ensuring transparency and wide publicity in tendering process.

General Shareholder Information

- (i) Number of Annual General Meeting: 20th AGM
Date: 25th August, 2008
Time: 15:00 Hrs.
Venue: Stein Auditorium, Habitat world, India Habitat Centre, Gate No. 3, Lodhi Road, New Delhi – 110003
- (ii) Financial Calendar
1st quarter financial results (un-audited): Within one month of close of quarter.
2nd quarter financial results (un-audited): Within one month of close of quarter.
Limited Review Report for quarterly financial results (un-audited): Within two months of close of quarter.
3rd quarter financial results (un-audited): Within one month of close of quarter.
4th quarter financial results (un-audited): Within one month of close of quarter.
Approval and authentication of annual accounts by Board of Directors: Before end of June, 2008
Adoption of audited Annual Accounts by Shareholders: Before end of September, 2008
- (iii) Date of Book Closure: 14th August, 2008 to 25th August, 2008 (both days inclusive)
- (iv) Dividend Payment Date: Within 30 days of declaration at AGM
- (v) Listing on Stock Exchanges: (a) The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street Fort, Mumbai – 400001.
(b) National Stock Exchange of India Ltd., "Exchange Plaza" Bandra - Kurla Complex, Bandra (E), Mumbai – 400051.
- (vi) Stock Code: NSE: CONCOR, BSE: CONCOR
- (vii) Market Price Data

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



भारतीय कंटेनर निगम लिमिटेड
CONCOR CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

(vii) Stock Exchange Index

Month	NSE		BSE	
	High	Low	High	Low
April'07	4217.90	3617.00	14383.72	12424.52
May'07	4306.75	3981.15	14576.37	13562.95
June'07	4362.95	4100.80	14683.36	13946.99
July'07	4647.95	4304.00	15868.85	14638.88
Aug.'07	4532.90	4002.20	15542.40	13779.88
Sept.'07	5055.80	4445.55	17361.47	15323.05
Oct., '07	5976.00	5000.95	20238.16	17144.58
Nov.'07	6011.95	5394.35	20204.21	18182.83
Dec. '07	6185.40	5676.70	20498.11	18886.40
Jan. '08	6357.10	4448.50	21206.77	15332.42
Feb.'08	5545.20	4803.60	18895.34	16457.74
March'08	5222.80	4468.55	17227.56	14677.24

(ix) Registrar and Share Transfer Agents
M/s Alankit Assignments Ltd.
RIA Division
2 E/8, First Floor,
Jhandewalan Extension,
New Delhi-110055.

(x) Distribution of Shareholding as on 31.03.2008

Particulars	No. of Shares	Percentage
(a) Government of India	4,09,99,901	63.08
(b) Banks, Financial Institutions, Insurance Companies	28,38,440	4.37
(c) Foreign Institutional Investors	1,81,24,316	27.89
(d) Mutual Funds and UTI	7,86,690	1.21
(e) Private Corporate Bodies	8,40,780	1.29
(f) Indian Public	12,99,072	2.00
(g) NRIs / OCBs	99,042	0.15
(h) Others	3,156	0.01
	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, 23989403 Shares were in demat mode as on 31.03.2008.

(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 31.03.2008.

(xiv) Address for Correspondence

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



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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 Other Committee Membership
Sh. V. N. Mathur	20.09.1948	11.04.2007	B.Sc., M.A. PG Diploma in Tpt & Dev	Intermodal & Freight Operations, Traffic costing, IT application, rail, marketing & planning	Two *	NIL
Sh. Rakesh Mehrotra	03.10.1949	15.06.2005	B.Sc. GRAD. I.MECH.E (LONDON) GRAD.I. PRODE.E (LONDON) A.M.I.ELECTE (LONDON)	Overall management of the Company	Three **	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	Four***	One@
Sh. Yash Vardhan	24.08.1956	28.09.2007	M.Sc. & M. Phil	Railway Operations Commercial, Safety and Planning, Setting up & management of container terminals	Two#	Nil
Shri S. K. Das	22.08.1959	01.10.2007	B.A., PGDM & MDM	Rail Transport Logistic	Nil	Nil
Shri S. Balachandran	27.08.1946	01.01.2008	B.Sc. Gold Medalist M.Sc. First Class	Planning Capital Budgeting, Financial appraisal, financial management, Derivative instruments and risk Management.	Nil	Nil
Shri Janat Shah	22.09.1958	01.01.2008	Fellow of Management from IIM, Ahmedabad (equivalent to Ph.D), B. Tech from IIT, Mumbai	Supply Chain Management	Nil	Nil
Shri V. Sanjeevi	16.06.1952	01.01.2008	B.E. (Chem) (Hons) PGDIE	Logistics & Supply Chain Management	One# #	One@#

Name of the Companies :

- * 1. Indian Railway Catering & Tourism Corporation Ltd. 2. Pipavav Railway Corporation Ltd.
- ** 1. Gateway Terminals India Pvt. Ltd. 2. Fresh & Healthy Enterprises Ltd. 3. Integrated Infra Log Pvt. Ltd.
- *** 1. Fresh & Healthy Enterprises Ltd. 2. India Gateway Terminals Pvt. LTD. 3. Integrated Infra Log Pvt. Ltd. 4. Infinite Logistics Solutions Pvt. Ltd.
- # 1. Conlainer Gateway Ltd. 2. Hind CONCOR Terminals (Dadr) Pvt. Ltd.
- # # 1. Hindustan Latex Ltd.
- @ 1. Member of Audit Committee of Infinite Logistics Pvt. Ltd.
- @# 1. Hindustan Latex Ltd.



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. Out of the 14 players, as many as seven have commenced their train services. While two out of these have an alliance with CONCOR and are operating their services from CONCOR terminals, the remaining five are operating from other facilities. While the operations of other entrants to the business started in a limited way by two operators in April, 2007 the number has now grown to seven and the volumes being transported by these operators have continuously grown with induction of new rakes. Some of the operators have also commenced their operations in Domestic sector as well by using the goods sheds/terminals of IR. Further, the emergence of number of new ports viz. Mundra, Pipavav, Vizag, Tuticorin, Vallarpadam & some minor ports in Gujrat will have a large effect on the hinterland movement of containers in the country. The hinterland penetration levels of the container traffic are bound to see a manifold increase.

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

With the sustained efforts of the Management and Staff of your Company, the performance achievements during the year under review on all the Performance Parameters vis-à-vis targets set in the Memorandum Of Understanding (MOU) signed with the Government have exceeded the "Excellent" targets. Thus, your Company will be in contention for another MOU Excellence Award even for the year 2007-08.

EXIM Business

EXIM traffic grew from 17,15,661 TEUs to 19,77,399 TEUs during the period under review, registering a growth of 15.26%. With more and more private operators running their own trains, a deceleration in EXIM growth rate for your Company is likely. It will be a challenging task to retain our share and grow. In order to attract more volumes, your company will continue to match and strive to surpass the services offered by other operators in terms of quality of services and pricing.



Domestic Business

For the year ended March 2008, the outward booking was 2,31,543 TEUs as compared to booking of 1,93,413 TEUs during the previous year 2006-07, i.e. an increase of 19.71%. Total handling was 4,70,370 TEUs during FY 2007-08 as compared to 3,89,605 TEUs handled during FY 2006-07, i.e. an increase of 20.73%.

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 ensured and the reports along with the compliances are put up to Audit Committee periodically.

Human Resource Management & Industrial Relations

Your company considers Human Resources as the key factor for the success and growth of the organization. CONCOR strives towards employee empowerment, growth and development of individuals by realizing their potential, encouraging innovative ideas and fair distribution of rewards. 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 1080 to 1134. Harmonious industrial relations in CONCOR are instrumental in providing inter-alia excellent logistics services to our customers. Industrial relations remained peaceful and no man-days were lost during the financial year.

Secured and Unsecured Loans

No secured and unsecured loans were taken during FY 2007-08.

Fixed Assets

Year ended March 31	2008	2007	(Rs. Crore)	
				%age Growth
Original Cost of Assets	2244.24	2025.33		10.80
Less Accumulated Depreciation	579.09	473.81		22.21
NET FIXED ASSETS	1665.15	1551.52		7.32

An amount to the tune of Rs. 220.63 crore was capitalized during the year. The main additions are on accounts of construction of Terminal Infrastructure, purchase of Wagons, Handling equipments etc.

Wagons

The total number of wagons deployed on all streams of traffic as on 31.03.2008 as follows:-

	Nos.	Owned/IR
- High Speed Wagons (BLC/BLI)	6722	Owned
- Container flats (BFKN)	1357	Owned
- Other Wagons	342	IR
Total	8421	

Inventories

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

Sundry Debtors

Sundry debtors are 0.41% 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 Company.

Income

Income from operations has grown by 9.48% over FY 2006-07. Between the two business segments i.e. EXIM & Domestic, EXIM contributes the major share of freight revenues. Increase in business volumes and successful induction and running of High Speed Wagons have been the main reasons for the company's growth.

Expenses

Terminal and other service expenses have grown by 12.97% over FY 2006-07. The growth in direct expenses in the current year is higher than the corresponding growth in operating income.

Administrative Expenses

The increase in administrative expenses is 9% over FY 2006-07.

Employee Remuneration

The employee cost has grown by 50.97% over FY 2006-07 which is on account of provision for likely salary revision due w.e.f. 01.01.2007 and on account of annual increments, promotion, increase in dearness allowance, provision for performance linked incentive (PLI) etc.

Taxation

In making income tax provision, the requirements of Accounting Standard 22 are being duly complied with. As detailed in the notes on accounts, this has resulted in a deferred tax provision of Rs. 12.58 Crore during the year. Like in the previous year, in the current year also, the company has availed tax benefit under section 80-IA of the Income Tax Act, 1961.

Outlook

While the year under review saw commencement of operations by other operators, your Company pursued and implemented strategies to successfully meet the challenges of competition. The Growth rates recorded in both the business segments surpassed earlier achievements and your Company grew at a much faster pace than ever before. The continued emphasis on improving the Customer Interface and Quality of Services resulted into an improved Customer Satisfaction Index (as established by Annual Survey carried out by Independent Outside Expert Agency), which improved from 78 % during previous year to 81 % during the year under review. Thus, your Company has been successful in creating and retaining its Brand Value in a Competitive Market.

While competition is bound to impact our market share (which was 100% for Rail share when we were the sole Operator), with the growing market size, your company is confident of maintaining a healthy growth in both the business segments. 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. Your Company will continue to evolve and follow proactive strategies including dynamic and flexible pricing policies to meet the challenges of competition effectively. Since quality of service is one of the key determinants for Customer Choice, your company is taking all the necessary steps to remain the Market Leader in terms of excellence in quality of service and providing Value for Money to its Customers. We are confident of continuing growth with profitability for your Company.

For and on behalf of the Board of Directors

Dated : 12.06.2008
Place : New Delhi.

(V. N. Mathur)
Chairman

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, 2008, 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. Consequent to the positioning of part-time non-official Directors (Independent) on the Board of CONCOR w.e.f. 01.01.2008 a regular Audit Committee was constituted. Prior to 01.01.2008, an adhoc Audit was functioning 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 : July 8, 2008

(Akhil Rohatgi)
Company Secretary in Practice



भारतीय कंटेनर निगम लिमिटेड
CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE	(Rs. in Crore)	
	AS AT 31.03.2008	AS AT 31.03.2007
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	64.99	64.99
Reserves & Surplus	<u>3,118.93</u>	<u>2,564.84</u>
DEFERRED TAX LIABILITY (NET OF DEFERRED TAX ASSET)	<u>173.68</u>	<u>161.31</u>
TOTAL	<u>3,357.60</u>	<u>2,791.14</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	2,244.24	2,025.33
Less: Depreciation/Amortisation	<u>579.09</u>	<u>473.81</u>
Net Block	<u>1,665.15</u>	<u>1,551.52</u>
Capital Works in progress (including advances)	<u>172.08</u>	<u>202.83</u>
INVESTMENTS	155.36	131.70
CURRENT ASSETS, LOANS & ADVANCES		
(A) Current Assets	1,601.87	1,098.27
(B) Loans & Advances	<u>300.24</u>	<u>263.73</u>
LESS : CURRENT LIABILITIES & PROVISIONS	<u>1,902.11</u>	<u>1,362.00</u>
(A) Current Liabilities	414.37	366.43
(B) Provisions	<u>122.73</u>	<u>90.48</u>
NET CURRENT ASSETS	<u>1,365.01</u>	<u>905.09</u>
Significant Accounting Policies	10	
Notes on Accounts	11	
TOTAL	<u>3,357.60</u>	<u>2,791.14</u>

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

Date : 12.06.2008
Place : New Delhi
PARDEEP KUMAR Partner



भारतीय कंटेनर निगम लिमिटेड
CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE	(Rs. in Crore)	
	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
INCOME		
Income from Operations	3,347.30	3,057.34
Other income	<u>164.47</u>	<u>84.60</u>
TOTAL	<u>3,511.77</u>	<u>3,141.94</u>
EXPENDITURE		
Terminal and Other Service Charges	2,292.39	2,029.19
Employees Remuneration & Benefits	<u>55.00</u>	<u>36.43</u>
Administrative & Other Expenses	<u>109.54</u>	<u>100.49</u>
Depreciation/Amortisation	<u>106.34</u>	<u>93.58</u>
TOTAL	<u>2,563.27</u>	<u>2,259.69</u>
PROFIT BEFORE TAX	<u>948.50</u>	<u>882.25</u>
PROVISION FOR TAX		
Current Tax	184.54	167.87
Deferred Tax	<u>12.58</u>	<u>17.47</u>
Fringe Benefit Tax	<u>0.86</u>	<u>0.83</u>
PROFIT AFTER TAX	<u>750.52</u>	<u>696.08</u>
Add/(Less): Prior period adjustments (Net)	<u>(0.20)</u>	<u>(0.35)</u>
Add/(Less): Tax adjustments for earlier years (Net)	<u>1.89</u>	<u>8.09</u>
NET PROFIT	<u>752.21</u>	<u>703.82</u>
APPROPRIATIONS		
Interim Dividend Paid	71.49	71.49
Proposed Final Dividend	<u>97.49</u>	<u>71.49</u>
Corporate Dividend Tax	<u>28.72</u>	<u>22.18</u>
Transfer to General Reserve	<u>75.22</u>	<u>70.38</u>
Balance carried to Balance Sheet	<u>479.29</u>	<u>468.28</u>
	<u>752.21</u>	<u>703.82</u>
Basic and Diluted earning per share of Rs. 10/- each (Rs.) (Note No. 38, Schedule 11)	<u>57.87</u>	<u>54.15</u>

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

Date : 12.06.2008
Place : New Delhi
PARDEEP KUMAR Partner

SCHEDULE 1: SHARE CAPITAL

	(Rs. in Crore)	
	AS AT 31.03.2008	AS AT 31.03.2007
AUTHORISED		
20,00,00,000 (Previous Year 10,00,00,000)		
Equity Shares of Rs. 10/- each	<u>200.00</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 31.03.2008	AS AT 31.03.2007
GENERAL RESERVE		
Opening Balance	291.35	220.97
Add: Transfer from Profit & Loss Account	<u>75.22</u>	<u>70.38</u>
	<u>366.57</u>	<u>291.35</u>
Less: Charge on account of transitional provision under Accounting Standard 15	<u>0.42</u>	<u>366.15</u>
	-	291.35
PROFIT AND LOSS ACCOUNT		
Opening Balance	2,273.49	1,805.21
Addition during the Year	<u>479.29</u>	<u>2,752.78</u>
TOTAL	<u>3,118.93</u>	<u>4,682.84</u>



SCHEDULE 3: FIXED ASSETS

(Rs in Crore)

Description	Gross Block			Depreciation/Amortisation				Net Block		
	As at 01.04.07	Additions during the year	Sale/ Adjustments	As at 31.03.08	As at 01.04.07	For the year	Sale / Adjustments	Up to 31.03.08	As at 31.03.08	As at 31.03.07
Tangible Assets										
Freehold Land	12.18	-	-	12.18	-	-	-	-	12.18	12.18
Leasehold Land	102.47	2.37	-	104.84	8.54	2.17	-	10.71	94.13	93.93
Buildings	459.79	22.70	0.02	482.47	83.38	16.46	0.00	99.84	382.63	376.41
Railway Siding	40.67	0.66	0.00	41.33	9.82	2.06	0.00	11.88	29.45	30.85
Plant & Machinery	1174.86	187.20	0.45	1361.61	273.18	66.23	0.01	339.40	1022.21	901.68
Containers	48.05	0.27	-	48.32	20.18	2.29	-	22.47	25.85	27.87
Electrical Fittings	38.97	3.73	0.00	42.70	20.90	3.04	0.00	23.94	18.76	18.07
Computers	39.91	1.17	0.92	40.16	23.23	5.48	0.85	27.86	12.30	16.68
Furniture & Fixtures	8.39	0.37	0.08	8.68	4.31	0.49	0.07	4.73	3.95	4.08
Office Equipment	5.51	0.89	0.07	6.33	1.93	0.32	0.04	2.21	4.12	3.58
Telephone Systems	1.46	0.10	0.08	1.48	0.55	0.07	0.04	0.58	0.90	0.91
Air Conditioner	4.92	0.17	0.04	5.05	0.87	0.24	0.02	1.09	3.96	4.05
Vehicles	0.60	0.05	0.06	0.59	0.45	0.03	0.03	0.45	0.14	0.15
Capital Expenditure *	22.79	0.50	0.00	23.29	18.59	2.06	0.00	20.65	2.64	4.20
Sub-total	1960.57	220.18	1.72	2179.03	465.93	100.94	1.06	565.81	1613.22	1494.64
Intangible Assets										
Software	14.76	0.45	-	15.21	7.29	2.90	-	10.19	5.02	7.47
Registration Fee	50.00	0.00	-	50.00	0.59	2.50	-	3.09	46.91	49.41
Sub-total	64.76	0.45	-	65.21	7.88	5.40	-	13.28	51.93	56.88
Total	2025.33	220.63	1.72	2244.24	473.81	106.34	1.06	579.09	1665.15	1551.52
Capital Work-in-Progress (including Advances of Rs. 118.21 Crore (Previous Year Rs.143.19 Crore))									172.08	202.83
Grand Total									1837.23	1754.35
Previous year	1793.61	233.61	1.89	2025.33	381.71	93.58	1.48	473.81	1551.52	

* Refer Note No. 15 of Schedule 11

- Note: 1) Gross Block of Plant & Machinery and Containers includes Rs. 1.87 crore (Previous Year Rs.0.10 crore), and Rs. Nil (Previous Year Rs.0.10 crore) respectively for items retired from active use due to obsolescence/condemnation.
2) Gross Block of Land and Buildings includes assets valuing Rs.15.51 crore (Previous Year Rs.17.79 crore) in respect of which sale/lease deeds are yet to be executed.
3) Gross Block of Buildings includes freehold buildings valuing Rs. 9.75 crore (Previous year Rs. 9.75 crore)
4) Depreciation provided during the current year includes Rs.0.93 crore (Dr.) (Previous Year Rs.1.33 crore (Dr)) related to prior period (Net).



SCHEDULE 4: INVESTMENTS

(Rs. in Crore)

	AS AT 31.03.2008	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	0.87
- With Hindustan Aeronautics Ltd. by the name of "HALCON".	3.19	3.19
	4.06	4.06
II. In Shares of Joint Ventures		
4,706,695 Equity shares of Rs.10/- each fully paid up in Star Track Terminals Pvt. Ltd.	4.71	2.58
2,940,000 Equity shares of Rs.10/- each fully paid up in Albatross CFS Pvt. Ltd.	2.94	2.94
2,443,630 Equity shares of Rs.10/- each fully paid up in Trident Terminals Pvt. Ltd.	2.44	2.44
83,200,000 Equity shares of Rs. 10/- each fully paid up in Gateway Terminals India Pvt. Ltd.	83.20	75.25
1,425,900 Equity shares of Rs.10/- each fully paid up in CMA-CGM Logistic Park (Dadri) Pvt. Ltd.	1.42	1.42
19,678,500 Equity shares of Rs. 10/- each fully paid up in India Gateway Terminal Pvt. Ltd.	19.68	7.50
5,000 Equity shares of Rs. 10/- each fully paid up in Integrated Infra Log Pvt. Ltd.	0.01	0.01
980,000 Equity shares of Rs. 10/- each fully paid up in Infinite Logistics Solution Pvt. Ltd.	0.98	-
367,500 Equity shares of Rs. 10/- each fully paid up in Hind CONCOR Terminals (Dadri) Pvt. Ltd.	0.37	-
49,000 Equity shares of Rs. 10/- each fully paid up in Container Gateway Limited	0.05	-
	115.80	92.14
III. In Shares of Foreign Joint Venture		
80,000 Equity shares of Nepalese Rupiah 100/- (Equivalent INR 62.50) (P.Y. 80,000) each fully paid up in Himalayan Terminals Pvt. Ltd., Nepal	0.50	0.50
	0.50	0.50
IV. In Shares of Indian Subsidiary (Wholly Owned)		
35,000,000 Equity shares of Rs.10/- each fully paid up in Fresh and Healthy Enterprises Ltd.	35.00	35.00
	35.00	35.00
TOTAL	155.36	131.70

Note : Letters of allotment/Share Certificates are not available with the company in respect of the following investments:

S. No.	Name of the Company	No. of Shares	Amount (Rs. in Crore)
01	India Gateway Terminal Pvt. Ltd.	12,178,500	12.18
02	Infinite Logistics Solution Pvt. Ltd.	735,000	0.74
03	Container Gateway Limited	49,000	0.05
	Total		12.97

SCHEDULE 5: CURRENT ASSETS, LOANS AND ADVANCES

	(Rs. in Crore)	
	AS AT 31.03.2008	AS AT 31.03.2007
A. CURRENT ASSETS		
INVENTORIES		
(As taken, valued & certified by the Management)		
Stores & Spare Parts (At Cost) (Note No. 21, Schedule 11)	5.07	4.87
Less: Provision for Obsolete Stores	<u>0.26</u>	<u>0.26</u>
	<u>4.81</u>	<u>4.61</u>
SUNDRY DEBTORS		
Outstanding for period exceeding six months		
Unsecured Considered good	2.35	2.05
Unsecured Considered doubtful	<u>1.15</u>	<u>0.85</u>
	<u>3.50</u>	<u>2.90</u>
Less: Provision for doubtful debts	<u>1.15</u>	<u>0.85</u>
Others		
Unsecured Considered good	<u>11.38</u>	<u>7.85</u>
	<u>13.73</u>	<u>9.90</u>
CASH AND BANK BALANCES		
Cash in hand (Including Imprest)	0.20	0.34
Cheques in hand	12.87	16.11
Remittance in transit	0.06	0.05
Balance with Scheduled Banks		
- in Current Accounts	51.34	61.69
- in Term Deposits	<u>1,457.03</u>	<u>984.40</u>
	<u>1,521.50</u>	<u>1,062.59</u>
OTHER CURRENT ASSETS		
Interest accrued on deposits, loans and advances (Note No. 8(iv), Schedule 11)	<u>61.83</u>	<u>21.17</u>
TOTAL CURRENT ASSETS - A	<u>1,601.87</u>	<u>1,098.27</u>
B. LOANS AND ADVANCES		
LOANS TO EMPLOYEES (Secured)	11.19	8.70
LOAN TO WHOLLY OWNED SUBSIDIARY - FHCL (Unsecured)	19.46	-
LOANS TO OTHERS (Unsecured)	0.60	0.80
ADVANCES (Unsecured)		
Recoverable in cash or in kind or for value to be received	83.99	77.16
Less: Provision for doubtful advances	<u>0.07</u>	<u>0.09</u>
	<u>83.92</u>	<u>77.07</u>
DEPOSITS (Unsecured)		
- Govt. Authorities	2.33	2.23
- Others	<u>0.68</u>	<u>0.65</u>
Less: Provision for doubtful deposits	<u>0.03</u>	<u>0.03</u>
ADVANCE INCOME TAX/TDS (NET OF PROVISIONS)	<u>182.09</u>	<u>174.31</u>
TOTAL LOANS AND ADVANCES - B	<u>300.24</u>	<u>263.73</u>
TOTAL (A + B)	<u>1,902.11</u>	<u>1,362.00</u>

SCHEDULE 6: CURRENT LIABILITIES AND PROVISIONS

	(Rs. in Crore)	
	AS AT 31.03.2008	AS AT 31.03.2007
A. CURRENT LIABILITIES		
Sundry Creditors		
- Small Scale Industrial Undertakings	-	0.29
- Others	<u>163.32</u>	<u>142.44</u>
Advances / Deposits from Customers	87.75	76.21
Unclaimed Dividend (*)	0.08	0.06
Bank Overdraft (Note No. 12, Schedule 11)	<u>122.66</u>	<u>111.35</u>
Others	<u>40.56</u>	<u>36.08</u>
TOTAL CURRENT LIABILITIES - A	<u>414.37</u>	<u>366.43</u>
B. PROVISIONS		
Proposed Final Dividend	97.49	71.49
Corporate Dividend Tax	<u>16.57</u>	<u>12.15</u>
Employee Retirement Benefits	<u>8.67</u>	<u>6.84</u>
	<u>122.73</u>	<u>90.48</u>
TOTAL PROVISIONS - B	<u>122.73</u>	<u>90.48</u>
TOTAL (A + B)	<u>537.10</u>	<u>456.91</u>

(*) During the year an amount of Rs. 39,518/- (Previous Year Rs. 61,258/-) has been deposited in the Investor Education and Protection Fund.

SCHEDULE 7: OTHER INCOME

	(Rs. in Crore)	
	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
Interest earned on:		
- Short Term I.C.D's/Bank Deposits (TDS Rs.28.02 Crore; Previous Year: Rs. 13.39 Crore)	126.56	59.20
- Loans to Employees	0.44	0.42
- Loan to Wholly Owned Subsidiary - FHFL (TDS Rs. 0.20 Crore; Previous Year: Nil)	0.87	-
- Loan to IRWO (Note No.14, Schedule 11) (TDS Rs. 0.01 Crore; Previous Year: Rs. 0.02 Crore)	0.06	0.08
Excess provision written back (Note No. 27, Schedule 11)	5.69	2.74
Miscellaneous Income	19.37	11.37
Share in Profit of Business Arrangement (Note no. 18, Schedule 11)	11.48	10.79
TOTAL	164.47	84.60

SCHEDULE 8: EMPLOYEES REMUNERATION AND BENEFITS

	(Rs. in Crore)	
	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
Salary, Allowances & Other Employee Benefits	43.25	27.80
Contribution to PF, FPF, ESI & Labour welfare fund	3.33	2.09
Rent for Leased Accommodation (Net)	1.70	1.42
Employee Welfare & Medical	5.85	4.21
Gratuity	0.69	0.79
Staff Training	0.18	0.12
TOTAL	55.00	36.43



SCHEDULE 9: ADMINISTRATIVE AND OTHER EXPENSES

	(Rs. in Crore)	
	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
Printing & Stationery	2.13	2.36
Travelling and Conveyance (Including Directors' Travelling Rs. 0.31 Crore; Previous year Rs.0.26 Crore)	7.98	7.64
Rent and Licence fee for office building	1.38	2.07
Power & Fuel	16.16	15.06
Consumption of Stores & Spares	1.71	2.08
Repairs & Maintenance :		
- Buildings	4.79	4.09
- Plant & Machinery	1.73	1.96
- Others	10.56	9.51
Security Expenses	18.99	16.43
Vehicle Running & Maintenance Expenses	0.04	0.04
Business Development	1.05	0.92
Postage, Telephone & Internet	4.61	4.77
Books & Periodicals	0.28	0.28
Bank Charges	0.24	0.25
Legal & Professional Charges	5.06	3.46
Insurance	1.32	1.23
Fees & Subscriptions	0.10	0.09
Advertisement	2.78	2.11
Auditors' Remuneration		
- Audit Fee	0.08	0.08
- Tax Audit Fee	0.02	0.01
- Other Services	0.05	0.05
- Out of Pocket	0.05	0.04
Rebates and Discounts	23.35	20.05
Rates & Taxes	2.43	3.18
Donations	0.20	0.48
Miscellaneous Expenses (Note No.17(a), Sch. 11)	2.09	2.00
Fixed Assets written off	0.06	0.12
Provision for :		
Doubtful Debts	0.30	0.08
Obsolete Assets	-	0.05
TOTAL	109.54	100.49



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 duty credits 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:

- 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.
- 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.
- 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 plans 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. crore)	
	2007-08	2006-07
a) In relation to joint ventures	115.72	96.18
b) Others	308.96	350.18
2. Contingent liabilities not provided for :		
a) Outstanding Letters of Credit & bank guarantees	45.83	16.87
b) Bank guarantees/bid bonds for joint ventures/subsidiary	191.67	192.19
c) Claims against the Company not acknowledged as debt, net of advances/payments under protest, arbitration, court orders, etc. [include claims of Rs.391.97 crore]previous year: Rs.372.92 crore) pending in arbitration/courts pursuant to arbitration awards]	591.59	543.51
Contingent liabilities are disclosed to the extent of claims received and include an amount of Rs.9.55 crore (Previous year:Rs.5.26 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 Cimcco 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-fulfillment 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-fulfillment 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.		
b) The company entered into a contract for supply of 1320 wagons by Hindustan Engineering and Industries Ltd (HEL). After the supply of 1050 wagons, the contract was terminated during FY2004-05, for non-fulfillment of obligations on the part of HEL. 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-fulfillment of terms of contract on the part of HEL. 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.16,319.00 crore (previous year: 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.		
5. a) As in earlier years, the provision for tax for the year is after considering tax deduction of Rs.124.18 crore (previous year: Rs.112.59 crore) under section 80IA of the Income Tax Act, 1961 in respect of Rail system & Inland Container Depots (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 to 2005-06 and raised demands of tax and interest totalling to Rs.107.07 crore. The company filed appeals before the Commissioner of Income Tax (Appeals) against the said assessment orders. The appeals for all the years have 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, appeals have been filed before the Income Tax Appellate Tribunal (ITAT). The Income Tax Department has also filed appeals against the claims allowed to the company by the CIT(A) before the ITAT.		
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, Terminal Service Charges, demurrage and other operating income and is net of waivers of Rs.0.53 crore (previous year: Rs.0.68 crore).		

- ii) Terminal & other service charges include expenses for rail freight, handling, road transportation and other operating expenses.
8. i) Loans and Advances include Rs. 1.29 crore (previous year: Rs.1.28 crore) given to Customs & Port Trust.
- ii) Loans to employees include Rs. 0.13 crore (previous year: Rs. 0.15 crore) being amount due from Directors and officers of the company. Maximum outstanding balance during the year was Rs. 0.18 crore (previous year: Rs. 0.17 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.
- iv) An amount of Rs. 0.52 crore, being interest accrued on pre mature withdrawal of term deposit during FY 2006-07, has not been recognised pending acceptance of liability by a bank.
9. During the year, the company realised Rs.17.84 crore (previous year: Rs. 14.30 crore) from auction of undelivered containers. Out of the amount realized, Rs. 5.30 crore (previous year: Rs. 4.47 crore) is paid/ payable as custom duty, Rs.10.00 crore (previous year: Rs. 8.05 crore) has been recognised as income and the balance of Rs. 2.54 crore (previous year: Rs. 1.78 crore) has been shown under Current Liabilities.
10. 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.
11. Current liabilities-others includes Rs. 3.57 crore (previous year: Rs. 3.51 crore) towards unutilised grant received for acquisition of specific fixed assets in CONCOR/business arrangement. The amount of grants received during the year are Rs. 0.06 crore (previous year: Rs. 2.33 crore).
12. Book Overdraft represents cheques issued by the company pending clearance against the flexi/other deposits with the banks classified under Term Deposits.
13. Balances of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (including Indian Railways), etc. are subject to confirmation/reconciliation.
14. During the year 1998-99, the company gave loan of Rs. 2.00 crore to Indian Railway Welfare Organization (IRWO) at simple interest of 8.5% p.a. in terms of Presidential Directive received from the Ministry of Railways. The amount is being repaid as per schedule, and the amount of loan outstanding as at 31.03.2008 is Rs. 0.60 crore (previous year: Rs. 0.80 crore).
15. Details of capital expenditure on land not belonging to the company (Refer schedule-3) are as under: (Rs. in crore)

PARTICULARS	(Rs. in crore)	
	As at 31-03-2008	As at 31-03-2007
Building	6.85	6.35
Railway Siding	10.84	10.84
Plant & Machinery	3.04	3.04
Electrical Fittings	2.36	2.36
Furniture	0.03	0.03
Others	0.17	0.17
Total	23.29	22.79

16. The auditors' remuneration includes an amount of Rs. 0.01 crore (previous year: Rs. 0.03 crore), relating to earlier years.
17. (a) Miscellaneous expenses include loss on sale of fixed assets and exchange fluctuation (loss) amounting to Rs. 14.15 lakh (previous year: Rs. 19.28 lakh) and Rs. 0.15 lakh (previous year: Rs. 0.03 lakh) respectively.
- (b) Gross block and net block of plant and machinery include Rs. 1.87 crore and Rs. 1.36 crore respectively towards wagons damaged in accident. Pending settlement of insurance claim, no provision on this account has been made.
18. 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. 11.48 crore being company's share in the profit of the entity, as per unaudited accounts for the year ended 31st March, 2008 (previous year: Rs. 10.79 crore), has been accounted for under other income.

19. Works carried out by Railways/ its units for the company are normally accounted for on the basis of correspondence /estimates/advice, etc.
20. 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 from time to time. The company lodged claim of Rs. 2.82 crore towards land license fee paid to Indian Railways 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.
21. Stores & spare parts include items costing Rs. 2.29 crore (previous year: 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.

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

	2007-08	2006-07
Managing & whole time Directors		
Salary & allowances	0.38	0.31
Value of perquisites	0.08	0.06
Contribution to Gratuity, Provident Fund, Pension and Leave Encashment	0.10	0.13
Total	0.56	0.50

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.

23. Prior period adjustments include the following:

	2007-08	(Rs. in crore) 2006-07
Income		
Income from operations	0.02	0.03
Total (A)	0.02	0.03
Expenses		
Terminal & other service charges	0.05	0.11
Legal & Professional	0.05	0.07
Repair & Maintenance	0.07	0.18
Others	0.05	0.02
Total (B)	0.22	0.38
Net Prior Period Adj: (A - B)	(0.20)	(0.35)

24. Remittance in foreign currency for dividend:

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

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

	2007-08	(Rs. in lakh) 2006-07
a) Expenditure in Foreign Currency:		
i) Books & periodicals	0.81	1.05
(ii) Travelling	26.64	14.47
(iii) Training	1.65	3.60
(iv) Meeting & conference	9.28	11.98
(v) Membership & subscription	-	0.15
b) Value of Imports on C.I.F. basis in respect of:		
i) Stores & Spares	12.22	16.02
ii) Capital Goods (including advances)	4546.25	3288.89



26 Expenditure on consumption of Stores & Spares:

	2007-08		2006-07	
	Amount	% age	Amount	% age
i) Imported	0.27	16 %	0.16	08 %
ii) Indigenous	1.44	84 %	1.92	92 %

27. Excess provision written back during the year includes:

Particulars	2007-08		2006-07	
	Amount	% age	Amount	% age
a) Rail Freight & Demurrage	0.58	0.05		
b) Handling	1.15	0.26		
c) Custom cost recovery	-	0.27		
d) Rates & Taxes	0.24	-		
e) Auction	2.47	-		
f) Exigency charges	-	1.28		
g) Others	*1.25	0.88		
TOTAL	5.69		2.74	

* It includes Rs.0.21 crore on account of decrease in liability as on 31st March, 2007 towards leave encashment on actuarial valuation.

28. 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.
29. (a) Information with regard to amount due to SSI units has been determined on the basis of information available with the Company and relied upon by auditors. To the extent of 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).
- (b) The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosures under the said Act have been made.
30. The salary revision of the employees of the company is due w.e.f. 1st January, 2007. Pending decision of the Government of India, Rs.11.93 crore (previous year: Rs.1.29 crore) has been provided towards salary revision on adhoc basis.
31. 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 the company has no manufacturing activity.
32. During the year, the company received duty credit entitlement scrips amounting to Rs.125 crore under the Served From India Scheme (SFIS) of the Government of India. As per the scheme, the scrips can be utilized for duty credit for import of capital goods & payment of excise duty on domestic purchases. An amount of Rs.9.22 crore has been utilized for custom duty credit on import of capital goods and Rs.5.06 crore for excise duty credit on domestic purchases, leaving a balance of Rs.110.72 crore as on 31st March, 2008 which can be utilized within a period of two year from the date of issue of scrips.
33. The Govt. has imposed cess on building and other construction works 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. The company has been advised that it is under no obligation under the Act or the Rules to collect or deposit the cess in relation to the construction work being executed by the contractors in Delhi.



Similar cess has also been imposed by some other states. This issue has been referred to the Ministry of Railways (MOR) for clarification. However, as a matter of prudence, Rs.0.05 crore recovered towards the cess from bills of contractors has been included in sundry creditors pending receipt of clarification from MOR.

34. The Company has, with effect from 1st April, 2007, adopted Accounting Standard 15, Employee Benefits (revised 2005), issued by the Institute of Chartered Accountants of India (ICAI). The disclosures as required as per the above accounting standard are as under:

(a) Defined Contribution plans:

- i) Employers' contribution to provident fund
Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the profit & loss account. The obligation of the company is limited to such fixed contribution. However, the trust is required to pay a minimum rate of interest on contributions to the member as specified by Government. Since the fair value of the assets of the Provident Fund including the returns on the assets thereof, as on the balance sheet date is less than the obligations under the defined contribution plan as per actuarial valuation an amount of Rs.7.07 lakhs has been provided in Employers' contribution to provident fund on this account. During the year, the company has recognized the following amounts in the profit and Loss Account.

- (i) Employers' contribution to provident fund - Rs.2.64 crore
(ii) Employers' contribution to Employees Pension scheme, 1995 - Rs.0.69 crore

(b) Defined benefit plans:

Gratuity:

The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation.

Leave encashment:

The company has a defined benefit leave encashment plan for its employees. Under this plan they are entitled to encashment of earned leaves and medical leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment has been provided on the basis of actuarial valuation.

- (c) Summarized position: The details of various defined benefits recognised in the Profit and Loss Account, Balance Sheet and the funded status are as under:



Expenses recognised in Profit and Loss Account:

	(Rs. in lakhs)	
	Gratuity (Funded)	Leave encashment (Non-Funded)
Current service cost	56.06	77.91
Interest cost on benefit obligation	36.75	45.31
Expected return on plan assets	(37.28)	-
Net actuarial Gains (loss)	13.13	4.51
Expenses recognised in profit and loss account	68.66	127.73
Amount recognised in the Balance sheet :		
Present Value of Obligations as at 31-03-2008(i)	542.97	666.04
Fair Value of Plan Assets as at 31-03-2008(ii)	476.29	-
Difference (i) - (ii)	(66.68)	(666.04)
Net asset/(liabilities) recognised in the Balance sheet	(66.68)	(666.04)
Change in the Present value of the defined benefit obligation:		
Present value of obligation as at 01-04-2007	458.18	564.84
Interest cost	36.75	45.31
Current service cost	56.06	77.91
Benefits paid	(21.15)	(26.53)
Net actuarial gains/(loss) on obligation	13.13	4.51
Present value of defined benefits obligation as at 31-03-2008	542.97	666.04
Change in the fair value of plan assets:		
Fair value of Plan assets as at 01-04-2007	369.63	-
Expected return on plan assets	37.28	-
Contribution by employer	90.53	-
Benefits paid	(21.15)	-
Actuarial gain/(loss)	-	-
Fair value of Plan assets as at 31-03-2008	476.29	-

(d) In term of the transitional provision of AS 15 (revised), liability towards employee benefits as on 1st April, 2007 amounting to Rs.42.19 lakhs (net of deferred tax) has been adjusted against opening balance of General Reserve.

(e) Detail of plan assets: The details of the plan assets (gratuity) at cost as on 31st March, 2008 are as follows:

	(Rs. in lakhs)
i) State Government securities	51.35
ii) Central Government securities	160.01
iii) Corporate Bond/debentures	228.50
iv) Others	36.43
	476.29

(f) **Actuarial assumptions:** Principal assumptions used for actuarial valuation are:

i) Method used	Projected Unit Credit Method
ii) Discount rate	8%
iii) Future salary increases	5.50%

Salary increase rate has been assumed keeping in view the inflation rate on long term basis. The impact of impending salary increase due to pay revision w.e.f. 1st January, 2007 has not been considered as the amount is not ascertainable.

35. **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	EXIM		Domestic		Un-allocable		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
REVENUE								
Segment Revenue	2,646.71	2,459.85	700.59	597.49	-	-	3,347.30	3,057.34
RESULT								
Segment Result	729.47	725.92	95.19	101.67	-	-	824.66	827.59
Corporate Expenses	-	-	-	-	40.63	29.94	40.63	29.94
Operating Profit	-	-	-	-	-	-	784.03	797.65
Interest & other Income	-	-	-	-	164.47	84.60	164.47	84.60
Income Taxes	-	-	-	-	197.98	186.17	197.98	186.17
Prior Period Adjustments (Net)	-	-	-	-	(0.20)	(0.35)	(0.20)	(0.35)
Tax adjustments for earlier years (Net)	-	-	-	-	1.89	8.09	1.89	8.09
Net Profit	-	-	-	-	-	-	752.21	703.82
OTHER INFORMATION								
Segment Assets	1,504.71	1,417.25	370.61	347.46	-	-	1,875.32	1,764.71
Unallocated Corporate Assets	-	-	-	-	2,019.38	1,483.34	2,019.38	1,483.34
Total Assets	-	-	-	-	-	-	3,894.70	3,248.05
Segment Liabilities	318.39	286.04	58.37	50.34	-	-	376.76	336.38
Unallocated Corporate Liabilities	-	-	-	-	3,517.94	2,911.67	3,517.94	2,911.67
Total Liabilities	-	-	-	-	-	-	3,894.70	3,248.05
Capital Expenditure	191.39	211.96	27.69	20.34	1.55	1.31	220.63	233.61
Depreciation	79.65	71.92	22.98	17.86	3.71	3.80	106.34	93.58
Non cash expenses other than depreciation	0.11	0.32	0.05	0.09	0.34	0.02	0.50	0.43

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.

36. **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)			
	Remuneration paid including perks		Loans and advances receivable	
	2007-08	2006-07	2007-08	2006-07
i) Whole time Directors				
Rakesh Mehrotra, Managing Director	12.25	10.13	2.08	3.40
P.G. Thyagarajan, Director (I&O) Uplo 11.12.2006	-	12.60	-	0.57
Suresh Kumar, Director (Finance)	12.89	9.72	2.19	1.19
Anil K. Gupta, Director (Domestic)	12.27	10.66	3.09	3.57
Harpreet Singh, Director (Projects & Services)				
w.e.f. 20.07.2006	11.69	6.40	4.39	4.93
Yash Vardhan, Director (I&O) w.e.f. 28.09.2007	6.86	-	-	-
ii) Nominated/Independent Directors:	Sitting Fee			
Janat Shah (w.e.f. 01.01.2008)	0.40	-	-	-
S.Balachandran (w.e.f. 01.01.2008)	0.60	-	-	-
V.Sanjeevi (w.e.f. 01.01.2008)	0.40	-	-	-
b) Joint Ventures:				
i. Star Track Terminals Pvt. Ltd.				
ii. Trident Terminals Pvt. Ltd.				
iii. Albatross CFS Pvt. Ltd.				
iv. Gateway Terminals India Pvt. Ltd.				
v. JWG-Air Cargo Complex (a business arrangement)				
vi. Himalayan Terminals Pvt. Ltd.				
vii. CMA-CGM Logistics Park (Dadr) Pvt. Ltd.				
viii. HALCON (a business arrangement)				
ix. India Gateway Terminal Pvt. Ltd.				
x. Integrated Infra Log Pvt. Ltd.				
xi. Infinite Logistics Solutions Pvt. Ltd.				
xii. Hind CONCOR Terminals (Dadr) Pvt. Ltd.				
xiii. Container Gateway Limited				
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	
	2007-08	2006-07	2007-08	2006-07
Rent, Maintenance charges and interest income received/receivable	157.77	145.58	87.48	-
Security Deposit received-balance	140.79	123.12	-	-
Current assets, loans & advances	0.85	0.61	1946.00	-
Investment (Net) made during the year	2365.78	231.21	-	-
Share in the income recognized	1148.18	1078.95	-	-

37. Leases - Accounting Standard -19:

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

	2007-08	2006-07
(a) The future Minimum lease Payments under non-cancellable operating leases entered into on or after 1 st April, 2001 are:		
(i) Not later than one year	10.35	9.14
(ii) Later than one year and not later than 5 years	4.23	4.18
(iii) Later than five years	-	-

(b) Lease payments recognized in the accounts are Rs.17.36 crore (previous year: Rs.19.38 crore).

(c) Sub lease recoveries recognized in the accounts are Rs.0.15 crore (previous year: 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:

	2007-08	2006-07
Gross Carrying amount (Buildings & warehouses)	19.97	19.91
Accumulated Depreciation	2.71	2.30
Depreciation during the year	0.41	0.39

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

	2007-08	2006-07
Profit after tax, prior period adjustments & tax adjustments for earlier years as per Profit and Loss Account (Rs. in crore)	752.21	703.82
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)	57.87	54.15

Subsequent to 31st March, 2008, the company has allotted bonus shares in the ratio of one fully paid up equity share for each equity share held on the record date. Accordingly, in the above disclosure, the basic and diluted EPS has been adjusted for both the reporting periods as per the requirements of AS-20 issued by ICAI.

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

Components of Deferred Tax Asset and Liability:

	2007-08	2006-07
i. Deferred Tax Liability:		
Difference between book and tax depreciation	184.68	167.17
ii. Deferred tax asset:		
Expenditure covered by section 43B	5.84	4.85
Provision for doubtful advances/debits	0.44	0.34
Others	4.72	0.67
	11.00	5.86
iii. Net deferred tax liability (i-ii)	173.68	161.31

40 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. (CCGIPIL) for CFS at Dadri, U.P.	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
#Hind CONCOR Terminals (Dadri) Pvt. Ltd.: A Joint Venture with M/s Hind Terminals Pvt. Ltd. for CFS at Dadri.	India	49
#Infinite Logistics Solutions Pvt. Ltd.: A Joint Venture with Reliance Logistics Pvt. Ltd. to establish logistics freight terminals and provide integrated logistics services across the country	India	49
#Container Gateway Ltd.: A Joint Venture with Gateway Rail Freight Pvt. Ltd. for operations of existing rail/road container terminal at Garhi Harsaru, Gurgaon (Haryana)	India	49

b) During the year, the company has entered into an agreement with Allcargo Global Logistics Ltd. for setting up a JV company, proposed CONCOR's share being 49%. However, no investment has been made upto 31st March, 2008.

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

	Assets	Liabilities	Income	Expenditure	(Rs. in lakh) Contingent liabilities & capital commitments
*Star Track Terminal Pvt. Ltd.	901.95 (847.05)	606.92 (837.13)	797.24 (846.39)	724.80 (791.75)	347.94 (344.87)
Trident Terminals Pvt. Ltd.	865.80 (864.79)	750.51 (704.07)	458.06 (237.00)	505.37 (318.77)	2695.00 (2695.00)
Albatross CFS Pvt. Ltd.	1034.85 (1008.81)	733.29 (759.89)	1097.22 (562.10)	1044.58 (607.19)	246.58 (0.36)
*Gateway Terminals India Pvt. Ltd.	27,012.16 (25,057.91)	21,434.50 (19,991.66)	7104.51 (2,149.66)	7160.68 (3,428.57)	17,629.35 (19,686.05)
JWG-Air Cargo Complex	665.15 (950.47)	512.28 (692.16)	1414.57 (1339.41)	266.40 (260.46)	(-)
Himalayan Terminals Pvt. Ltd.	46.64 (36.78)	145.19 (156.60)	214.36 (154.62)	193.20 (203.78)	(-)
CMA -CGM Logistics Park (Dadri) Pvt. Ltd.	609.09 (611.81)	569.24 (504.38)	235.31 (7.10)	302.89 (42.26)	245.00 (-)
HALCON	306.75 (311.87)	7.57 (1.85)	10.85 (0.82)	21.70 (7.52)	- (-)
India Gateway Terminal Pvt. Ltd.	3,012.59 (1,607.50)	1,598.16 (1,339.53)	1,225.88 (1,165.66)	1,368.50 (1,283.92)	8,759.88 (116.60)
Infinite Logistics Solutions Pvt. Ltd.	117.94 (-)	17.80 (-)	77.38 (-)	75.23 (-)	85.06 (-)
Integrated Infra Log Pvt. Ltd.	0.73 (-)	0.23 (-)	- (-)	- (-)	- (-)

*The previous year figures are for year ended 31st December, 2006 and current year figures are for year ended 31st December, 2007.

In the above statement:

- Figures in brackets are for previous year
- Current year figures are un-audited (provisional).
- Previous year figures are audited, except for Himalayan Terminals Pvt. Ltd. and HALCON.

41 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.

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

(Rs. in crore)

	2007-08				2006-07			
	Property tax	Salary arrears & PLI	Rent to Railway	Gratuity & Leave encashment	Property tax	Salary arrears & PLI	Rent to Railway	Gratuity & Leave encashment
Opening balance	8.45	3.90	1.69	6.73	6.06	2.47	0.63	4.83
Addition during the year	1.70	16.62	0.24	2.48	2.49	3.88	1.06	2.69
Amount used /incurred	0.22	2.74	0.00	1.56	0.10	2.42	0.00	0.79
Unused amount reversed during the year	0.24	0.00	0.00	0.00	-	0.03	-	-
Closing Balance	9.69	17.78	1.93	7.65	8.45	3.90	1.69	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.

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

a) Loan- Others include loan of NIL (previous year: NIL) to M/s Star Track Terminals Pvt. Ltd. (A joint venture co.) Maximum amount outstanding during the year is NIL (previous year: Rs.1.02 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, 2008	31st March, 2007	2007-08	2006-07	31st March, 2008	31st March, 2007	2007-08	2006-07
IRWO	0.60	0.80	0.80	1.00	-	-	-	-
Miscellaneous staff loans*	9.56	7.41	10.09	7.69	8.21	6.01	8.36	6.15

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

44. 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)

45. 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	2008
Date		Month	Year

II. Capital Raised during the year

Public / Euro Issue	(Rs. in crores)
NIL	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	(Rs. in crores)
3,894.70	Total Assets
3,894.70	3,894.70
Sources of Funds :	
Paid-up Capital	Reserves & Surplus
64.99	3,118.93
Secured Loans	Unsecured Loans
-	-
Current Liabilities	Deferred Tax Liabilities
537.10	173.68

Application of Funds :

Net Fixed Assets	Investments
1,837.23	155.36
Current Assets	Misc. Expenditure
1,902.11	-
Accumulated Losses	-

IV. Performance of the Company

Turnover (Including Other Income)	(Rs. in crores)
3,511.77	Total Expenditure
Profit Before Tax	2,563.27
948.50	Profit After Tax
EPS (Rupees)	752.21
57.87	Dividend %
	185%

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

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

Item Code No. (ITC Code)
Product Description

Not applicable.
Not applicable.

"SIGNATURES TO SCHEDULE 1 TO 11"

RAVI KHANDELIWAL
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 : 12.06.2008
Place : New Delhi

PARDEEP KUMAR
Partner

AUDITORS' REPORT

TO THE MEMBERS OF

CONTAINER CORPORATION OF INDIA LIMITED

We have audited the attached Balance Sheet of **Container Corporation of India Limited** as at 31st March 2008, 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 6 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditor's Report) Order, 2003, 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 Paragraphs 4 and 5 of the said Order.
- 2) Attention is drawn to Note No. 5 of Schedule II. The Company has made provision for Income Tax for the year after considering tax deduction of Rs.124.18 crore under section 80IA of the Income Tax Act, 1961, in respect of Inland Container Depots (ICDs) (Rs.27.59 crore) and Rail System (Rs.96.59 crore). The income tax department disallowed the deduction claimed by the company U/s 80IA in earlier years. However, 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 appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Department has also filed appeals before the ITAT against the deduction allowed by the CIT (Appeals) in respect of rail system.
- 3) Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - i) Sale/Lease Deeds in respect of Land & Buildings valuing Rs. 15.51 Crore are yet to be executed in favour of the company (Note 2, Schedule 3).
 - ii) Balances of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (including Indian Railways) have not been confirmed/reconciled. (Note 13, Schedule 11).
 - iii) We are unable to comment on the shortfall, if any, in the value of non-moving stock of stores & spare parts (Note 21, 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 reports 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 books of account.
 - e) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with 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 (i) (g) of the Companies Act, 1956.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to our comments in paragraphs 3 (i) above and without considering the observations made in paragraphs 3 (ii) and (iii) above, the effect of which could not be determined, read together with Significant Accounting Policies and Notes on Accounts, give the information required by the Companies Act.

1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
- ii) in 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 : 12.06.2008

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, 2008

- (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 explanations given to us, fixed assets are physically verified by the management during the year in phased manner, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on such verification were not material.
- (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 contracts 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 that is generally commensurate with the size and nature of its business.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (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, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, the undisputed amounts payable in respect of outstanding statutory dues that were in arrears, as at 31st March 2008 for a period of more than six months from the date they became payable are given below:

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

In addition the company has made provision for property tax payable in respect of its assets at various locations amounting to Rs. 9.69 Crore upto 31st March 2008, on estimated basis, pending commencement/completion of assessments by the appropriate authorities.

- (b) According to the information & explanation 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	0.01	01st May 2003 to 16th July 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 the 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 of 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 venture & subsidiary companies are held by the company in its own name and are not traded. However, letters of allotment/Share Certificates in respect of investments in three joint venture companies costing Rs.12.97 Crore are not available with the company (Note to Schedule 4).
- (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 loans 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 2008, the amount of such counter indemnity works out to Rs. 190.68 Crore. In our opinion, the terms and conditions thereof 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

Place : New Delhi
Date : 12.06.2008

(Pardeep Kumar)
Partner
M. No. 085630

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

(Rs. in Crore)

	2007-2008	2006-2007
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	948.50	882.25
Adjustment for :-		
Depreciation/Amortisation	106.34	93.58
Interest & Dividend Income	(139.41)	(70.49)
Provision for obsolete assets	-	0.05
Provision for doubtful debts	0.30	0.08
Fixed assets written off	0.06	0.12
Loss on Sale of fixed Assets	0.14	0.19
Operating Profit Before Working Capital Changes	915.93	905.78
Adjustment for :-		
Trade & Other Receivables	(54.06)	(23.86)
Inventories	(0.20)	0.12
Trade Payable & Provisions	49.12	72.33
Cash Generated from Operations	910.79	954.37
Prior Period Adjustments	(0.20)	(0.35)
Direct Taxes paid	(91.29)	(225.29)
Net Cash from Operating Activities (A)	719.30	728.73
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(220.62)	(233.57)
Sale of Fixed Assets	0.45	0.01
Capital Work-in-Progress/advances	30.75	(37.29)
Purchase of Investment	(23.66)	(2.32)
Interest, Dividend & Other Income	139.41	70.49
Advances/loans - Joint Ventures & Subsidiary(net)	(19.46)	1.01
Net Cash used in Investing Activities (B)	(93.13)	(201.67)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid (including tax on dividend)	(167.26)	(140.81)
Net Cash from Financing Activities (C)	(167.26)	(140.81)
Net Change in Cash & Cash Equivalents (A+B+C)	458.91	386.25
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,062.59	676.34
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,521.50	1,062.59

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

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 : 12.06.2008
Place : New Delhi

PARDEEP KUMAR
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	31.03.2008
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 31.03.2008	Loss Rs. 18,14,29,343/-
(ii) for the previous financial years of the subsidiary Company since it became the holding Company's subsidiary	Loss Rs. 18,78,216/-
(b) dealt with in the holding company accounts:	
(i) for the financial year ended 31.03.2008	Nil
(ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary.	Nil

RAVI KHANDELWAL
ED (Accounts) & Company Secretary

SURESH KUMAR
Director (Finance)

RAKESH MEHROTRA
Managing Director

Place: New Delhi
Date: 12.06.2008



भारतीय कंटेनर निगम लिमिटेड
CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
(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 financial year ending 31st March, 2008.

OPERATIONAL REVIEW

The Company procured 5,48,657 boxes of fruits from Shimla / Kinnaur districts of Himachal Pradesh & other places and sold 3,98,615 boxes at Delhi, Mumbai, Chennai, Ahmedabad and other Fruit markets.

FINANCIAL REVIEW

During the financial year ended on 31st March, 2008, your Company registered an operating turnover of Rs. 1629.71 lacs with other income of Rs. 149.14 lacs and incurred total expenditure of Rs. 3025.46 lacs. After providing for Depreciation, Interest, writing off of Preliminary Expenses and Fringe Benefit Tax of Rs. 216.96 lacs, Rs. 341.84 lacs, Rs. 5.53 lacs and Rs. 3.35 lacs, respectively Company suffered a loss of Rs. 1814.29 lacs for the financial year 2007-08.

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 drawn a sum of Rs. 49.92 Crore till 31st March, 2008 from Axis Bank (formerly known as UTI Bank) out of Sanctioned Secured Term Loan of Rs. 65 Crore for the purpose of setting up the Cold Chain Project.

UNSECURED LOAN

For the purpose of procurement of Apples during the season 2007-08, the Company has obtained Unsecured Working Capital Loan from CONCOR of Rs. 27.96 Crore @ 6.5% p. a.. Further, a sum of Rs. 8.50 Crore was refunded during the year and the Working Capital Loan stood at Rs. 19.46 Crore as on 31st March, 2008.

CONTROLLED ATMOSPHERE (CA) STORE

In order to increase the shelf life of fruits and vegetables produced in the Country, Company has set up Controlled Atmosphere (CA) Store consisting of 3 units of 4000 MT capacity each at Rai, Sonapat. The facility was inaugurated by Shri V. N. Malthur, Member Traffic, Railway Board on 14th August, 2007 and has been operating successfully.

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 are detailed in the Annexure. Further, the details regarding foreign exchange earnings and outgo are not applicable at this stage.

AUDITORS

M/s. S. S. Poddar & Co., Chartered Accountants, New Delhi were appointed as Company's Statutory Auditors for the year 2007-08. The Board of Directors of the Company fixed a remuneration of Statutory Auditors of Rs 60,000/- plus Service Tax, subject to approval of Shareholders.



भारतीय कंटेनर निगम लिमिटेड
CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
(A Wholly owned subsidiary of CONCOR)

BOARD OF DIRECTORS

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

Board Meeting No.	Board Meeting Dates
8	25.04.2007
9	11.06.2007
10	23.07.2007
11	17.10.2007
12	15.01.2008

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 Anil Kumar Gupta, Director is liable to retire by rotation and being eligible, offers himself 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, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for the year under review;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2008 on a 'going concern' basis.

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 five times on 25th April, 2007, 11th June, 2007, 23rd July, 2007, 17th Oct., 2007 and 15th January, 2008. 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, Bankers and Auditors of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 10.06.2008

(Rakesh Mehrotra)
Chairman



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CONCOR CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
(A Wholly owned subsidiary of CONCOR)

Balance Sheet As At 31st March 2008

		(Amount in Rs.)	
	SCHEDULE	AS AT 31.03.2008	AS AT 31.03.2007
SOURCES OF FUNDS			
SHARE HOLDER'S FUNDS			
Share Capital	1	350,000,000	350,000,000
		<u>350,000,000</u>	<u>350,000,000</u>
LOAN FUNDS			
Secured Loan	2	502,810,687	304,715,345
Unsecured Loan		201,366,117	-
		<u>704,176,804</u>	<u>304,715,345</u>
		<u>1,054,176,804</u>	<u>654,715,345</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	826,056,666	754,724
Less: Depreciation		21,833,189	136,669
Net Block		<u>804,223,477</u>	<u>618,055</u>
Capital Work in Progress (Including Advances)		-	542,145,785
		<u>804,223,477</u>	<u>542,763,840</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	4	115,561,971	612,038
Sundry Debtors		30,494,793	-
Cash and Bank Balances		10,658,975	149,740,897
Other Current Assets		586,034	542,898
Loans & Advances		23,133,631	72,934,183
		<u>180,435,394</u>	<u>223,830,016</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	5	113,078,317	115,356,481
Provisions		1,887,389	129,366
		<u>114,965,706</u>	<u>115,485,847</u>
NET CURRENT ASSETS			
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
Preliminary Expenses	6	1,176,080	1,729,120
		<u>1,176,080</u>	<u>1,729,120</u>
PROFIT AND LOSS ACCOUNT			
For the Year		181,429,343	1,878,216
Opening balance		1,878,216	-
		<u>1,054,176,804</u>	<u>654,715,345</u>
Significant Accounting Policies	11		
Notes on Accounts	12		
Schedules 1 to 12 form an integral part of the accounts			
As per our report of even date			
For S S Poddar & Co.			
Chartered Accountants			
S S Poddar			
Partner			
M No.15018			
Date : 10.06.2008			
Place: New Delhi			
		Rakesh Mehrotra	Suresh Kumar
		Chairman	Director
			Suman Lata
			Company Secretary

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Profit & Loss for the Period Ended 31st March 2008

		(Amount in Rs.)	
	SCHEDULE	AS AT 31.03.2008	AS AT 31.03.2007
INCOME			
Sales		162,126,818	47,554,427
Renting of Chambers		844,333	-
Other Income	7	14,913,843	1,520,991
TOTAL		<u>177,884,994</u>	<u>49,075,418</u>
EXPENDITURE			
Cost of Sales	8	276,179,584	41,050,175
Employees Remuneration & Benefits	9	10,857,012	3,762,241
Administrative & Other Expenses	10	15,509,627	5,305,107
Depreciation		21,696,520	136,669
Interest		34,183,746	-
Preliminary Expenses Written Off		553,040	553,040
TOTAL		<u>358,979,529</u>	<u>50,807,232</u>
Profit/(Loss) before Tax		<u>(81,094,535)</u>	<u>(1,731,814)</u>
Less:Fringe Benefit Tax		334,808	146,402
Profit/(Loss) after Tax		<u>(81,429,343)</u>	<u>(1,878,216)</u>
Balance Carried to Balance Sheet		<u>(81,429,343)</u>	<u>(1,878,216)</u>
Basic and Diluted earning/(loss) per share		(5.18)	(0.05)
of Rs. 10/- each (In Rs.)			
(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 S S Poddar & Co.			
Chartered Accountants			
S S Poddar		Rakesh Mehrotra	Suresh Kumar
Partner		Chairman	Director
M No.15018			Suman Lata
Date : 10.06.2008			Company Secretary
Place: New Delhi			

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FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
(A Wholly owned subsidiary of CONCOR)

Schedules forming part of the accounts

SCHEDULE 1: SHARE CAPITAL

	(Amount in Rs.)	
	AS AT 31.03.2008	AS AT 31.03.2007
AUTHORIZED 3,50,00,000 (Previous year 3,50,00,000) Equity Shares of Rs.10/- each	350,000,000	350,000,000
ISSUED, SUBSCRIBED & PAIDUP 3,50,00,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 3,50,00,000)	350,000,000	350,000,000
TOTAL	350,000,000	350,000,000

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
(A Wholly owned subsidiary of CONCOR)

SCHEDULE 2: SECURED & UNSECURED LOANS

	(Amount in Rs.)	
	AS AT 31.03.2008	AS AT 31.03.2007
SECURED LOAN		
Term Loan from Axis Bank (Includes Interest accrued and due of Rs.3603863/-)(Previous Year Rs.1315345/-) (Secured against first charge on the present and future fixed assets (Movable & immovable) of the company and second charge on the present and future current assets of the company)	502,810,687	304,715,345
UNSECURED LOAN		
Loans and Advances from Corporate (Includes Interest accrued and due of Rs.6766117/- (Net of TDS))(Previous Year Nil) (Holding Company, Container Corporation of India Ltd.)	201,366,117	-
TOTAL	704,176,804	304,715,345



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SCHEDULE 3: FIXED ASSETS

Description	Gross Block			Depreciation			Net Block		
	As at 01.04.07	Additions during the year	Sale/ Adjustment	As at 31.03.08	As at 01.04.07	For the year	Up to 31.03.08	As at 31.03.08	As at 31.03.07
Tangible Assets									
Building	-	209,364,568	-	209,364,568	-	4,227,735	4,227,735	205,136,833	-
Plant & Machinery	-	447,161,686	-	447,161,686	-	13,330,831	13,330,831	433,830,855	-
Office Equipments	177,591	100,750	-	278,341	33,039	25,048	58,087	220,254	144,552
Computer	461,310	619,292	-	1,080,602	16,636	126,198	142,874	937,728	444,634
Furniture & Fittings	115,823	1,220,841	-	1,336,664	86,954	75,717	162,671	1,173,993	28,869
Plastic Bins	-	164,792,206	-	164,792,206	-	3,871,835	3,871,835	160,920,371	-
Wooden Bins	-	2,042,599	-	2,042,599	-	39,156	39,156	2,003,443	-
Total	754,724	825,301,942	-	826,056,666	136,669	21,696,520	21,833,189	804,223,477	618,055
CAPITAL WORK IN PROGRESS (including advances)*-									542,145,785
Previous Year	-	754,724	-	754,724	-	136,669	-	136,669	618,055

*Additions to Fixed Assets include Rs.13099483/- (Previous Year Nil) on account of Interest on Term Loan Pending Capitalisation and allocation of Rs.542145785/- spend on account of construction/acquisition of assets for CA unit at Rai has been shown under CWP in the previous year which has been capitalised in the current year & shown under respective heads of fixed assets.



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SCHEDULE 4: CURRENT ASSETS, LOANS AND ADVANCES

	(Amount in Rs.)	
	AS AT 31.03.2008	AS AT 31.03.2007
INVENTORIES		
(As taken, valued & certified by the Management)		
Fresh Fruits	115,316,443	-
Packing Materials	245,528	612,038
TOTAL	115,561,971	612,038
SUNDRY DEBTORS (Unsecured and considered good)		
More than Six Months	18,966	-
Less than Six Months	30,475,817	-
TOTAL	30,494,783	-
CASH AND BANK BALANCES		
Imprest Account	3,008	-
Cheques in Hand	-	3,671
Balance with Scheduled Banks		
- Current Accounts	10,455,967	29,037,226
- Deposits Accounts (Unsecured)*	200,000	120,700,000
TOTAL	10,658,975	149,740,897
*Pledged with Sales Tax Authorities of Rs.2,00,000 (Previous Year Rs.200000/-)		
OTHER CURRENT ASSETS		
Interest accrued on deposits, Prepaid Insurance	586,034	542,898
TOTAL	586,034	542,898
LOANS AND ADVANCES		
Loans to Employees (Secured)	1,651,221	26,900
Advances (Unsecured)		
(Recoverable in cash or in kind or for value to be received)	15,726,641	376,926
Fixed Deposits with Corporate	-	67,500,000
Deposits (Unsecured)		
- Govt Authorities	3,779,216	4,375,450
- Others	319,770	319,770
Tax Deducted at Source	1,656,783	335,137
TOTAL	23,133,631	72,934,183



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SCHEDULE 5: CURRENT LIABILITIES AND PROVISIONS

	(Amount in Rs.)	
	AS AT 31.03.2008	AS AT 31.03.2007
CURRENT LIABILITIES		
Sundry Creditors	103,767,209	106,010,813
Others	9,311,108	9,345,668
TOTAL	<u>113,078,317</u>	<u>115,356,481</u>
PROVISIONS		
Retirement Benefit (Gratuity & Leave Encashment)	1,870,399	112,078
Provision for FBT (Net of Advance Fringe Benefit Tax Rs.464220/- (Previous Year-Rs.129114/-))	16,990	17,288
TOTAL	<u>1,887,389</u>	<u>129,366</u>



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SCHEDULE 6: MISCELLANEOUS EXPENDITURE

	(Amount in Rs.)	
	AS AT 31.03.2008	AS AT 31.03.2007
Preliminary Expenses		
Opening Balance	1,729,120	1,932,160
Add: Incurred during the year	-	350,000
Less: Written Off during the year (1/5th)	553,040	553,040
TOTAL	<u>1,176,080</u>	<u>1,729,120</u>
Pre - Operative Expenses		
Opening Balance	-	2,101,459
Less: transferred to Capital work in progress	-	2,101,459
TOTAL	<u>-</u>	<u>-</u>



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SCHEDULE 7: OTHER INCOME

	(Amount in Rs.)	
	AS AT 31.03.2008	AS AT 31.03.2007
Interest earned on :		
- Short Term Deposit with Financial Institutions (TDS-Rs.1,15,499/-)(Previous Year-Rs.94,524/-)	509,699	421,233
- Short Term Deposit with Banks(TDS-Rs.9,83,284/-)(Previous Year-Rs.2,23,485/-)	4,939,127	1,097,660
Miscellaneous Income	9,465,017	2,098
TOTAL	14,913,843	1,520,991



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SCHEDULE 8: COST OF SALES

	(Amount in Rs.)	
	AS AT 31.03.2008	AS AT 31.03.2007
Opening Stock (A)		
Fresh Fruits	-	-
Packing Material	612,038	-
	612,038	-
Add: Purchases (B)		
Fresh Fruits	304,971,325	35,536,830
Packing Material	10,542,185	1,047,110
	315,513,510	36,583,940
Less: Closing Stock (C)		
Fresh Fruits	115,316,443	-
Packing Material	245,528	612,038
	115,561,971	612,038
Net (A+B-C)	200,563,577	35,971,902
Purchase/CA Store/Storage Expenses		
CA store maintenance	4,865,022	-
Freight Exp/Road Freight	33,280,392	3,149,747
Handling Expenses	2,319,617	227,173
Hiring Charges Forklift	65,753	-
Loading/Unloading Charges	3,360,684	-
Power & Fuel	21,495,839	-
Testing Charges	16,359	-
Supervision Expenses	4,793,043	805,285
APMC Fees	2,740,965	335,690
Cold Storage Charges	2,029,501	560,378
Rent - Rai Land	597,600	-
Rent - Pre Cooler Site	51,232	-
	75,616,007	5,078,273
TOTAL	276,179,584	41,050,175



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SCHEDULE 9: EMPLOYEES REMUNERATION AND BENEFITS

(Amount in Rs.)

	AS AT 31.03.2008	AS AT 31.03.2007
Salary, Allowances & Other Employee Benefits	8,250,738	2,866,649
Contribution to PF & FPF	637,570	239,283
Rent for Leased Accommodation (Net)	720,032	247,973
Employees Welfare & Medical	984,803	328,466
Gratuity	173,600	77,820
Training Expenses	90,269	2,050
TOTAL	10,857,012	3,762,241



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SCHEDULE 10: ADMINISTRATIVE & OTHER EXPENSES

(Amount in Rs.)

	AS AT 31.03.2008	AS AT 31.03.2007
Rent Office Space	1,489,586	751,739
Agency Charges-Commission	4,854,375	1,839,523
Auditors Remuneration		
- Statutory Audit Fee	50562	
- Tax Audit Fee	16854	
Telephone Expenses(Communication)	67,416	56,120
Advertisement	464,575	197,614
Bank Charges	1,323,298	58,312
Boarding & Lodging Expense	248,788	45,572
Books & Periodicals	617,875	727,533
Business Promotion	11,676	15,883
Computer Maintenance	144,147	-
Consultancy Fees	48,383	-
Conveyance Expense	53,769	-
Electricity Expenses	101,742	-
Licence Fee-Factory	130,857	21,930
Entertainment Expenses	10,000	-
Exhibition charges	22,230	-
General Office Expenses	96,403	-
Insurance Premium	71,717	275,634
Legal & Professional Charges	908,139	63,043
Office Maintenance Charges	1,348,601	415,984
Office Vehicle Charges	273,814	-
Postage & Courier Charges	1,870,886	577,767
Printing & Stationery Exp	30,420	-
Security Expenses	414,868	104,797
Software Development Expenses	479,805	-
Subscription & Membership Fee	76,895	-
Surveyor Charges	3,007	-
Travelling Expenses	3,090	-
Water Charges	156,484	-
Repair & Maintenance	31,000	-
	155,781	153,656
TOTAL	15,509,627	5,305,107

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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 asset 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, whichever is lower. Cost include direct purchase cost and a proportion of direct allocable expenses. Cost is determined on a weighted average basis.

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 as at the balance sheet date.

The accrued liability for leave salary payable to employees has been provided at cash value of leaves due to the employees at the end of the year.

Contribution to defined contribution schemes such as Provident fund & Family Pension are charged to 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.

Rental Income

Revenue is recognized on receipt basis.

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Other Income

Revenue is recognized on accrual basis.

9. Taxes on income

- i) Provision for current tax is made as per applicable provisions of Income Tax Act, 1961.
- ii) Deferred tax is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent years.
- iii) Provision for Fringe Benefit Tax is made as per 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 unless there is absolute certainties of its recovery in future.

11. Preliminary expenses

Preliminary Expenses are amortized over a period of five years.

12. Leases

Lease rentals are in the nature of operating lease. Therefore, same are recognized with reference to lease terms.

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SCHEDULE 12 :NOTES TO ACCOUNTS

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

	(Amount in Rs.)	
	2007-08	2006-07
Cold Chain Plant at Rai	Nil	12,18,12,726
b) Contingent Liabilities not provided for in respect of Bank Guarantee	2,00,000	2,00,000

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 Breakup is as under:

	2007-08	2006-07
Capital Expenditure	Nil	50,74,27,968
Interest on Borrowed Funds	Nil	18,01,889
Expenses incurred during Construction including Pre-operative Expenses	Nil	44,49,794
Advance Payments	Nil	2,84,66,134
Total	Nil	54,21,45,785

3 Sales have been accounted for based on the consignment notes and the invoices 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.)	
	2007-08	2006-07
i) Parties whose control exists (Holding Company)		
Unsecured Loan Taken	Rs 27,96,00,000	-
Unsecured Loan Refunded	Rs. 8,50,00,000	-
Loan Interest payable	Rs 87,48,535	-
ii) Key management personnel	Nil	
Balances at the end of the Year		
Parties Whose Control Exists (Holding Company)		
Unsecured Loan amount	Rs. 19,46,00,000	-
Loan Interest Payable	Rs 87,48,535	-

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5. Earning Per Share

	31.03.08	31.03.07
Profit/loss after taxation as per Profit and loss account (Rs.)	(18,14,29,343)	(18,78,216)
Weighted Average number of Equity Shares outstanding (Nos.)	3,50,00,000	3,50,00,000
Basic and diluted Earning/loss Per Share (Rs.)	(5.18)	(0.05)

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

7. Expenditure in foreign currency

	2007-08	2006-07
Travelling (Rs.)	-	50,761

8. Additional information required as per Part II of schedule VI of companies Act 1956 regarding purchase, sale and stock.

Class of Goods	Opening stock		Purchase		Sale		Closing Stock	
	Qty	Value(Rs.)	Qty	Value (Rs.)	Qty	Value(Rs.)	Qty	Value (Rs.)
Fruits (in boxes)	Nil	Nil	5,48,657	30,49,71,325	3,98,615	16,21,26,818	1,57,838	11,53,16,443
CFB cartons (in Numbers)	24,799	6,12,038	3,08,189	78,02,319	3,00,880	83,88,534	9,697	2,45,528

Note: (1) Difference of 7796 (Excess) boxes is on account of self generation caused by repacking.

(2) Difference of 22411 (Short) in CFB Cartons is on account of self consumption for repacking of fruits.

9. As per AS-19 amount charged to Profit & Loss Account in respect of operating leases for office and staff is Rs 28,07,218 (Previous Year Rs.9,99,712) which is net of recovery of Rs.49,921 (Previous Year Rs.8386).

10. All Previous year's figures have been recast/regrouped/rearranged wherever considered necessary to conform to this year's classification. Unless otherwise stated, all figures have been rounded off to the nearest rupees.

11. The company is dealing in logistics of 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 Income Tax Act, 1961.

14. Deferred Tax asset is not being recognized since there is uncertainty regarding sufficient future taxable income being available for realizing such deferred tax asset.

15. Sundry creditors include an amount booked under outstanding liabilities of Rs 9,27,22,608/- for construction of fixed assets and other expenses, for which, provision has been made on estimated basis as the actual work done and amount payable/recoverable for the same is under examination.

16. The Company is in the process of determining and obtaining the information from the suppliers covered under The Micro, Small and medium Enterprise Development Act, 2006, as at 31st March, 2008.

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
 (A Wholly owned subsidiary of CONCOR)

SCHEDULE 12 :NOTES TO ACCOUNTS

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

	2007-08	2006-07
	(Amount in Rs.)	
Cold Chain Plant at Rai	Nil	12,18,12,726
b) Contingent Liabilities not provided for in respect of Bank Guarantee	2,00,000	2,00,000

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:

	2007-08	2006-07
Capital Expenditure	Nil	50,74,27,968
Interest on Borrowed Funds	Nil	18,01,889
Expenses incurred during Construction including Pre-operative Expenses	Nil	44,49,794
Advance Payments	Nil	2,84,66,134
Total	Nil	54,21,45,785

- 3 Sales have been accounted for based on the consignment notes and the invoices 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 :**

	2007-08	2006-07
i) Parties whose control exists (Holding Company)		

As per our report of even date
 For **S S Poddar & Co.**
 Chartered Accountants

For and on behalf of the Board of Directors

S S Poddar Partner M No.15018	Rakesh Mehrotra Chairman	Suresh Kumar Director	Suman Lata Company Secretary
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Date : 10.06.2008
 Place: New Delhi

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
 (A Wholly owned subsidiary of CONCOR)

Auditors' Report

To The Members of
Fresh & Healthy Enterprises Limited

1. We have audited the attached Balance Sheet of Fresh & Healthy Enterprises Limited as at March 31, 2008 and also the Profit and Loss Account and 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 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 Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. 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;
 - ii. 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;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. 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.
 - v. In terms of Department of Company Affairs' CSR 82(9F) dated 21st October, 2003 Government Companies are exempt from applicability of provisions of Section 274(1)(g) of the companies Act, 1956.
 - vi. 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008; b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **S. S. Poddar & Co. Chartered Accountants**

S. S. Poddar
 Partner
 Membership No.: 15018

Place : New Delhi
 Date : 10.06.2008

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
 (A Wholly owned subsidiary of CONCOR)

Re: Fresh & Healthy Enterprises Limited
Annexure referred to in paragraph 3 of our report of even date

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets of the Company have been physically verified by management during the year and no material discrepancies between the book records and the physical verification have been noticed. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company.
- (c) There was no substantial disposal of fixed assets during the year.
- 2) (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. Discrepancies noticed during physical verification, which were not material, have been properly dealt within the books of accounts.
- 3) (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 (iii) (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. 27,96,00,000 and the year end balance of the loan taken from such party was Rs. 19,46,00,000.
- (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 has been regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- 4) In our opinion and according to the information and explanations given to us, there is 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 and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- 5) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 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 and arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 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.
- 6) The Company has not accepted any deposits from the public. Accordingly paragraph 4(v) of the order is not applicable.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the Company.
- 9) (a) According to the records of the Company, the Company has been generally regular in depositing the undisputed statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
 (A Wholly owned subsidiary of CONCOR)

- (c) According to the information and explanations given to us, there are no dues on income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- 10) The Company was incorporated on 1st February, 2006. Since a period of five years has not elapsed from the date of incorporation, we are of the opinion that no comments is required under clause (k) of the paragraph 4 of the order regarding the erosion of 50% of the net worth and cash losses in the current and in the immediately financial year.
- 11) 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 holder as at the balance sheet date.
- 12) 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.
- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- 14) In our opinion, 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 (as amended) are not applicable to the Company.
- 15) 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.
- 16) In our opinion, the term loans have been applied for the purpose for which they are raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on a short term basis have been used for long term investment.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company did not have any outstanding debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information 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 **S. S. Poddar & Co. Chartered Accountants**

S. S. Poddar
 Partner
 Membership No.: 15018

Place : New Delhi
 Date : 10.06.2008

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
 (A Wholly owned subsidiary of CONCOR)

Annexure to Directors' Report

PARTICULARS REQUIRED UNDER THE COMPANIES

(DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

(A) CONSERVATION OF ENERGY

During the year 2007-08, regular in-house Audits in areas of Refrigeration and Air Conditioning, Compressed Air, Lube Oil Systems, Lighting, Water Balancing, Cooling Water System, were carried out at Controlled Atmosphere (CA) Store, Rai. The details of various measures taken during the year under various heads of Energy Conservation are as follows :-

1. POWER CONSUMPTION FOR REFRIGERATION AND AIR CONDITIONING, AUXILIARY UNITS

- (a) Energy Saving Screw Compressors and Chillers have been installed and used for refrigeration of CA Store, Processing Area Air Conditioning and Office building. Also, Variable frequency drives (VFDs) have been used for Refrigeration compressors, Cooling coil fan motors (312 motors), Air cooling unit fan motors for Air-conditioning (17 motors), Cooling tower fan motors (6 motors), Carbon dioxide scrubbers (12 motors).
- (b) Cooling towers and Condenser water pumps are operated based on ambient conditions and actual requirement.
- (c) Optimization of Running of refrigeration compressors and air conditioning system.
- (d) Cleaning and replacement of air filters for air compressors, nitrogen generator compressors and diesel generators.

2. Lighting :

Energy Conservation in lighting is achieved by use of Energy efficient tube lights for entire plant, use of CFL's for office building, use of electronic ballasts, cleaning of light fittings for optimum utilization of light illumination and lighting voltage optimization.

3. Heat energy :

Loss/Gain of heat energy in the cold room is prevented by optimum thermal insulation thickness for stores and cladding for pipe lines for minimal heat loss/ gain, cleaning of chilled water tubes, condenser water tubes and Minimum Infiltration of external Air to Cold Store and processing area by proper sealing of incoming and exit gates.

4. Fuel oil :

By regular and proper preventive maintenance and calibration of components of diesel generators, minimum fuel consumption is ensured.

5. Lubricants :

Optimisation of lubricants consumption is achieved by prescribed topping up of lub oil, use of waste lub oil for general mechanical fitting works and attending to lub oil leakages on day to day basis.

6. Water for cooling towers and processing :

Water conservation is achieved by use of electronic controllers for avoiding over flow for 442 KL water tanks, re-use of processed water, waste water and fruit washing water for horticulture and timely detection and rectification of water leakages.

7. Battery chargers for material handling equipments and other purposes :

Chargers are installed with automatic low current charging devices for energy saving.

(B) Additional investments & Proposals for reduction in Consumption of Energy

Electricity Connection from State Electricity Board has been sanctioned. The connection work is under progress and is expected to be completed soon.

(C) Impact of measures taken for Energy Conservation

This was the first year of operation of CA Store. The above measures have set benchmark of Energy consumption in different areas. In the coming year all these aspects shall to be watched more intensively to reduce energy consumption.

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
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FORM A

Disclosure of particulars with respect to Conservation of Energy

A. Power and Fuel Consumption

	Current Year	Previous year
1 Electricity		
a) Purchased		
Unit	Nil	Nil
Total amount	Nil	Nil
Rate/Unit	Nil	Nil
b) Own Generation		
(i) Through Diesel generator		
Unit (KWH)	27,52,871	Nil
Unit per Ltr. of diesel oil	3.99	Nil
Cost/Unit	Rs. 7.68	Nil
(ii) Through steam turbine/generator		
Unit	Nil	Nil
Unit per Ltr. of fuel oil/gas	Nil	Nil
Cost/Unit	Nil	Nil
2. Coal (specify quality and where used)	Nil	Nil
Quantity (tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average rate	Nil	Nil
3. Furnace Oil		
Quantity (k. ltrs.)	Nil	Nil
Total Amount	Nil	Nil
Average rate	Nil	Nil
4. Others/internal generation (please give details)		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil

B. Consumption per unit of production (per ton of storage of apples)

Details	Standards (If Any)	Current year	Previous year
Products (with details) unit			
- Apples storage energy cost per ton.	-	Rs. 2581.9/-	-
Electricity	-	-	-
Furnace Oil	-	-	-
Coal (Specify quality)	-	-	-
Others (Specify)	-	-	-

C. TECHNOLOGY ABSORPTION

Specific Areas in which R & D activities have been carried out during 2007-08: Controlled Atmosphere (CA) Technology is being used for long term storage of apples. We have done some trials with lemons and carrots. During 2008-09, trials are proposed to be conducted with mangoes and pears.

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CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
(A Wholly owned subsidiary of CONCOR)

FORM B
(See rule 2)

Form for disclosure of particulars with respect to absorption

A. Research and development (R & D)

- 1) Specify areas in which R & D carried out by the company:
Studies were conducted in the in house laboratory, on the shelf life extension of fruits and vegetables (Lemon and carrot)
- 2) Benefits derived as a result of the above R & D:
Commercial scale storage of carrot and lemon will be done in future.
- 3) Future plan of action Trials are proposed to be done with mangoes and pears
- 4) Expenditure on R & D : Nil
 - i. Capital : Nil
 - ii. Recurring : Nil
 - iii. Total : Nil
 - iv. Total R & D expenditure as a Percentage of total turnover: - : Nil

B. Technology absorption, adaptation and innovation

1) Efforts, in brief, made towards technology absorption, adaptation and innovation	Controlled Atmosphere Technology along with automation and controls were obtained from ICA, UK.
2) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc	By adapting the CA Technology shelf life of apples for marketing was increased to make them available round the year
3). In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished	a) CA technology for long term storage of fruit and vegetables. b) 2007-08 c) In progress d) Presently used for apples. Trials with other fruits and vegetables under progress
a) Technology imported	
b) Year of import	
c) Has technology been fully absorbed	
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	

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FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
(A Wholly owned subsidiary of CONCOR)

Cash Flow Statement for the Year Ended 31st March 2008

(Amount in Rs.)

	For the year ended 31.03.2008	For the year ended 31.03.2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax and extraordinary items	(81,429,343)	(1,731,814)
Adjustments for :		
Depreciation	21,696,520	136,669
Preliminary Expenses	553,040	553,040
Interest Debited	25,435,211	-
Interest Earned	(5,448,826)	(1,518,893)
Operating Profit before Working Capital changes	(139,193,398)	(2,560,998)
Adjustments for :		
Trade & other receivables (Decrease)	19,059,624	127,718,119
Inventories (Increase)	(114,949,933)	(612,038)
Trade & other Payable (Increase)	9,832,849	115,421,223
Cash flow from operating Activities	(225,250,858)	239,966,306
Less: Fringe Benefit Tax Paid	(317,818)	(129,114)
Net Cash flow from operating activities	(225,568,676)	239,837,192
B. CASH FLOW FROM INVESTING ACTIVITIES		
Share Capital	-	(350,000)
- Preliminary Expenses	-	2,101,459
Preoperative Expenses	-	(754,724)
Payment towards capital Assets	(286,794,871)	1,518,893
Interest Received	5,818,486	(542,145,785)
Capital Work in Progress/ Advances	-	-
Net Cash from / (Used) in Investing Activities	(506,545,061)	(539,630,157)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowing	474,091,479	299,528,862
Utilisation of Borrowing	(85,000,000)	-
Interest paid	(21,831,348)	-
Net cash from/(Used) in financing Activities	367,260,131	299,528,862
Net Increase/(Decrease) in Cash and Cash Equivalents	(139,284,930)	(264,103)
Opening cash and Cash Equivalents	149,740,897	150,005,000
Closing Cash and Cash Equivalents	10,455,967	149,740,897
Net Increase/(Decrease) as per Books	139,284,930	264,103

As per our report of even date
For **S S Poddar & Co.**
Chartered Accountants

S S Poddar
Partner
M No.15018

Rakesh Mehrotra
Chairman

For and on behalf of the Board of Directors

Suresh Kumar
Director

Suman Lata
Company Secretary

Date : 10.06.2008
Place: New Delhi



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CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE	(Rs. in Crore)			
	AS AT 31.03.2008	AS AT 31.03.2007	AS AT 31.03.2007	AS AT 31.03.2007
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	64.99	64.99	
Reserves & Surplus	2	3,100.60	3,165.59	2,564.65
				2,629.64
LOAN FUNDS				
Secured Loan	3		50.28	30.47
DEFERRED TAX LIABILITY (NET OF DEFERRED TAX ASSET)				
			173.68	161.31
TOTAL		3,389.55	2,821.42	2,821.42
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	4	2,326.86	2,025.40	
Less: Depreciation/Amortisation		581.27	473.82	
Net Block		1,745.59	1,551.58	
Capital Works in progress (including advances)		172.08	1,917.67	257.04
				1,808.62
INVESTMENTS				
	5		120.36	96.70
CURRENT ASSETS, LOANS & ADVANCES				
(A) Current Assets	6	1,617.60	1,113.36	
(B) Loans & Advances		282.41	1,900.01	1,384.38
LESS : CURRENT LIABILITIES & PROVISIONS				
(A) Current Liabilities	7	425.68	377.96	
(B) Provisions		122.92	548.60	90.49
				468.45
NET CURRENT ASSETS				
			1,351.41	915.93
MISCELLANEOUS EXPENDITURE				
Preliminary Expenses	11		0.11	0.17
Significant Accounting Policies				
Notes on Accounts				
TOTAL	13	3,389.55	2,821.42	2,821.42

Schedules 1 to 13 form an integral part of the accounts

RAVI KHANDELWAL **SURESH KUMAR** **RAKESH MEHROTRA** As per our report of even date
ED(Accounts) & Company Secretary Director (Finance) Managing Director For **Hingorani M. & CO.**
Chartered Accountants

Date : 12.06.2008
Place : New Delhi

PARDEEP KUMAR
Partner



भारतीय कंटेनर निगम लिमिटेड
CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

CONSOLIDATED FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE	(Rs. in Crore)			
	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2007
INCOME				
Income from Operations		3,363.51	3,062.10	
Other income	8	165.18	84.75	
TOTAL		3,528.69	3,146.85	
EXPENDITURE				
Terminal and Other Service Charges		2,320.00	2,033.30	
Employees Remuneration & Benefits	9	56.09	36.80	
Administrative & Other Expenses	10	111.09	101.01	
Depreciation/Amortisation		108.51	93.60	
Interest		2.55	-	
Preliminary Expenses Written off		0.06	0.06	
TOTAL		2,598.30	2,264.77	
PROFIT BEFORE TAX				
		930.39	882.08	
PROVISION FOR TAX				
Current Tax		184.54	167.87	
Deferred Tax		12.58	17.47	
Fringe Benefit Tax		0.89	0.85	186.19
PROFIT AFTER TAX		732.38	695.89	
Add/(Less): Prior period adjustments (Net)		(0.20)	(0.35)	
Add/(Less): Tax adjustments for earlier years (Net)		1.89	8.09	
NET PROFIT		734.07	703.63	
APPROPRIATIONS				
Interim Dividend Paid		71.49	71.49	
Proposed Final Dividend		97.49	71.49	
Corporate Dividend Tax		28.72	22.18	
Transfer to General Reserve		75.22	70.38	
Balance carried to Balance Sheet		461.15	468.09	
		734.07	703.63	
Basic and Diluted earning per share of Rs. 10/- each (Rs.) (Note No. 18, Schedule 13)				
		56.47	54.13	

Schedules 1 to 13 form an integral part of the accounts

RAVI KHANDELWAL **SURESH KUMAR** **RAKESH MEHROTRA** As per our report of even date
ED(Accounts) & Company Secretary Director (Finance) Managing Director For **Hingorani M. & CO.**
Chartered Accountants

Date : 12.06.2008
Place : New Delhi

PARDEEP KUMAR
Partner

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 1: SHARE CAPITAL

	(Rs. in Crore)	
	AS AT 31.03.2008	AS AT 31.03.2007
AUTHORISED		
20,00,00,000 (Previous Year 10,00,00,000) Equity Shares of Rs. 10/- each	<u>200.00</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>

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 2: RESERVES & SURPLUS

	(Rs. in Crore)	
	AS AT 31.03.2008	AS AT 31.03.2007
GENERAL RESERVE		
Opening Balance	291.35	220.97
Add: Transfer from Profit & Loss Account	<u>75.22</u>	<u>70.38</u>
	<u>366.57</u>	291.35
Less: Charge on account of transitional provision under Accounting Standard 15	<u>0.42</u>	366.15
	-	291.35
PROFIT AND LOSS ACCOUNT		
Opening Balance	2,273.30	1,805.21
Addition during the Year	<u>461.15</u>	<u>468.09</u>
TOTAL	<u>3,100.60</u>	<u>2,564.65</u>

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 3: SECURED LOAN

	AS AT 31.03.2008	AS AT 31.03.2007
Term Loan from Bank		
(Including Interest Accrued and due of Rs. 0.36 Crore, (Previous Year 0.13 Crore) 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 assets of the company)	50.28	30.47
TOTAL	50.28	30.47

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 4: FIXED ASSETS

Description	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.07	Additions during the year	Sale/ Adjustments	As at 31.03.08	As at 01.04.07	For the year	Sale / Adjustments	Up to 31.03.08	As at 31.03.08	As at 31.03.07
Tangible Assets										
Freehold Land	12.18	-	-	12.18	-	-	-	-	12.18	12.18
Leasehold Land	102.47	2.37	-	104.84	8.54	2.17	-	10.71	94.13	93.93
Buildings	459.79	43.64	0.02	503.41	83.38	16.88	0.00	100.26	403.15	376.41
Railway Siding	40.67	0.66	0.00	41.33	9.82	2.06	0.00	11.88	29.45	30.85
Plant & Machinery	1174.86	231.92	0.45	1406.33	273.18	67.56	0.01	340.73	1065.60	901.68
Containers	48.05	0.27	-	48.32	20.18	2.29	-	22.47	25.85	27.87
Electrical Fittings	38.97	3.73	0.00	42.70	20.90	3.04	0.00	23.94	18.76	18.07
Computers	39.95	1.24	0.92	40.27	23.23	5.49	0.85	27.87	12.40	16.72
Furniture & Fixtures	8.40	0.49	0.08	8.81	4.32	0.50	0.07	4.75	4.06	4.08
Office Equipment	5.53	0.90	0.07	6.36	1.93	0.32	0.04	2.21	4.15	3.60
Plastic Bins	0.00	16.48	0.00	16.48	0.00	0.39	0.00	0.39	16.09	0.00
Wooden Bins	0.00	0.21	0.00	0.21	0.00	0.01	0.00	0.01	0.20	0.00
Telephone Systems	1.46	0.10	0.08	1.48	0.55	0.07	0.04	0.58	0.90	0.91
Air Conditioner	4.92	0.17	0.04	5.05	0.87	0.24	0.02	1.09	3.96	4.05
Vehicles	0.60	0.05	0.06	0.59	0.45	0.03	0.03	0.45	0.14	0.15
Capital Expenditure *	22.79	0.50	0.00	23.29	18.59	2.06	0.00	20.65	2.64	4.20
Sub-total	1960.64	302.73	1.72	2261.65	465.94	103.11	1.06	567.99	1693.66	1494.70
Intangible Assets										
Software	14.76	0.45	-	15.21	7.29	2.90	-	10.19	5.02	7.47
Registration Fee	50.00	0.00	-	50.00	0.59	2.50	-	3.09	46.91	49.41
Sub-total	64.76	0.45	-	65.21	7.88	5.40	-	13.28	51.93	56.88
Total	2025.40	303.18	1.72	2326.86	473.82	108.51	1.06	581.27	1745.59	1551.58
Capital Work-in-Progress (Including Advances of Rs. 118.21 Crore (Previous Year Rs.146.04 Crore))									172.08	257.04
Grand Total									1917.67	1808.62
Previous year	1793.61	233.68	1.89	2025.40	381.70	93.60	1.48	473.82	1551.58	

* Refer Note No. 7 of Schedule 13

- Note: 1)** Gross Block of Plant & Machinery and Containers includes Rs. 1.87 crore (Previous Year Rs.0.10 crore), and Rs. Nil (Previous Year Rs.0.10 crore) respectively for items retired from active use due to obsolescence/condemnation.
- 2)** Gross Block of Land and Buildings includes assets valuing Rs.15.51 crore (Previous Year Rs.17.79 crore) in respect of which sale/lease deeds are yet to be executed.
- 3)** Gross Block of Buildings includes freehold buildings valuing Rs.9.75 crore (Previous Year Rs.9.75 crore)
- 4)** Depreciation provided during the current year includes Rs.0.93 crore (Dr.) (Previous Year Rs.1.33 crore (Dr.)) related to prior period (Net).
- 5)** Additions to Fixed Assets include Rs.1.31 crore (Previous Year Nil) on account of interest on term loan.

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SCHEDULE 5: INVESTMENTS

	AS AT 31.03.2008	AS AT 31.03.2007
(Rs. in Crore)		
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	3.19
	<u>4.06</u>	<u>4.06</u>
II In Shares of Joint Ventures		
4,706,695 Equity shares of Rs.10/- each fully paid up in Star Track Terminals Pvt. Ltd. (P.Y. 2,580,095)	4.71	2.58
2,940,000 Equity shares of Rs.10/- each fully paid up in Albatross CFS Pvt. Ltd. (P.Y. 2,940,000)	2.94	2.94
2,443,630 Equity shares of Rs.10/- each fully paid up in Trident Terminals Pvt. Ltd. (P.Y. 2,443,630)	2.44	2.44
83,200,000 Equity shares of Rs. 10/- each fully paid up in Gateway Terminals India Pvt. Ltd. (P.Y. 75,244,000)	83.20	75.25
1,425,900 Equity shares of Rs.10/- each fully paid up in CMA-CGM Logistic Park (Dadri) Pvt. Ltd. (P.Y. 1,425,900)	1.42	1.42
19,678,500 Equity shares of Rs. 10/- each fully paid up in India Gateway Terminal Pvt. Ltd. (P.Y. 7,500,000)	19.68	7.50
5,000 Equity shares of Rs. 10/- each fully paid up in Integrated Infra Log Pvt. Ltd. (P.Y. 5,000)	0.01	0.01
980,000 Equity shares of Rs. 10/- each fully paid up in Infinite Logistics Solution Pvt. Ltd. (P.Y. Nil)	0.98	-
367,500 Equity shares of Rs. 10/- each fully paid up in Hind CONCOR Terminals (Dadri) Pvt. Ltd. (P.Y. Nil)	0.37	-
49,000 Equity shares of Rs. 10/- each fully paid up in Container Gateway Limited (P.Y. Nil)	0.05	-
	<u>115.80</u>	<u>92.14</u>
III. In Shares of Foreign Joint Venture		
80,000 Equity shares of Nepalese Rupiah 100/- (Equivalent INR 62.50) each fully paid up in Himalayan Terminals Pvt. Ltd., Nepal (P.Y. 80,000)	0.50	0.50
	<u>0.50</u>	<u>0.50</u>
TOTAL	<u>120.36</u>	<u>96.70</u>

Note : Letters of allotment/Share Certificates are not available with the company in respect of the following investments:

S. No.	Name of the Company	No. of Shares	Amount (Rs. in Crore)
01	India Gateway Terminal Pvt. Ltd.	12,178,500	12.18
02	Infinite Logistics Solution Pvt. Ltd.	735,000	0.74
03	Container Gateway Limited	49,000	0.05
	Total		<u>12.97</u>

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SCHEDULE 6: CURRENT ASSETS, LOANS AND ADVANCES

	AS AT 31.03.2008	AS AT 31.03.2007
(Rs. in Crore)		
A. CURRENT ASSETS		
INVENTORIES		
(As taken, valued & certified by the Management)		
Stores & Spare Parts (At Cost) (Note No.9, Schedule 13)	16.60	4.87
Packing Material	0.02	0.06
	<u>16.62</u>	<u>4.93</u>
Less: Provision for Obsolete Stores	0.26	0.26
	<u>16.36</u>	<u>4.67</u>
SUNDRY DEBTORS		
Outstanding for period exceeding six months		
Unsecured Considered good	2.35	2.05
Unsecured Considered doubtful	1.15	0.85
	<u>3.50</u>	<u>2.90</u>
Less: Provision for doubtful debts	1.15	0.85
Others		
Unsecured Considered good	14.43	7.85
	<u>16.78</u>	<u>9.90</u>
CASH AND BANK BALANCES		
Cash in hand (Including Imprest)	0.20	0.34
Cheques in hand	12.87	16.11
Remittance in transit	0.06	0.05
Balance with Scheduled Banks		
- in Current Accounts	52.39	64.59
- in Term Deposits	1,457.05	1,509.44
	<u>1,522.57</u>	<u>1,061.07</u>
OTHER CURRENT ASSETS		
Interest accrued on deposits, loans and advances	61.89	21.22
TOTAL CURRENT ASSETS - A	<u>1,617.60</u>	<u>1,113.36</u>
B. LOANS AND ADVANCES		
LOANS TO EMPLOYEES (Secured)		
	11.36	8.70
LOANS TO OTHERS (Unsecured)		
ADVANCES (Unsecured)		
Recoverable in cash or in kind or for value to be received	84.88	83.95
Less : Provision for doubtful advances	0.07	0.09
DEPOSITS (Unsecured)		
Govt. Authorities	2.71	2.67
- Others	0.71	0.68
Less : Provision for doubtful deposits	0.03	0.03
ADVANCE INCOME TAX/TDS (NET OF PROVISIONS)	182.25	174.34
TOTAL LOANS AND ADVANCES - B	<u>282.41</u>	<u>271.02</u>
TOTAL (A + B)	<u>1,900.01</u>	<u>1,384.38</u>

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SCHEDULE 7: CURRENT LIABILITIES AND PROVISIONS

	(Rs. in Crore)	
	AS AT 31.03.2008	AS AT 31.03.2007
A. CURRENT LIABILITIES		
Sundry Creditors	0.00	0.29
- Small Scale Industrial Undertakings		153.33
- Others	<u>173.70</u>	<u>153.04</u>
Advances / Deposits from Customers	87.75	76.21
Unclaimed Dividend (*)	0.08	0.06
Book Overdraft	122.66	111.35
Others	41.49	37.01
TOTAL CURRENT LIABILITIES - A	<u>425.68</u>	<u>377.96</u>
B. PROVISIONS		
Proposed Final Dividend	97.49	71.49
Corporate Dividend Tax	16.57	12.15
Employee Retirement Benefits	<u>8.86</u>	<u>6.85</u>
TOTAL PROVISIONS - B	<u>122.92</u>	<u>90.49</u>
TOTAL (A + B)	<u>548.60</u>	<u>468.45</u>

(*) During the year an amount of Rs. 39,518/- (previous year 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 31.03.2008	YEAR ENDED 31.03.2007
Interest earned on :		
- Short Term I.C.D's/Bank Deposits (TDS Rs. 28.13 Crore; Previous Year: Rs.13.42 Crore)	127.10	59.35
- Loans to Employees	0.44	0.42
- Loan to IRWO (TDS Rs. 0.01 Crore; Previous Year: Rs. 0.02 Crore)	0.06	0.08
Excess provision written back	5.69	2.74
Miscellaneous Income	20.41	11.37
Share in Profit of Business Arrangement (Note no. 8, Schedule 13)	11.48	10.79
TOTAL	<u>165.18</u>	<u>84.75</u>

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 9: EMPLOYEES REMUNERATION AND BENEFITS

	(Rs. in Crore)	
	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
Salary, Allowances & Other Employee Benefits	44.08	28.09
Contribution to PF, FPF, ESI & Labour welfare fund	3.39	2.11
Rent for Leased Accommodation (Net)	1.77	1.44
Employee Welfare & Medical	5.95	4.24
Gratuity	0.71	0.80
Staff Training	0.19	0.12
TOTAL	56.09	36.80

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 10: ADMINISTRATIVE AND OTHER EXPENSES

	(Rs. in Crore)	
	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
Printing & Stationery	2.17	2.37
Travelling and Conveyance (Including Directors' Travelling Rs. 0.31 Crore; Previous year Rs.0.26 Crore)	8.00	7.71
Rent and Licence fee for office building	1.53	2.14
Power & Fuel	16.16	15.06
Consumption of Stores & Spares	1.71	2.08
Repairs & Maintenance :		
- Buildings	4.79	4.11
- Plant & Machinery	1.75	1.96
- Others	10.56	9.51
Security Expenses	19.04	16.43
Vehicle Running & Maintenance Expenses	0.23	0.10
Business Development	1.06	0.92
Postage, Telephone & Internet	4.66	4.79
Books & Periodicals	0.28	0.28
Bank Charges	0.26	0.25
Legal & Professional Charges	5.19	3.50
Insurance	1.41	1.24
Fees & Subscriptions	0.10	0.09
Advertisement	2.91	2.12
Auditors' Remuneration		
- Audit Fee	0.09	0.09
- Tax Audit Fee	0.02	0.01
- Other Services	0.05	0.05
- Out of Pocket	0.05	0.04
Rebates and Discounts	23.35	20.05
Rates & Taxes	2.43	3.18
Donations	0.20	0.48
Miscellaneous Expenses	2.73	2.20
Fixed Assets written off	0.06	0.12
Provision for :		
Doubtful Debts	0.30	0.08
Obsolete Assets	-	0.05
TOTAL	111.09	101.01

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 11: MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)

	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
		(Rs. in Crore)
A. Preliminary Expenses		
Opening Balance	0.17	0.19
Add: Incurred During the year	-	0.04
	0.17	0.23
Less: Written off during the year (1/5th)	0.06	0.06
Sub Total	0.11	0.17
B. Pre -Operative Expenses		
Opening Balance	-	0.21
Less: Transferred to Capital work in progress	-	0.21
Sub Total	-	-
TOTAL	0.11	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:**
 - i) Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost of acquisition is net of interest on capital advances and duty credits 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.
 - ii) 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.
 - iii) 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:**
 - i) Long term investments are stated at cost. A provision for diminution in value is made to recognise a decline other than temporary in nature.
 - ii) Current investments are stated at lower of cost or fair value.
- 6. Inventories:**
 - a) Stores and spare parts are valued at cost on weighted average basis. Provision for obsolescence is made, whenever required (CONCOR).
 - b) Inventories are valued at cost or realizable value whichever is lower (FHEI).
- 7. Depreciation/Amortization:**
 - i) 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%.
 - ii) 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

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:**
 - i) Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost of acquisition is net of interest on capital advances and duty credits 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.
 - ii) 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.
 - iii) 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:**
 - i) Long term investments are stated at cost. A provision for diminution in value is made to recognise a decline other than temporary in nature.
 - ii) Current investments are stated at lower of cost or fair value.
- 6. Inventories:**
 - a) Stores and spare parts are valued at cost on weighted average basis. Provision for obsolescence is made, whenever required (CONCOR).
 - b) Inventories are valued at cost or realizable value whichever is lower (FHEL).
- 7. Depreciation/Amortization:**
 - i) 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%.
 - ii) Leasehold land and residential accommodation (taken from Indian Railways on lease) are amortised over the period of lease.

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 Agreements. 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:**
 - (i) 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.
 - (ii) 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.
 - (iii) For certain items, CONCOR and its subsidiary have followed different accounting policies. However, the impact of the same is not material.
 - (iv) Unless otherwise stated, the figures are in rupees crores.
 - (v) Previous year figures have been recast/regrouped/rearranged wherever considered necessary to conform to this year's classification.
- 2. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances):**

	2007-08	2006-07
a) In relation to joint ventures	115.72	96.18
b) Others	308.96	362.37
3. Contingent liabilities not provided for :		
a) Outstanding Letters of Credit & bank guarantees	45.85	16.89
b) Bank guarantees/bid bonds for joint ventures/subsidiary	191.67	192.19
c) Claims against the Company not acknowledged as debt, net of advances/payments under protest, arbitration, court orders, etc. (include claims of Rs.391.97 crore(previous year: Rs.372.92 crore) pending in arbitration/courts pursuant to arbitration awards)	591.59	543.51

Contingent liabilities are disclosed to the extent of claims received and include an amount of Rs. 9.55 crore (Previous year: Rs. 5.26 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. The Company has executed "Custodian cum Carrier Bonds" of Rs.16,319.00 crore (previous year: 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.**
- 5. a) As in earlier years, the provision for tax for the year is after considering tax deduction of Rs.124.18 crore (previous year: Rs.112.59 crore) under section 80IA of the Income Tax Act, 1961 in respect of Rail system & Inland Container Depots (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 to 2005-06 and raised demands of tax and interest totalling to Rs.107.07 crore. The company filed**

CONSOLIDATED FINANCIAL STATEMENTS

appeals before the Commissioner of Income Tax (Appeals) against the said assessment orders. The appeals for all the years have 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, appeals have been filed before the Income Tax Appellate Tribunal (ITAT). The Income Tax Department has also filed appeals against the claims allowed to the company by the CIT(A) before the ITAT.

6. Balances of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (including Indian Railways), etc. are subject to confirmation/reconciliation.
7. Details of capital expenditure on land not belonging to the company (Refer Schedule -4) are as under:

PARTICULARS	(Rs. in crore)	
	As at 31-03-2008	As at 31-03-2007
Building	6.85	6.35
Railway Siding	10.84	10.84
Plant & Machinery	3.04	3.04
Electrical Fittings	2.36	2.36
Furniture	0.03	0.03
Others	0.17	0.17
Total	23.29	22.79

8. 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.11.48 crore being company's share in the profit of the entity as per unaudited accounts for the year ended 31st March, 2008 (previous year: Rs.10.79 crore), has been accounted for under other income.
9. Stores & spare parts include items costing Rs.2.29 crore (previous year: 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.
10. (a) Information with regard to amount due to SSI units has been determined on the basis of information available with the Company and relied upon by auditors. To the extent of 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).
- (b) The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosures under the said Act have been made.
11. During the year, the company received duty credit entitlement scrips amounting to Rs.125 crore under the Served From India Scheme (SFIS) of the Government of India. As per the scheme, the scrips can be utilized for duty credit for import of capital goods & payment of excise duty on domestic purchases. An amount of Rs.9.22 crore has been utilized for custom duty credit on import of capital goods and Rs.5.06 crore for excise duty credit on domestic purchases, leaving a balance of Rs.110.72 crore as on 31st March, 2008 which can be utilized within a period of two year from the date of issue of scrips.
12. The Govt. has imposed cess on building and other construction works 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. The company has been advised that it is under no obligation under the Act or the Rules to collect or deposit the cess in relation to the construction work being executed by the contractors in Delhi. Similar cess has also been imposed by some other states. This issue has been referred to the Ministry of Railways (MOR) for clarification. However, as a matter of prudence, Rs.0.05 crore recovered towards the cess from bills of contractors has been included in sundry creditors pending receipt of clarification from MOR.
13. i) Income from operations consists of revenue from freight, handling, Terminal Service Charges, demurrage, sales and other operating income.
- ii) Terminal & other service charges include expenses for rail freight, handling, road transportation, other operating expenses & cost of sales.
14. The Company has, with effect from 1st April, 2007, adopted Accounting Standard 15, Employee Benefits (revised 2005), issued by the Institute of Chartered Accountants of India (ICAI). The disclosures as required as per the above accounting standard are as under:
- (a) Defined Contribution plans:**
- i) Employers' contribution to provident fund
- ii) Employers' contribution to Employees Pension scheme, 1995
- Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted

CONSOLIDATED FINANCIAL STATEMENTS

securities. The contribution to the fund for the period is recognized as expense and is charged to the profit & loss account. The obligation of the company is limited to such fixed contribution. However, the trust is required to pay a minimum rate of interest on contributions to the member as specified by Government. Since the fair value of the assets of the Provident Fund including the returns on the assets thereof, as on the balance sheet date is less than the obligations under the defined contribution plan as per actuarial valuation an amount of Rs.7.07 lakhs has been provided in Employers' contribution to provident fund on this account. During the year, the company has recognized the following amounts in the Profit and Loss Account.

- (i) Employers' contribution to provident fund - Rs.2.64 crore
- (ii) Employers' contribution to Employees Pension scheme, 1995 - Rs.0.69 crore

(b) Defined benefit plans:

Gratuity:

The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation.

Leave encashment:

The company has a defined benefit leave encashment plan for its employees. Under this plan they are entitled to encashment of earned leaves and medical leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment has been provided on the basis of actuarial valuation.

(c) Summarized position:

The details of various defined benefits recognised in the Profit and Loss Account, Balance Sheet and the funded status are as under:

Expenses recognised in Profit and Loss Account:

	(Rs. in lakhs)	
	Gratuity (Funded)	Leave encashment (Non-Funded)
Current service cost	56.06	77.91
Interest cost on benefit obligation	36.75	45.31
Expected return on plan assets	(37.28)	-
Net actuarial Gains (loss)	13.13	4.51
Expenses recognised in profit and loss account	68.66	127.73
Amount recognised in the Balance sheet:		
Present Value of Obligations as at 31-03-2008(i)	542.97	666.04
Fair Value of Plan Assets as at 31-03-2008(ii)	476.29	-
Difference (i) - (ii)	(66.68)	(666.04)
Net asset/(Liabilities) recognised in the Balance sheet	(66.68)	(666.04)
Change in the Present value of the defined benefit obligation:		
Present value of obligation as at 01-04-2007	458.18	564.84
Interest cost	36.75	45.31
Current service cost	56.06	77.91
Benefits paid	(21.15)	(26.53)
Net actuarial gains/(loss) on obligation	13.13	4.51
Present value of defined benefits obligation as at 31-03-2008	542.97	666.04
Change in the fair value of plan assets:		
Fair value of Plan assets as at 01-04-2007	369.63	-
Expected return on plan assets	37.28	-
Contribution by employer	90.53	-
Benefits paid	(21.15)	-
Actuarial gain/(loss)	-	-
Fair value of Plan assets as at 31-03-2008	476.29	-

CONSOLIDATED FINANCIAL STATEMENTS

(d) In term of the transitional provision of AS 15 (revised), liability towards employee benefits as on 1st April, 2007 amounting to Rs. 42.19 lakhs (net of deferred tax) has been adjusted against opening balance of General Reserve.

(e) **Detail of plan assets:** The details of the plan assets (gratuity) at cost as on 31st March, 2008 are as follows:

	(Rs. in lakhs)
i) State Government securities	51.35
ii) Central Government securities	160.01
iii) Corporate Bond/debentures	228.50
iv) Others	36.43
	476.29

(f) **Actuarial assumptions:** Principal assumptions used for actuarial valuation are:

i) Method used	Projected Unit Credit Method
ii) Discount rate	8%
iii) Future salary increases	5.50%

Salary increase rate has been assumed keeping in view the inflation rate on long term basis. The impact of impending salary increase due to pay revision w.e.f. 1st January, 2007 has not been considered as the amount is not ascertainable.

(g) The liability on account of gratuity and leave encashment in case of FHEL have been provided on accrual basis.

15. 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:

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Particulars	EXIM		Domestic		Un-allocable		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
REVENUE								
Segment Revenue	2,646.71	2,459.85	700.59	597.49	16.21	4.76	3,363.51	3,062.10
RESULT								
Segment Result	729.47	725.92	95.19	101.67	-16.27	-0.32	808.39	827.27
Corporate Expenses	-	-	-	-	40.63	29.94	40.63	29.94
Operating Profit	-	-	-	-	-	-	767.76	797.33
Interest & other Income	-	-	-	-	165.18	84.75	165.18	84.75
Interest Expenses	-	-	-	-	-2.55	-	-2.55	-
Income Taxes	-	-	-	-	198.01	186.19	198.01	186.19
Prior Period Adjustments (Net)	-	-	-	-	(0.20)	(0.35)	(0.20)	(0.35)
Tax adjustments for earlier years (Net)	-	-	-	-	1.89	8.09	1.89	8.09
Net Profit	-	-	-	-	-	-	734.07	703.63
OTHER INFORMATION								
Segment Assets	1,504.71	1,417.25	370.61	347.46	-	-	1,875.32	1,764.71
Unallocated Corporate Assets	-	-	-	-	2,062.83	1,525.16	2,062.83	1,525.16
Total Assets	-	-	-	-	-	-	3,938.15	3,289.87
Segment Liabilities	318.39	286.04	58.37	50.34	-	-	376.76	336.38
Unallocated Corporate Liabilities	-	-	-	-	3,561.39	2,953.49	3,561.39	2,953.49
Total Liabilities	-	-	-	-	-	-	3,938.15	3,289.87
Capital Expenditure	191.39	211.96	27.69	20.34	84.08	1.38	303.16	233.68
Depreciation	79.65	71.92	22.98	17.86	5.88	3.82	108.51	93.60
Non cash expenses other than depreciation	0.11	0.32	0.05	0.09	0.34	0.02	0.50	0.43

Note: (1) Prior period adjustments have not been allocated to any segment.

(2) 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.

16. 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)			
	Remuneration paid including perks		Loans and advances receivable	
	2007-08	2006-07	2007-08	2006-07
i) Whole time Directors				
Managing Director	12.25	10.13	2.08	3.40
Other Directors	43.71	39.38	9.67	10.26
b) Joint Ventures:				
i. Star Track Terminals Pvt. Ltd.				
ii. Trident Terminals Pvt. Ltd.				

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- iii. Albatross CFS Pvt. Ltd.
 iv. Gateway Terminals India Pvt. Ltd.
 v. JWG-Air Cargo Complex (a business arrangement)
 vi. Himalayan Terminals Pvt. Ltd.
 vii. CMA-CGM Logistics Park (Dadri) Pvt. Ltd.
 viii. HALCON (a business arrangement)
 ix. India Gateway Terminal Pvt. Ltd.
 x. Integrated Infra Log Pvt. Ltd.
 xi. Infinite Logistics Solutions Pvt. Ltd.
 xii. Hind CONCOR Terminals (Dadri) Pvt. Ltd.
 xiii. Container Gateway Limited
 c) Wholly owned Subsidiary: Fresh And Healthy Enterprises Ltd.
 Transactions relating to parties referred to at (b) above are

	(Rs. in lakh)	
	2007-08	2006-07
Joint ventures		
Rent, Maintenance charges and interest income received/receivable	157.77	145.58
Security Deposit received-balance	140.79	123.12
Current assets, loans & advances	0.85	0.61
Investment (Net) made during the year	2365.78	231.21
Share in the income recognized	1148.18	1078.95
17. Leases - Accounting Standard -19:		
i) In respect of assets taken on lease/rent:		
	(Rs. in crore)	2006-07
(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	10.35	9.14
(ii) Later than one year and not later than 5 years	4.23	4.18
(iii) Later than five years	-	-
(b) Lease payments recognized in the accounts are Rs.17.65 crore (previous year: Rs.19.48 crore).		
(c) Sub lease recoveries recognized in the accounts are Rs.0.16 crore (previous year: 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:		
	(Rs. in crore)	2006-07
Gross Carrying amount		
(Buildings & warehouses)	19.97	19.91
Accumulated Depreciation	2.71	2.30
Depreciation during the year	0.41	0.39

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

CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. in crore)	
	2007-08	2006-07
Profit after tax, prior period adjustments & tax adjustments for earlier years as per Profit and Loss Account (Rs. in crore)	734.07	703.63
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)	56.47	54.13

Subsequent to 31st March, 2008, the company has allotted bonus shares in the ratio of one fully paid up equity share for each equity share held on the record date. Accordingly, in the above disclosure, the basic and diluted EPS has been adjusted for both the reporting periods as per the requirements of AS-20 issued by ICAI.

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

	(Rs. in crore)	
	2007-08	2006-07
Components of Deferred Tax Asset and Liability:		
i. Deferred Tax Liability:		
Difference between book and tax depreciation	184.68	167.17
ii. Deferred tax asset:		
Expenditure covered by section 43B	5.84	4.85
Provision for doubtful advances/debts	0.44	0.34
Others	4.72	0.67
	11.00	5.86
iii. Net deferred tax liability (i-ii)	173.68	161.31

20. 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 Inird 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. (CGGIP) for CFS at Dadri, U.P.	India	49
HALCON: A business arrangement with Hindustan Aeronautics Ltd. for operating an air cargo complex & ICD at Ozar airport, Nasik.	India	50



CONSOLIDATED FINANCIAL STATEMENTS

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 IIL&FS Infrastructure Development Corporation Ltd. to carry on the business of establishing, acquiring, developing, managing & maintaining logistic infrastructure, etc.	India	50
Hind CONCOR Terminals (Dadr) Pvt. Ltd.: A Joint Venture with M/s Hind Terminals Pvt. Ltd. for CFS at Dadr.	India	49
Infinite Logistics Solutions Pvt. Ltd.: A Joint Venture with Reliance Logistics Pvt. Ltd. to establish logistics freight terminals and provide integrated logistics services across the country.	India	49
Container Gateway Ltd.: A Joint Venture with Gateway Rail Freight Pvt. Ltd. for operations of existing rail/road container terminal at Garhi Harsaru, Gurgaon Haryana	India	49

#Investment made during the year

- b) During the year, the company has entered into an agreement with Allcargo Global Logistics Ltd. for setting up a JV company, proposed CONCOR's share being 49%. However, no investment has been made upto 31st March, 2008.
- 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 liabilities & capital commitments
*Star Track Terminal Pvt. Ltd.	901.95 (847.05)	606.92 (837.13)	797.24 (846.39)	724.80 (791.75)	347.94 (344.87)
Trident Terminals Pvt. Ltd.	865.80 (864.79)	750.51 (704.07)	458.06 (327.00)	505.37 (318.77)	2495.00 (2695.00)
Albatross CFS Pvt. Ltd.	1034.85 (1008.81)	733.29 (759.89)	1097.22 (562.10)	1044.58 (607.19)	246.58 (0.36)
*Gateway Terminals India Pvt. Ltd.	27,012.16 (25,057.91)	21,434.50 (19,991.66)	7104.31 (2,149.66)	7160.68 (3,428.57)	17,629.33 (19,686.05)
JWG-Air Cargo Complex	665.15 (950.47)	512.28 (692.16)	1414.57 (1339.41)	266.40 (260.46)	- (-)
Himalayan Terminals Pvt. Ltd	46.64 (36.78)	145.19 (156.60)	214.36 (154.62)	193.20 (203.78)	- (-)
CMA - CGM Logistics Park (Dadr) Pvt. Ltd.	609.09 (611.81)	569.24 (504.38)	235.31 (7.10)	302.89 (42.26)	245.00 (-)
HALCON	306.75 (311.87)	7.57 (1.85)	10.85 (0.82)	21.70 (7.52)	- (-)
India Gateway Terminal Pvt. Ltd.	3,012.59 (1,607.50)	1,598.16 (1,339.53)	1,225.88 (1,165.66)	1,348.50 (1,283.92)	8,759.88 (116.60)
Infinite Logistics Solutions Pvt. Ltd	117.94 (-)	17.80 (-)	77.38 (-)	75.23 (-)	85.04 (-)
Integrated Infra Log Pvt. Ltd.	0.73 (-)	0.23 (-)	(-) (-)	(-) (-)	(-) (-)



CONSOLIDATED FINANCIAL STATEMENTS

*The previous year figures are for year ended 31st December, 2006 and current year figures are for year ended 31st December, 2007 .

In the above statement:

- Figures in brackets are for previous year
- Current year figures are un-audited (provisional).
- Previous year figures are audited, except for Himalayan Terminals Pvt. Ltd. and HALCON.

21. 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.

22. Sundry creditors include an amount booked under outstanding liabilities of Rs. 9.27 crore for construction of fixed assets and other expenses, for which, provision has been made on estimated basis as the actual work done and amount payable/recoverable for the same is under examination.

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

(Rs. in crore)

	2007-08				2006-07			
	Property tax	Salary arrears & PLI	Rent to Railway	Gratuity & Leave encashment	Property tax	Salary arrears & PLI	Rent to Railway	Gratuity & Leave encashment
Opening balance	8.45	3.90	1.69	6.73	6.06	2.47	0.63	4.83
Addition during the year	1.70	16.62	0.24	2.48	2.49	3.88	1.06	2.69
Amount used /incurred	0.22	2.74	0.00	1.56	0.10	2.42	0.00	0.79
Unused amount	0.24	0.00	0.00	0.00	-	0.03	-	-
Reversed during the year	9.69	17.78	1.93	7.65	8.45	3.90	1.69	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.

24. a) Unless otherwise stated, the figures are in rupees crore.

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

RAVI KHANDELMAL
ED(Accounts) & Company Secretary

SURESH KUMAR
Director (Financial)

RAJESH MEHROTRA
Managing Director

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

Date : 12.06.2008
Place : New Delhi

PARDEEP KUMAR
Partner



भारतीय कंटेनर निगम लिमिटेड

CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	2007-2008	(Rs. in Crore) 2006-2007
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	930.39	882.08
Adjustment for :-		
Depreciation/Amortisation	108.51	93.60
Interest paid	2.55	-
Interest & Dividend Income	(139.08)	(70.64)
Provision for obsolete assets	-	0.05
Provision for doubtful debts	0.30	0.08
Preliminary exps.	0.06	0.06
Fixed assets written off	0.06	0.12
Loss on Sale of fixed Assets	0.14	0.19
Operating Profit Before Working Capital Changes	902.93	905.54
Adjustment for :-		
Trade & Other Receivables	(51.32)	(11.06)
Inventories	(11.69)	0.06
Trade Payable & Provisions	49.08	83.86
Cash Generated from Operations	889.00	978.40
Prior Period Adjustments	(0.20)	(0.35)
Direct Taxes paid	(191.45)	(225.34)
Net Cash from Operating Activities (A)	697.35	752.71
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(303.17)	(233.68)
Sale of Fixed Assets	0.45	0.01
Capital Work-in-Progress/advances	84.96	(91.29)
Purchase of Investment	(23.66)	(2.32)
Interest, Dividend & Other Income	139.08	70.64
Advances/loans - Joint Ventures (net)	-	1.01
Net Cash used in Investing Activities (B)	(102.34)	(255.63)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2.55)	-
Dividend paid (including tax on dividend)	(167.24)	(140.81)
Proceeds of Long Term Loan	19.81	29.95
Net Cash from Financing Activities (C)	(150.00)	(110.86)
Net Change in Cash & Cash Equivalents (A+B+C)	445.01	386.22
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,077.56	691.34
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,522.57	1,077.56

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

RAVI KHANDELWAL
ED(Accounts) & Company SecretarySURESH KUMAR
Director (Finance)RAKESH MEHROTRA
Managing DirectorAs per our report of even date
For Hingorani M. & CO.
Chartered AccountantsDate : 12.06.2008
Place : New DelhiPARDEEP KUMAR
Partner

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भारतीय कंटेनर निगम लिमिटेड

CONTAINER CORPORATION OF INDIA LTD.

Multimodal Logistics Professionals

CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Report

To the BOARD of DIRECTORS of
CONTAINER CORPORATION OF INDIA LTD

We have examined the attached Consolidated Balance Sheet of Container Corporation of India Ltd. And its subsidiary as at 31st March 2008 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 statement 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 statement. 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. 105.42 Crore as at March 31, 2008 and total revenue of Rs. 17.79 Crore and net cash flows of Rs. 13.93 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. 5 of Schedule 13. The Company has made provision for Income Tax for the year after considering tax deduction of Rs. 124.18 Crore under section 80IA of the Income Tax Act, 1961 in respect of new Inland Container Depots (ICDs) (Rs. 27.59 Crore) and Rail System (Rs. 96.59 Crore). The income tax department disallowed the deduction claimed by the company u/s 80IA in earlier years. However, 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 appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Department has also filed appeals before the ITAT against the deduction allowed by the CIT (Appeals) in respect of rail system.
- We report that:
 - Sale/Lease Deeds in respect of Land & Buildings valuing Rs. 15.15 Crore are yet to be executed in favour of the company (Note 2 Schedule 4)
 - Balance of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors (Including Indian Railways) have not been confirmed/reconciled (Note 6, Schedule 13).
 - We are unable to comment on the shortfall, if any in the value of non-moving stock of stores & spare parts (Note 9, Schedule 13)
- We further report that on the basis of information and explanation given to us and on the consideration of separate audit report on individual audited financial statements of the Company and its subsidiary, and subject to our observation in paragraph 5 above, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
 - in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Company as at 31st March 2008;
 - in the case of Consolidated Profit & Loss Account, of the consolidated profit for the year ended on that date; and
 - 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 AccountantsPlace : New Delhi
Date : 12.06.2008(PARDEEP KUMAR)
Partner
M.No. 085630

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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

D.P.Id* Regd. Folio No.
Client Id*

I/We of
..... being a member / members of CONTAINER CORPORATION OF INDIA LTD. hereby appoint of or failing him as my / our proxy to vote for me / us and on my /our behalf at the 20TH ANNUAL GENERAL MEETING to be held on 25th August, 2008 at 3.00p.m. or any adjournment thereof.
Signed this day of 2008

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

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 20TH ANNUAL GENERAL MEETING of the Company held on Monday, 25th August, 2008 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.



भारतीय कंटेनर निगम लिमिटेड

Multimodal Logistics Professionals

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 final dividend @ 75% i.e. Rs. 7.50/- per share (post bonus issue) in addition to interim dividend @ 110%, already paid (pre bonus issue) for the financial year 2007-08, subject to approval by the shareholders at the Annual General Meeting. The Register of Members will be closed during the period 14th August, 2008 to 25th August, 2008 (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.**

Date : 7th July, 2008
Place : New Delhi

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

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भारतीय कंटेनर निगम लिमिटेड

Multimodal Logistics Professionals

ECS Mandate 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

Electronic Clearing Service Mandate Form

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

To
The Depository Participant concerned
(In case of shareholding in Electronic form)

Dear Sir,

Subject : ECS Mandate for Dividend Payment

Folio No. _____ / Client ID: _____ DPID: _____

This is in response to the letter dated 7th July, 2008 of Container Corporation of India Ltd. regarding the ECS facility for payment of dividend. The following is the updation of my bank account details and I hereby affirm my choice to opt for payment of dividend through ECS.

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

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

2. First Shareholder's Address: _____

Pin Code _____

3. Particulars of bank: _____

Bank Name _____

Branch _____

(Name & Address & Telephone No.) _____

Bank City _____

Account No. (As appearing in Cheque Book) _____

Account Type _____

9 digit MICR No. _____

as appearing on the Cheque

(Please enclose cancelled / photocopy of cheque)

4. PAN/GIR No. _____

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

Place: _____ (Sole / First shareholder)
Date: _____ (Signature should be as per the specimen sign. 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: _____

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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 National Fire Service College,
Civil Lines, Nagpur-440001
Phones : 071-2540406,2540551
Fax: 0712-2554485
E-mail: cr.ro@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, 26579315
Fax : 079-26581808
E-mail : nwr.ro@concorindia.com

EASTERN REGION

Container Corporation of India Ltd.
10th floor, Metro Rail Bhawan,
33/1, Jawharial Nehru Road,
Kolkata - 700 071(W.B.)
Phones : 033-22821175/76/69,
Fax : 033-22821166
E-mail : er.ro@concorindia.com

SOUTHERN REGION

Container Corporation of India Ltd.,
No. 51, Montieth Road, First Floor,
Egmore, Chennai-600003
Phone: 044-28591931-34, 28591937, 42638669,
52638671
Fax: 044-28591935
E-mail: sr.ro@concorindia.com

NORTHERN REGION

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

SOUTH CENTRAL REGION

Container Corporation of India Ltd.
NO.602, 6th Floor, Navketan Building,
Opp : Clock Tower, Sarojini Devi Road,
Secunderabad - 500003
Phone: 040-27808938, 27808939, 55315240,
55315241
Fax : 040-27800346
E-mail: scr.ro@concorindia.com

NORTHERN CENTRAL REGION

Container Corporation of India Ltd.
No.502, 5th Floor, P-5, Ocean Plaza Sector-18
Noida-201301, U.P.
Phone: 0120-4058300, 4058313
E-mail: ncr.mis@concorindia.com
Fax : 0120-2516310

WESTERN REGION

Container Corporation of India Ltd.
5th Floor, New Administrative Bldg.,
Central Railway, D.N. Road, Fort
Mumbai - 400001
Phones : 022-22622053-54, 22679699, 22623725
Fax : 022-22624497
E-mail : wr.ro@concorindia.com