

कॉन/आइआरसी/SE/104/Vol.-VII/

दिनांक : 28.08.2019

1. The Bombay Stock Exchange Ltd., Mumbai (Through BSE Listing Centre)
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai-400001
2. National Stock Exchange of India Ltd. (Through NEAPS)
Exchange Plaza, 5th Floor, Plot No. C/1,G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051

Dear Sir/Madam,

Sub: Chairman Speech at 31st AGM held on 27.08.2019.

Please find enclosed the copies of the Chairman Speech at 31st Annual General Meeting of CONCOR, published in the newspapers on 28.08.2019 in 'Times of India, Economic Times & Business Standard', in English language and in 'Navbharat Times, Economic Times, Business Standard' in Hindi language, in all India edition.

This is for your information and record please.

Thanking you,

Yours faithfully,
For Container Corporation of India Ltd.,


(Harish Chandra)
Executive Director (Finance) & Company Secretary



CHAIRMAN'S SPEECH AT 31st AGM

Dear Share Owners, Ladies and Gentlemen!

Good afternoon!

On behalf of entire Board and management, I have great pleasure in welcoming you all to this 31st Annual General Meeting of your Company. It has been my privilege to lead CONCOR for around three years now. After your Company's thrilling and fruitful journey of 31 years, it is indeed an honour for me to address you at this historic juncture. It gives me immense sense of pride in stating that in the competitive market, CONCOR continues to sustain leadership in the industry.

Annual Report including Directors' Report, Financial Statements, Auditors' Report, comments of CAG and other documents pertaining to the financial year 2018-19 and the AGM notice have been circulated in permitted modes and with your permission, I consider them as read. I would like to share brief highlights about the performance of your Company during the year 2018-19 vis-à-vis economic scenario and logistics sector in particular.

ECONOMIC SCENARIO:

As per report of International Monetary Fund, global economy grew at 3.5% during year 2018, whereas the GDP of India grew at 6.8% during the year 2018-19. The Indian economy is well poised to establish itself at 5th position in the Global economy and is marching ahead in the times to come, as it is expected to rise to 4th place as the fastest growing economy in the world. In order to give a boost to the economic growth, the Government has been addressing the issues through various policies and strategies to achieve sustainable future growth and has taken steps like Make in India, Digital India, creation of infrastructure, skill development, GST, recapitalisation of banks, monetary policy intervention, etc. Also, recently in the Global Economic Prospects report, the World Bank has presented a light outlook of the World Economy. However, India's GDP growth prospects stood out with projections of 7.5% per annum over next three years. In another report of the World Bank, India ranked 20th in terms of doing business from 100th position last year to 77th. This again good news for your Company as any boost in economic activities translates into a spur in demand for logistics services in the country.

Your Company's business is highly dependent upon overall global and EXIM trade of the country. It was yet another year of low growth rate of global economy, the geopolitical uncertainties and environment & trade restrictions among major economies in the world disrupting global trade and commerce. Due to trade frictions and widening gap in imports and exports, logistics services for EXIM have not suffered. The domestic business is also impacted by rising competition, disruption in fuel prices and slowing down of manufacturing and consumption. Despite of this kind of adverse environment, your Company has performed quite well during the year 2018-19 because of the innovative design, dynamic approach and most importantly a committed and dedicated team.

SECTORAL PERFORMANCE:

In the year 2018-19, Indian Railways registered a growth of 5.31% in originating loading of cargo, from 151.66 million tonnes in 2017-18 to 152.23 million tonnes in 2018-19. The originating containerized cargo transported by rail increased from 54.31 million tonnes in 2017-18 to 60.34 million tonnes in 2018-19, an increase of 11.10%. The containers handled at all ports of the country registered a growth of 4.90% from 14.53 million TEUs in 2017-18 to 15.41 million TEUs in 2018-19.

In the last fiscal, merchandise exports of the country in value terms went up by 9.06% from 303.53 billion US dollars to 331.02 billion US dollars and the imports experienced an increase of 8.99% from 324.58 billion US dollars to 357.44 billion US dollars. CONCOR experienced a rise in export of commodities such as stainless steel, soybean meal, paper, furniture, oil products, fabrics, etc. and import of commodities such as solar module, waste paper, news print, aluminium scrap, auto parts, plastic goods, polyester goods, etc. increased.

PERFORMANCE HIGHLIGHTS:

Supported by the economic activities in the country and through focused approach and right strategies, your Company has delivered a robust performance during 2018-19, in which it gained market share and moved on the path of long term sustainable growth. Certain information about the business volumes, financial performance, CAFE, dividend, etc. which I would like to share, are as follows:

Business volumes, turnover & profitability:

I am pleased to share that your Company recorded all time high performance on the parameters of TEUs handled, gross turnover and net profit. It has handled 31.83 million TEUs and transported 4.50 million tonnes of cargo volume by rail in 2018-19, an increase of 8.42% and 8.85% respectively over the previous year. There was 11% and 10.23% growth in the physical volumes of both EXIM and domestic segments respectively. The gross turnover increased by 11.71% to Rs.7,216 crores and the net profit for the year was Rs.1,215 crores, showing a growth of 16.37% over previous year.

Capital Expenditure:

The positive business outlook in the country for the logistic sector is intact for which your Company is well poised and committed. During the year, an amount of Rs.158 crores was spent towards capital expenditure mainly on creation/ expansion of infrastructure in the form of setting up of MMEs at strategic locations, procurement of high capacity wagons, containers and other handling equipments. The Company is operating through 53 terminals and will be adding another 8-10 in the current year. The Company is also planning to set up additional handling operations in Dedicated Freight Corridors (DFCs) in future will be an added advantage as the Company is well geared to tap the expected business growth from the same through its out-of-the-network terminals. This year in order to strengthen and improve service levels, 150 Bogie Low Container (BLC) wagons and 320 Bogie Low Luggage (BLU) wagons were added to the existing fleet, increasing the loading of BLC and BLU to 13,417 wagons. Also, load capacity of 1,350 BLC wagons was enhanced from 20T to 22T and 470 high capacity BLM wagons have been taken on lease for a period of 10 years. In addition, 7,680 twenty feet containers and 25 Reach Stacks (RTS) have been added.

Net worth and Market Capitalization:

The net worth of the Company increased from Rs.3,741 crores as on 31.03.2018 to Rs.10,368 crores as on 31.03.2019. The market capitalization of your Company has increased to Rs.32,006 crores as on 31.03.2019 from Rs.30,345 crores as on 31.03.2018.

Dividend, Stock Split & Bonus Issue:

Keeping in view the financial performance, funds requirements for future and DIPAM guidelines for 2018-19, the Board of Directors of your Company has recommended a final dividend of Rs.8.50 (171%) per share having par value of Rs.5. In terms of amount of value, this year's dividend will be the highest in any year. The total dividend payout including dividend distribution tax for the year 2018-19 will be Rs.623 crores as compared to Rs.517 crores in FY 2017-18, an increase of 25.55% over previous year. In order to increase the participation of smaller shareholders and to enhance the wealth of the shareholders, they were awarded through stock split and issue of bonus shares. The equity shares were sub-divided in June 2018, in which one share of Rs.10 each was sub-divided into two shares of Rs.5 each. Subsequently in February 2019, in the fourth bonus issue of shares by your Company since inception, bonus shares were issued in the ratio of 1:4.

STRATEGIES AND INITIATIVES:

Your company today is a market leader and is strategically placed as an institution of excellence and eminence in the field of multinational logistics in India. Over the years, it has transformed itself to enlarge its bouquet of services to achieve objectives of serving the society and enhancing stakeholders' value. CONCOR started with seven terminals and now it has a formidable countrywide network of 53 terminals. Today, your Company has the largest available network of state-of-the-art intermodal terminals across the country, providing unrivalled reach and penetration combined with strong presence at almost all container handling ports.

At the year end, it had a fleet of around 26,000 containers for domestic business, 342 owned railcars, 62 RTSs and 16 priority cranes. With physical presence throughout the country, large fleet of handling and intermodal containers, specialised container handling equipment, fully computerised operations and internet based custom interface, efficient and reliable value added logistics services are being provided to the trade. Due to the challenges of thing competition, particularly from the road sector and PCTOs, our endeavour is to retain market share in containerised rail transportation as well as in creating new business verticals. The benefits of running double stack trains from Mundra/Paravur Ports to Kharivada and vice-versa are continuing to accrue, which has helped in containing the cost of empty running, enhancing rail co-efficient and meet our services more competitive.

Further, your Company has manifold strategies to achieve its future goals successfully, which inter-alia include:

- Setting up of MMEs at strategic locations along the DFCs and major industrial areas;
- Intensive use of Information Technology in the form of warehousing management, e-commerce, logistics platform for First mile and Last mile solutions;
- Venturing internationally;
- Integrating into coastal shipping to provide integrated logistics solutions by using road, rail and coastal waterways;
- Setting up extended gateway facility and;
- Distribution logistics and LMC (Integrated Logistics and Manufacturing Zones).

Therefore, the Company is well positioned to reap the benefits from the opportunities arising from various Government initiatives, GFT implementation, entering into new areas of businesses, expanded network of DFC, etc.

With our ethos of 'Customer Value Creation', well planned strategies and initiatives, availed resources, in-house dedicated professional team and your support, we will be able to achieve the goal of consistent growth.

SUBSIDIARIES, JOINT VENTURES AND ALLIANCES:

The Joint Ventures (JV) and subsidiaries have been set up in line up with the leading players in the industry and are contributing directly and indirectly towards business growth of your Company. There are in total fourteen Companies, which are either subsidiaries or joint ventures doing businesses in the field of cold chain, air cargo, port operations, container freight stations, providing first and last mile connectivity, setting up of infrastructure, running Multimodal Logistics Parks (MLMPs) and many of them are regularly distributing dividends.

The two JV Companies namely SIOCL CONCOR Infra Company Ltd. (SIOCL) and Punjab Logistics Infrastructure Limited (PLI) are also our subsidiaries. In which State Govt. entities of Uttarakhand and Punjab respectively are partners. Going forward, it is expected that significant volumes would be captured from the regions where they are located which will help in increasing our rail share by diverting traffic from road.

The Company of present has two wholly owned subsidiaries namely Fresh & Healthy Enterprises Ltd. (FHEL) and CONCOR Air Ltd. (CAL).

In the past, FHEL did not do well. However, with the changed business dynamics on implementation of GST and optimized storage requirements, a new business plan was finalized for re-engineering of the facility of FHEL at Raj. Sonapat for developing it as an Agri-Logistics Centre in two phases. Under Phase-I, CONCOR had infused Rs.13.45 crores by way of fresh equity in FHEL. In April, 2018 and equity infusion of Rs.20.86 crores has been planned for Phase-II. Support has also been provided by converting loan and interest dues to CONCOR into equity. The partial commissioning of the plant was done in July, 2018 and 24 chambers made available for storage of fruits, eggs, kirana, etc. A major development in March, 2019 was notification of one-third of the existing Raj facility as a custom bonded warehouse by the Customs Authorities. Operations have started in custom bonded warehouse through which the importers/exporters are likely to be benefited with reduced overall logistics costs.

In order to gain foothold in the air cargo business, CONCOR Air Ltd. (CAL) was set up in the year 2012 and it has carried out operations in international and domestic circuits under concessional agreements with Mumbai International Airport Ltd. (MIAL). Over the years by providing services of international as well as domestic air cargo services, at Mumbai airport, CAL has established itself in the air cargo industry. It has successfully secured its concession period with MIAL for international operations in April 2018 and is continuing to handle domestic air cargo for major six airlines at Mumbai airport.

While the existing VAs are continuing to perform by contributing to the growth of your Company, following new alliances have been formed for the year:

- Agreement with KIRLA Infrastructure Ltd. (KIRLA) whereby CONCOR will operate and manage the bonded area of their KCD, Pal;
- Agreement with Bangalore Airport Terminal Services Pvt. Ltd. (BATS) for undertaking ground handling & other air cargo related activities at various airports in India;
- Agreement with Shiv Camara Roadways Pvt. Ltd. (SCRPL) for exclusive containerised operations by CONCOR at Sakinaka.

- Memoandum of Understanding with Kanda International Container Terminal Pvt. Ltd. (KICTPL) whereby CONCOR shall have exclusive rail access to run the container trains between KICTPL and various KCDs;
- Joint Working Group (JWG) with Central Warehousing Corporation Ltd. (CWC) to operate their CFS facility located at Puzarov Port;
- Agreement with KIRLA, whereby CONCOR will operate & manage the bonded area at KIRLA's terminal at Mundra; and
- MOU with JSC, Russia for exploring the logistics opportunities in Russia, India and International corridors.

TECHNOLOGY AND STANDARDISATION:

The digital explosion across the Globe has brought with it tremendous opportunities and now we need to re-think all the business areas to be conducted in this new environment. Your Company recognises that continuous innovation in services, systems and procedures will catapult it to higher level of growth. The digital transformation has always been on our horizon to achieve the competitive advantage by providing efficient logistics services to the customers. The latest available tools for providing services to the customers are being used, thereby enabling better productivity and minimizing the costs involved. The work on unifying all our operations management (ERP), payroll and the other systems, which will give us an edge in our operations is progressing well. The mobile app for disseminating the information in respect of public tariff, rail tariff, truck & truck etc. and the app for E-invoicing (covering goods & services) have immensely benefited the customers. Your Company has also implemented workflow during the year, replacing the physical files with electronic files as a step towards paper automation and paperless workflow. The Company has implemented e-contractor billing for online submission of invoices by contractors through their digital signature and Know Your Container Location (KYCL) for online track and standstill systems for its commercial business critical applications. CONCOR has been re-certified ISO9001:2015 from STQC IT Certification Security Management System (ISMS). The process of migration to ISO 9001:2015 has been successfully completed at 70 terminals of the Company.

HUMAN RESOURCE MANAGEMENT:

I consider the dedicated pool of talent in the Company as the most valuable resource that will shape the outcome of all our business initiatives and ambitious goals. CONCOR has adopted and aligned its HR strategy by taking account the business objectives and competence building needed for its business. The HR initiatives are aimed at creating a match between the Company's future needs and the aspirations of individual employees.

The Company believes in encouraging employee empowerment, growth and development of individuals by realizing their potential, encouraging innovative ideas and fair distribution of rewards. The work culture is open and dynamic enabling employees to take initiative in job and give feedback. Core is taken to maintain safe and hygienic work culture and to provide conducive environment to the employees towards their good health. Participation of employees and their family members in sports, cultural events, etc. is also encouraged and supported.

The contribution of every employee is measured and rewarded through result oriented Performance Management System (PMS). This system promotes the philosophy of rewarding and recognizing employees at all levels and a structured approach is followed for the career development.

CONCOR has maintained industrial peace and harmony and believes in community of interests and not in conflicts of interests. It provides an environment of two-way communication, participative culture, open platform for discussion of ideas and involvement of the employees. Due to best employee welfare and career development policies, our attrition rate is merely around 2%.

CORPORATE GOVERNANCE:

Your Company is a Navratna Company and has established a sound framework of Corporate Governance. It believes that Corporate Governance is about maintaining valuable relationship and ensuring that all stakeholders' value is a shareholder, employee, supplier, customer, investor community or policymaker.

The Corporate Governance has been based upon transparency, full disclosure, independent monitoring and fairness to all. The Company conducts its activities in an ethical and responsible manner towards sustainable value creation for stakeholders within the prevalent regulatory framework. It has always believed in creating a framework of best policies, practices, procedures and ethics in the organization. The Governance in the Company has been strengthened by formulating, implementing and updating various policies and systems. All these initiatives have enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. For the year 2018-19, DPE has rated the Corporate Governance Compliances of your Company as Excellent.

CORPORATE SOCIAL RESPONSIBILITY:

CONCOR is highly committed to the social and economic development of the deprived and underserved sections of the society. Therefore its CSR policy aims at providing support and benefits to them. The Company believes that what is good for the society and the country is good for your Company. CONCOR's social activities in FY 2018-19 continued to focus on development of society with prime focus on school education and health, in terms of guidelines issued by DPE. However, activities in other areas like, skill development, environment, sustainability, etc. have also been taken up. An amount of Rs.13,379 crores was incurred during the year towards various CSR activities. Some of the initiatives taken were as under:

- Solar lights and hand pumps installed in the rural areas of Gharuwar and Sutanpur, Uttar Pradesh;
- Self development activities in the field of garment and logistic in Uttar Pradesh, Andhra Pradesh, Tamil Nadu and Gujarat benefiting 50 youths belonging to backward classes;
- Organized 96 Health camps at 27 major locations, benefiting approximately 54,195 stakeholders;
- Infrastructure development of hospitals in Chaitanya and Andhra Pradesh, including support towards outdoor sports supply of children with hearing impairment;
- To promote sanitation, toilets in schools and public places were constructed at Jhabarhat, Bihar; Gharuwar and Sutanpur, Uttar Pradesh; Sonapat, Haryana and Chennai, Tamil Nadu. Construction of public toilets was also taken up at various Railway Stations of Western Railway;
- Infrastructure development of schools at Gharuwar, Haryana and Sutanpur, Uttar Pradesh; Purnia, Bihar and Kamru, Kerala;
- As per guidelines issued by DPE towards CSR expenditure in essential services, the donors of Charitable and Welfare Trusts, Uttar Pradesh, West Bengal, Andhra Pradesh and Assam, Bangladesh have been short-listed. The focused areas of activities for these districts are school education and health care;
- Creation of sports infrastructure in Nagpur, Assam and Vishakhapatnam, Andhra Pradesh as well as contribution in National Sports Development Fund set up by Govt. of India.

- Supporting 30 bright students preparing for higher studies in Uttar Pradesh also supported operations of primary school near for sum children at Delhi, benefiting 250 children. Infrastructure support to the schools at Gharuwar, Bihar, Haryana and Sutanpur, Uttar Pradesh and Kharivada, Rajasthan benefiting more than 1,000 students;
- Contribution to Armed Forces Flag Day Fund for the widows of war widows and their dependents.

AWARDS AND ACCOLADES:

Many awards and accolades have been conferred on your Company for its achievements and performance, some of which are:

- Highest Wealthy Creative Market Returns (Navratna-Avanti-Maharaja) under India's Best PSU Awards 2017 by Global Street Investment Journal;
- Our Railway terminal was chosen for 'Smart GCT Award' by Maritime Gateway under Smart Logistics Award 2018;
- Don & Bradstreet PSU Awards 2018 under Transport & Logistics Services category by Don & Bradstreet, Chairman, Prime Minister's Economic Advisory Council;
- ICD Sonapat was conferred with 'SMART LOGISTICS AWARD' by Maritime Gateway at the Smart Logistics Summit 2018;
- SKOTOP Order of Merit 2018 Award during the 3rd Skotop Summit at New Delhi;
- Star of the Industry Awards by 'ET Now' under the category 'Best Freight Service Provider' Rail;
- Amity Excellence Award for Best Practices in Logistics during 15th Amity/IFA World Summit 2018;
- Smart Railway Connector Award at Smart Logistics Summit at Kolkata;
- Inland Container Depot & Rail Operator of the Year (Public) at Northern India Multimodal Logistics Awards.

FUTURE OUTLOOK:

Your Company believes that economic recovery and increase in EXIM trade will give boost to its growth plans. Large number of industrial parks, SEZs, ports, infrastructure projects etc. being established in different States, offer your Company an excellent opportunity for serving as logistic enabler through various services such as coastal shipping, e-commerce distribution logistics, warehousing, value added services, cold chain, LMC, operating in international areas, etc. for which effective steps have been taken. Our IT setup will play a vital role in all our endeavours with a focus on providing continuous cargo visibility and enhancing our service level commitments.

During the year, your Company has started its coastal shipping operations at East Coast route i.e. Kharivada-Mangalore-Godavari-Tuticorin-Kandla. It will also give impetus to connectivity from these four ports to rail and road. Similar services, it is planning to provide at East Coast going upto Bangladesh. Our coastal shipping activities will benefit the trade in many ways, including through the economical logistics costs.

Your Company has entered into distribution logistics business for which it has identified 20 nodes across India under which long duration arrangements with business partners selected through tendering process, will be done under PPP mode. All these distribution logistics centres, the services to operational mode warehouses and to maintain inventory management and distribution of the products, will be provided.

After participation in the Freight Advance Scheme of the Indian Railways in March 2019, your Company has not only quickly passed the benefit of no freight increase to the customers, but has also committed that charges for handling and warehousing will not be increased for one full year. This has been received very well by the customers. In addition to this, the Company has introduced the time of 45 days and 90 days, laying away all worries of customers. These initiatives are cost breaking and right steps towards ease of doing business driving down the overall cost of logistics services.

Your Company is also trying to develop ICDS in Egypt in a consortium with PSA of Singapore and one local partner. It is exploring the possibilities for providing logistics services on the Indian and International Corridors, which is not just limited to the International North-South Transportation Corridor (INSTC).

Container Train service to Bangladesh has commenced and there are plans to start a new route to Nepal via Baramulla-Jogbani-Bhadrabad on the transal cargo of Nepal through India's Gateway ports.

A mobile App for first mile last mile connectivity is being developed which will facilitate efficient delivery of services at minimum cost.

Some of the medium and long-term strategies, include the following:

- Enhance double stack operations for efficient utilization of the rolling stock, improve dwell time of containers on port and terminals at a reduced logistics cost;
- Venture into the area of LMC (Integrated Logistics and Manufacturing Zone);
- Closely study the freight designs being evolved for bulk transportation of cement, aggregate, liquid cargo, auto parts, etc. for new opportunities;
- Plan for off-shore presence in the neighbouring countries.

ACKNOWLEDGEMENT:

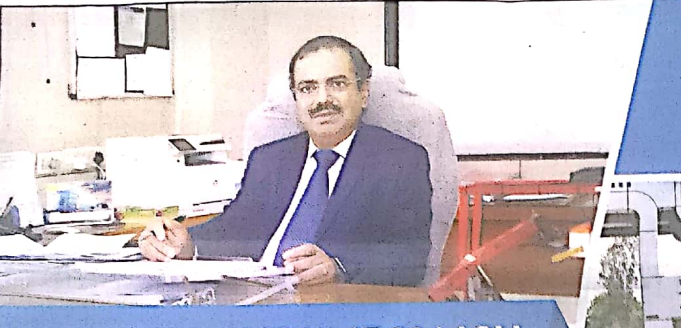
In conclusion, I would like to convey my deepest gratitude to the Government Departments, especially Ministry of Railways, Shipping, Commerce and Industry, Finance and all regulatory authorities for always supporting your Company in all its endeavours. I am thankful to you, our valued shareholders for your continued support and goodwill that provides us encouragement and motivation. I thank all our customers, exporters/importers, business associates and all the stakeholders for making faith in us and in all our efforts. I also acknowledge and appreciate the guidance, valuable support and co-operation from my colleagues on the Board, CAG and our Auditors. I also extend my thanks to our partners in the electronic and print media, for continuous and unwavering support and for providing constructive coverage. Finally, I would like to place on record my deepest appreciation for the collective efforts of team CONCOR, the driving force behind the success of your Company and whose commitment will take it to greater heights in times to come.

Thank you once again, Ladies and Gentlemen.

27th August, 2019
New Delhi

V. Kalyana Rama
Chairman and Managing Director

Note: This does not purport to be a record of the proceedings of the 31st Annual General Meeting of the Company.



CHAIRMAN'S SPEECH AT 31st AGM

Dear Share Owners, Ladies and Gentlemen!

Good afternoon
On behalf of entire Board and management, I have great pleasure in welcoming you all to the 31st Annual General Meeting of your Company. It has been my privilege to lead CONCOR for almost three years now. After your Company's illustrious and fruitful journey of 31 years, it indeed an honour for me to address you at this historic juncture. It gives me immense sense of pride in stating that in the competitive market, CONCOR continues its sustained leadership in the industry.

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ECONOMIC SCENARIO:
As per report of International Monetary Fund, global economy grew at 3.6% during year 2018, whereas the GDP of India grew at 6.8% during the year 2018-19. The Indian economy is well poised to establish itself at 5th position in the global economy and to reach ahead in the times to come, as it is expected to retain its mantle as the fastest growing economy in the world. In order to give a boost to the economic growth to make India a US\$-trillion economy, the Government has been addressing the issues through its policies and structural initiatives to achieve sustainable future growth and has taken steps like Make in India, digital India, creation of infrastructure, skill development, GST, industrialisation, the World Bank has presented a report of the World Economic Outlook, however, India's GDP growth prospects stood out with projections of 7.5% per annum over next three years. In another report of the World Bank, India emerged 23rd most dynamic of emerging economies from 100th position last year to 77th. This augurs good news for your Company as all types of economic activities translates into a spur in demand for logistics services in the country.

Your Company's business is growth dependent upon overall global and EXIM trade of the country. It was another year of the growth rate of global economy, the geopolitical uncertainties and environment of trade restrictions among major economies in the world disrupting global trade and commerce. Due to these factors and widening gap in imports and exports, logistics services for EXIM trade has suffered. The domestic business is also impacted by heavy competition, disruption in fuel prices, are slowing down of manufacturing and consumption. Despite of this kind of adverse environment, your Company has performed well during the year 2018-19 because of the innovative stock, dynamic approach and most importantly a committed and dedicated team.

SECTORAL PERFORMANCE:
In the year 2018-19, Indian Railways registered a growth of 8.21% in originating loading of cargo, from 1461.66 million tonnes in 2017-18 to 1582.33 million tonnes in 2018-19. The originating containerized cargo, transported by rail, increased from 34.31 million tonnes in 2017-18 to 50.34 million tonnes in 2018-19, or increase of 11.11%. The container handling at all ports of the country registered a growth of 4.92% from 14.55 million TEUs in 2017-18 to 15.41 million TEUs in 2018-19.

In the last fiscal, merchandise exports of the country in value terms went up by 9.06% from 303.53 billion US dollar in 2017-18 to 329.53 billion US dollar in 2018-19. CONCOR experienced a rise in export of commodities such as stainless steel, soybean meal, paper, furniture, car products, fabrics, etc. while import of commodities such as iron ore, waste paper, news print, aluminium scrap, auto parts, plastic goods, polymer goods, etc. increased.

PERFORMANCE HIGHLIGHTS:
Supported by the economic activities in the country and through focused approach and right strategies, your Company has delivered a robust performance during 2018-19, in which it planned market share and moved in the way of long term sustainable growth. Certain information about the business volume, financial performance, CAPEX, dividend, etc., which I would like to share, are as follows:

Business volumes, turnover & profitability:
I am pleased to share that your Company recorded all time high performance on the parameters of TEUs handled, gross turnover and net profit. It has handled 3.83 million TEUs and transported 43.50 million tonnes of cargo volume by rail in 2018-19, an increase of 6.42% and 8.53% respectively over the year 2017-18. There was 8.11% and 10.23% growth in the physical volumes of both EXIM and domestic shipments respectively. The gross turnover increased by 11.11% to Rs. 72.19 crore and the net profit for the year was Rs. 12.15 crore, showing a growth of 15.63% over previous year.

Capital Expenditure:
The positive business outlook in the long term for the logistic sector is evident for which your Company is well geared up and committed. During the year, an amount of around Rs. 755 crore was spent towards capital expenditure, mainly on structural expansion of infrastructure in the form of setting up of MMPLs at strategic locations, procurement of high capacity wagons, containers and other handling equipments. The Company is spending through its 53 terminals and will be adding another 9-10 in the current year with the target to reach 100 in next few years. The above measures will result in business growth through sustainable expansion of handling capacity, logistical advantage, value added services and expansion of other segments of value chain. The commencement of operations on Dedicated Freight Corridors (DFCs) in future will be an added advantage as the Company is well geared to tap the expected business growth from the same through its countrywide network of terminals. This year in order to diversify and improve service levels, 136 Single Load Containers (SLCs) wagons and 320 Single Load Containers (SLCs) wagons were added to the existing fleet, increasing the holding of SLC and BLC to 12,147 wagons. Adequate capacity of 1,50,00,00,000 kg was enhanced from 10,33,12,781 and 470 high capacity SLC wagons have been added in a period of 10 years. In addition, 2,789 heavy duty containers and 20 Roadster Containers (RSCs) have been added.

Net worth and Market Capitalization:
The net worth of the Company increased from Rs. 5,774 crore as on 31st 03/2018 to Rs. 10,368 crore as on 31st 03/2019. The market capitalization of your Company has increased to Rs. 22,556 crore as on 31st 03/2019 from Rs. 30,345 crore as on 31st 03/2018.

Dividend, Stock Split & Bonus Issue

Keeping in view the financial performance, funds requirements for future and DRPM guidelines for 2018-19, the Board of Directors of your Company has recommended a final dividend of Rs. 6.55 (111%) per share having par value of Rs. 5/- per share. In terms of amount of outlay, this year's dividend will be the highest in any year. The total dividend payable including dividend distribution tax for the year 2018-19 will be Rs. 62.55 crore as compared to Rs. 49.99 crore in FY 2017-18, an increase of 25.85% over previous year. In order to increase the participation of smaller shareholders and to enhance the wealth of our shareholders, they were awarded through stock split and issue of bonus shares. The equity shares were sub-divided in June 2018, in which one share of Rs. 10 each was subdivided into two shares of Rs. 5 each. Subsequently in February 2019, in the fourth bonus issue of shares by your Company since inception, bonus shares were issued in the ratio of 1:4.

STRATEGIES AND INITIATIVES

Your company today is a market leader and is strategically placed as an institution of excellence and eminence in the field of multimodal logistics in India. Over the years, it has transformed itself to enlarge its bouquet of services to achieve objectives of serving the society and enhancing stakeholders' value. CONCOR started with seven terminals and now it has a formidable countrywide network of 83 terminals across the country, providing unparalleled reach and penetration combined with strong presence at almost all important handling ports.

At the year end, it had a fleet of around 26,000 containers for domestic business, 342 owned railcars, 25 RSCs and 16 empty railcars. With physical presence throughout the country, large fleet of its rolling stock, containers, specialised container handling equipments, fully computerised operations and internet based custom interface, efficient and reliable value added logistics services are being provided to the trade. Due to the challenges of rising competition, particularly from the road sector and PCTOs, our endeavour is to retain market share in containerised rail transportation as well as in creating new business verticals. The benefits of running double stack trains from Mundra/Genoa ports to Kharwas and vice-versa are continuing to accrue, which has helped in containing the cost of empty running, enhancing rail-to-coastal and other services more competitive.

Further, your Company has manifold strategies to achieve its future goals successfully, which include inter-alia:

- Setting up of MMPLs at strategic locations along the DFCs and major industrial areas;
- Intensive use of Information Technology in the field of warehousing management, e-commerce, logistics platform for First mile and Last mile solutions;
- Venturing internationally;
- Venturing into coastal shipping to provide integrated logistics solutions by using rail, road and coastal;
- Setting up extended gateway facility; and
- Distribution logistics and LMC Integrated Logistics and Manufacturing Zones.

Therefore, the Company is well positioned to reap the benefits from the opportunities arising from various Government initiatives, GST implementation, entering into new areas of businesses, proposed commencement of DFC, etc.

With our ethos of 'Customer Value First', well planned strategies and initiatives, available resources, in-house dedicated professional team and your support, we will be able to achieve the goal of consistent growth.

SUBSIDIARIES, JOINT VENTURES AND ALLIANCES

The joint Ventures (JV) and subsidiaries have been set up in line up with the leading players in the industry and are controlling directly and indirectly (benefits business growth of your Company. There are ten Joint Ventures Companies, which are either subsidiaries or joint ventures doing businesses in the field of cold chain, air cargo, port operations, container freight stations, providing rail and last mile connectivity, setting up rail infrastructure, running Multimodal Logistics Parks (MLP) and many of them are highly profitable businesses.

The two JV Companies namely SIDCUL CONCOR Infra Company Ltd. (SIDCUL) and Punjab Logistics Infrastructure Limited (PLIL) are also our subsidiaries, in which State Govt. entities of Uttar Pradesh and Punjab respectively are partners. Going forward, it is expected that significant volumes would be captured from the regions where they are located which will help in increasing our rail share by diverting traffic from road.

The Company at present has two wholly owned subsidiaries namely Fresh & Healthy Enterprises Ltd. (FHEL) and CONCOR Air Ltd. (CAL). In the past, FHEL did not do well. However, with the changed business dynamics on implementation of GST and customized storage requirements, a new business plan was formulated for re-engineering of the facility of FHEL at Rail, Sonapat for developing it as an Air Logistics Centre in two phases. Under Phase-I, CONCOR had infused Rs.13.45 crore by way of fresh equity in FHEL in April, 2018 and equity infusion of Rs.20.36 crore has been planned for Phase-II. Support has also been provided by converting loan and interest dues to CONCOR into equity. The partial commissioning of the plant was done in July, 2018 and 24 chambers made available for storage of fruits, eggs, kirana, etc. A major development in March, 2019 was notification of one-third of the existing Rail facility as a custom bonded warehouse by the Customs Authorities. Operations have started in custom bonded warehouse through which the importers/exporters are likely to be benefited with reduced overall logistics costs.

In order to gain foothold in the air cargo business, CONCOR Air Ltd. (CAL) was set up in the year 2012 and it has carried out operations in international and domestic circuits under concessional agreements with Mumbai International Airport Ltd. (MIAL). Over the years by providing specialised international as well as domestic air cargo services at Mumbai airport, CAL has established itself in the air cargo industry. It has successfully completed its conversion period with MIAL for international operations in April 2018 and is continuing to handle domestic air cargo for major airlines at Mumbai airport.

While the existing 21 are continuing to perform by contributing to the growth of your Company, following new alliances have been made during the year:

- Agreement with Kharwas Infrastructure Ltd. (KRIIL) whereby CONCOR will operate and manage the bonded area of their ICD, Pali.
- Agreement with Bangalore Airport Terminal Services Pvt. Ltd. (BATS) for undertaking ground handling & other air cargo related activities at air-cargo airports in India.
- Agreement with Shri Ganesh Roadways Pvt. Ltd. (SGRPL) for exclusive containerised operations by CONCOR at Sahapur.



CONTAINER CORPORATION OF INDIA LIMITED

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- Memorandum of Understanding with Kharwas International Container Terminal Pvt. Ltd. (KICTPL) whereby CONCOR will have exclusive toll access to run the container rake between KICTPL and various ICDPs.
- Joint Venture Group (JVG) with Central Warehousing Corporation Ltd. (CWC) to operate their C3 facility located at Piprora Port.
- Agreement with KRIIL, whereby CONCOR will operate & manage the bonded area at KRIIL's terminal at Madhupur for handling of EXIM traffic.
- MOU with ITC Japan for import/export of cold storage logistics.
- MOU with JSC IRCTC, Russia for exploring the logistics opportunities in Russia, India and International Corridors.

TECHNOLOGY AND STANDARDISATION

The digital explosion across the Globe has brought with it tremendous opportunities and now we need to re-define the way businesses are to be conducted in this new environment. Your Company recognises that continuous innovation in services, systems and procedures will catapult it to higher level of growth. The digital transformation has always been on our forefront to achieve the competitive advantages by providing efficient logistics services to our customers. The latest valuable tools for providing services to the customers are being used, thereby enabling better productivity and minimising the costs involved. The work on unifying all our operations management ERP's, payroll systems, financial systems, which will give us an edge in our operations is progressing well. The mobile app for disseminating the information in respect of public toll, rail tariff, track & stage etc. and the app for E-trail (covering reports & queries) have immensely benefited the customers. Your Company has also implemented e-office during the year, replacing the physical files with electronic files as a step towards office automation and paperless working. The Company has implemented e-contractor billing for crane submission of invoices by contractors through digital signatures and Know Your Customer Location (KYCL) for online track and trace of container for its customers through mobile app, chatbot, etc. It has established back up site and standby systems for its commercial security applications. CONCOR has been re-certified ISO/IEC 27001:2013 from STIC IT Certification Services (Ministry of Communication & Information Technology) for establishing an Information Security Management System (ISMS). The process of migration to ISO 9001:2015 has been successfully completed by 70 terminals of the Company.

HUMAN RESOURCE MANAGEMENT

I consider the dedicated pool of talent in the Company as the most valuable resource that will shape the outcome of all our business initiatives and ambitious goals. CONCOR has adopted and aligned its HR strategy by taking into account the business objectives and competence building needed for its business. The HR strategies are aimed at creating a match between the Company's future needs and the aspirations of individual employees.

The Company believes in encouraging employee empowerment, growth and development of individuals by realizing their potential, encouraging innovative ideas and fair distribution of rewards. The work culture is open and dynamic enabling employees to take initiative in job and give feedback. Care is taken to maintain safe and hygienic work climate and to provide conducive environment to the employees towards their good health. Participation of employees and their family members in sports, cultural events, etc. is also encouraged and supported.

The contribution of every employee is measured and rewarded through result oriented Performance Management System (PMS). This system promotes the philosophy of rewarding and recognizing employees at all levels and a structured approach is followed for the career development.

CONCOR has maintained industrial peace and harmony as it believes in commitment of interests and not of conflicts of interests. It provides an environment of two-way communication, participative culture, open platform for discussion of ideas and motivation of the employees. Due to best employee welfare and career development policies, our attrition rate is merely around 2%.

CORPORATE GOVERNANCE

Your Company is a Navratna Company and has established a sound framework of Corporate Governance. It believes that Corporate Governance is about maintaining valuable relationship and trust with a commitment to maximize stakeholders' value be it a shareholder, employee, supplier, customer, investor community or policymaker.

The Corporate Governance here is based upon transparency, full disclosure, independent monitoring and fairness to all. The Company conducts its activities in an ethical and responsible manner towards sustainable value creation for stakeholders within the prevalent regulatory framework. It has always believed in creating a framework of best practices, principles, structures and ethics in the organization. The Governance in the Company has been strengthened by formulating, implementing and updating various policies and systems. All these initiatives have enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. For the year 2018-19, DPE has rated the Corporate Governance Compliances of your Company as Excellent.

CORPORATE SOCIAL RESPONSIBILITY

CONCOR is totally committed to the social and economic development of the deprived and underprivileged sections of the society, therefore its CSR policy aims at providing support and benefits to them. The Company believes that what is good for the society and the country is good for your Company. CONCOR's social activities in FY 2018-19 continued to focus on development of society with prime focus on school education and health, in terms of guidelines issued by DPE. However, activities in other areas like, sanitation, skill development, environment, sustainability, etc. have also been taken up. An amount of Rs.13.35 crore was incurred during the year towards various CSR activities. Some of the initiatives taken were as under:

- Solar lights and hand-pumps installed in the rural areas of Ghazipur and Sahapur, Uttar Pradesh.
- Skill development activities in the field of garment and logistic in Uttar Pradesh, Andhra Pradesh, Tamil Nadu and Gujarat benefiting 560 youths belonging to backward classes.
- Organized 65 Health camps at 27 major locations, benefiting approximately 54,195 stakeholders.
- Infrastructure development of hospitals in Chhattisgarh and Andhra Pradesh, including support towards treatment and surgery of children with hearting impairment.
- To promote sanitation, toilets in schools and at public places were constructed at Jharkhand, Bihar, Chhattisgarh and Uttar Pradesh, Sonapat, Haryana and Chennai, Tamil Nadu. Construction of public toilets was also taken up at various Railway Stations of Western Railway.
- Infrastructure Development of schools at Ghatampur Nagar and Shrawast, Uttar Pradesh, Panna, Bihar, and Kharwas, Kerala.
- As per guidelines issued by DPE towards CSR expenditure in aspirational districts, the districts of Chhattisgarh and Sonapat, Uttar Pradesh, Visakhapatnam, Andhra Pradesh and Ashabud, Telangana have been shortlisted. The focused areas of activities for these districts are school education and health care.
- Creation of sports infrastructure in Nagpur, Assam and Visakhapatnam, Andhra Pradesh as well as construction in National Sports Development Fund set up by Govt. of India.

- Supporting 30 bright students preparing for higher studies in Uttar Pradesh. Also, supported operations of primary school run for slum children at Delhi, benefiting 250 children. Infrastructure support to the schools at Ghatampur Nagar and Ghazipur, Uttar Pradesh and Kharwas, Rajasthan benefiting more than 2,000 students.
- Contribution to Armed Forces Flag Day Fund for the welfare of war widows and their dependents.

AWARDS AND ACCOLADES

- Many awards and accolades have been conferred on your Company for its achievements and performance, some of which are:
- Highest 'Worth Center Market Returns' Navratna-Non-Manufacturing' under India's Best PSU Awards 2017 by Dalal Street Investment Journal.
- Our Ballroom terminal was chosen for 'Smart GCT Award' by Maritime Gateway under Smart Logistics Award 2018.
- Star of the Industry Awards by ET India under the category 'Best Freight Service Provider: Rail'.
- Amy Excellence Award for Best Practices in Logistics during 15th INDIAN ERA World Summit 2019.
- Smart Railway Operator Award under Smart Logistics Summit at Kolkata.
- Internal Container Depot & Rail Operator of the Year (Public) at Northern India Multimodal Logistics Awards.

FUTURE OUTLOOK

Your Company believes that economic recovery and increase in EXIM trade will give boost to its growth plans. Large number of industrial parks, SEZs, ports, infrastructure projects etc. being established in different States, offer your Company an excellent opportunity for serving as logistic partner through arrangements of mutual benefits. Based on the solid foundation that has been created over the years, your Company is well placed to attain consistent future growth. In addition to expanding existing business verticals, the objectives is now to lay the enormous business potential encompassing available assets such as, coastal shipping, e-commerce, distribution logistics, warehousing, value added services, cold chain, LMC, operating in international areas, etc. for which effective steps have been taken. Our IT setup will play a vital role in all our endeavours with a focus on providing continuous cargo visibility and enhancing our service level commitments.

During the year, your Company has started its coastal shipping operations at West Coast route i.e. Kandla-Mangalore-Godavari-Tuticorin. It will also give instant connectivity from these four ports by rail and road. Similar services, it is planning to provide from East Coast going upto Bangladesh. Our coastal shipping activities will benefit the trade in many ways, including through the economic logistics costs.

Your Company has entered into distribution logistics business with a fleet of 31 identified 20 nodes across India under which long duration arrangements with business partners, selected through tendering process, will be done under PPP mode. All these distribution logistics centres, the services to operate modern warehouses and to maintain material inventory and distribution of the products, will be provided.

After participation in the Freight Advance Scheme of the Indian Railways in March 2019, your Company has not only quickly paid the benefit of no freight increase to the customers, but has also committed that charges like handling and warehousing will not be increased for one full year. This has been received very well by the customers. In addition to this, the Company has introduced time of 45 days and 90 days, taking away all worries of customers. These initiatives are path breaking and right steps towards ease of doing business bringing down the overall cost of logistics services.

Your Company is also trying to develop ICDS in Egypt in a consortium with PSA of Singapore and one local partner. It is exploring the possibilities for providing logistics services on the Indian and International Corridors, which is not just limited to the International North South Transportation Corridor (INSTC).

Container Train service to Bangladesh has commenced and there are plans to start a new route to Nepal via Bhatnagar-Birgaon for the transit cargo of Nepal through India's Gateway ports.

Amble App for first mile last mile connectivity is being developed which will facilitate efficient delivery of services at minimum cost.

Some of the other medium and long-term strategies, include the following:

- Enhance double stack operations for efficient utilization of its rolling stocks, improve wheel time of containers on port and terminals at a reduced logistics cost.
- Venture into the area of LMC Integrated Logistics and Manufacturing Zone.
- Closely study the freight charges being evolved for bulk transportation of cement, aggregate, liquid cargo, auto parts, etc. for new opportunities.
- Plan for off-shore presence in the neighbouring countries.

ACKNOWLEDGEMENT

In conclusion, I would like to convey my deepest gratitude to the Government Departments, especially Ministry of Railways, Shipping, Commerce and Industry, Finance and all regulatory authorities for always supporting your Company in all its endeavours. I am thankful to you, our valued shareholders for your continued support and goodwill that provides us encouragement and motivation. I thank all our customers, exporters/importers, banks, business associates and all the stakeholders for making business in us and in all our efforts. I also acknowledge and appreciate the guidance, valuable support and cooperation from my colleagues on the Board, C&AG and our Auditors. I also extend my thanks to our partners in the electronic and print media, for continuous and unwavering support and for providing constructive coverage. Finally, I would like to place on record my deepest appreciation for the collective efforts of team CONCOR, the driving force behind the success of your Company and whose commitment will take it to greater heights in times to come.

Thank you once again, Ladies and Gentlemen.

27th August, 2019
New Delhi

V. Kalyana Rama
Chairman and Managing Director

Note: This does not purport to be a record of the proceedings of the 31st Annual General Meeting of the Company.

