



Fostering Growth

“CONCOR was awarded CII SCALE Award 2020 in the category “Container Logistics, ICDs, CFS, Rail and Logistic Park” for CONCOR’s excellent contribution in the logistics sector and overall growth of economy.”

V. Kalyana Rama
Chairman and Managing Director

CHAIRMAN'S SPEECH AT 33RD AGM OF CONTAINER CORPORATION OF INDIA LTD.

Dear Members,
Good afternoon!

It is my pleasure to address you virtually once again in view of the ongoing pandemic. On behalf of entire Board and management, I thank you for joining this 33rd Annual General Meeting of your Company in this ‘Azadi Ka Amrit Mahotsav’ year.

I wish and pray that you and your family are safe and healthy. The events of the last few months have caused unimaginable grief for many who have lost family members, close friends and valued colleagues. Undoubtedly, it will take a while to heal the scars inflicted by the successive waves of the Covid-19 pandemic. As the pandemic is far from over and we continue to face the threat of new variants, all of us need to put our best efforts to overcome this difficult time. With the vaccination drive gaining momentum, let us hope that full normalcy gets restored within this year.

In this challenging time, our focus continues to be on providing uninterrupted logistics support to the trade, including for the essential commodities, liquid oxygen for medical purpose and above all taking care of health and safety of our team and the communities where we are operating.

Your Company has completed a successful journey of 33 years and is continuing to strengthen its leadership position in the industry without compromising on its values and service standards.

PERFORMANCE DURING LAST 10 YEARS (IN CR.)			
CAPITAL EXPENDITURE		NET WORTH	
365.86	551.41	5606.43	10203.74
2011-12	2020-21	2011-12	2020-21

The Annual Report including Directors’ Report, Financial Statements, Auditors’ Report, Comments of C&AG and other documents pertaining to the financial year 2020-21 and the AGM notice was made available to all members and with your permission, I consider them as read. Now I would like to share brief performance highlights and achievements of your Company during the year 2020-21 along with the future outlook.

ECONOMIC SCENARIO:

As per report of International Monetary Fund (IMF), the global economy contracted by 3.2% during the year 2020, whereas the GDP of India in FY 2020-21 contracted by 7.3% and the global growth is projected at 0.6 percent in 2021. The Governments World over have taken various steps which include financial stimulus to support their economies in this tough time. In this direction, Government of India has announced a special economic and comprehensive package under Aatmanirbhar Bharat amounting to about Rs.27.1 lakh crores.

TOTAL THROUGH PUT IN LAKHS (TEUS)	
26,04,311	36,43,330
2011-12	2020-21

Structural reforms have also been announced, which inter-alia included de-regulation of the agricultural sector, new PSU policy, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/ Land Bank, Production Linked Incentive (PLI) scheme in many sectors, investments in credit infrastructure, etc. All these policies of the Government will provide much needed support to the industries at this hour.

The year 2020-21 was a turbulent year for the global economy, in which the trade restrictions among major economies in the world coupled with continuation of

INFRASTRUCTURE - A QUICK SNAPSHOT			
Movable Assets		Fixed Assets	
15656 Container Wagons	37886 Cranes	14 Gantry	111 Reach Stackers (RST)

pandemic environment has disrupted the global supply chain. The gap between import and export has also widened. As a result of the above factors, logistic services for EXIM trade in the Country has been adversely impacted.

SECTORAL PERFORMANCE:
Your Company's business is directly linked to the overall EXIM and domestic trade of the Country. In the year 2020-21, Indian Railways registered originating loading of cargo of 1233.24 million tonnes, an increase of 1.90% over last year. The originating containerized cargo transported by rail was 63.23 million tonnes, an increase of 3.28% over last year. During the year, the containers handled at all ports of the country were 16.50 million TEUs, registering a marginal growth of 0.28% over previous year.

In value terms, during the year, the total exports and imports of the country were US\$ 290.63 billion and US\$ 389.18 billion, showing a decline of 7.26% and 18.02% respectively over previous year. During the year, there was a rise in export of commodities such as Aluminium Alloy, Rice and other Food Items, Yarn/Cotton yarn Medicines, Machines, Non Hazardous Chemicals, Iron Articles, while import of commodities such as Solar Modules, Electrical Goods, Wood pulp and polyethylene has increased.

PERFORMANCE HIGHLIGHTS:

The year 2020-21 started with the lockdown in India and in many major economies of the World. The impact of pandemic continued during the first two quarters. However, with the relentless commitment and dedication of every member of team CONCOR, we could overcome the challenges and the second half of the year 2020-21 concluded with strong performance. In spite of the adverse environment, I am more than satisfied with the performance of your Company as it has done extremely well on all fronts. The performance parameters over volumes, financial, CAPEX, dividend, etc., which I would like to share, are as follows:

BUSINESS VOLUMES, TURNOVER & PROFITABILITY:

During the year, your Company handled 3.64 million TEUs and transported 42.02 million tonnes of cargo volume by rail, which is a marginal decrease of 2.79% and increase of 3.93% respectively over previous year. There was a marginal drop of 3.77% and increase of 2.42% in handling volumes of EXIM and Domestic segments of businesses respectively. The gross turnover and net profit were

TOTAL INCOME AND OPERATING INCOME IN CR.			
Total Income		Operating Income	
4377.49	4060.95	6670.44	6384.96
2011-12	2020-21	2011-12	2020-21

Rs.6,670 crores and Rs.5,503 crores respectively. The net profit for the year was impacted due to increase in land license fee by Railways, one time provisioning for assets built on terminals handed over to Railways and impairment of investment in a subsidiary Company.

CAPITAL EXPENDITURE:

As the business outlook for the logistic sector in the long term is positive, your Company is expanding its infrastructure. For this purpose, during the year, Rs.550 crores were spent mainly on development/expansion of terminals, acquisition of wagons, handling equipments and Infrastructure. The areas such as Dabai, Kandla/Gandhidham and Vapi have been identified for further strengthening the existing Terminal Network for providing efficient services to the customers.

In order to strengthen and improve service levels, 2,925 Bogie Low Container (BLC) wagons were moved into Bogie Low Container Modified (BLCM) rakes by increasing axle load capacity from 20.3T to 22T. Further, 8,810 twenty feet containers were added to the existing fleet. At the year end, the Company had a robust fleet of 15,656 wagons, 37,886 containers, 111 RSTs and 14 gantry cranes. Your Company has also taken initiative for procurement of 8,000 containers from Indigenous Manufacturers, which would reduce dependency on foreign sources for their procurement and will take India towards becoming a hub for container

NET WORTH, DIVIDEND AND MARKET CAPITALIZATION:

The Net worth and market capitalization of the Company as on 31.03.2021 was Rs.10,204 crores and Rs.36,436 crores respectively. Keeping in view the performance, funds position and DIPAM guidelines, 100% dividend has been

DIVIDEND IN CR.

214.47	304.65
2011-12	2020-21

proposed for the year, which comprises of an interim dividend of Rs.3 per share (60%) already paid and a final dividend of Rs.2 per share (40%) on par value of equity shares of Rs.5/- each. The total dividend pay-out for the year will be amounting to Rs.304.65 crores, which is 61% of profit for the year.

STRATEGIES AND INITIATIVES:

Your Company continues to be the market leader in multi-modal logistics in India with the largest available network of container terminals having presence in almost all container handling ports and major industrial hubs. It has a large fleet of rolling stock, containers, handling equipment, IT enabled operations with customs and customers interface enabling your Company to provide efficient and reliable value-added services.

Your company is not only expanding its existing businesses but has also taken various initiatives to tap the opportunities available by expanding its bouquet of services. This includes setting up of private freight terminals, expansion through setting up of MMLs on DFC network, increase in double stack haul, e-business, foray into Distribution Logistics, venturing internationally, bulk movement of Cargo in Containers, First Mile Last Mile services, agency business, using ice-battery technology for temperature sensitive cargo, coal transport agency for power companies, transportation through Rail-Sea-Rail (RSR) mode, liquid cargo and auto cars and other value added services like labelling, palletization, bar coding, KYCL, cross-docking, wrapping, etc.

In the earlier years, your Company was paying Land License Fee (LLF) on the land taken on lease from Railways on the basis of number of Twenty Foot Equivalent Units (TEUs) handled. However, w.e.f. 1st April 2020 Railways has decided to charge LLF 66% of the value of land which will be further increased by 7% annually. As this has impacted viability of some of the terminals built on railway lands, seventeen such terminals were surrendered. In accordance with the above decision of Railways and as per the Company's assessment of same, an amount of Rs.17.30 crore was paid in FY 2020-21 towards LLF.

During the year, your Company has enhanced its international presence by transporting: i) 951 TEUs stuffed with Gold/Marble to Iran via Mundra Port; and ii) 1032 TEUs (21 loads) imported containers from CTRK/ SNF/ CTDI/ TKD to Bangladesh/Jessore/Neorail in Bangladesh.

In order to strengthen the last mile connectivity, CONCOR has created its own App based platform ‘FMLM App’ wherein empanelled local transporters at respective terminal participate in bidding process for providing competitive, cost effective rates to our customers. Movement under FMLM Mobile arrangement has commenced at 48 terminals in which 1,33,260 TEUs were moved during the year.

In the challenging environment, rising competition and trade imbalance, innovative restructuring through empanelled containers has been introduced. In this scheme, movement of empty containers from various gateway ports to CONCOR terminals, 50% rebate in rail freight is being given and this rebate will be 75% for offering 10,000 to 15,000 containers per month and 100% for offering more than 15,000 containers per month.

The movement of double stack trains between Mundra/Pipavay Ports and Khatavans (CMLK) has helped in managing the cost of empty running, enhancing rail connectivity and has made our services competitive. The empanelment of operations on Dedicated Freight Corridors (DFCs) has begun and now CMLK is directly connected to Western DFC. This movement will be an added advantage for rationalising costs, resulting in growth in volumes, better capacity utilization of terminals and faster turnaround time.

The earlier regional structure of the Company has been done away with by reclassifying them into four areas (North, West, South & East). This has helped in faster and decentralized decision making.

SUBSIDIARIES, JOINT VENTURES & ALLIANCES:

Your Company has grown over the year by adopting a model of forming alliances, joint ventures and subsidiaries. At present, it has four operating subsidiaries and ten joint venture companies. These entities are doing businesses in the field of cold chain, air cargo, container freight stations, rail and last mile connectivity, creating rail infrastructure, running Multimodal Logistics Parks (MMLPs). Many of them are regularly distributing dividends and are directly and

**FIXED ASSETS
UP FROM
3503.78 Cr.
IN FY 2011-12**



indirectly contributing towards the success of CONCOR. The two subsidiaries namely SIDCUL CONCOR Infra Company Ltd. (SCIL) and Punjab Logistics Infrastructure Limited (PLIL) are also joint ventures, in which State Govt. entities of Uttar Pradesh and Punjab respectively are the partners.

In past, Fresh & Healthy Enterprises Ltd. (FHEL) could not do well and was unable to achieve its objective set initially. Due to changed business dynamics, it was decided to re-engineer its facility to develop it as an Agri-Logistics Centre (ALL) with changed business model of leasing out chambers for storage of perishable goods. The re-engineering project is being implemented in two phases by equity infusion from CONCOR. An equity infusion of Rs.18.91 crores has already been done. Under Phase-I, 1/3rd of the facility (26 chambers) have been converted into Customs bonded warehouse which is one of the first-of-its kind in Delhi/NCR region. The facility, including the customs bonded warehouses, is now being used for storage of Apples, Kiwi, Dates, Malt, Fruit Syrup, Pears, Grapes, Almonds, Walnuts, etc. Construction work for the second phase has also started and is likely to be completed by December 2021. It is expected that this venture will give sustainable returns in the times to come.

Another wholly owned subsidiary of your Company is CONCOR Air Limited (CAL). It is working in the field of air cargo operations at Mumbai airport through a Concession Agreement with Mumbai International Airport Limited (MIAL). The Airline Transport Licence (ATC) for the worst hit sectors in the pandemic, CAL's business is directly related to Aircraft Operations and last year has been very tough for its business. With this venture, your Company has established itself in the field of air cargo operations and it is now looking at various opportunities emerging in this sector.

SCIL and PLIL are running the multi-modal logistics parks in the respective States of Uttarakhand and Punjab respectively, where they are carrying out the activities of handling, transportation and warehousing of containerized cargo. They have facilitated the growth in the trade in the respective State of their presence and both these subsidiaries are EBITDA positive.

During the year, the tenure of contract for operating ICD/ Birganj by M/s. Himalayan Terminals Private Limited, a joint venture company was over. The Board of your Company has also decided to explore the merger of SCIL, PLIL and CAL with CONCOR. Discussions are going on with the respective State Governments for SCIL and PLIL for their merger, as they are the partners in these companies. In view of the fact that the merger was earlier approved by the Board and to move ahead on this matter, the amendments proposed in the concession agreement are under discussion with MIAL.

TECHNOLOGY AND STANDARDISATION:

Your Company continuously strive to identify, respond and adapt to rapidly changing business environment by using the best available IT tools. This approach has helped it to adapt to working in disruptive times, when lock-downs/restriction on travel were imposed by Central/State Governments. Through usage of its IT infrastructure, it was ensured that team CONCOR continued to function from Home and access databases and applications through Company's own encrypted Virtual Private Network (VPN). I am very happy to state that despite the pandemic and the lockdown, no terminal of your company was closed down even for a single day.

The Company has leveraged its existing digital assets and has undertaken further

IT INITIATIVES	
Integration of Commercial ERP and Financial ERP	Integration of Commercial ERP and Financial ERP

investments in technology driven solutions to improve operational efficiencies with focus on providing quality services and customer satisfaction. In this direction, it has taken initiatives like upgradation of VSAT based hybrid network with MPLS cloud which now covers 61 locations, eMB software application for billing and release of payments, integration of commercial applications with Oracle Financials ERP, electronic filing of documents on commercial systems, Know Your Container Card (KYCC), providing continuous cargo visibility through mobile app, SMS alert, interactive website, e-office implementation, upgradation of HRMS system and Aadhar linked e-Signing facility for e-office files.

The adoption of new bill processing & payment platform has facilitated the vendors to access the system and submit their bills in digital mode. This has helped in faster vendor payments without human intervention and paper-less working.

In order to provide single point of contact to customers by offering tailor made services of customs clearance, road transportation, etc., CONCOR has entered into new area of business solutions. Here, with the effective use of a platform, the customers will be getting competitive rates through the process of bidding (e-auction) and among the empanelled vendors.

The mobile app for disseminating information in respect of public tariff, rail tariff, track & trace, etc. The app for EXIM e-filing (covering reports & queries) and the app for FMLM in EXIM segment have immensely benefited the stakeholders.

HUMAN RESOURCE MANAGEMENT:
Your Company is a reservoir of highly efficient and dedicated pool of human resources and due care is taken to retain the talent. The HR policies are aimed at meeting Company's future needs as well as the aspirations of its employees. Right placement and grooming of employees is given due emphasis and alignment of individual performance and goals with that of the organization is maintained.

The meritocracy is recognized and rewarded and management supports development through structured approach of career progression. Timely and effective steps were taken by the Company to combat Covid-19. This included regular sanitization of office premises and terminals and thermal scanning of all persons visiting company premises. Employees and their family members in the field and physical health issues related to the pandemic were given priority to spread awareness among employees for fighting the virus effectively. In addition, counselling and expert advice was provided to the employees to deal with the pandemic and physical health issues. Employees and their family members of concentrators were also made for emergency need of employees or their families. Employees have also been provided smart watches to monitor their health parameters.

GOVERNANCE AND CSR:

Your Company is a Navratna undertaking and best Corporate Governance is the core to its continuous success. It has conducted its activities in an ethical and responsible manner towards sustainable value creation for its shareholders and the community at large.

CONCOR has always worked towards the social and economic development of the deprived and underprivileged sections of the society. Under Corporate Social Responsibility (CSR) initiative in the year 2020-21, the work with prime focus on health activities in terms of guidelines issued by Department of Public Enterprises (DPE) and prevailing pandemic conditions were undertaken. Activities were also undertaken in the field of education, skill development, environment, sustainability,

sports, infrastructure development, etc. An amount of Rs.45.82 crores was utilized during the year on CSR. The activities undertaken inter-alia include:

- Infrastructure Development and maintenance of schools at Uttar Pradesh, Bihar, Kerala, Rajasthan and Delhi.
- Work in Aspirational Districts on education and health activities at Visakhapatnam, Andhra Pradesh; Asifabad, Telangana; Chandauli and Shravasti, Uttar Pradesh.
- Cancer detection camps were organized at Delhi, Visakhapatnam and Hyderabad benefiting around 850 persons.
- Skill development activities in Logistic and essential services at Chennai, Tamilnadu and Patiala, Punjab, benefiting around 700 youths and 1,000 women.
- Students from under-privileged sections of the society in Eastern Uttar Pradesh were supported for pursuing JEE and other competitive exams. Supported education of 3000 slum children at Delhi.
- Solar Electrification in villages in Gaya district of Bihar benefiting 320 families.
- Water shed development in 1,000 hectares area at Visakhapatnam, which will help in water conservation and benefit thousands of villagers.
- Provided two refrigerated trucks for storage and transportation of Covid vaccine.
- Provided 186 oxygen concentrators, 5 ventilators and other medical equipment to hospitals at Delhi, Hyderabad, Visakhapatnam, Chennai, Mumbai, Kolkata, Jaipur, Balaahat, etc.
- During lockdown, free distribution of ration and food packets to daily wagers and stranded labourers, which benefited more than 10,000 persons.
- Contributed around 6,000 doses of Covid vaccine and vaccinated around 4,000 persons in Delhi Area.
- During the last two years, contributed Rs.30 crores to PM Cares fund. The employees have also contributed to this fund their one day salary for three months amounting to Rs.1.05 crores.

AWARDS AND ACCOLADES:

During the year, many awards and accolades were conferred on your Company for its achievements and performance, some of which are:

- Ranked 207th on the ‘Fortune India 500’ list of 2020.
- Export Excellence Award 2020 – Best Facilitation Organization by Federation of Karnataka Chambers of Commerce & Industry.
- CII SCALE Award 2020 in the category “Container Logistics, ICDs, CFS, Rail and Logistics Park” for excellent contribution in the logistics sector and overall growth of economy.

WAY FORWARD:

There is no doubt that the ongoing pandemic has been the most disruptive event in the recent human history which has caused hardships for the entire global community. However, once the normalcy is restored, there will be an inevitable upsurge in the business eco-system. I am of the firm belief the logistics is going to be the sun-rise sector of the future. With this vision, CONCOR has been moving ahead and taking lot of business initiatives to tap the opportunities that will come on its way. The business opportunities and initiatives in the following areas are being considered by the Company:

- First Mile Last Mile connectivity and Distribution Logistics services
- Agency Business and Bulk Cargo movement which will create great opportunity and value addition to the trade.
- Coal transport agency for major power generation companies and providing the services of Coal transportation through Rail-Sea-Rail (RSR) mode on all rail routes.

- Enhance double stack operations for efficient utilization of rolling stocks, optimise dwell time of containers at ports and its terminals at a reduced logistics cost.
- Study of the freight designs for bulk transportation of Cement, Aggregate, Liquid cargo and Auto Cars etc.
- Planning for off shore presence in the neighbouring countries.
- Expansion of warehousing business by standardizing services and Tariffs across terminals and offering containers as warehouses.
- Promoting manufacturing of containers in India under the ‘Aatmanirbhar Bharat’ initiative of the Government of India.
- Targeting the logistics support to industries such as pharma, medical services, food processing, textiles, automobile, etc., the beneficiaries under the Production Linked Incentive (PLI) scheme.
- Moving towards implementing Artificial Intelligence (AI) in its operations.

- ACKNOWLEDGEMENT:**
I wish to convey my sincere regard and deep gratitude to our shareholders for their consistent unwavering support and trust, which is the guiding force and strength motivating us in the pursuit of excellence and achievement of our goals. I thank all our customers, exporters/importers, liners, business associates and all the stakeholders for reposing faith in us. I convey my deepest gratitude to the Government Departments, especially Ministries of Railways, Shipping, Commerce and Industry, Finance and all regulatory authorities for their support and guidance. I acknowledge and appreciate the guidance and valuable support of colleagues on the Board, C&AG and our Auditors. I also extend my thanks to the electronic and print media for providing constructive coverage. Last but not the least, I personally as well as on behalf of the Board, wish to appreciate the dedication, hard work and commitment of CONCOR employees, whose exceptional teamwork has helped the Company in marching ahead on the path of success.

Thank you once again, Ladies and Gentlemen.

I convey my deepest gratitude to the Government Departments, especially Ministries of Railways, Shipping, Commerce and Industry, Finance and all regulatory authorities for their support and guidance.

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Thank you once again, Ladies and Gentlemen.

29th September, 2021
New Delhi

V. Kalyana Rama
Chairman and Managing Director

Note: This does not purport to be a record of the proceedings of the 33rd Annual General Meeting of the Company.



123.26

**TO 7822.69 Cr.
IN FY 2020-21**

