

DIRECTORS' REPORT

To The Shareholders

Your directors are pleased to present their report on the business and operations of the Company and the statement of accounts for the financial year ended on 31st March 2020.

FINANCIAL RESULTS:

(Rs. in crores)

Particulars	2019-20	2018-19
Income from operations	6,473.79	6,881.91
Profit before depreciation & tax (PBDT)	1,918.59	2,113.46
Profit before exceptional item(s) and tax	1405.59	1688.88
Exceptional Item(s)	881.63	-
Profit before tax (PBT)	523.96	1688.88
Provision for tax including prior period tax adjustments	148.18	473.47
Profit after tax (PAT)	375.78	1,215.41
Other Comprehensive Income	(-)10.33	(-)1.86
Total Comprehensive Income for the period	365.45	1,213.55
Appropriations:		
Interim Dividend (Current Year)	45.70	-
Final Dividend (Last Year)	520.94	182.79
Corporate tax on dividend	112.41	36.60
Transfer to general reserves	37.58	121.54
Balance carried to Balance Sheet	(-)351.18	872.62
Earnings per share (Rs.)	6.17	19.95

DIVIDEND:

As per the guidelines issued by Department of Investment and Public Asset Management (DIPAM) the minimum dividend to be paid for the year should be at least 5% of net worth or 30% of profit after tax, whichever is higher. Taking into consideration the above and other factors for the year 2019-20, the Board recommended a final dividend of 57% (Rs.2.85 per equity share of Rs.5/- each) on the paid up share capital of Rs.304.65 crores in addition to Interim Dividend of 15% (Rs.0.75 per equity share of Rs.5/- each). The total dividend (interim plus final), including Dividend Distribution Tax (DDT) on Interim Dividend for the year 2019-20 will be Rs.228.06 crores as compared to Rs.628.01 crores for the FY 2018-19. As per Dividend Distribution Policy of the company, DDT shall be considered as part of dividend. The dividend, including DDT for the year 2019-20 works out to 60.7% of profit after tax of the Company for the year.

FINANCIAL HIGHLIGHTS:

The operating turnover of your Company registered a decline of 5.93% during the year under review from Rs.6,881.91 crores in the previous year to Rs.6,473.79 crores in the current year. Total expenditure decreased by 3.24% from Rs.5,527.26 crores in 2018-19 to Rs.5,347.93 crores in 2019-20. The profit before tax works out to Rs.523.96 crores, a decrease of 68.98% over 2018-19. After making provisions for income tax, tax adjustments, the

profit stands at Rs.375.78 crores, which is 69.08% lower than last year. This decrease in profit before tax and profit after tax were mainly attributable to provision of Rs.861.05 crores for amount receivable on account of benefit under Service Export from India Scheme (SEIS) and Rs.20.58 crores for impairment loss of Investment in M/s Fresh & Healthy Enterprises Limited (FHEL), a wholly owned subsidiary of CONCOR.

OPERATIONAL PERFORMANCE:

The throughput of your company reflects a marginal drop during the year 2019-20 in comparison to the year 2018-19. The segment-wise comparison is as under:-

Handling at Terminals (In TEUs)	2019-20	2018-19	%age Growth
EXIM	31,54,596	32,45,259	(-)2.79
Domestic	593,162	5,84,160	1.54
Total	37,47,758	38,29,419	(-)2.13

As can be seen, there has been a marginal drop of 2.79% in EXIM despite outbreak of COVID-19 pandemic since January-2020 in the last quarter of FY 2019-20. However, the Domestic throughput registered a growth of 1.54% during the year 2019-20. In terms of tonnage carried by rail, the company carried a total tonnage of 40.43 million tons in current fiscal as against 43.50 Million tons in previous fiscal (2018-19), a decrease of 7.06%.

CAPITAL STRUCTURE:

There was no change in the shareholding of Government of India and others in the Company during the year 2019-20 and as on 31.03.2020 their shareholding was 54.80% and 45.20%, respectively.

LISTING AND DEMATERIALIZATION OF SHARES:

CONCOR has only one class of security i.e. equity shares listed with the Stock Exchanges in India. CONCOR's equity shares are listed with the two bourses namely BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). 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 60,92,94,348 equity shares of Rs.5/- each listed on the Stock Exchanges, 60,92,92,976 equity shares (99.9998% of the total equity shares) were in demat mode as on 31.03.2020. The market capitalization of the Company was Rs.20,207 crores as on 31.03.2020 (as per closing price on last trading day of the year at NSE). This market capitalization subsequently increased and it was Rs.25,462 Crores as on 30.06.2020.

CAPITAL EXPENDITURE:

Capital Expenditure of Rs.1068.67 crores approx. was incurred during the year mainly on development/expansion of terminals, acquisition of wagons, handling equipments and IT Infrastructure, etc.

NEW TERMINALS & TERMINAL NETWORK EXPANSION:

During the year, the Company has further strengthened its existing Terminal Network to provide efficient services to its customers. Presently, the Company has been operating at 63 terminals in total, out of which 59 are its own terminals (9 pure EXIM, 33 Combined Container, 17 pure Domestic) and it has entered into 4 (four) Strategic tie ups for various locations.

Phase wise commissioning of three facilities / MMLPs at Mundra and Dahez (Gujrat) and Jajpur (Odisha) are planned in FY 2020-21.

As a part of overall strategy of expansion and entry into new areas of business to complement CONCOR's position as a Multimodal Logistics service provider, CONCOR has entered into coastal shipping operations, Distribution

Logistics, warehousing, First Mile Last Mile Logistics, and Bulk movement of Cargo in Containers among other initiatives.

HIGH SPEED WAGONS, CONTAINERS AND HANDLING EQUIPMENTS:

In order to strengthen and improve the service level, during the year under review 80 Bogie Low Longer (BLL) wagons were added to the existing fleet of CONCOR owned wagons, increasing the holding of BLC and BLL wagons to 13,497. During the year, 2,005 numbers of BLC wagons converted into Bogie Low Container Modified (BLCM) rakes with increasing axle load capacity from 20.3T to 22T. Further, 470 numbers of BLCM wagons have been taken on Lease for the period of 10 years. Therefore, total wagons (BLC+BLCM+BLL+BFKHN+BVZI) holding, including leased wagons as on 31.03.2020 was 15,578 and first time procurement of 25 Ton axle high speed BLCS wagons is under process.

During the FY 2019-20, 5,601 twenty feet containers have been inducted in CONCOR's fleet of domestic containers. Further, 289 containers have been off-hired / auctioned during FY 2019-20. As on 31.03.2020 your Company has 30,994 (owned plus leased) containers.

During the year 2019-20, total 29 numbers of Reach Stackers (RSTs) have been added to the existing fleet of CONCOR owned RSTs. As on 31.03.2020, the Company owned 111 RSTs and 16 Gantry cranes.

INFORMATION TECHNOLOGY:

Your Company continued to make progress in the field of Information Technology (IT). The VSAT based hybrid network has been upgraded with MPLS cloud and now it covers 63 locations. The Terminal Management System for Domestic (DTMS), for EXIM (ETMS), ERP for Oracle Financial, HR Payroll, Container Repair System, Operation system 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 and on mobile app enables us to constantly evaluate our performance and take corrective action on Customer complaints and feedback.

Public Grievance lodging and monitoring system has been deployed on CONCOR's website for Grievance Redressal system. The objective of the system is to reduce time in addressing grievance, to increase transparency and round the clock access for lodging and monitoring grievance.

The Electronic-filing of documents on the Commercial System initially provided at ICD/Tughlakabad have now been extended to all EXIM terminals which enables the customers to file their documents electronically from their own offices and on-line payment mode of NEFT/RTGS has been enabled. As part of business continuity plan, CONCOR has established backup site and standby system at primary site for its commercial business critical applications. CONCOR has been re-certified ISO/IEC-27001:2013 certification from STQC IT Certification Services (Ministry of Communication & Information Technology) for establishing an Information Security Management System (ISMS).

As an extension of existing HRMS, employee portal has been introduced. This system facilitates employees to access information regarding salary/ reimbursements, leave balances, PF statement, view and submit their APAR online, online submission of Annual Property return, pension details etc. and employee has option of viewing of the information on the screen and the printout of the same can also be taken for the record. Online payment systems for Corporate Office and all regions are implemented from Oracle Financials.

The e-tender system with e-payment facility for sale and EMD electronically, MSE exemptions has also been introduced. The site is integrated with online payment gateway for collection of fees. CONCOR has implemented reverse auction and has re-designed its Corporate website to the responsive website.

The e-Samarth application for Online Vigilance Clearances to handle bulk NOC request creation and approval and workflow driven system has been evolved. This has increased transparency and drastically reduced the total time of according NOC for various purposes. Similarly, e-Voting was successfully done for CONCOR shareholders. File tracking system was implemented at Corporate office of CONCOR. Document Management System for Company Secretary Module, Reimbursement of Bills, e-meeting app for conducting paperless Board and Committee meetings of CONCOR and its Subsidiaries have been implemented.

CONCOR has launched its mobile app for disseminating the information (public tariff, rail tariff, track & trace, Company directory, etc.) for its stakeholders and has launched mobile app for Exim e-filing (covering reports & queries) for its stakeholders. CONCOR has launched its FMLM (First Mile Last Mile) mobile app to EXIM customers to facilitate end to end solutions. CONCOR has adopted various system improvements like dispensing submission of e-tender document with an undertaking, making available all circulars and guide lines of all departments to all employees on intranet with name Compendium.concorindia.com, has introduced auto refund of EMD on e-tendering system. CONCOR has started bulk coal movement, in Commercial system necessary changes incorporated to capture same in system.

CONCOR has implemented:

- (i) E-office replacing the physical files with electronic files as a step towards office automation and paperless working.
- (ii) E-contractor billing for online submission of invoices by contractors through their digital signature only and online payment by CONCOR.
- (iii) Know Your Container Location (KYCL) for online track and trace of container for its customers through mobile app, chatbot, etc.
- (iv) Bill Tracking System to its vendors through website.

STANDARDISATION/ CERTIFICATIONS:

CONCOR continues to enjoy ISO 9001:2015 certification and as on 31.03.2020, 66 Nos. of Terminals (including Corporate Office and 8 Nos. Regional Offices) were ISO 9001:2015 certified. It is an illustration of the total commitment of your Company towards Quality Management System. Quality Policy clearly provides for ensuring complete customer convenience & satisfaction and value for money through continual improvement of system and processes. The Quality Policy has been prominently displayed at all locations of CONCOR. Safety Slogans are displayed at prominent locations at various terminals of CONCOR. ISO Certification is available for most of the units of the Company. Disaster Management System has been hosted on CONCOR website. Further, in its endeavor to maintain high standards of quality, your Company has been taking various steps, some of which are as follows:

- Conducting periodical Management Review Meetings, wherein various actions were taken with regard to Disaster Management, Safety Norms and Quality Standards.
- Quality Audits were undertaken from time to time by Quality Auditors, who have been trained internally for this purpose.
- Annual Surveillance Audit was undertaken by an independent agency for a number of units.

JOINT VENTURES/ STRATEGIC ALLIANCES:

Your Company continued to place emphasis on providing total logistics and transport solutions to its customers by exploring the possibilities of expanding the presence of the Company in all segments of Logistics value chain in the EXIM as well as Domestic segments. Strategic alliances firmed up, both for optimal utilization of infrastructure as well as expansion into other segments of the value chain for effectively achieving the goals.

SIDCUL CONCOR Infra Company Ltd. (SCICL), a Joint Venture Company (JVC) with shareholding of 74% and 26% of Container Corporation of India Limited (CONCOR) and State Infrastructure & Industrial Development Corporation of Uttarakhand Ltd. (SIIDCUL) respectively has developed a Multimodal Logistic Park (MMLP) at Pantnagar located approx. 300 mts from Rudrapur-Haldwani State Highway and approx. one km. from the NH-87. SCICL is doing operations in both the stream i.e. EXIM and Domestic.

During FY 2019-20, SCICL handled 478 rakes which were 364 in FY 2018-19. The containers handled at MMLP, Pantnagar during the year were 37,898 TEUs which was 29,049 TEUs in FY 2018-19. Its revenue from business operations for the said period was Rs. 12.84 crores which was Rs. 8.51 crores in FY 2018-19, reflecting growth of 50.88 %. The JVC is expected to emerge as a major logistics service provider for rail logistics for the rapidly industrializing State of Uttarakhand.

Punjab Logistics Infrastructure Limited (PLIL) is a JVC of CONCOR and Punjab State Container and Warehousing Corporation Limited (CONWARE). This Company has developed a MMLP in the State of Punjab facilitating trade and industry of the State and putting them on International map.

During the year under review PLIL achieved turnover of Rs.31.52 crores as against Rs. 20.25 crores in the previous year, which is around 55% more than the previous year. The TEUs handled this year has been 26,462 as compared to 20,126 in 2018-19. The inward movement of TEUs was 19,330 and outward movement was 7,132 TEUs. The Company ventured into new business and there were 18 rakes of cars handled during the year. SILOS project is in progress and it is expected that it will account for a major portion of its turnover going forward.

The above two Companies i.e. SCICL & PLIL are also subsidiaries of your Company as it is holding majority of shares in these companies.

While the existing Joint Ventures continued to perform to their full potential contributing to the growth of the core business of CONCOR, new strategic alliances made are as under:

- On 11th September, 2019 CONCOR commissioned Pipavav Integrated Logistics Hub (PILH), a Multi-Modal Logistics facility by Joint Working Group formed by CONCOR & CWC.
- On 25th February, 2020 CONCOR and JSC RZD Logistics of Russia have signed the service agreement for transporting containerized cargo through International North- South Transport Corridor (INSTC).

CONCOR and RZD Logistics (Russian Railways) have executed above Memorandum of Understanding for cooperation and collaboration in promoting intermodal transportation of cargo over the International North-South Transport Corridor (INSTC). This Service Agreement gives the broader responsibilities for transporting the cargo from India to Russia and vice-versa under a single invoice. This seamless transportation of containerized cargo will benefit both exporters and importers in India and Russia. It will also facilitate reduction in transit time and cost of transportation compared to the existing transportation via Suez Canal. CONCOR is the undisputed market leader in India with its vast network throughout the country. M/s Russian Railways Logistics, Joint Stock Company is the largest multimodal logistics operator in the CIS and Baltic countries. They have vast experience of transporting containers through rail in international streams. This association is expected to pave way for a seamless cargo movement between India and Russia with greater economic movement.

WHOLLY OWNED SUBSIDIARIES:

CONCOR had incorporated M/s. Fresh & Healthy Enterprises Ltd. (FHEL) in the year 2006 as its wholly owned subsidiary to create world class cold storage infrastructure in the country, to provide complete cold chain logistics solutions to various stakeholders in this field.

Due to changed business dynamics with implementation of Goods and Service Tax (GST), customized storage requirements, intense competition with un-organized sector, it was decided to Re-engineer the Rai facility in two phases for development as an Agri-logistics Centre with changed business model of leasing/renting out the chambers to interested parties for storage of perishable goods.

For purpose of modification of existing facility by converting CA Chambers into Chiller, Bonded Cold Store Warehouse and CA store with mezzanine floor under Phase-I of re-engineering plan, CONCOR infused Rs. 13.45 Crores by way of fresh equity subscription in FHEL in April, 2018 and Phase II covers development of additional infrastructure with the funding of Rs.30.86 crores by way of fresh equity subscription.

Under the implantation stage of Phase – I, mezzanine floors have been erected in the chambers, so that the fruit can be stored and retrieved in lots as required by the market. Small doors have been erected in the chambers to make

them more suitable for cold store operations, so that the material can be received and delivered on day to day basis. These changes have been made to make the facility more versatile and suitable for storage of fruits and vegetables other than apples. Modification of Chambers under Phase – I is near completion.

During FY 2019-20, Company took several initiatives to ramp up its operations. Corridor 2 & 3 were made operational. Further, 1/3rd of the facility (26 chambers of corridor 1) has been converted into Custom Bonded Warehouse. This is the only such facility in Delhi/NCR and hence an added USP for FHEL. Custom notification for bonded warehouse was issued in March 2019 and operations started from April 2019.

In the apple season of the year 2019, all the operational chambers of corridor 2 & 3 were rented out among the more than 100 clients at the market rates. In order to improve the occupancy level during off season, additional equipments were installed for the storage of Potatoes. As on 31.05.2020, 42 chambers were rented out to various customers (23 CA/Chiller Chambers and 19 custom bonded chambers) for storage of variety of products like Apples, Kiwi fruit, Eggs, Fruit Syrup, Almonds, Pears, Grapes, Orange/Malta, Food Supplements, Walnut, Spices, Candies etc.

The facility has been operational during the entire lock down period, i.e. both the material was being received and delivered. All the operations during the lock down period have been managed with limited staff and work force. This effort has been highly appreciated and acknowledged by our clients.

FHEL's outstanding loan of Rs. 37.53 crores along-with interest accrued & due of Rs.18.36 crores upto 14.06.2019 due to CONCOR, was converted into Equity Share Capital of FHEL on 14.06.2019, after increase of Authorized Share Capital of FHEL from Rs.200 crores to Rs.250 crores. With this conversion, Issued, Subscribed and Paid up Equity Share Capital of FHEL increased from Rs.159.12 crores to Rs.215.01 crores on 14.06.2019.

On account of Re-engineering of the facility at Rai, Sonapat, renting of chambers and carrying out the business, operating profit showed month wise increasing trend during the fourth quarter of FY 2019-20 aggregating to an operating profit of Rs.24.11 lakhs. The overall operating loss of the company for FY 2019-20 reduced to Rs.0.63 crores as against Rs.0.68 crores of FY 2018-19. FHEL also reduced its net loss by approx. 23% i.e. from Rs.8.39 crores in FY 2018-19 to Rs.6.46 crore in FY 2019-20. Considering the past performance of FHEL and its accumulated losses, an impairment testing was carried out for investment in it and as a result of the same an amount of Rs.20.58 crores was provided for impairment loss during the year.

In order to expand its span of operations and make its presence felt in Air cargo business with a view to establish itself in this Industry, CONCOR had formed earlier CONCOR Air Ltd. (CAL) in the year, 2012. It is 100% subsidiary of CONCOR and has an authorised share capital of Rs.50 crores. The objectives of CAL are:

- To undertake Air Cargo related activities in International as well as Domestic circuit.
- To contribute in the development of Air Cargo business of the country by providing end to end solution to the customers through the mode of bonded trucking of Import/Export cargo from the various hinterlands to the Airports.
- To provide warehousing facilities to International & Domestic Air Cargo and to facilitate the clearance of EXIM & Domestic Air Cargo.

CONCOR Air Ltd. has made its presence felt at Chatrapati Shivaji Maharaj International Airport in the field of domestic and international air cargo related activities by entering into concession agreements with Mumbai International Airport Ltd. (MIAL).

Domestic Air Cargo Concession:

In February, 2013 CONCOR Air Ltd. has entered into an agreement with MIAL under which SANTACRUZ AIR CARGO TERMINAL (SACT) has been developed by CONCOR Air Ltd. SACT is a State-of-the-art GREEN terminal with ultra-modern facilities for storage of cargo, handling, screening, cold storage etc. SACT was commissioned on 09.06.2016. During the year at SACT, CAL has handled domestic air cargo of major five airlines viz; Jet Airways, Indigo, Spicejet, Go Air and Vistara.

International Concession Agreement:

CAL has earlier successfully completed its concession period with MIAL for its international Operations which ended on 15th April 2018.

CAL has earned a net profit of Rs.720.25 lakhs after tax during FY 2019-20. The paid up equity capital of the company was Rs.36.65 Crores as on 31.03.2019.

During the year 2019-20, another wholly owned subsidiary was incorporated on 06.01.2020 with the name of 'CONCOR Last Mile Logistics Limited' for the purpose of developing warehousing (including customized warehousing for specialized cargo), warehousing and inventory management, distribution and first mile-last mile connectivity; develop freight terminals including Railway Goods sheds and intermodal, multimodal logistics parks (MMLPs) providing integrated handling, storage, warehousing, value added services, transportation, distribution with state of art facilities to achieve economy of scale and improve service levels; operate and manage freight terminals, goods sheds on rent/lease/hire/ownership; construct, develop and maintain wharf, circulating area, conforming to the best of industrial practices; and to construct, develop and maintain passenger terminals for efficient & smooth handling of passengers.

Its first financial year will be ending on 31.03.2021. As on 31.03.2020 its authorised capital was Rs.100 crores and paid up capital was Rs.1 crore.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company prepared in accordance with the provisions of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS) forms part of the Annual Report of the Company.

HUMAN RESOURCE MANAGEMENT:

Human Resource Management (HRM) in organizations is designed to maximize employee performance to achieve its strategic objectives. HR is primarily concerned with the management of people within organizations, focusing on policies and systems. Being a progressive organization, CONCOR firmly believes in the strength of its most vital asset i.e. Human Resource.

CONCOR has adopted and aligned its HR strategy vis-a-vis systems & procedures taking into account the business objectives and competence building needed for the organization. HR strategy acts as a motivating factor for the employees who contribute to the core competence of the organization to create a match between the company's future needs and the aspirations of individual employees.

CONCOR's HR Philosophy is rooted in encouraging employee empowerment, growth and development of individuals by realizing their potential, encouraging innovative ideas and fair distribution of rewards. Its work culture is open and dynamic enabling employees to take initiative in jobs with active support of the top management. It is an employer of choice and attracts the best available talent with skill sets required for the growth and development of the organization.

Right placement and refinement of employees is the primary function after induction by which CONCOR HR maintains alignment of individual performance and goals with that of CONCOR Goals.

Great care is taken to maintain safe and hygienic working climate and to provide working environment to the employees conducive to their good health. The occurrence of industrial accidents is minimal.

CONCOR offers various voluntary benefits (apart from statutory benefits) to its employees. These are offered in the form of options to the employees to choose from a mix of perks and allowances available subject to a maximum ceiling. In addition to allowances and benefits covered in the cafeteria approach, additional perks in the form of residential accommodation, telephone instruments/service, advances and welfare amenities are provided to employees.

Provision has been made for timely delivery of HR services through Right to Service for time bound delivery of HR Services and Benefits.

The company has a performance oriented culture wherein contribution of every employee to the organization is measured and suitably rewarded. CONCOR has a sound and result oriented Performance Management System (PMS). The system promotes CONCOR's philosophy of rewarding and recognizing meritocracy at all levels and support development of executives through a structured approach woven into the appraisal of the company.

CONCOR has an exclusive training centre to cater to employees' developmental needs. It conducts both In-house and Specialized topic based trainings as per organizational and employees needs from time to time. Feedback of employees and reporting authorities is reviewed constructively and accordingly next training calendar is scheduled. Employees are put to 'On the Job Training Programmes' and are evaluated to get an understanding of the suitability of the employee for his/her right placement and also to understand specific developmental needs of employees.

The company provides wider opportunities for growth to its employees. Being a young organization with average age of employees at 40 years, it has formulated a comprehensive Performance Management System (PMS) in order to identify not only the job performance of the employee but also analysis of employee's behavior and personality traits under various descriptions of personality. It gives an idea of employee's training and developmental needs and thus contributes majorly to the succession planning of the individual and thereby helps in the analysis of an employee for his placement for a particular job.

With a view to keep our below board level employees/ officers prepared for the future requirement of the organization, young managers have been placed as the head of the terminals and departments, under Group General Managers and Executive Directors who have been placed as Head of the Regions and departments. The attrition rate in CONCOR is within 2 percent owing to CONCOR's employee welfare and career development policies.

INDUSTRIAL RELATIONS:

Sound and healthy Industrial Relations (IR) is the pivot around which the entire business operations revolve. CONCOR believes in community of interests and not in conflicts of interests. Various interest groups strive to further goals in the organization and resolution of conflicting interests in a positive manner reinforces faith in the system, besides imbuing strength to face external threats. CONCOR maintained industrial peace and harmony and no mandays were lost during the year. Positive Industrial Relations (IR) has been the goal of HR department. CONCOR provides two way communication, participative culture, open platforms for discussion for ideas and motivation of the employees.

RESERVATION POLICY:

CONCOR is a Central Government Public Sector Undertaking (PSU). It follows all Government mandates in true spirit. The representation of such categories against the total strength of 1,426 as on 31.03.2020 is as under:

Category	No. of Employees
Schedule Caste	209
Schedule Tribe	74
Other Backward Classes	344
Persons with Disabilities (PwDs)	30
Ex-serviceman	21

Further, one candidate of general category have been recruited/ appointed during the year 2019-20.

SPECIAL ACHIEVEMENTS:

Your company continued to excel in fields of its activities and was a proud recipient of the following awards in the year:

- Winner in the "Transport & Logistics Category" at the Duns & Bradstreet Corporate Awards on 29.05.2019.

- The Container Terminal Operator of the year award in South-East Cargo & Logistics Award 2019 on 07.07.2019.
- State Award from Karnataka, Chief Minister for Service Sector on 06.09.2019.
- The prestigious Delhi Best Employer Brand Awards 2019.
- The Gateway Awards 2019 in the category “Inland Container Depot of the year” on 27.09.2019.
- The Punjab Logistic Leadership Awards 2019 on 29.11.2019.
- The prestigious CII SCALE Awards 2019 in the category “Container Logistics” on 12.12.2019.
- Northern India Multimodal Logistics Award 2020 in the category Inland Container Depot & Rail Operator of the year on 17.01.2020.
- Bestowed with “Company of the year- Logistics” Award from CNBC-AWAAZ on 07.02.2020 for outstanding performance & consistently excelling on parameters such as growth, capital efficiency and profitability.
- ET Now Business Leader of the year Award in the category – Best State of the Art Facility on 16.02.2020.

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION:

The relevant information on conservation of energy and technology absorption stipulated under Section 134 of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, are as under:

For energy conservation and technology absorption, virtualization is being done in the servers of major applications, which is the latest technology, with the objective to reduce hardware, power consumption and the cooling requirement. Implementation of MPLS connectivity in place of VSAT also reduced the power consumption by hardware equipments.

To save power, multiple servers are also being controlled through single console instead of having the separate monitors, which save power as well as reduce cooling requirement. Most of the CRT monitors have been replaced by LCD/LED monitors, which have reduced the power requirement drastically. Most of the latest CPU/ Monitors / Printers of desktops /laptop are configured in power saving mode.

In addition to above, to conserve energy and to reduce power requirement/ heat dissipation wherever possible, consolidation is practiced as per requirement.

The Company is using fuel efficient Rubber Tyre Gantry (RTG) Cranes and Reach Stackers (RST) Machines for handling of containers, usage of fuel efficient power packs to feed power supply to refrigerated containers while transporting to ports. Further, energy efficient Rail Mounted Gantry (RMG) Cranes and improved warehouse design is being used by making them more energy efficient.

FOREIGN EXCHANGE EARNINGS & OUTGO:

During the year, there were no foreign exchange earnings. The details of foreign exchange outgo are as under:

	(Rs. in crore)
Foreign exchange outgo	2.81
Import on CIF basis	
a) Stores & Spares	3.54
b) Capital Goods	131.93

RESEARCH & DEVELOPMENT (R&D):

- CONCOR is procuring 11,600 high capacity containers of 34 Ton in line with the upgrading capacity of wagons.
- Acquired 28 Nos. of Reach Stackers in the FY 2019-20.

- Conducted trials on agriculture produces for Value addition and introducing the technology of Ice Battery from Japan.
- Converted 2005 No of BLC wagons into BLCM rake with increasing axle from 20.3T to 22T.

PRESIDENTIAL DIRECTIVE(S):

No Presidential Directives issued by Govt. were received by CONCOR during the FY 2019-20.

RAJBHASHA:

Implementation of Official Language policy of Govt. of India has been fully complied with in CONCOR by implementing Official Language Act 1963 and Official Language Rules 1976 and its provisions in all its offices.

Quarterly meetings of Official Language Implementation Committee were held regularly to review the progress made in promoting use of Hindi in CONCOR and the decisions taken therein were promptly implemented. During the year, regional offices including corporate office were inspected in order to overcome the shortcoming being faced by employees in use of Hindi in their official work. Hindi workshops on various topics were organized regularly to create awareness and adoption amongst employees in regard to various provisions of official language.

Hindi Pakhwara was organized from 14th to 27th September, 2019 in which 3 competitions were held and about 65 officials participated in these competitions. Total 41 employees were given Cash Prizes and certificates. A Hindi drama as well as a comedy program by renowned bollywood artist Shri Raju Srivastava was also organized during Hindi Pakhwara to promote Rajbhasha. CONCOR composed ‘CONCOR Hindi Geet’ written by Mukhya Rajbhasha Adhikari which was released during the Hindi Pakhwara.



A scene from Hindi drama



Shri Raju Srivastava performing during Hindi Pakhwara

109 employees were given Cash Awards for doing their official work in Hindi under ‘CONCOR Rajbhasha Puraskar Yojna’ for the year 2018-19. Two officials were awarded with Late Dr. Shankar Dayal Singh Smriti Puruskar 2018 for their significant contribution towards promoting Hindi in official work.

CONCOR’s library got enriched by acquiring 50 new Hindi Books of reputed authors on various streams of Hindi Literature making total Hindi books 1,961 out of total 2,799 books available in the library. To promote original writing and familiarize with company’s activities, a quarterly Hindi magazine ‘Madhubhasika,’ is continue to be published regularly by including famous stories and poems of famous Hindi writers as well as articles from CONCOR family. The magazine is available on Company Website in order to facilitate its accessibility to everyone. CONCOR’s website is bilingual and all computers have Unicode facility to work in Hindi which is being utilized by its officials.

VIGILANCE:

The objective of CONCOR vigilance is to facilitate an environment enabling people to work with integrity, efficiency and in a transparent manner, upholding highest ethical standards for the organisation. To achieve this objective, the Vigilance Department carries out preventive, proactive and punitive actions with greater emphasis in the preventive and proactive functions. Following activities were undertaken during the financial year 2019-20.

During the year 2019-20, 18 Preventive/Surprise checks/CTE type checks were conducted at various Regional Offices/Inland Container Depots/Container Freight Stations. In addition, cases were registered/ investigated on the basis of complaints and other information. Periodic surprise checks were conducted regularly in vulnerable areas of the company. Suitable penal action was taken against erring officials and contractors. An amount of Rs.1.64 crores was recovered from various contractors/ customers during the financial year. Seven minor penalties were imposed during the financial year pertaining to irregularities such as indiscipline, dishonesty, negligence in performance of duty or neglect of work etc. The departmental action against one officer is pending as on 31.03.2020.

On the suggestion of Vigilance Division, respective user departments have issued 10 circulars for improvement in systems and procedures. In order to disseminate information among field functionaries, Vigilance Division organised regular training programmes /workshops in different Regions covering topical issues such as D&A Rules, Facets of Vigilance and Civil Engineering Works etc. Vigilance Division has released second edition of the vigilance e-bulletin named "Vig-Darpan ". Thee-bulletin will serves to disseminate the latest vigilance instructions and showcases best practices in the field of vigilance in order to create awareness and sensitize all officers and staff to discharge their duties consciously, meticulously and fearlessly. Information technology is being extensively utilised to ensure transparency in functioning of modules such as e-office, e-billing e-tendering, e-payments, e-contractor billing, e-receipts, e-filing, e-auction & reverse auction etc thereby instilling confidence of being just and fair organisation amongst our customers, business associates etc.

Vigilance Awareness Week (VA W) was observed in all offices of CONCOR by undertaking various activities during the period 28th October to 02nd November, 2019. The theme of the Vigilance Awareness Week -2019 was "Integrity - A Way of Life'. VAW-2019 was marked by numerous activities/competitions in schools, colleges, universities, Gram Sabhas workshops/in teractive sessions etc. were organized. Banners on the VA W theme were displayed at various offices and public places. Several workshops, seminars, Grievances Redressal Camps were organized involving employees, customers and contractors/vendors. Essay, slogan writing and debate competitions were organised for employees and student community. The highlight of Vigilance Awareness Week-2019 was Flagging Off the 04 numbers of "Satarkta Express Container Trains-2019" from DCT, Okhla, New Delhi to Chennai, Hyderabad, Bangalore, Kolkata. The trains carried pictorial stickers pasted on the containers with messages and slogans related to vigilance awareness for the general public while these containers move across the country through Rail and Road. The first "Satarkta Express Container Train" was flagged off by Shri Akash Taneja - Chief Vigilance Officer/CONCOR and Shri Kamal Jain – Executive Director/CONCOR on 30th October, 2019 from Domestic Container Terminal, Okhla, New Delhi for Tondiarpet, Chennai. This initiative was also extended to movement of containers through costal shipping and containers with Stickers were also sent through Coastal Ships from Kandla Port to various Ports such as Mangalore, Tuticorin and Cochin in Southern Region.

In order to motivate the employees in recognition to their contribution in vigilance management, the award/or "Most Vigilant Employee of the year" has been instituted and this year the award was jointly was awarded to Shri Rajesh Kumar Behal - Asst. Manager (Tech.)/Northern Region and Shri Bikash Kumar – Executive (C&O)/ Central Region on 29th October, 2019 by Shri Kalyana Rama - Chairman & Managing Director/CONCOR) & Shri Shailendra Singh - Chief Technical Examiner / CVC during Vigilance Awareness Week.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act 2013, your Directors hereby confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS:

The detailed Management Discussion and Analysis forms a part of this report at **Annexure-A**.

CORPORATE GOVERNANCE & GREEN INITIATIVE:

Your Company has taken structured initiatives towards Corporate Governance & its practices are appreciated by various stakeholders. Your Company believes in the principle that good Corporate Governance establishes a positive organizational culture and it is evident by responsibility, accountability, consistency, fairness and transparency towards its stakeholders. As required under SEBI (LODR) Regulations and DPE guidelines on Corporate Governance, a separate report on Corporate Governance practices followed by the Company forms part of this Report at **Annexure-B**. Further, in terms of SEBI Regulations a Certificate regarding non-disqualification of Directors is as per **Annexure-C**.

A Practicing Company Secretary has examined and certified your Company's compliance with respect to conditions enumerated in SEBI (LODR) Regulations and DPE guidelines on Corporate Governance. The certificate required in DPE guidelines and SEBI (LODR) Regulations forms part of this Report at **Annexure- D**.

As a responsible corporate citizen and to reduce carbon foot print, your Company has actively supported the implementation of 'Green Initiative'. Electronic delivery of notice of Postal Ballot, notice of Annual General Meeting (AGM) and Annual Report alongwith other communications is being done to those shareholders whose email ids are already registered with the respective Depository Participants (DPs) and downloaded from the depositories i.e. NSDL/CDSL and for shares held in physical mode, whose email IDs are available with Company. Accordingly, the Company is sending all documents to the shareholders viz. Notice, intimation for dividend, Audited Financial Statements, Directors' and Auditors' Report, etc. in electronic form to their registered e-mail addresses.

In respect of financial year 2019-20, in terms of exemption granted by MCA vide General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and by SEBI vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, due to spread of Covid-19 pandemic, Annual Reports have been circulated among the members whose email IDs are available with the Company through electronic mode. Accordingly, no physical copies of the Annual Reports are being circulated among the members of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABLE DEVELOPMENT:

CONCOR's social activities in F.Y. 2019-2020 continued to be concentrated on overall development of society with prime focus on school education and health in terms of guidelines issued by Department of Public enterprises (DPE). Activities in other areas like sanitation, skill Development, environment sustainability, sports, infrastructure development etc. have also been taken up for the welfare of our stakeholders ranging from rural areas to CONCOR locations. Some of major activities undertaken by company are:

CSR activities in Aspirational districts i.e. Visakhapatnam(AP), Asifabad (Talangana), Chanduali (UP) & Shravasti (UP) adopted by CONCOR continued in all four districts by taking up education and health activities including construction of Science labs, procurement of health equipments like x-ray machines, cell counter/ bio chemical analyzer, ultrasound machines, digital autoclave, digital Hemoglobinmeter, providing scooter for ANM workers, construction of public toilets, water ATM/RO plant, construction of Asha Ghar/Waiting hall (with toilet), procurement of Ambulances, Bins, etc. in these four districts benefitting thousands of people by these activities.



Health care support at Asifabad and Visakhapatnam

56 comprehensive Health camps organized at 21 major locations of CONCOR benefitting approximately 37613 stakeholders by addressing their basic health issues such as BP, sugar, eyes etc. around CONCOR facilities.



Health camps

In order to create awareness as well as early detection of cancer among lower strata of society, 15 cancer detective camps have also been organized in and around Delhi benefitting 850 persons by this activity.



Cancer camps in Delhi

Skill development activities were initiated in Logistic & essential services in Chennai (Tamilnadu) and Patiala (Punjab) which will benefit approximately 700 youths and women.



Skill training in logistic sector at Delhi and Chennai

Support continued towards infrastructure development of hospital in Chattisgarh for the benefit of common man of society as well as other activities such as distribution of assistive devices to divyangjans in Andhra Pradesh, Uttar Pradesh and Telangana states benefitting 1000 such beneficiaries and further cochlear implants surgeries done to help children with hearing impairment belonging to economically weaker section of society.



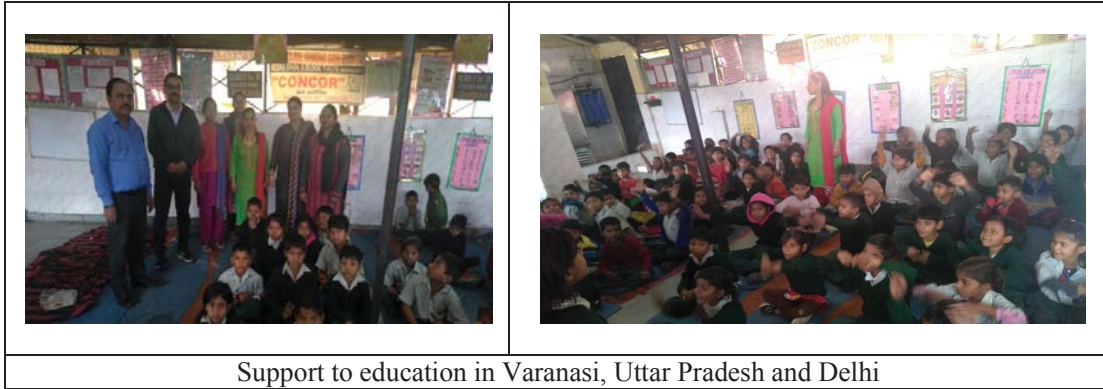
Distribution of assistive devices to divyangjans at Asifabad and Visakhapatnam

To promote sanitation among masses, toilet blocks at public places were constructed in Chennai and Gautambudh Nagar as well as construction of public toilet blocks have been taken up at various Railway Stations of Western Railway in order to maintain cleanliness at Railway stations.

Infrastructure Development of schools continued in CONCOR CSR activities covering Shravasti(UP), Purnia(Bihar), Gauatambudh Nagar(UP), Ghazipur (UP) and Kannur (Kerala), Khatuwas (Rajasthan) districts in which construction and maintenance of classrooms etc. have been taken up.

Support to underprivileged section of society in acquiring quality education continues to be focus area of COCNOR CSR activities. Bright but poor students from Eastern Uttar Pradesh districts were supported for pursuing JEE and other exams. Slum children in Delhi were supported in acquiring value education as well as infrastructure of many schools were strengthens in Uttar Pradesh, Rajasthan and Kerala benefitting 2000 children.





Support to education in Varanasi, Uttar Pradesh and Delhi

CONCOR supported to educate the dependents of war widows by contributing in Armed Forces Flag Day Fund.

The spread of deadly COVID-19 in the country in the month of March, 2020 led CONCOR to support Govt. by contributing Rs. 5 crores to PM CARE Fund.

In terms of funds allocated as per Companies Act 2013, including unspent balance of previous year towards CSR Expenditure for FY 2019-2020, an amount of Rs.22.16 crores has been utilized towards various CSR activities during the year.

CONCOR is working tirelessly towards bringing a change in the lives of its stakeholders in order to fulfill its social responsibility in line with its CSR policy and vision.

The particulars of CSR activities for the year in the form of the Annual Report on CSR activities is as per **Annexure-E** to this report.

RISK MANAGEMENT:

As per the requirement of SEBI (LODR) Regulations, 2015, the Company is having a Board level Risk Management Committee. The particulars of Committee are stated in the Corporate Governance Report forming part of this Report. The Company has a well laid down Risk Management (RM) system to identify, evaluate risks and opportunities. The said system seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management system defines the risk management approach across the enterprise in various business activities. The RM structure has different risk models which help in identifying risk trends, exposure and potential impact analysis at Company level and also separately for business segments. It forms an integral part of the Company's functioning and the Board of Directors are being regularly apprised about the status of various risk elements and the mitigation plans for the same.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

CONCOR's Internal Control Systems are commensurate with its size, scale and complexity and nature of its business activities. Internal audit constitutes an important element in overall internal control systems of the Company. The scope of work of the internal audit is well defined and is very exhaustive to cover all crucial functions and businesses of the Company. The internal audit in the Company is carried out by the independent professional firms appointed for this purpose.

The respective department of the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditors, necessary steps are taken at regular intervals to further strengthen the existing systems and procedures. The significant observations of internal auditors and corrective actions thereon are presented to the Audit & Ethics Committee of the Board at regular intervals. In addition, the implementation and effectiveness of internal financial controls during 2019-20 was also reported by the internal and statutory auditors of the Company.

PARTICULARS OF EMPLOYEES:

As per provisions of section 197 of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each director to the median employee's remuneration and such other details as may be prescribed in the Directors' Report. However, as per Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013. Therefore, CONCOR being a Government Company, such particulars are not included as part of Directors' Report.

AUDITORS:

Being a Government Company, the Comptroller & Auditor General (C&AG) of India had appointed Company's Statutory and Branch/Regional Auditors for the financial year 2019-20. M/s. S. N. Nanda & Co., Chartered Accountants were appointed as Company's Statutory Auditors for the year 2019-20. The statutory auditors were appointed by C&AG vide its letter No. CA.V/COY/CENTRAL GOVERNMENT, CCIL(9)/495, dated 07.08.2019. The Statutory Auditors of the Company is being paid an audit fee of Rs.5,45,000/-. The Statutory Auditors have audited the Annual Financial Statements of the Company for the financial year ended on 31.03.2020.

The Statutory Auditors Report of your Company on Financial Statements of year 2019-20 and management replies on observations on same, wherever required have been provided elsewhere in this Annual Report. The comments of C&AG as soon as they are received along with management reply will form part of annual report of the Company for the year 2019-20. The same will be provided to all concerned and will be placed in AGM. Further, CONCOR is not required to maintain cost records as required under section 148 of Companies Act, 2013 and rules made thereunder.

BOARD OF DIRECTORS:

CONCOR being a Government Company, the appointment of directors on its board are communicated by the Ministry of Railways from time to time. During the financial year 2019-20, seven meetings of the Board of Directors were held for transacting various businesses. During the year and upto the date of this report, the Directorship in the Company are under:

- Shri V. Kalyana Rama, Chairman and Managing Director [DIN: 07201556]
- Shri Pradip K. Agrawal, Director (Domestic Division) [DIN: 07557080]
- Shri Sanjay Swarup, Director (Intl. Mktg. & Ops.) [DIN: 05159435]
- Shri Rahul Mithal, Director (Projects & Services) [DIN: 07610499]
- Shri Manoj K. Dubey, Director (Finance) & CFO [DIN: 07518387]
- Shri Manoj Kumar Srivastava, Govt. Nominee Director [DIN: 06890877]
- Ms. Vanita Seth, Independent Director [DIN: 07944119]
- Shri Lov Verma, Independent Director [DIN: 07560071]
- Shri Anjaneya Prasad Mocherla, Independent Director [DIN: 03645659]
- Shri Deepak Shetty, Independent Director [DIN : 07089315]
- Shri Jaya Sankar M.K., Independent Director [DIN : 08523769] (w.e.f. 30.07.2019)
- Shri Sanjay Bajpai, Govt. Nominee Director [DIN: 07549036] (upto 26.01.2020)
- Shri Kamlesh Shivji Vikamsey, Independent Director [DIN: 00059620] (upto 31.03.2020)
- Shri Sanjeev S. Shah, Independent Director [DIN: 00323163] (upto 31.03.2020)
- Shri Piyush Agarwal, Govt. Nominee Director [DIN: 08305385] (w.e.f. 27.01.2020 upto 31.03.2020)
- Shri Sudheer Kumar, Govt. Nominee Director [DIN: 01429832] (w.e.f. 11.05.2020 upto 30.06.2020)

In terms of order of the Ministry of Railways, Government of India Shri Jaya Sankar M. K. was appointed as non-official independent Director by the Board w.e.f. 30.07.2019 for a period of three years. Also after the completion of their tenure on 31.03.2019, Shri Kamlesh Shivji Vikamsey and Shri Sanjeev S. Shah were re-appointed vide Government order dated 11.07.2019 as non-official independent Director w.e.f. 01.04.2019 for a period of one year by the Board on 31.07.2019. In terms of provisions under SEBI Regulations, CONCOR being a listed Company and

having an executive Chairman, 50% of its Board of Directors should comprise of independent Directors. However, the company was not having requisite number of these directors for the period 01.04.2019 to 29.07.2019. CONCOR had regularly requested Ministry of Railways for appointment of requisite number of independent directors to comply with the requirements under SEBI (LODR) Regulations. With the completion of tenure of above two Independent Directors on 31.03.2020, the Company is now not meeting from 01.04.2020 the requirement in respect of constitution of its Board for having 50% of Directors as Independent Directors.

In terms of orders of Ministry of Railways, Shri Piyush Agarwal (DIN: 08305385) and Shri Sudheer Kumar (DIN: 01429832) were appointed as Government Nominee Directors on the Board of CONCOR w.e.f. 27.01.2020 and 12.05.2020, whose appointment as Directors of the Company was done by the Board of Directors on 27.02.2020 and 09.06.2020 respectively. Their above appointments were subject to ratification by the shareholders in the Annual General Meeting (AGM). However, due to their superannuation from the Ministry of Railways, they ceased to be the Directors of CONCOR w.e.f. 31.03.2020 (Shri Piyush Agarwal) and 30.06.2020 (Shri Sudheer Kumar). As they have ceased to be the Directors of the Company before the AGM, no ratification of their appointment as Directors in the AGM has been considered.

RETIREMENT OF DIRECTORS BY ROTATION:

As per the Companies Act, 2013 the provisions in respect of retirement of Directors by rotation will not be applicable to Independent Directors. In view of this, no Independent Director is considered to be retiring by rotation but all other directors will be retiring by rotation. Accordingly, one third among all other directors namely Shri Pradip K. Agrawal, Director (Domestic Division) and Shri Sanjay Swarup, Director (International Marketing & Operations) are liable to retire by rotation and being eligible, offer themselves for reappointment.

EVALUATION & REMUNERATION:

As per Section 134 (3)(p) of the Companies Act 2013, the Board's Report of a Listed Company shall include a statement indicating the manner of formal annual evaluation of Board, Individual Directors etc. Ministry of Corporate Affairs has vide its notification dated 5th June, 2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which inter-alia provides that Section 134(3)(p) regarding statement on formal annual evaluation shall not apply to Government Companies in case the Directors are evaluated by the Ministry which is administratively in-charge of the company as per its own evaluation methodology. Further, it has been provided that the provisions of Sub-Sections (2), (3) & (4) of Sec. 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

In terms of notification dated 05.07.2017 issued by MCA the provisions in Schedule IV of the Companies Act, 2013 about reviewing the performance of Chairperson and non-independent directors and the Board as a whole by the Independent Directors in their separate meeting and that on the basis of performance evaluation of Independent Directors, it shall be determined whether to extend or continue their term of appointment shall not apply to a Government Company if the requirements in respect of same are specified by the concerned Ministries or Departments of the Central Government and such requirements are complied with by the Government Companies. In view of above, since the appointment of all the Directors in the Company is decided by the Govt. of India, the requirement related to evaluation of directors as stated in Schedule-IV are not applicable to CONCOR.

CONCOR is a Government Company under the administrative control of Ministry of Railways. The selection procedure for all the directors is also laid down by the Government of India and all the directors of the company have been appointed in accordance with the said procedure. The functional directors, including CMD are selected on the recommendations of PESB in accordance with the procedure and guidelines laid down by Govt. of India. Its Board of Directors are appointed by Ministry of Railways and there is system and procedure laid down by Department of Public Enterprises for evaluation of its functional directors, including Chairman and Managing Director. The evaluation framework for assessing the performance of functional directors comprises of the following key areas:

- Performance of the company under the MOU signed with Ministry of Railways.
- Performance with respect to the targets fixed for the respective director.

- The evaluation includes self evaluation by the respective board member and subsequent assessment by CMD for the functional directors and thereafter final evaluation by the Ministry of Railways, the administrative ministry.

In respect of CMD the evaluation includes self evaluation and final evaluation by the Ministry of Railways.

In respect of Government nominee directors their evaluation is done by the Ministry of Railways as per the laid down procedure.

The induction of officers at below board level is made by way of recruitment, promotion and/or lateral entry by way of deputation/immediate absorption of the officials from Ministry of Railways, Govt. Departments and other PSUs.

The performance of below Board Level Officials at Group General Manager and Executive Director Grades is evaluated on the basis of criteria laid down by DPE in which the achievement of MOU targets as approved by Administrative Ministry and DPE is given due weightage.

CONCOR follows a robust Performance Management System (PMS) in compliance with the DPE instructions for evaluation of performance of its officials in Sr. General Manager and below grade. Format for evaluation comprises broad parameters for assessment of personal traits of the officials and contribution towards financial performance of the organization. The Key Result Areas (KRAs) are proposed by the appraise and approved by appraiser in the beginning of the year which is subject to mid-year review for further modification/improvement, if any. For the payment of Performance Related Pay (PRP) as per DPE guidelines/instructions, the performance rating of an individual officer is considered.

CONCOR being a Government company the remuneration payable to its functional directors, including CMD, senior management officials and all other employees is in accordance with the guidelines issued by Department of Public Enterprises (DPE) in pursuance of recommendations of the committee on pay revision. For fixation of remuneration at workmen level, CONCOR adopts collective bargaining method with registered trade union of workmen. For supervisors & officers, pay scales have been designed in a progressive way and all statutory compliances in this regard are being adopted and followed. It is being taken care of that no employee gets stagnated.

The Nomination and Remuneration Committee has taken note of the remuneration policy of the company and the procedure and policy for selection of the Directors, Senior Management and their remuneration.

RELATED PARTY TRANSACTIONS:

The related party transactions that were entered into during the year were on an arm's length basis and were in the ordinary course of business. Omnibus approval of the Audit & Ethics Committee is being taken for the related party transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit & Ethics Committee and the Board of Directors on a quarterly basis. The policy on material related party transactions, as approved by the Board has been uploaded on the Company's website at http://www.concorindia.com/assets/pdf/CONCOR_Policy_MRPT.pdf. Though there are no materially significant related party transactions entered by the Company, the particulars as required under section 134(3) of the Companies Act 2013 are as per **Annexure-F** to this report.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Amit Agrawal & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report from the auditor is annexed as **Annexure-G** to this report.

The Secretarial Auditor as well as the Auditor who has given Corporate Governance Compliance certificate had observed that the Company was not having adequate number of independent Directors for part of the year. The

remarks of the directors on the same are that the independent directors in the Company are appointed by President of India, through Ministry of Railways, Government of India. The Company has repeatedly requested Ministry of Railways, Government of India for appointment of requisite number of independent directors on its Board.

OTHER DISCLOSURES:

The particulars forming part of the extract of the Annual Return in the form MGT-9 is annexed as **Annexure-H**. In addition, statement pursuant to Section 129 of the Companies Act, 2013 (AOC-1) relating to Subsidiary Companies and Joint Ventures is as per **Annexure-I**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

During the year, your Company has made investments into its subsidiaries/joint working groups. The particulars of which are as under:

(Rs. in Crore)			
S. No.	Name of Company	Loan/Investment	Amount
1.	M/s Fresh & Healthy Enterprises Ltd., Wholly Owned Subsidiary	Equity Investment*	55.90
2.	M/s CONCOR Last Mile Logistics Ltd., Wholly Owned Subsidiary	Equity Investment**	1.00
3.	M/s Pipavav Integrated Logistics Hub (PILH)	Investment	5.00

*The loan disbursed in earlier years to M/s Fresh & Healthy Enterprises Ltd. (FHEL) alongwith interest accrued thereon was converted into equity.

** Investments were made towards subscription of equity shares of Rs.10 each for cash at par.

Your Company has not accepted any deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

For the purpose of Long term Non-Fund based Bank Facilities (Rs.462 crore) and Issuer Rating, during the year the Company's credit rating was re-affirmed as CARE AAA; Stable [Triple A; Outlook : stable] and CARE AAA(Is); Stable [Triple A (Issuer Rating); Outlook: stable] by M/s Care Ratings Limited, which were later reviewed and reassigned as CARE AAA [Triple A; Under Credit Watch with Developing Implications] and CARE AAA(Is); [Triple A (Issuer Rating); Under Credit Watch with Developing Implications].

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Container Corporation of India Ltd. (CONCOR) prohibits any kind of Act of Sexual Harassment at Work Place and included the acts amounting to Sexual Harassment at Workplace in its Conduct Rules and Certified Standing orders and Discipline & Appeal Rules so as to prohibit any such Act. CONCOR constituted an Internal Complaints Committee in the year 2003 to receive and investigate complaints related to "Sexual harassment at workplace" following the guidelines issued by Hon'ble Supreme Court of India in "Visakha Vs. State of Rajasthan". The then committee included Senior Officer with Executive Director as its Chairperson.

The 'Internal Complaints Committee' consists of four members at the senior level including one external female member who is an advocate on record of Hon'ble Supreme Court of India. CONCOR has 170 female employees out of total 1426 employees. The Company has created a conducive work environment free from any kind of harassment.

One complaint was received during the F.Y. 2019-20 for which inquiry was conducted and report submitted by the committee.

CEO & CFO CERTIFICATION:

Pursuant to provisions of Regulation 17(8) of the SEBI (LODR) Regulations, certificate for the year under review from Shri V. Kalyana Rama, Chairman and Managing Director and Shri Manoj Kumar Dubey, Director (Finance) & CFO was placed before the Board of Directors of the Company at its meeting held on 25.06.2020. A copy of the said certificate on the financial statements for the financial year ended 31st March, 2020 is as per **Annexure-J**.

BUSINESS RESPONSIBILITY REPORT:

For describing the initiatives taken by the companies from Environmental, Social and Governance perspective, under SEBI (LODR) Regulations it has been mandated that the top 500 listed entities, based on market capitalisation to include Business Responsibility Report (BRR) as part of the Annual Report. SEBI has provided the format for BRR reporting in which it has elaborated a disclosure framework mapping Company's performance on the nine Principles and Core elements. Accordingly, in compliance to the said circular and provisions of SEBI (LODR) Regulations, the Business Responsibility Report (BRR) is at **Annexure- K**.

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 31.03.2020.

CONCLUSION:

Your Directors express their gratitude for continued co-operation, support and guidance in effective management of Company's affairs and resources provided by Government of India, in particular the Ministry of Railways, Customs, Ports and above all the customers who have continued to patronize the services provided by your Company.

The Directors also place on record their sincere appreciation for the continued support and goodwill of the esteemed Shareholders, Institutions, State Governments where Company operates or is planning to expand its business and all other agencies who have helped your Company in delivering excellent performance.

Your Directors acknowledge the constructive suggestions received from Auditors and Comptroller and Auditor General of India and are grateful for their consistent support and help.

Your Directors would like to place on record its deep and sincere appreciation for the hard work, dedication, valuable contribution and unstinted efforts by the team CONCOR for the performance during the year and for creating a platform to achieve greater success in future.

For and on behalf of the Board of Directors

sd/-

(V. Kalyana Rama)
Chairman & Managing Director

Date: 07.08.2020
Place : New Delhi