

**Subject : Outcome of Board Meeting of CONCOR held on 25.06.2020**

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1. In the Board meeting of the Company held on 25.06.2020 the board of directors have approved the Standalone and Consolidated Financial Statements/results of the company for the year 2019-20. Accordingly, please find enclosed the following:

- a) The Audited Financial Results & Segment wise Revenue, Results & Capital Employed for the quarter and period ended on 31<sup>st</sup> March, 2020.
- b) The Auditors' Reports on Financial Statements.
- c) The Declaration regarding Unmodified Opinion on the Financial Statements.

2. Further, please be informed that the Board has declared a Final Dividend of Rs.2.85/- (57%) per equity share of face value of Rs.5/ each for the year 2019-20. This Final Dividend above is in addition to Interim Dividend @15% (i.e. Rs.0.75 per share of Rs.5/- each) already paid in February, 2020. The dividend declared is subject to approval of the shareholders in the ensuing Annual General Meeting.

Board Meeting ended on 25.06.2020 at 20.10 p.m. .

This is for your information and record please.

## CONTAINER CORPORATION OF INDIA LIMITED

## PART - I

## Statement of Audited Financial Results for the quarter and year ended 31st March, 2020

(₹ in Crores)

	Particulars	STANDALONE				CONSOLIDATED					
		THREE MONTHS ENDED			TWELVE MONTHS ENDED		THREE MONTHS ENDED			TWELVE MONTHS ENDED	
		31/03/2020 (AUDITED)	31/12/2019 (UN-AUDITED)	31/03/2019 (AUDITED)	31/03/2020 (AUDITED)	31/03/2019 (AUDITED)	31/03/2020 (AUDITED)	31/12/2019 (UN-AUDITED)	31/03/2019 (AUDITED)	31/03/2020 (AUDITED)	31/03/2019 (AUDITED)
1	Revenue from operations	1,568.63	1,527.58	1,834.29	6,473.79	6,881.91	1,584.31	1,544.74	1,848.55	6,539.42	6,956.06
2	Other Income	95.17	62.64	128.82	279.73	334.23	74.97	65.60	129.13	253.44	317.01
3	<b>Total Income (1+2)</b>	<b>1,663.80</b>	<b>1,590.22</b>	<b>1,963.11</b>	<b>6,753.52</b>	<b>7,216.14</b>	<b>1,659.28</b>	<b>1,610.34</b>	<b>1,977.68</b>	<b>6,792.86</b>	<b>7,273.07</b>
4	<b>Expenses</b>										
	a) Rail freight expenses	811.98	851.39	964.03	3,498.39	3,731.42	811.98	851.39	964.03	3,498.39	3,731.42
	b) Other Operating Expenses	155.43	159.71	212.97	748.39	786.07	160.23	168.22	218.58	779.10	829.62
	c) Employee benefits expense	60.23	89.78	109.72	313.50	336.78	61.16	90.78	110.78	316.95	340.63
	d) Finance Costs	10.76	5.96	0.68	36.07	0.74	13.21	8.43	2.13	46.05	6.54
	e) Depreciation and amortisation expense	133.58	126.26	111.72	513.00	424.58	141.22	134.20	119.20	544.41	452.26
	f) Other expenses	66.53	55.00	80.34	238.58	247.67	69.83	58.20	85.02	251.18	263.70
	<b>Total expenses</b>	<b>1,238.51</b>	<b>1,288.10</b>	<b>1,479.46</b>	<b>5,347.93</b>	<b>5,527.26</b>	<b>1,257.63</b>	<b>1,311.22</b>	<b>1,499.74</b>	<b>5,436.08</b>	<b>5,624.17</b>
5	<b>Profit before tax (3-4)</b>	<b>425.29</b>	<b>302.12</b>	<b>483.65</b>	<b>1,405.59</b>	<b>1,688.88</b>	<b>401.65</b>	<b>299.12</b>	<b>477.94</b>	<b>1,356.78</b>	<b>1,648.90</b>
6	<b>Exceptional items [Refer Note 3(a) &amp; 4]</b>	<b>20.58</b>	<b>-</b>	<b>-</b>	<b>881.63</b>	<b>-</b>	<b>(9.23)</b>	<b>-</b>	<b>-</b>	<b>851.82</b>	<b>-</b>
7	<b>Profit before tax (after Exceptional items)(5-6)</b>	<b>404.71</b>	<b>302.12</b>	<b>483.65</b>	<b>523.96</b>	<b>1,688.88</b>	<b>410.88</b>	<b>299.12</b>	<b>477.94</b>	<b>504.96</b>	<b>1,648.90</b>
8	<b>Tax expense</b>										
	a) Current tax	67.16	83.45	90.04	320.79	484.13	67.60	84.08	90.51	324.22	485.05
	b) Deferred tax	43.07	43.18	41.30	(172.61)	(10.66)	29.68	43.10	41.28	(186.26)	(10.64)
	c) Tax adjustments for earlier years	-	-	-	-	-	0.13	-	(0.01)	0.13	(0.01)
9	<b>Profit after tax (7-8)</b>	<b>294.48</b>	<b>175.49</b>	<b>352.31</b>	<b>375.78</b>	<b>1,215.41</b>	<b>313.47</b>	<b>171.94</b>	<b>346.16</b>	<b>366.87</b>	<b>1,174.50</b>
10	<b>Share of profit(loss) in joint venture entities</b>						4.04	7.40	9.75	39.78	47.84
11	<b>Profit for the period (9+10)</b>	<b>294.48</b>	<b>175.49</b>	<b>352.31</b>	<b>375.78</b>	<b>1,215.41</b>	<b>317.51</b>	<b>179.34</b>	<b>355.91</b>	<b>406.65</b>	<b>1,222.34</b>
12	<b>Other Comprehensive Income</b>										
	Items that will not be reclassified to profit or loss										
	(a) Remeasurement gains(losses) of defined benefit obligation	(13.20)	(0.20)	(4.21)	(13.80)	(2.86)	(13.21)	(0.20)	(4.21)	(13.81)	(2.86)
	(b) Share of OCI in associates and JV, to the extent not to be classified into P&L						(1.14)	(0.10)	(0.18)	(1.47)	(0.48)
	(c) Income tax relating to above item	3.32	0.01	1.47	3.47	1.00	3.69	0.05	1.53	3.95	1.16
	<b>Total Other Comprehensive Income (net of tax)</b>	<b>(9.88)</b>	<b>(0.19)</b>	<b>(2.74)</b>	<b>(10.33)</b>	<b>(1.86)</b>	<b>(10.66)</b>	<b>(0.25)</b>	<b>(2.86)</b>	<b>(11.33)</b>	<b>(2.18)</b>
13	<b>Total Comprehensive Income for the period (11+12)</b>	<b>284.60</b>	<b>175.30</b>	<b>349.57</b>	<b>365.45</b>	<b>1,213.55</b>	<b>306.85</b>	<b>179.09</b>	<b>353.05</b>	<b>395.32</b>	<b>1,220.16</b>
14	<b>Profit attributable to:</b>										
	Owners of the Company						311.52	180.89	357.35	404.47	1,229.37
	Non-controlling interest						5.99	(1.55)	(1.44)	2.18	(7.03)
15	<b>Other Comprehensive Income attributable to:</b>										
	Owners of the Company						(10.66)	(0.25)	(2.86)	(11.33)	(2.18)
	Non-controlling interest										
16	<b>Total Comprehensive Income attributable to:</b>										
	Owners of the Company						300.86	180.64	354.49	393.14	1,227.19
	Non-controlling interest						5.99	(1.55)	(1.44)	2.18	(7.03)
17	Paid up equity share capital (Face value of ₹ 5/- per Share)	304.65	304.65	304.65	304.65	304.65	304.65	304.65	243.72	304.65	243.72
18	Reserves (excluding Revaluation Reserve)				9,760.09	10,063.22				9,742.33	10,022.76
19	Earnings per share (of ₹ 5/- each) (not annualised) Refer note 19										
	(a) Basic (₹)	4.83	2.88	5.78	6.17	19.95	5.21	2.94	5.84	6.67	20.06
	(b) Diluted (₹)	4.83	2.88	5.78	6.17	19.95	5.21	2.94	5.84	6.67	20.06



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**Notes:**

1. The above results have been reviewed by Audit Committee and approved by the Board of Directors in its meeting held on 25th June, 2020. The Statutory Auditors have conducted the audit of the Financial Statements and have expressed an un-qualified audit opinion.

2. As per requirement of Ind AS 33, the basic and diluted earnings per share for all the periods presented have been computed on the basis of new number of shares(after issue of Bonus shares) i.e., 60,92,94,348 equity shares of ₹ 5/- each.

3(a).CONCOR had recognized during the financial year 2015-16 to 2018-19 an amount totalling to ₹ 1044.03 crores as the income on account of benefit available under Service Export from India Scheme (SEIS). The availability of this benefit to CONCOR was also confirmed through legal opinions, including from Additional Solicitor General (ASG). Vide letter no. F.No.01/61/180/351/AM16/PC-3/786, dated 26th September 2019 received from Directorate General of Foreign Trade (DGFT), the Company has been informed that services towards customs transit of foreign liners sealed containers by rail transport placed under customs control to/from ICDs are not eligible for SEIS. Consequently, an estimated amount of ₹ 861.05 crores for said ineligible SEIS benefit has been provided for during the year 2019-20. However, the Company has filed appeal against the same at the appropriate level.

3(b). Further, other expenses for the year 2019-20 include an amount of ₹ 9.15 crore provided for as estimated discount on the eligible SEIS benefit amount of ₹ 182.98 crore.

3(c). No income has been recognized on account of SEIS benefits in current quarter/year as no notification has been issued by Govt. for the same, which in Quarter and Year ended March 2019 was ₹ 84.37 crore and ₹ 339.22 crore respectively.

4. An amount of ₹ 20.58 crore has been provided towards impairment of Investment in wholly owned subsidiary M/s Fresh & Healthy Enterprises Limited (FHEL) as on 31.03.2020.

5.Indian Accounting Standard (Ind AS)-116 "Leases" became effective from 01.04.2019 and the company has adopted the same using modified retrospective transition method where at the date of initial application, the lease liability is measured at the present value of remaining lease payments and right of use asset has been recognised at an amount equal to the lease liability. Accordingly, the comparative information for earlier periods is not restated. Application of this standard has resulted a net decrease in Profit before Tax of current period by ₹ 30.24 crores (increase in Depreciation & Amortization expenses and finance cost by ₹58.90 crores and ₹ 28.00 crores respectively and decrease in other expenses by ₹ 56.66 crores).

Similarly, application of this standard has resulted a net decrease in Profit before Tax of current period by ₹ 32.27 crore (increase in Depreciation & Amortization expenses and Finance Cost by ₹ 63.94 crore and ₹ 31.53 crore respectively and decrease in Other Expenses by ₹ 63.20 crore) in consolidated financial results.

6.The Company opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 and has taken 25.168% rate of Corporate Tax in its accounts. Accordingly, the Company has recognized provision for income tax for the quarter/ year ended 31st March 2020 and re-measured its deferred tax assets/ liabilities on the basis of the above option.

7. The Board of Directors has proposed final Dividend of Rs.2.85 Per equity share (face value of ₹ 5 per equity share) amounting to ₹ 173.65 Crore. The interim dividend @ 15% (i.e. ₹ 0.75 per share of ₹ 5 each) amounting to ₹ 45.70 crore declared for 2019-20 was paid in February, 2020.

8. The Audited Accounts are subject to review by the Comptroller and Auditor General of India under section 143 (6) of the Companies Act, 2013.

9.Figures for the quarter ended 31st March, 2020 & quarter ended 31st March, 2019 are the balancing figures between the audited year to date figures for twelve months ended 31st March and the unaudited published figures for the nine months ended 31st December of the respective financial years.

10.On 24th March 2020, the Government of India ordered a nationwide lockdown in phased manner, to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. Barring essential services, most of the manufacturing and service industry was put under lockdown. Terminal business was included under essential services and continued operations albeit with certain expected limitations.

Spread of COVID-19 started in China by Nov' 2019 and was full blown by Dec'2019. Further spread engulfed Singapore, whole of Europe and North America, all being important centres for EXIM Business, affected the Q4 of FY 2019-20 very badly. This was followed by nationwide lockdown in India from 24 March 2020 which affects CONCOR's business adversely and resulted into fall in revenue from operation for quarter ending March 2020 by 9% (approximately). The impact of COVID-19 on business is expected to be experienced in financial year 2020-2021 also.

The company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising property, plant and equipment, Intangible assets, Deferred tax assets and Trade receivables as at the balance sheet date, and has concluded that there are no adjustments required in the financial statements.

The company has performed detailed analysis on the assumptions used on the basis the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets. The company has made a detailed assessment of its liquidity position and will be able to generate sufficient cash to fund its operations.

Management believes that, in the preparation of the financial statement, it has taken into account all known events arising from COVID-19 pandemic. However, the assessment of the impact of COVID-19 is an ongoing process and Company will continue to monitor any material changes in future economic conditions.

11. Figures for the previous quarter/ year have been regrouped/reclassified, wherever considered necessary.



For & on behalf of the Board of Directors

*(Handwritten Signature)*  
(Manoj Kumar Dubey)

Director (Finance)

Place: New Delhi

Date : 25th June, 2020

	STANDALONE					CONSOLIDATED				
	THREE MONTHS ENDED			TWELVE MONTH ENDED		THREE MONTHS ENDED			TWELVE MONTH ENDED	
	31/03/2020 (AUDITED)	31/12/2019 (UN-AUDITED)	31/03/2019 (AUDITED)	31/03/2020 (AUDITED)	31/03/2019 (AUDITED)	31/03/2020 (AUDITED)	31/12/2019 (UN-AUDITED)	31/03/2019 (AUDITED)	31/03/2020 (AUDITED)	31/03/2019 (AUDITED)
<b>1.SEGMENT REVENUE</b>										
EXIM	1,130.68	1,171.34	1,401.51	4,930.13	5,401.78	1,130.92	1,171.46	1,401.51	4,930.91	5,418.25
DOMESTIC UN-ALLOCABLE	437.95	356.24	432.78	1,543.66	1,480.13	453.17 0.22	373.28	446.99 0.05	1,608.29 0.22	1,537.76 0.05
<b>TOTAL</b>	<b>1,568.63</b>	<b>1,527.58</b>	<b>1,834.29</b>	<b>6,473.79</b>	<b>6,881.91</b>	<b>1,584.31</b>	<b>1,544.74</b>	<b>1,848.55</b>	<b>6,539.42</b>	<b>6,956.06</b>
LESS: INTER SEGMENT REVENUE										
<b>NET SALES/INCOME FROM OPERATIONS</b>	<b>1,568.63</b>	<b>1,527.58</b>	<b>1,834.29</b>	<b>6,473.79</b>	<b>6,881.91</b>	<b>1,584.31</b>	<b>1,544.74</b>	<b>1,848.55</b>	<b>6,539.42</b>	<b>6,956.06</b>
<b>2.SEGMENT RESULTS</b>										
PROFIT BEFORE TAX AND INTEREST FROM:										
EXIM	342.46	280.51	391.64	368.38	1,409.43	342.15	280.79	391.56	363.20	1,410.06
DOMESTIC UN-ALLOCABLE	39.74	2.46	22.71	80.85	94.14	39.07	(1.30)	17.77	73.50	76.10
<b>TOTAL</b>	<b>382.20</b>	<b>282.97</b>	<b>414.35</b>	<b>449.23</b>	<b>1,503.57</b>	<b>381.22</b>	<b>279.49</b>	<b>409.33</b>	<b>436.70</b>	<b>1,486.16</b>
LESS:										
(I) INTEREST EXPENDITURE	10.76	5.96	0.68	36.07	0.74	13.21	8.43	2.13	46.05	6.54
(II) EXCEPTIONAL ITEM	20.58			20.58						
(II) OTHER UN-ALLOCABLE EXPENDITURE										
NET OFF UNALLOCABLE INCOME	(53.85)	(25.11)	(69.98)	(131.38)	(186.05)	(46.91)	(35.46)	(80.49)	(154.09)	(217.12)
<b>TOTAL PROFIT BEFORE TAX</b>	<b>404.71</b>	<b>302.12</b>	<b>483.65</b>	<b>523.96</b>	<b>1,688.88</b>	<b>414.92</b>	<b>306.52</b>	<b>487.69</b>	<b>544.74</b>	<b>1,696.74</b>
<b>3.CAPITAL EMPLOYED</b> (SEGMENT ASSETS-SEGMENT LIABILITIES)										
EXIM	3,533.40	3,300.83	4,089.71	3,533.40	4,089.71	3,547.99	3,313.23	4,089.71	3,547.99	4,089.71
DOMESTIC	1,477.50	1,488.25	1,345.02	1,477.50	1,345.02	1,779.72	1,866.54	1,649.07	1,779.72	1,649.07
CAPITAL EMPLOYED IN SEGMENTS	<b>5,010.90</b>	<b>4,789.08</b>	<b>5,434.73</b>	<b>5,010.90</b>	<b>5,434.73</b>	<b>5,327.71</b>	<b>5,179.77</b>	<b>5,738.78</b>	<b>5,327.71</b>	<b>5,738.78</b>
ADD:										
UNALLOCABLE CORPORATE ASSETS LESS CORPORATE LIABILITIES	3,595.22	3,516.99	3,691.79	3,595.22	3,691.79	3,601.31	3,456.67	3,689.23	3,601.31	3,689.23
<b>TOTAL</b>	<b>8,606.12</b>	<b>8,306.07</b>	<b>9,126.52</b>	<b>8,606.12</b>	<b>9,126.52</b>	<b>8,929.02</b>	<b>8,636.44</b>	<b>9,428.01</b>	<b>8,929.02</b>	<b>9,428.01</b>
<b>4.SEGMENT ASSETS</b>										
EXIM	4,227.91	4,150.04	4,866.86	4,227.91	4,866.86	4,243.79	4,164.39	4,866.86	4,243.79	4,866.86
DOMESTIC	1,693.33	1,664.70	1,551.45	1,693.33	1,551.45	2,127.74	2,107.14	1,885.41	2,127.74	1,885.41
UNALLOCABLE	4,186.92	3,835.64	4,785.59	4,186.92	4,785.59	4,191.51	3,839.81	4,876.43	4,191.51	4,876.43
<b>TOTAL SEGMENT ASSETS</b>	<b>10,108.16</b>	<b>9,650.38</b>	<b>11,203.90</b>	<b>10,108.16</b>	<b>11,203.90</b>	<b>10,563.04</b>	<b>10,111.34</b>	<b>11,628.70</b>	<b>10,563.04</b>	<b>11,628.70</b>
<b>5.SEGMENT LIABILITIES</b>										
EXIM	694.51	849.21	777.15	694.51	777.15	695.80	851.16	777.15	695.80	777.15
DOMESTIC	215.83	176.45	206.43	215.83	206.43	348.02	240.60	236.34	348.02	236.34
UNALLOCABLE	591.70	318.65	1,093.80	591.70	1,093.80	590.20	383.14	1,187.20	590.20	1,187.20
<b>TOTAL SEGMENT LIABILITIES</b>	<b>1,502.04</b>	<b>1,344.31</b>	<b>2,077.38</b>	<b>1,502.04</b>	<b>2,077.38</b>	<b>1,634.02</b>	<b>1,474.90</b>	<b>2,200.69</b>	<b>1,634.02</b>	<b>2,200.69</b>

**Note:-**

(a) Segment results for EXIM for period ended March 2020 are after considering an amount of ₹ 861.05 crores provided for ineligible SEIS benefit (Refer note 3(a) of Financial Results)



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# Statement of Assets and Liabilities

(₹ in Crore)

Particulars	STANDALONE		CONSOLIDATED	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
	Audited	Audited	Audited	Audited
<b>A ASSETS</b>				
<b>1 Non-Current Assets</b>				
(a) Property Plant and Equipment	4,965.61	4,187.94	5,343.05	4,556.16
(b) Capital work-in-progress	937.51	624.67	943.07	626.34
(c) Other Intangible assets	3.76	6.75	4.76	7.90
(d) Financial Assets				
- Investments	1,444.08	1,402.90	1,199.80	1,168.80
- Loans	68.99	55.26	75.42	60.44
- Other financial Assets	11.62	15.57	25.07	28.07
(e) Deferred tax asset(net)	14.54		26.68	2.82
(f) Non-current tax assets	233.07	415.67	237.04	423.43
(g) Other non-current assets	993.57	1,166.93	1,006.70	1,179.47
<b>Sub Total-Non Current Assets</b>	<b>8,672.75</b>	<b>7,875.69</b>	<b>8,861.59</b>	<b>8,053.43</b>
<b>2 Current Assets</b>				
(a) Inventories	26.08	23.25	26.26	23.64
(b) Financial Assets				
- Trade receivables	159.13	88.36	164.63	95.48
- Cash and cash equivalents	56.32	115.29	67.67	131.68
- Other Bank balances	2,112.27	55.13	2,123.95	74.06
- Loans	12.49	67.38	13.49	36.82
- Other financial Assets	124.18	106.41	125.06	106.30
(c) Current tax assets		-	1.62	1.54
(d) Other current assets	403.56	4,275.29	405.25	4,277.37
<b>Sub Total-Current Assets</b>	<b>2,894.03</b>	<b>4,731.11</b>	<b>2,927.93</b>	<b>4,746.89</b>
<b>TOTAL -ASSETS</b>	<b>11,566.78</b>	<b>12,606.80</b>	<b>11,789.52</b>	<b>12,800.32</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity Share capital	304.65	304.65	304.65	304.65
(b) Other Equity	9,760.09	10,063.22	9,742.33	10,022.76
<b>Sub Total-Equity</b>	<b>10,064.74</b>	<b>10,367.87</b>	<b>10,046.98</b>	<b>10,327.41</b>
<b>2 Non-Controlling Interests</b>			108.52	106.34
<b>3 Non-Current Liabilities</b>				
(a) Financial Liabilities				
- Borrowings			63.64	70.00
- Other financial liabilities	322.27	18.45	350.97	18.09
(b) Provisions	37.84	53.88	37.95	53.98
(c) Deferred tax liabilities (Net)		161.55		165.88
(d) Other non-current liabilities	1.36	11.87	4.47	14.98
<b>Sub Total-Non Current Liabilities</b>	<b>361.47</b>	<b>245.75</b>	<b>457.03</b>	<b>322.93</b>
<b>4 Current Liabilities:</b>				
(a) Financial Liabilities				
- Borrowings		700.65		700.65
- <b>Trade payables</b>				
(A) Total outstanding dues of micro enterprise and small enterprises	4.92	2.68	4.96	2.81
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	150.37	347.82	150.43	350.40
- Other financial liabilities	652.25	576.20	684.65	617.93
(b) Current tax liabilities		-		
(c) Other current liabilities	301.68	347.78	305.59	353.79
(d) Provisions	31.35	18.05	31.36	18.06
<b>Sub Total-Current Liabilities</b>	<b>1,140.57</b>	<b>1,993.18</b>	<b>1,176.99</b>	<b>2,043.64</b>
<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>11,566.78</b>	<b>12,606.80</b>	<b>11,789.52</b>	<b>12,800.32</b>



MCA

CONTAINER CORPORATION OF INDIA LIMITED (CIN: L63011DL1988GOI030915)  
Statement of Cash Flows for the year ended March 31, 2020  
(in Indian Rupees crore, unless otherwise stated)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	523.86	1,688.88
Adjustments for:		
Depreciation and amortisation	513.00	424.58
Amortisation of leasehold land	2.69	15.99
Provision for doubtful Export Incentive receivable	861.05	-
Provision for impairment of investment in FHFL	20.58	-
Discounting on Export Incentive	9.15	-
Amortisation of registration fees	2.62	2.62
Interest income	(203.90)	(288.84)
Dividend income	(32.45)	(14.33)
Profit on sale of property, plant and equipment	(1.52)	(3.39)
Guarantee Income	(0.14)	(0.15)
Interest expenses	36.07	0.74
Loss on sale of property, plant and equipment	0.03	0.28
Bad debts written off	-	-
Provision for:		
Doubtful Debts	0.13	0.49
Obsolete Stores	-	-
Operating Profit before Working Capital changes	1,731.27	1,826.67
Adjustments for changes in Working Capital :		
- Increase/(decrease) in trade payables	(195.21)	96.26
- Increase/(decrease) in other current financial liabilities	76.14	138.56
- Increase/(decrease) in current provisions	13.30	(6.55)
- Increase/(decrease) in non current provisions	(29.84)	5.24
- Increase/(decrease) in other current liabilities	(46.10)	(15.38)
-(Decrease)/ Increase in other non current liabilities	(0.04)	(0.25)
-(Decrease)/increase in other non current financial liabilities	334.76	(2.83)
- Decrease/(Increase) in trade receivables	(70.90)	(28.45)
- Decrease/(Increase) in inventories	(2.83)	4.16
- Decrease/(Increase) in non current loans	(13.73)	(8.27)
- Decrease/(Increase) in current loans	17.36	(6.96)
- Decrease/(Increase) in other current financial Assets	29.33	(43.79)
- Decrease/(Increase) in other current Assets	2,996.22	(3,450.03)
-Decrease/(Increase) other non current financial Assets	4.22	20.86
-Decrease/(Increase) ROU Assets	(912.77)	-
- Decrease/(Increase) in other non current assets	475.90	(41.14)
Cash generated from operating activities	4,407.08	(1,511.70)
Income taxes paid	(138.20)	(540.40)
Net cash from operating activities	4,268.88	(2,052.10)
<b>B. Cash flow from Investing activities:</b>		
Payment made for Property plant and equipment	(737.27)	(754.30)
Earmarked deposits placed with banks	(2.78)	(14.88)
Investment in term deposits with maturity 3 to 12 months	(2,054.35)	1,764.05
Acquisition of Intangible assets	(0.01)	(0.56)
Addition in Capital work in progress	(312.84)	46.37
Proceeds from sale of property plant and equipment	61.33	4.53
Purchase of financial assets	(61.76)	(13.88)
Interest received	156.53	364.39
Dividend received	32.45	14.33
Loans repaid by related parties	37.53	99.42
Net cash from Investing activities	(2,881.17)	1,509.49
<b>C. Cash flow from Financing Activities:</b>		
Dividend paid	(566.61)	(182.79)
Payment of Lease liability	(58.94)	-
Interest paid	(8.07)	(0.74)
Corporate dividend tax paid	(12.41)	(36.60)
Proceeds from borrowings	700.65	700.65
Net cash from financing activities	(1,446.68)	480.52
Net (Decrease) in cash & cash equivalents	(58.97)	(62.09)
Cash and cash equivalents as at 1st April (Opening Balance)	115.29	177.38
Cash and cash equivalents as at 31st March (Closing Balance)	56.32	115.29

Notes :

1 Cash and Bank balances included in the cash flow statement comprise the following:

Cash and cash equivalents comprise		
Cash & cheques in hand	1.64	6.53
Balance with banks		
in current accounts	54.68	108.41
in deposit accounts with original maturity upto 3 months	-	0.35
	56.32	115.29

2 There are no material non cash transactions except issue of Bonus Shares by the Company amounting to ₹ 60.93 crore as on 07th February,2019.



For and on behalf of the Board of Directors

*Mdunoy*  
Director(Finance)

Place: New Delhi  
Date: 25 June,2020

## CONTAINER CORPORATION OF INDIA LIMITED (CIN: L63011DL1988GOI030915)

## Cash Flow Statement(Consolidated)

for the period ended March 31, 2020

(in Indian Rupees crore, unless otherwise stated)

## Particulars

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	544.74	1,696.74
Adjustments for:		
Share of profit related to joint venture	(39.78)	(47.84)
Interest Income	(205.95)	(285.31)
Amortisation of Grant income	(0.23)	(0.32)
Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	(1.52)	(3.39)
Depreciation	541.41	448.47
Amortisation of intangible assets	3.00	3.79
Finance cost	46.05	6.54
Loss on sale of property, plant and equipment	0.03	1.12
Amortisation of leasehold land	2.69	15.99
Amortisation of registration fees	2.66	2.66
Provision for doubtful Export incentive receivable	861.05	
Discount on Export Incentive	9.15	
Provisions no longer required written back	(10.28)	
Provision for Interest payable on Grant received to MOCI	1.05	
Bad debts written off	-	0.13
Provision for:		
Doubtful Debts	0.27	0.49
Obsolete Assets	-	-
Obsolete Stores	-	-
Operating Profit before Working Capital changes	1,754.34	1,839.07
Adjustments for changes in Working Capital :		
- Increase/(decrease) in trade payables	(197.82)	77.27
- Increase/(decrease) other current financial liabilities	74.73	138.03
- Increase/(decrease) in current provisions	13.30	(6.55)
- Increase/(decrease) in non current provisions	(29.84)	5.27
- Increase/(decrease) in other non current liabilities	(0.04)	(0.58)
- Increase/(decrease) in other current liabilities	(47.97)	(24.79)
- Increase/(decrease) other non current financial liabilities	366.85	(2.52)
- Decrease/(Increase) in trade receivables	(69.42)	(5.16)
- Decrease/(Increase) in inventories	(2.62)	4.19
- Decrease/(Increase) in non current loans	(14.98)	(8.92)
- Decrease/(Increase) in current loans	23.33	96.38
- Decrease/(Increase) in other current financial Assets	28.17	(43.29)
- Decrease/(Increase) in other current assets	2,996.57	(3,443.77)
- Decrease/(Increase) in other non current financial Assets	3.27	22.85
- Decrease/(Increase) ROU Assets	(949.83)	
- Decrease/(Increase) in other non current assets	475.31	(41.47)
Cash generated from operating activities	4,423.35	(1,393.99)
Income taxes paid	(137.57)	(547.39)
Net cash from operating activities	4,285.78	(1,941.38)
<b>B. Cash flow from Investing activities:</b>		
Payment made for Property plant and equipment	(752.14)	(785.77)
Earmarked deposits placed with banks	(2.64)	(16.16)
Investment in term deposits with maturity 3 to 12 months	(2,047.25)	1,749.05
Acquisition of Intangible assets	0.14	(0.33)
Addition in Capital work in progress	(316.43)	61.00
Proceeds from sale of property plant and equipment	72.62	8.00
Purchase of non current investments	7.31	4.84
Interest received	158.75	360.84
Net cash from Investing activities	(2,879.64)	1,381.47
<b>C. Cash flow from Financing Activities:</b>		
Dividend paid	(566.61)	(182.77)
Payment of Lease liability	(65.50)	
Interest paid	(14.55)	(6.45)
Corporate dividend tax paid	(116.48)	(38.78)
Proceeds from borrowings	(707.01)	708.65
Share of non-controlling interest in subsidiaries	(0.00)	0.00
Net cash from financing activities	(1,470.15)	480.65
Net (Decrease) in cash & cash equivalents	(64.01)	(79.26)
Cash and cash equivalents as at 1st April (Opening Balance)	131.68	210.94
Cash and cash equivalents as at 31st March (Closing Balance)	67.67	131.68

## Notes :

1 Cash and Bank balances included in the cash flow statement comprise the following:

Cash and cash equivalents comprise		
Cash & cheques in hand	1.64	6.71
Balance with banks		
in current accounts	60.18	110.75
in deposit accounts with original maturity upto 3 months	5.85	14.22
	67.67	131.68

2. There are no material non cash transactions except issue of Bonus Shares by the Company amounting to ₹ 60.93 crore as on 7th February, 2019.



For and on behalf of the Board of Directors

*Mdusay*  
Director(Finance)

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CONTAINER CORPORATION OF INDIA LIMITED

#### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying financial statements of **CONTAINER CORPORATION OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements") in which are included the returns for the year ended on that date audited by the branch auditors of the Company's regions location at Mumbai (Western Region), Chennai (Southern Region), Kolkata (Eastern Region), Noida (North Central Region), Nagpur (Central Region), New Delhi (Northern Region), Secunderabad (South Central Region) and Ahmadabad (North West Region).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give the information required by the Companies Act, 2013 ("the Act") in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financials statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

We have determined the following matters described to be the key audit matters to be communicated in our audit report:

S. No.	Key Audit Matters	Substantive Audit Procedures
1	<p><b>Adoption of Ind AS 116:</b></p> <p>As described in Note No. 39 to the standalone financial statements, the company has adopted IND AS 116 Leases in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the company has a large number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) assets and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease terms as per the contract/arrangement. Adoption of the standard involves judgments and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer Note No. 39 to the standalone financial statements.</p>	<p>Our audit procedure on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> <li>• Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);</li> <li>• Assessed the company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business.</li> <li>• Evaluated the reasonableness of the discounting rate applied in determining the lease liabilities;</li> <li>• Upon transition as at 1<sup>st</sup> April 2019: <ul style="list-style-type: none"> <li>➤ Evaluated the method of transition and related adjustments.</li> <li>➤ Tested completeness of the lease data by reconciling the company's operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> </ul> </li> <li>• On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> <li>➤ Assessed the key terms</li> </ul> </li> </ul>



		<p>and conditions of each lease with the underlying lease contracts; and</p> <ul style="list-style-type: none"> <li>➤ Evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term.</li> <li>• Assessed and tested the presentation and disclosure relating to Ind AS 116 including, disclosures relating to transition.</li> </ul>
2	<p><b>Revenue Recognition:</b></p> <p>Western Region</p> <p>The application of the IND AS 115 Revenue Recognition involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, satisfaction of performance obligations, etc.</p>	<p>Our audit procedure consisted:</p> <ul style="list-style-type: none"> <li>• Testing of the operating effectiveness of internal controls. We have selected few samples of continuing contract and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.</li> <li>• We read, analyzed and identified performance obligations in selected sample contracts. We compared these performance obligations with that identified by the Western Region of the company. We have considered the terms of the contract to determine the transaction price.</li> <li>• Tested the data operating system DTMS (Domestic Terminal Management System) and ETMS (Exim Terminal Management System) and also the report generated from the data operating system such as "Container departed and not reached to the</li> </ul>



		<p>Destination report” for the purpose of reversal of the same from income already accounted for.</p> <ul style="list-style-type: none"> <li>• In case of door to door delivery via rail movement, road freight income and charges for the incidental services are accounted for on arrival of container at the originating CONCOR Terminal from customer premises.</li> </ul>
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### **Information Other than the Standalone Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Director’s Report including annexure to Director’s Report, Business Responsibility Report, Corporate Governance, Ten years Financial/physical performance and data and letter from CMD included in the annual report of the company, but does not include the standalone financial statements and our auditor’s report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing



and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast



significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Emphasis of Matter**

We draw attention to the following matters related to our scope with respect to audit of financial statements of the Company.

- a) As reported by the Auditor of North Central Region of the company, due to outbreak of pandemic Covid 19 and consequent countrywide lockdown enforced by Government of India. Due to this we could not carryout normal audit procedures by visiting the CCI-NCR Office and audit was carried out using "Work from Home" approach. Interview/discussion with client via video conferencing/call conferencing and other verbal communications. Further on account of pandemic "Covid 2019" and nationwide lockdown imposed by government, the audit process has been modified, wherein certain documents/records etc were verified in electronic mode, and have relied on the representations received from the company for the accuracy and authenticity.



- b) Balances of Sundry Debtors, Sundry Creditors and Advance to Other Parties including Railways are subject to confirmation and reconciliation, as referred to note no.59 (b). These balances include outstanding for more than 3 years. The effect of the same is not ascertainable.

Our opinion is not modified in respect of these matters.

#### **Other Matter**

We did not audit the financial statements/ information of 8 regions included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 3818.01 Cr. as at 31<sup>st</sup> March 2020 and total revenue of Rs. 6518.06 Cr. the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these regions have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these regions, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. The Comptroller & Auditor General of India has issued directions indicating the areas to be examined in terms of Sub section (5) of Section 143 of the Act, compliance of which are set out in "Annexure-B".
3. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The reports on the accounts of the regions of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow



Statement dealt with by this Report are in agreement with the books of account and with the returns received from the regions not visited by us.

- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) As per the notification number G.S.R. 463(E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company.
- (g) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report, as per notification number G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, section 197(16) of the Act regarding the Managerial Remuneration is not applicable to the Company, since it is a Government Company.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations/arbitrations on its financial position in its financial statements – Refer Note 42 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. N. Nanda & Co.

Chartered Accountants

FRN: 000685N

S. N. Nanda

Partner

M. No. 005909

UDIN: 20005909AAAABB5381



Date: 25<sup>th</sup> June 2020  
Place: New Delhi

## Annexure - A to the Independent Auditors' Report

Referred to Paragraph – 1 under the heading “Report on other Legal and Regulatory Requirements” of our Report of even date

We report that:

- (i) In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of fixed assets on a yearly basis, which in our opinion is reasonable having regards to the size of the Company and nature of its business. Fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for the items mentioned below:

(Amount in Rs. Crores)

Details of Property	Net Amount
	31.03.2020
RO Premises at Egmore, Chennai	1.45
Staff Quarters at Chennai	0.75
Leasehold Land-MMLP Vishakhapatnam	93.91
Freehold Land-Krishnapatnam Port	31.21
Leasehold Land at Kodakola	18.79
Land acquired from New Mangalore Port Trust (NMPT)	1.24

- (ii) The Company has carried out physical verification of inventory at reasonable intervals.
- (a) As per the information and explanations given to us, no material discrepancies were noticed during such verification.
- (b) As per Auditor's Report of Southern Region, following items are included in the financial statements but not in inventory records.
- Goods in transit Rs. 5,94,861
  - Inventory held by Third Party Rs. 4,21,250





- (iii) The Company had granted unsecured loans to wholly owned subsidiary company i.e. M/s Fresh & Healthy Enterprises Limited (FHEL):
- (a) In our opinion and according to the information and explanation given to us, the Company the terms and conditions of grants of loans are not prejudicial to the Company's interest.
- (b) The outstanding loan of Rs.55.89 Crores including interest accrued from the entity FHEL has been converted into equity share capital of FHEL, the conversion of loan into equity is not prejudicial to the Company's interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security, as applicable.
- (v) The Company has not accepted deposits from the public within the meaning of provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- (vi) As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the central Government under subsection (1) of Section 148 of the Companies Act, 2013 for services rendered by the Company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account of the Company, no amount is outstanding as on 31<sup>st</sup> March 2020 for a period of more than six months from the date of it became payable, amount deducted /accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Custom Duty, Value added Tax, Cess and any other statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

As per Auditor's Report of Southern Region of the company, following dues of Service tax have not been deposited by the Company on account of dispute:

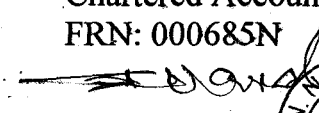
Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due date
Service Tax	Service Tax and Penalty	1,48.12.66'7.00**	Sept. 2002 to June 2008	CESTAT Bangalore
**1	One third share of the total disputed amount			
**2	A stay order has been obtained against the amount disputed and not been deposited by the Joint-Venture'			

- (viii) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders during the year.



- (ix) The Company did not raise any money by way of initial public offer or further public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Para 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us by the management and based on our examination of the records of the Company, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As per Notification dated 5<sup>th</sup> June 2015, Section 197 of the Act is not applicable in case of a Government Company. Accordingly, Para 3 (xi) of the order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Para 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, Para 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, Para 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For S. N. Nanda & Co.  
Chartered Accountants  
FRN: 000685N

  
S. N. Nanda  
Partner

M. No. 005909

UDIN: 20005909AAAABB5381



Date: 25<sup>th</sup> June 2020  
Place: New Delhi

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to Paragraph 2 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date.

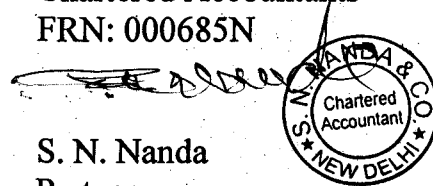
According to the information and explanations given to us we report as under:

S.No.	Areas Examined	Observations/Findings
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT system i.e. Oracle. The operational entries of the company like revenue, customer ledger account, pre-deposits accounts etc have been recorded in a separate IT system (viz. DTMS, ETMS and CCLS) other than financial reporting IT system (viz. Oracle). At each month end, a consolidated entry is being posted in 'Oracle' based on the summary generated in DTMS, ETMS and CCLS systems. Further, payroll of the Company is maintained through RAMCO system and spares inventory of the Company is maintained through Maximo. However, the Company has adequate internal control system to verify correctness of the entries collated and posted in Oracle.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanation given to us and based on our examination of records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company.



3.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per terms and conditions? List the cases of deviation.	The Company, based on the information and explanation furnished to us by the management, there were no such funds received / receivable towards any specific scheme from Central / State Agencies by the company during the financial year 2019-20. As per Auditor's Report of Eastern Region the grant received in 2010 of which Rs 6,46,278/- remain unutilized till 2018-19, has been recorded as Miscellaneous Income in the current financial year.
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**For S. N. Nanda & Co.**  
Chartered Accountants  
FRN: 000685N



**S. N. Nanda**  
Partner

M. No. 005909

UDIN: 20005909AAAABB5381

Date: 25<sup>th</sup> June 2020

Place: New Delhi

## **Annexure - C to the Independent Auditors' Report**

Referred to Paragraph – 3(g) under the heading of “Report on other Legal and Regulatory Requirements” our Report of even date

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Control over financial reporting of **CONTAINER CORPORATION OF INDIA LIMITED** (“the Company”) as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

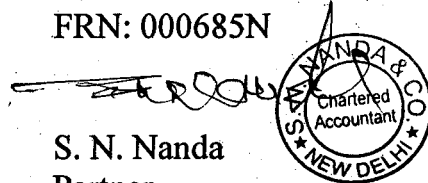
Because of the inherent limitations of Internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

**For S. N. Nanda & Co.**  
Chartered Accountants  
FRN: 000685N



S. N. Nanda  
Partner

M. No. 005909

UDIN: 20005909AAAABB5381

Date: 25<sup>th</sup> June 2020  
Place: New Delh



## DECLARATION

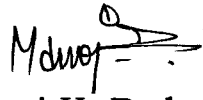
### Declaration Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is hereby declared that the Statutory Auditors, M/s S. N. Nanda & Co., Chartered Accountants, have issued the Audit Report(s) with unmodified opinion on the Standalone Audited Financial Statement of the Company for the year ended on 31.03.2020.

This declaration is issued pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

For **Container Corporation of India Limited,**

Date: 25.06.2020  
Place: New Delhi

  
(Manoj K. Dubey)  
Director (Finance)





## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

**CONTAINER CORPORATION OF INDIA LIMITED**

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of CONTAINER CORPORATION OF INDIA LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2020, the consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates and jointly controlled entities as at March 31, 2020, consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



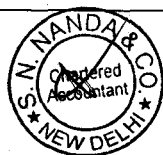
## Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key Audit Matters	How our Audit addressed the Key Audit Matters
1	<p><b>Adoption of Ind AS 116:</b></p> <p>As described in Note No. 39 to the standalone financial statements, the company has adopted IND AS 116 Leases in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the company has a large number of leases with different contractual terms. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) assets and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease terms as per the contract/arrangement. Adoption of the standard involves judgments and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note No. 39 to the standalone financial statements.</p>	<p>Our audit procedure on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> <li>• Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);</li> <li>• Assessed the company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business.</li> <li>• Involved our specialists to evaluate the reasonableness of the discounting rate applied in determining the lease liabilities;</li> <li>• Upon transition as at 1<sup>st</sup> April 2019: <ul style="list-style-type: none"> <li>➤ Evaluated the method of transition and related adjustments.</li> <li>➤ Tested completeness of the lease data by reconciling the company's operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> </ul> </li> <li>• On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> <li>➤ Assessed the key terms and conditions of each</li> </ul> </li> </ul>



		<p>lease with the underlying lease contracts; and</p> <ul style="list-style-type: none"> <li>➤ Evaluated computation of lease liabilities and challenged the key estimates such as discount rates and the lease term.</li> <li>• Assessed and tested the presentation and disclosure relating to Ind AS 116 including, disclosures relating to transition.</li> </ul>
2	<p><b>Revenue Recognition:</b></p> <p>Western Region</p> <p>The application of the IND AS 115 Revenue Recognition involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, satisfaction of performance obligations, etc.</p>	<p>Our audit procedure consisted:</p> <ul style="list-style-type: none"> <li>• Testing of the operating effectiveness of internal controls. We have selected few samples of continuing contract and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.</li> <li>• We read, analyzed and identified performance obligations in selected sample contracts. We compared these performance obligations with that identified by the Western Region of the company. We have considered the terms of the contract to determine the transaction price.</li> <li>• Tested the data operating system DTMS (Domestic Terminal Management System) and ETMS (Exim Terminal Management System) and also the report generated from the data operating system such as "Container</li> </ul>



		<p>departed and not reached to the Destination report” for the purpose of reversal of the same from income already accounted for.</p> <p>In case of door to door delivery via rail movement, road freight income and charges for the incidental services are accounted for on arrival of container at the originating CONCOR Terminal from customer premises.</p>
3	<p>Punjab Logistics Infrastructure Limited</p> <p><b>Deferred Tax Assets:</b></p> <p>The company has not created any deferred tax asset on unabsorbed depreciation and unused tax losses in previous years (i.e. FY 2017-18 and 2018-19). However in FY 2019-20, deferred tax assets of Rs 9,31,19,632/- has been created on unabsorbed depreciation and accumulated losses of the company is probable of future taxable profits.</p>	<p>The following factors were considered to review the recognition of Deferred Tax Asset:</p> <ul style="list-style-type: none"> <li>a) Existence of sufficient taxable temporary difference.</li> <li>b) Convincing evidence that sufficient taxable profits will be available in the future.</li> </ul> <p>Based on the future projections as approved by the management and representations provided to us, the company judgment on recoverability of Deferred Tax Asset as mentioned in Note No. 28 of Standalone Financial Statement.</p>
4	<p><b>Contingent Liability:</b></p> <p>The company is in the process of getting approval of building plan of its Multi Model Logistics Park from PUDA which in judgment of the management would not eventually lead to any financial liability.</p> <p>The company has not disclosed the same as contingent liability as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.</p>	<p>Our Audit Procedures involves the following activities:</p> <ul style="list-style-type: none"> <li>• Understanding the process of estimation, recording and reassessing provisions and contingencies.</li> <li>• The review of Board of Directors minutes to understand the current status of building plan approval process.</li> <li>• Review of Management representations and discussions with the management.</li> </ul> <p>We have relied upon the management assessment.</p>



## **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

The holding company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Director's Report including annexure to Director's Report, Business Responsibility Report, Corporate Governance, Ten years Financial/physical performance and data and letter from Chairman & Managing Director are included in the annual report of the holding company but do not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and Presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors ' of the Holding Company, as aforesaid.



In preparing the consolidated financial statements the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identity and assess the risks of material misstatement of the Consolidated financial statement whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions. Misrepresentations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associates and jointly controlled entities has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial



statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding among other matters the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Emphasis of Matter

We draw attention to the following matters related to our scope with respect to audit of financial statements of the Company.

- a) As reported by the Auditor of North Central Region of the company, due to outbreak of pandemic Covid 19 and consequent countrywide lockdown enforced by Government of India. Due to this we could not carryout normal audit procedures by visiting the CCI-NCR Office and audit was carried out using "Work from Home" approach. Interview/discussion with client via video conferencing/call conferencing and other verbal communications. Further on account of pandemic "Covid 2019" and nationwide lockdown imposed by government, the audit process has been modified, wherein certain documents/records etc were verified in electronic mode, and have relied on the representations received from the company for the accuracy and authenticity.
- b) Balances of Sundry Debtors, Sundry Creditors and Advance to Other Parties including Railways are subject to confirmation and reconciliation, as referred to note no.59 (b). These balances include outstanding for more than 3 years. The effect of the same is not ascertainable.

### c) Punjab Logistics Infrastructure Limited

During the year under audit, Employee benefit expenses consisting of contractual staff charges of Rs 15,29,242/- paid to employees hired on contract basis have been disclosed under the head 'Other Expense' in the Statement of Profit and Loss.

### d) Concor Air Limited

- i. Whereas the revenue as per books stands reconciled with GST returns filed, however, there are old differences in input as well as the output GST as per books of accounts when compared with the GST returns filed with the authorities. Further the inputs as per the books need to be reconciled with the online credit available under the Co's GSTIN vide GSTR 2A report and excess/short credit required to be provided for. (Refer Note No 40 of the Final Accounts)
- ii. The balance related to debtors, vendors, advances received from customers, TDS payable to customers etc. are subject to confirmation. The confirmation of balances of Sunder Debtors and recoveries in the current Financial Year specifically gains importance in view of the Covid-19 pandemic situation. Whereas, full amounts could not be recovered from debtors till the time of audit, no provision have been made in the books based on management's representation in the accounts (Refer Note No. 41).
- iii. Whereas the company is working in the direction of spending the amount required as per the prescribed percentage of net profits towards "Corporate Social Responsibility" however, the company could not spend the required amount within financial year (Refer Note No. 38 of Final Accounts).

Our opinion is not modified in respect of the above stated matters.





## Other Matter

We did not audit the financial statements/ information of 8 regions included in the financial statements of the holding company whose financial statement/financial information reflect total assets of Rs. 3,818.01 Crores at 31<sup>st</sup> March, 2020 and the total revenue of Rs. 6,518.06 Crores for the year ended on that date as considered in the financial statements of the holding company. The financial statement/ information of these regions has been audited by the branch auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these regions is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

We did not audit the financial statements / financial information of 5 subsidiaries, whose financial statements / financial information reflect total assets of Rs.477.08 Crores as at 31st March 2020, total revenues of Rs.103.82Crores and net cash used amounting to Rs.6.03 Crores for the year ended on that date as considered in the consolidated financial statements. These financial statements/financial information have not been audited by us. Financial statements / financial information of four subsidiaries have been audited by other auditors and one unaudited whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors and management.

We did not audit the financial statements / financial information of 13 jointly controlled entities whose financial statements / financial information reflect the Group's share of net profit of Rs. 39.77 Crores for the year ended 31st March 2020 as considered in the consolidated financial statements whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and our report in terms of subsections(3) and (11) of Section 143 of the Act in so far so it relates to the aforesaid jointly controlled entities is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

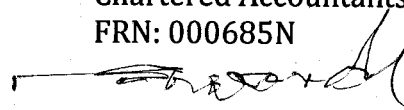


- b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The reports on the accounts of regions of the holding company audited under section 143 (8) of the Act by branch auditors have been sent to us and have been dealt with in preparing our report in the manner considered necessary by us.
- d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss [including other comprehensive income), Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- e. In our opinion the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act, except IND AS- 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*' to the extent of disclosure required for impact on consolidated financial statements w.r.t. IND AS-116 '*Leases*' made applicable from 01.04.2019 by MCA notification dated 30.03.2019.
- f. As per notification number G.S.R. 463[E] dated 5<sup>th</sup> June 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualification of Directors is not applicable to the holding company since it is a Government Company. On the basis of reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India none of the directors of the Group companies its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls refer to our separate report in "Annexure A".
- h. With respect to the other matters to be included in the Auditor's Report as per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs section 197(16) of the Act regarding the Managerial remuneration is not applicable to the holding company since it is a Government Company. On the basis of reports of the statutory auditors of its subsidiary companies, Associate companies and jointly controlled companies incorporated in India. The remuneration paid by the respective companies to their directors during the year is in accordance with the provisions of section 197 of the Act.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group its associates and jointly controlled entities- Refer Note 47 to the consolidated financial statements.



- b. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- c. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

**For S. N. Nanda & Co.**  
Chartered Accountants  
FRN: 000685N



S. N. Nanda  
Partner  
M. No. 005909  
UDIN:20005909AAAABC6108



Date: 25<sup>th</sup> June 2020  
Place: New Delhi

## **Annexure - A to the Independent Auditors' Report**

### **Referred to Paragraph (g) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements as of and for the year ended 31 March 2020, we have audited the internal financial control over financial reporting of CONTAINER CORPORATION OF INDIA LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities which are companies incorporated in India as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors/Management of the Holding Company, its subsidiary companies, its associates and jointly controlled entities which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI").

These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group and its associates and jointly controlled entities, based on our audit we conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a



material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Group and its associates and jointly controlled entities.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the independent auditor's report of Concor Air Limited, wholly owned subsidiary of the holding company, following material weaknesses have been identified in by the auditor:-

1. The company is running standalone IT system for revenue accounting and for accounting of receivables etc. which is not integrated with the financial package tally. The company needs to integrate the two and incorporate internal control and audit system to verify the correctness of data.
2. System of obtaining debtors and creditors confirmation is not in place.
3. System of reconciling the revenue figures and input taxes with GST returns and information available on the portal needs strengthening.



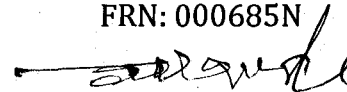
4. System of accounting and reconciliation of TDS credits and certificates with advances received against the revenue needs a lot of strengthening and regular follow-ups.
5. As per the Internal Auditors, the system of matching money value of cargo quantity recorded in accounting software (Tally) with quantity recorded in Cargo Software (Galaxy) is not fully strengthened on account of overlapping of activity in different stages of collection.

Except to the matters mentioned above in respect of Concor Air Limited, wholly owned subsidiary company of the holding company, in our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its other subsidiary companies, its associates and jointly controlled entities which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### **Other Matters**

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiaries audited by other auditors and one unaudited company, is based on the corresponding reports of the auditors of such companies and thirteen (13) jointly controlled entities, is based on the certification provided by the management. Our opinion is not modified in respect of this matter.

**For S. N. Nanda & Co.**  
Chartered Accountants  
FRN: 000685N



S. N. Nanda  
Partner  
M. No. 005909  
UDIN:20005909AAAABC6108



Date: 25<sup>th</sup> June 2020  
Place: New Delhi



भारतीय कंटेनर निगम लिमिटेड  
Container Corporation of India Ltd.  
बहुविध संधारतंत्र कंपनी  
A Multi-modal Logistics Company  
(भारत सरकार का नवरत्न उपक्रम)  
(A Navratna CPSE of Govt. of India)

## DECLARATION

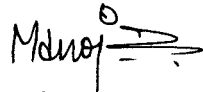
### Declaration Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is hereby declared that the Statutory Auditors, M/s S. N. Nanda & Co., Chartered Accountants, have issued the Audit Report(s) with unmodified opinion on the Consolidated Audited Financial Statement of the Company for the year ended on 31.03.2020.

This declaration is issued pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

For **Container Corporation of India Limited,**

Date: 25.06.2020  
Place: New Delhi

  
(Manoj K. Dubey)  
Director (Finance)



पंजीकृत कार्यालय : कॉनकॉर भवन, सी-3, मथुरा रोड, जसौला मेट्रो स्टेशन के पास, नई दिल्ली-110076 दूरभाष : 41673093, 94, 95 & 96, फैक्स : 41673112  
Regd. Office : CONCOR Bhawan, C-3, Mathura Road, New Delhi-110076, CIN : L63011DL1988GOI030915  
Tel. : 41673093, 94, 95 & 96, Fax : 41673112, ई-मेल/E-mail : co.pro@concorindia.com, वेबसाईट/Website : www.concorindia.com

कंटेनर की बात, कॉनकॉर के साथ, Think Container, Think CONCOR