

**FACILITATING  
MULTI MODALISM  
AND  
CONTAINERISATION  
IN INDIA**

***Case study: CONCOR***

# CONTAINERISATION IN INDIA

- Began in 1966 by IR – IRS containers
- 3 IRS = 1 TEU; 621 TEUs in 1966-67
- ISO came to India in 1971 but remained confined to gateway ports
- Rail movements of ISO started in 1981
- 229 TEUs in 1981/82; 14,549 in 1988/89

# CONTAINERISATION IN INDIA

- Movements confined to 7 ICDs set up by IR
  - All special purpose ICDs
  - Three were centres of A.P. in South India (at GNT, Chirala and Anaparti)
  - One to cater to Coffee in Karnataka at WFD
  - One to cater to Tea in East at GHY
  - One for Auto traffic in LDH & one for Exhibition goods in Delhi
- All except GHY were makeshift ICDs.

# CONTAINERISATION IN INDIA

- IR already moving containers, so, why CONCOR?
- To suit special characteristics of EXIM traffic which is
  - Transit time sensitive – requires special care (no time guarantees possible in Rail system)
  - Non bulky, low volume – less than train load (IR suited more for full train loads- cut out for movement of bulk commodities for core sector)
  - Special care oriented (IR not cut out for personalised attention for all customers – has ABC focus)
- IR not suited for this role. Hence CONCOR

# **CONCOR - THE COMPANY**

Hence established CONCOR as a PSU under Ministry of Railways with 100% Rail ownership. Even now Railways are majority shareholders (63%).

Incorporated in March 1988, operations started in November 1989.

Authorised Capital - Rs.100 CRORES.

Paid-up Capital - Rs. 64.99 CRORES.

# **CONCOR - THE COMPANY**

Contributed by IR over a period of 4 years in tranches.

ICDs transferred on lease basis- oriented to increase capacity utilisation.

All collections to be handed to IR for a commission for first two years.

CONCOR got commission.

Footed its working capital and financing requirements.

# CONCOR – BUSINESS SEGMENTS

**CONCOR'S primary business segments are:**

- **EXIM**  
*operate dry ports (ICDs/CFSs) and organise ISO container movements by rail and road.*
- **DOMESTIC**  
*operate domestic container terminals and organise domestic cargo movement by rail/road/coastal shipping*

# CONCOR – BUSINESS ACTIVITIES

**CONCOR'S core business is characterised by two important activities:**

- **Terminal Operations**
  1. *Handling & storage of containers*
  2. *Handling & warehousing of cargo*
- **Transportation : as a rail/road/air/sea based logistics service provider**



# **CONCOR MISSION STATEMENT**

- **OUR MISSION IS TO JOIN WITH OUR COMMUNITY PARTNERS AND STAKE HOLDERS TO MAKE CONCOR A COMPANY OF OUTSTANDING QUALITY. WE DO THIS BY PROVIDING RESPONSIVE, COST EFFECTIVE, EFFICIENT AND RELIABLE LOGISTICS SOLUTIONS TO OUR CUSTOMERS THROUGH SYNERGY WITH OUR COMMUNITY PARTNERS AND ENSURING PROFITABILITY AND GROWTH. WE STRIVE TO BE THE FIRST CHOICE FOR OUR CUSTOMERS. WE WILL BE FIRMLY COMMITTED TO OUR SOCIAL RESPONSIBILITY AND PROVE WORTHY OF TRUST REPOSED IN US.**

# OBJECTIVES

- **WE WILL BE A CUSTOMER FOCUSED , PERFORMANCE DRIVEN , RESULT ORIENTED ORGANISATION, FOCUSED ON PROVIDING VALUE FOR MONEY TO OUR CUSTOMERS.**
- **WE WILL STRIVE TO MAXIMISE PRODUCTIVE UTILISATION OF RESOURCES, DELIVER HIGH QUALITY OF SERVICES, AND BE RECOGNISED AS SETTING THE STANDARDS FOR EXCELLENCE."**
- **WE WILL CONSTANTLY LOOK FOR NEW AND BETTER WAYS TO PROVIDE INNOVATIVE SERVICES. WE WILL AIM FOR CUSTOMER CONVENIENCE AND SATISFACTION, LEARN FROM OUR COMPETITORS AND ALWAYS STRIVE FOR EXCELLENCE.**

# OBJECTIVES

- **WE WILL SET MEASURABLE PERFORMANCE GOALS TO SUPPORT THE OBJECTIVES AND MISSION OF OUR ORGANISATION AND WORK AS A PROFESSIONAL, COMPETENT AND DEDICATED TEAM FOR THE ORGANISATION TO ACHIEVE EXCELLENCE IN ALL AREAS OF OUR BUSINESS AND OPERATIONS BY BENCHMARKING OURSELVES WITH OUR COMPETITORS.**
- **WE WILL FOLLOW HIGHEST STANDARDS OF BUSINESS ETHICS AND ADD SOCIAL VALUE FOR THE COMMUNITY AT LARGE BY DISCHARGING SOCIAL OBLIGATIONS AS A RESPONSIBLE CORPORATE ENTITY.**
- **WE WILL MAINTAIN ABSOLUTE INTEGRITY, HONESTY, TRANSPARENCY AND FAIR-PLAY IN ALL OUR OFFICIAL DEALINGS AND STRIVE TO MAINTAIN HIGH STANDARDS OF MORALITY IN OUR PERSONAL LIFE.**

# WHAT CONCOR BRINGS TO THE TABLE

- Efficient rail transport of containers on IR.
- Country-wide network of container terminals.
- Door to door services with road linkages.
- Huge warehousing capacity.
- Large fleet of High speed wagons.
- Large fleet of customised containers.
- Relationship with top end customers and various intermediaries in logistics chain.

# CONCOR'S INFRASTRUCTURE

CONTAINER TERMINALS

LATEST HANDLING EQUIPMENT

ROLLING STOCK

CONTAINERS

PEOPLE/RELATIONSHIPS

# TERMINAL DEVELOPMENT

- CURRENTLY 55 TERMINALS (from 7 to 55)
- 6 NEW TERMINALS PLANNED IN THE NEXT 2 YEARS
- 25 TERMINALS DEVELOPED DURING LAST 4 YEARS
  
- WAREHOUSING SPACE
- TOTAL SPACE OF 1,80,300 sq mtrs IN EXIM AND 20,800 sq mtrs in DOMESTIC
- INCLUDES SPACE FOR BONDED CARGO
- TOTAL PAVED AREA – 19,10,110 sq. mtrs.



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CONCOR

# NETWORK OF CONCOR'S TERMINAL



- Exim Terminals
- Domestic Terminals
- Combined Terminals
- Future Terminals
- Major/Container Handling Ports

Not to scale  
As on: 31/05/05

This is a Guide Map only. It has no correctness with State boundaries.



# CONCOR'S TERMINAL NETWORK

EXISTING TERMINALS : 55

COMBINED : 29

PURE EXIM : 18

PURE DOMESTIC : 08

TERMINALS PLANNED IN THE  
NEXT 2 YEARS : 6



# ROLLING STOCK and CONTAINERS

- AS ON DATE CONCOR HAS AROUND 6,300 WAGONS OF ITS OWN INCLUDING ALMOST 5,000 SPECIALLY DESIGNED HIGH SPEEDBLC/BLL WAGONS.
- IN ADDITION, IT USES AROUND 1,500 RAILWAY OWNED CARS
- ACQUIRED IN 2004-05– 1,435 WAGONS. THIS IS THE BEST EVER IN A SINGLE YEAR
- OVER 10,800 ISO CONTAINERS BEING USED PRIMARILY FOR DOMESTIC BUSINESS

# CONCOR SERVICES

- Regular scheduled rail services between important trading centres (CONRAJ/ CONTRACK)
- Hub & Spoke system with major hubs for EXIM and Domestic traffic
- Integrated Terminals with warehousing, collection, distribution & IT support

# RAIL CARRIAGE OF CONTAINERS

- SCHEDULED SERVICES. ALMOST 50 TRAINS LOADED DAILY.
- CONCOR ISSUES ITS OWN DOCUMENT FOR RAIL/ROAD CARRIAGE AND FIXES PRICES FOR SERVICES IT PROVIDED.
- CONCOR DEALING WITH CLAIMS DIRECTLY EVEN FOR MOVES OVER IR.
- FREIGHT OPERATION INFORMATION SYSTEM OF IR USED FOR MONITORING CONTAINER TRAINS.

# CONCOR - RAIL CARRIAGE

- MOVEMENTS ORGANISED OVER BG NETWORK OF IR UNDER CONTRACTUAL AGREEMENT WITH INDIAN RAILWAYS WHO ARE THE EVENTUAL CARRIERS
- INLAND TERMINALS MANAGED BY CONCOR
- PORT TERMINALS MANAGED BY PORT OPERATORS
- SOME HANDLINGS ARRANGED IN RAILWAY'S GOODS SHEDS ALSO.

## **MAIN SECTORS:**

ENTIRE BG RAIL NETWORK OF IR.

# ROAD CARRIAGE OF CONTAINERS

- BONDED MOVEMENTS OF CONTAINERS BY ROAD ARE STILL VERY FEW, RESTRICTED - OPENING UP NOW.
- CONCOR HAS CONTRACTUAL AGREEMENTS WITH ROAD HAULIERS, MAINLY OVER SHORT HAULS.

## **MAIN SECTORS:**

- INDORE - JNPT/MBPT
- HYDERABAD - JNPT/MBPT
- PANIPAT/MORADABAD - ICD/TKD
- SHORTER LEAD FACTORY STUFFING/DESTUFFING FROM ALMOST ALL ICDs ON SHIPPER'S SPECIFIC DEMANDS
- CONCOR APPROACHES ROAD TRANSPORTATION WITH CAUTION AND RESPONSIBILITY.

# IT ENABLEMENT

- 'WAN' CONNECTIVITY WITH ALL TERMINALS COMMISSIONED
- AUTOMATED CUSTOMISED TERMINAL MANAGEMENT SYSTEMS LIKE DTMS AND ETMS IMPLEMENTED ON CENTRALISED ARCHITECTURE
- ERP PACKAGES FOR HR/Payroll AND FINANCIAL MGT IMPLEMENTED
- WEB ENABLED CUSTOMER INTERFACE OPERATIONALISED

# JOINT VENTURES

- WITH CENTRAL AND STATE WAREHOUSING CORPORATIONS
- WITH STATE AND PRIVATE TERMINAL OPERATOR AT BIRGANJ, NEPAL
- WITH SHIPPING LINES (MAERSK, APL, TRANSWORLD GROUP, CMA-CGM etc. at DADRI)
- WITH PORT OPERATORS (MAERSK , THIRD BERTH AT JNPT and DPI AT COCHIN)

# FOCUS ON DOMESTIC BUSINESS

- HIGH SPEED BLL RAKES ALSO INDUCTED INTO DOMESTIC CIRCUIT
- END TO END LOGISTICS BUSINESS (RINL, TISCO, NESTLE)
- ENCOURAGING FREIGHT FORWARDERS TO DO END TO END LOGISTICS THROUGH CONCOR  
(Glaxo-Insight Logistics)



# CONCOR'S VENTURE INTO AIR CARGO BUSINESS

- Pioneered Bonded Trucking operations. Commenced dedicated movement in 1999 for Air France between Bangalore & Chennai.
- Established Air Cargo Terminal activity and Commenced operations of Air Cargo Complex at Bangalore Airport in 2002 under Joint Working Arrangement.
- Bangalore Air Cargo Complex Registering rapid growth and has handled 32869 MT in 2004-2005.

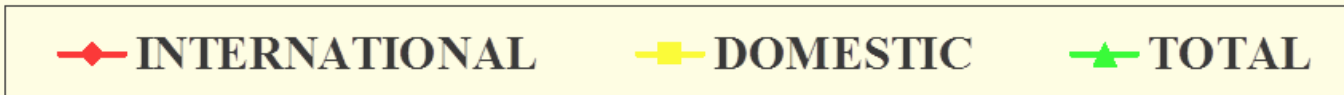
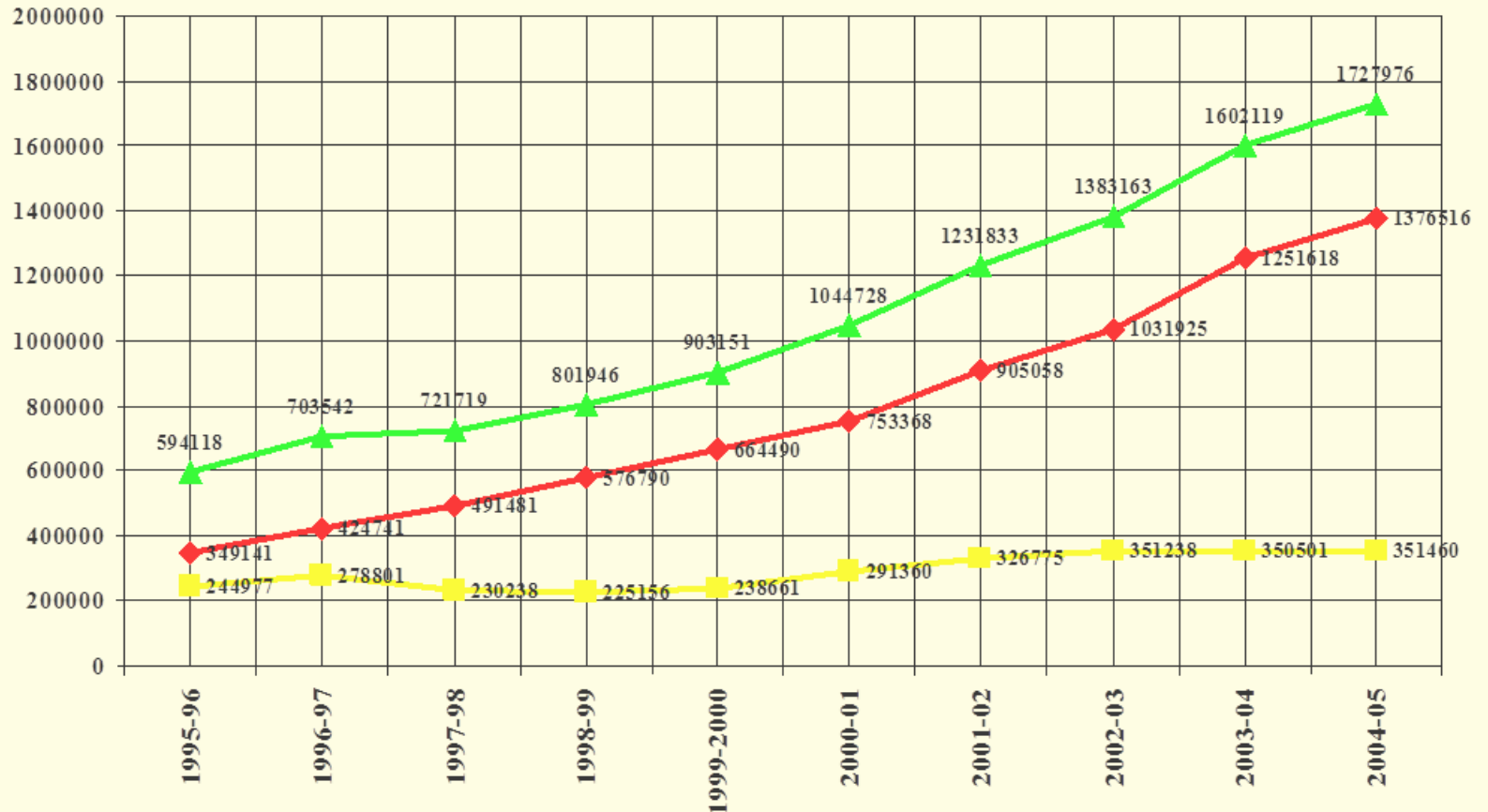
# AIR CARGO Contd.

- A Corporate level Air Cargo Division formed.
- Bonded trucking operations expanded to Bangalore, Chennai, Coimbatore, Hyderabad, Indore, Mumbai, Ahmedabad, Delhi, Amritsar, Muzzafarpur, Kolkata, Guwahati.
- Moved 9137 MT of Bonded cargo in 2004-2005.
- Additional warehouse under construction to accommodate growing demand.
- Warehousing infrastructure at Delhi utilised to encourage private participation in EXIM logistics.

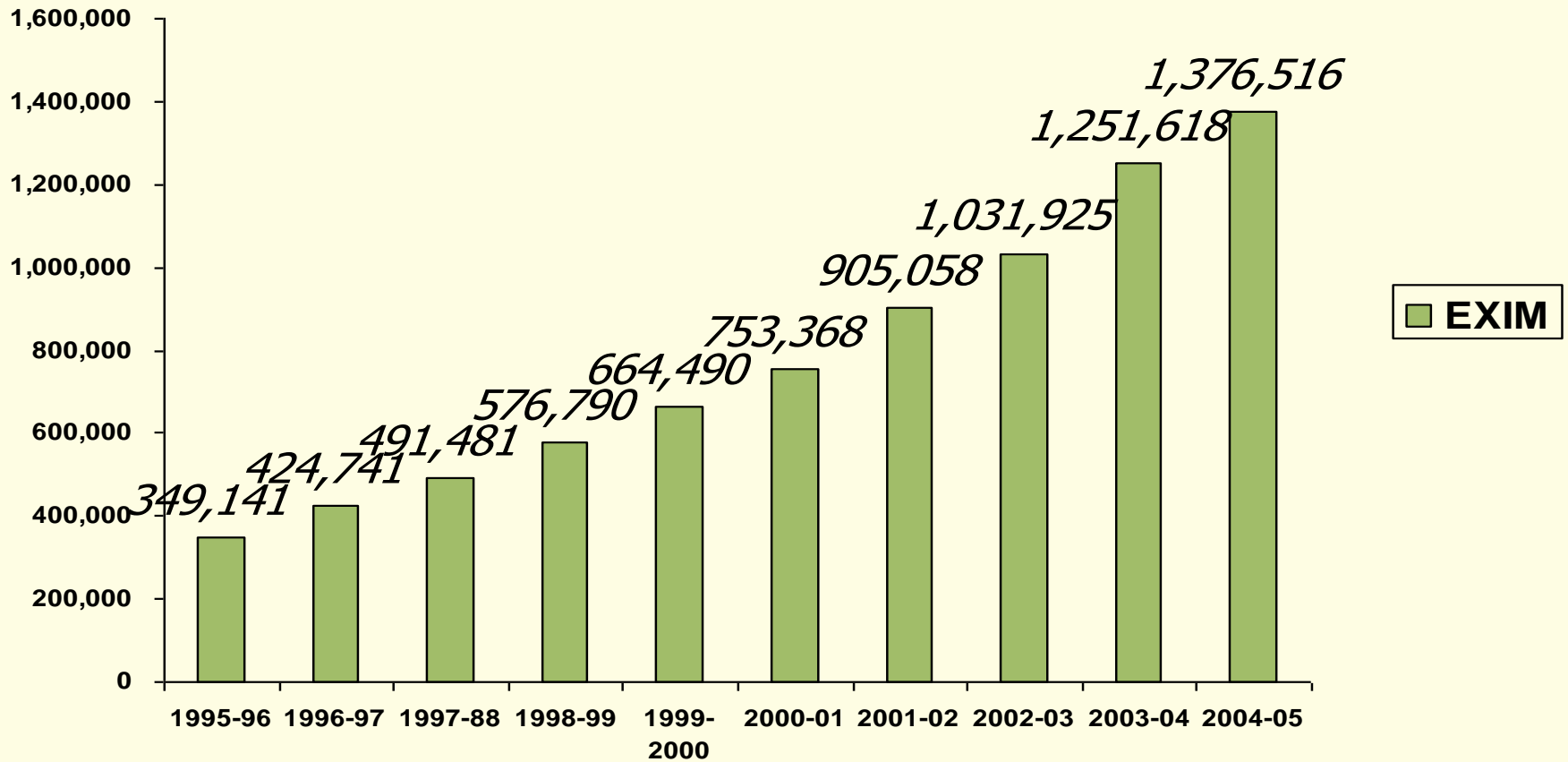
# AIR CARGO (Future Plans)

- Bonded Trucking Network to be expanded
- Optimum utilization of existing ICD infrastructure to create offline Air Cargo booking stations, cargo clearance and bonded warehouses.
- Creation of Multimodal hubs at strategic locations under Joint Working Arrangements.
- Joint Working with AAI at select airports proposed.
- Working with APEDA for promotion of exports of Agricultural products and processed food

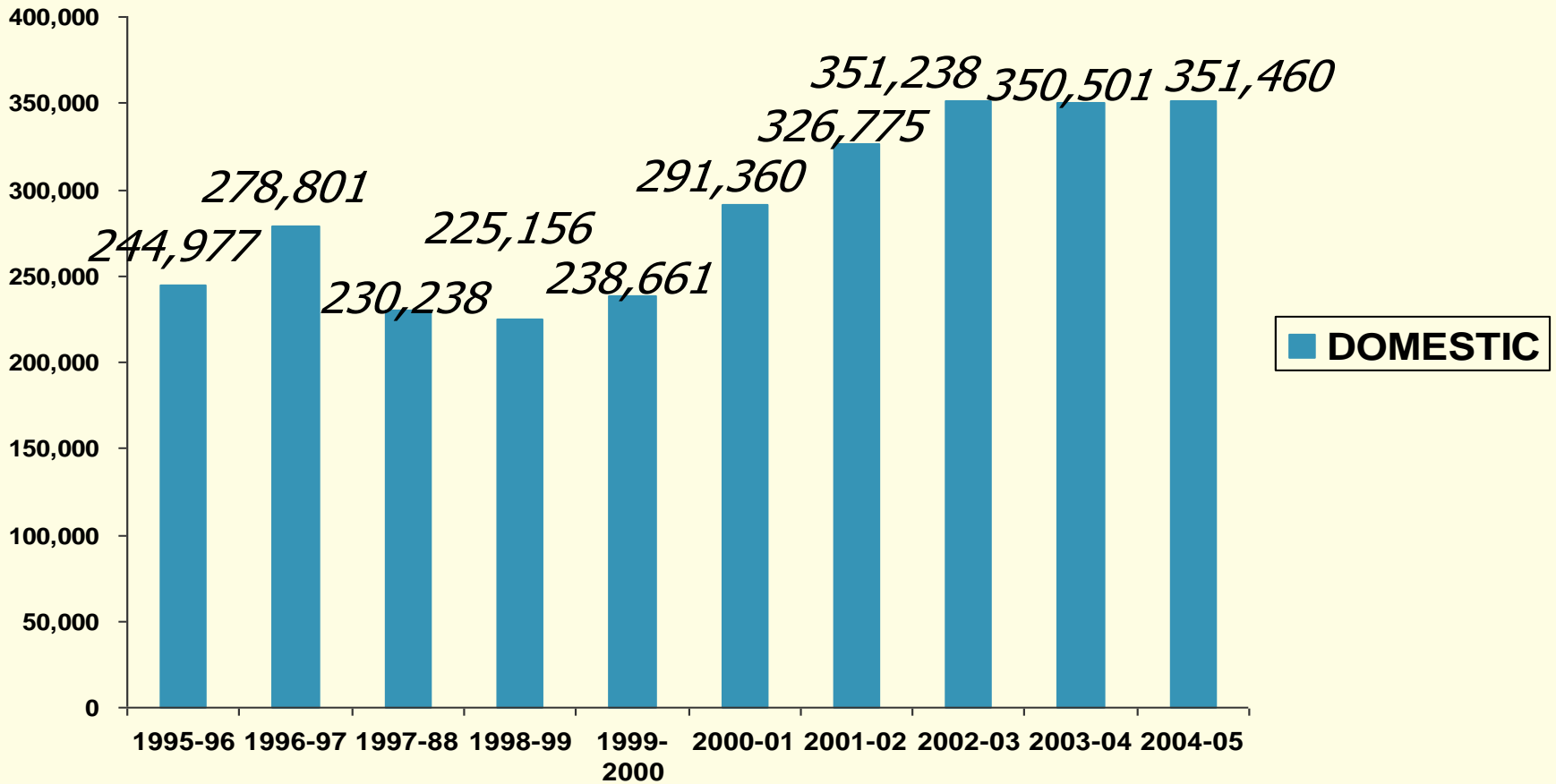
# THROUGHPUT THROUGH THE YEARS



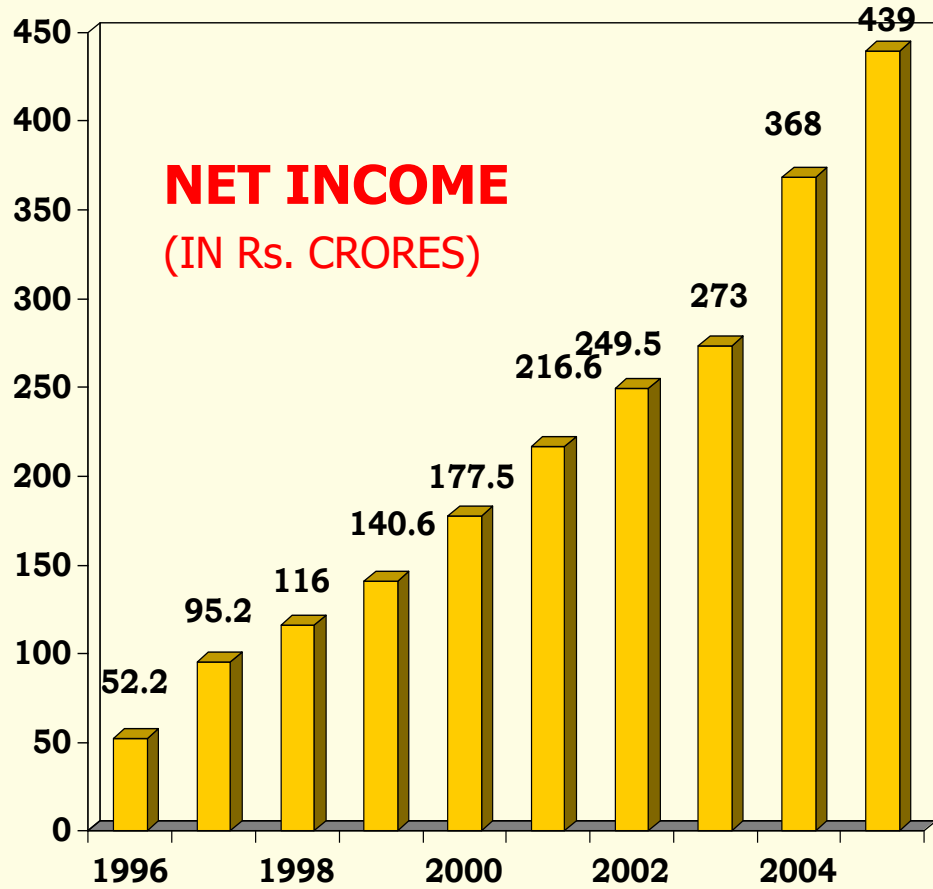
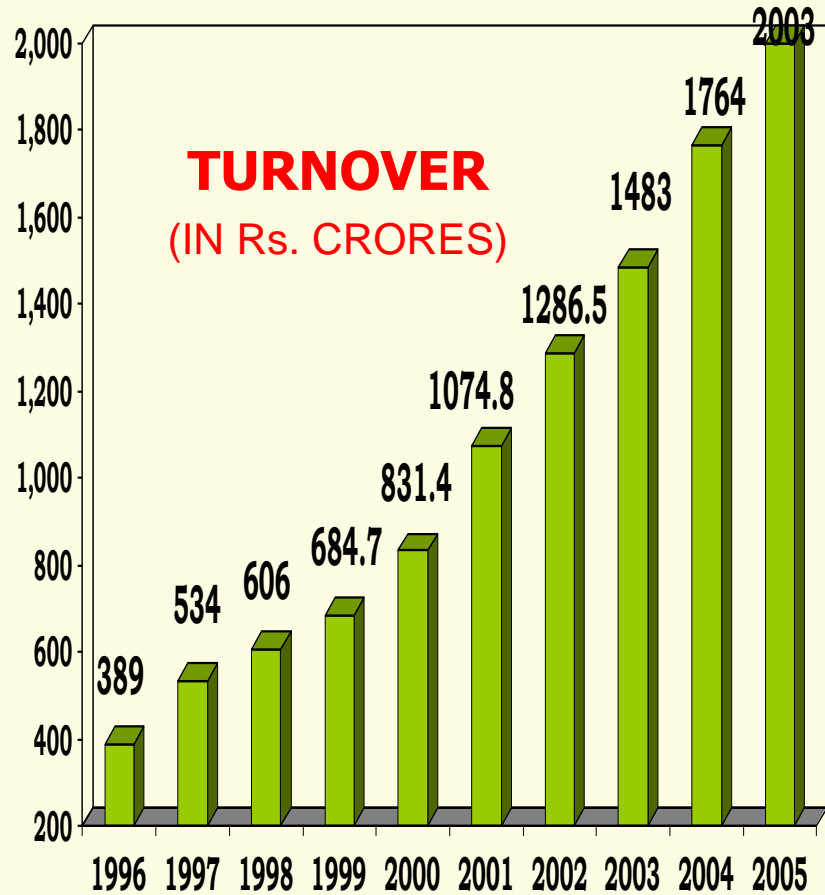
# CONCOR EXIM BUSINESS



# CONCOR DOMESTIC BUSINESS



# FINANCIAL PERFORMANCE



# Financials for IR

- Investment: 650 Million IR  
(65 million shares of Rs. 10 each)
- Divested: 37% (24 million shares)
- Realised: Approx. 4300 million IR
- Shares OH: 41 million (BV: 410 mn)
- Market Cap  
of holding: 44,000 million IR (app.)



# CONCOR'S CONTRIBUTION TO I.R.

(IN RS. CRORES)

<b>95-96</b>	<b>219.34</b>	<b>4.02</b>		<b>6</b>	<b>229.36</b>
<b>96-97</b>	<b>285.93</b>	<b>5.71</b>		<b>10</b>	<b>301.64</b>
<b>97-98</b>	<b>329.92</b>	<b>6.09</b>		<b>10</b>	<b>346.01</b>
<b>98-99</b>	<b>364.06</b>	<b>7.24</b>	<b>0.6</b>	<b>18.45</b>	<b>390.35</b>
<b>99-00</b>	<b>408.31</b>	<b>8.4</b>	<b>6.03</b>	<b>22.55</b>	<b>445.29</b>
<b>00-01</b>	<b>547.63</b>	<b>10.07</b>	<b>10.25</b>	<b>27.47</b>	<b>595.42</b>
<b>01-02</b>	<b>665.48</b>	<b>20.22</b>	<b>14.53</b>	<b>41</b>	<b>741.23</b>
<b>02-03</b>	<b>769.92</b>	<b>20.21</b>	<b>16.71</b>	<b>45.1</b>	<b>851.94</b>
<b>03-04</b>	<b>912.15</b>	<b>44.46</b>	<b>26.87</b>	<b>51.25</b>	<b>1034.73</b>
<b>04-05 *</b>	<b>988.06</b>	<b>32.24</b>	<b>41.94</b>	<b>59.38</b>	<b>1121.62</b>

\*Dividend of Rs.14/50 per share likely to be paid. Final Dividend will be decided in the AGM.

# CONTAINER TRAFFIC PROJECTIONS

- CURRENT GROWTH 16% CAGR
- PORT TRAFFIC TO INCREASE TO 20 Million TEU'S BY 2013-14
- NEW SMALLER PORTS WITH PVT. PARTICIPATION BEING SET UP
- CONCOR NEEDS TO BE GEARED TO MOVE THE ADDITIONAL TRAFFIC OFFERED

# FUTURE PLANS

## 1. CONTINUE WITH TERMINAL EXPANSION PROGRAMME

- PLANS TO DEVELOP ADDITIONAL 6 TERMINALS BY 2007
- ADDITIONAL TERMINALS PLANNED BEYOND 2007 AS PER REQUIREMENTS OF TRADE

## 2. ROLLING STOCK PROCUREMENT TO CONTINUE

- PENDING ORDERS OF 1325 BLC WAGONS TO BE RECEIVED
- REGULAR INDUCTION OF AROUND 1000 WAGONS PER ANNUM

# ACTION PLAN - Contd.

3. CONTINUE EFFORTS TO DEVELOP MORE PORT LINKAGES
4. CONTINUE WITH JV's
  - NEW JV'S IN NEW TERMINALS
  - VENTURE INTO JV's IN WAREHOUSING
5. SEEK NEW OPPORTUNITIES FOR PORT OPERATIONS
6. EXPAND AIR CARGO BUSINESS

# ACTION PLAN - Contd.

7. PROVIDE COMPLETE LOGISTICS SOLUTIONS
  - SERVICES
  - CONSULTANCY
8. EXTEND INTERMODAL SERVICES TO NEIGHBOURING COUNTRIES (LAND AND SEA)
9. HRD INITIATIVES TO MAXIMISE PRODUCTIVITY THROUGH TRAINING AND MOTIVATION
10. CONTINUOUS BENCH MARKING IN ALL AREAS

**THANK YOU**