

KEYTAKEAWAYS FROM ANNUAL REPORT 2015-16

TECHNOLOGY ENABLED LOGISTICS

FY 2015-16 saw us focusing our efforts and resources on achieving efficiencies through cross-selling, investment in talent, process improvement, cost optimisation and technology enhancement.

We also acquired a controlling stake in Avvashya CCI Logistics. This strategy will enable our emerging business of contract logistics grow significantly and contribute to the revenue mix in the coming years.

In our LCL consolidation business, we have continued to increase direct LCL services from our offices globally, to maintain market leadership. We have taken all the steps to get the best value from all our acquisitions made in the recent past.

This year, we have consolidated all our international brands into a single brand – ECU Worldwide. The worldwide launch of ‘ECU Worldwide’ was announced on May 2, 2016. This strategic change, announced after 29 years of brand ECU Line’s existence, was supported through a global internal and external communication campaign. The motive of this change is to re-energise the ECU Worldwide brand and reinstate the message of a single global network among our stakeholders. Our rationale was to ensure that we simplify geography for our customers through our presence in 160+ countries and 300+ offices.

GST bill is likely to be approved in the Rajya Sabha. This legislation is expected to be a game changer to the logistic industry. We as an organisation are well placed to derive benefits in large scale from this emerging opportunity. We have drawn plans to grow our Contract Logistics & supply chain management business across the country in the next couple of years, to offer country wide services to our existing and new customers.

In cooperation with leading software developer TCS, the new software has been built based on the latest technology and is currently being rolled out gradually across the ECU Worldwide network.

In India, we will continue to concentrate on increasing our market share and targeting newer geographies in CFS and ICD. Besides, we aim to further scale-up our contract logistics business with special focus on e-commerce and chemical warehousing. Moreover, we will continue to retain our leadership position in P&E businesses and strengthen our coastal shipping business keeping in mind a strong customer base in order to earn an ROCE which will be higher than the cost of equity.

Our state-of-the-art, strategically located, IT-enabled and 100% pilferage-proof Container Freight Stations (CFS) and Inland Container Depot (ICD) facilities are designed to provide our customers with lean and agile supply chain solutions.

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ASSETS

Asset-light business

PRESENCE

Across the globe

STRENGTH

- Network across 164 countries
- Highest number of direct services
- Domestic consolidation movements connecting all ICDs to the port CFS for both export and import
- Strong technological capability for the ease of doing business
- Dedicated hazardous cargo management
- Unparalleled customer service
- End-to-end logistics solutions in terms of picking and delivering cargo

We truly provide an integrated logistics solution to our customers with a fleet of owned equipment, including cranes (crawler and tyre mounted), hydraulic axels, heavy duty prime movers, girder bridges, load spreaders, heavy duty rollers/hydraulic jacks, flat and low bed trailers, fork lifts, sea-going barges, reach stackers and ancillary equipment. We are focused on optimising the uptime of transport and installation of our customers' cargo. Our equipment undergoes stringent maintenance programmes, thereby ensuring reliability and safety at all times.

ASSETS

Equipment mentioned above

PRESENCE

All across India and the sub-continent

We have a unique understanding of the needs of e-commerce businesses, fashion retailers, marketplace model and mail order catalogues. We have adapted to meet the demands of this sector by introducing cost-efficient semi-automated warehousing, use of Infor WMS application, Put-to-Light and Pick-to-Light operating models supported for conveyors and sorters and advanced stock management systems, which allow the seamless coordination of retailers, retail outlets and e-commerce platform providers. We can also provide a shared-user fine distribution network, which offers complete coverage, as and

BUSINESS

Multi-modal Transport Operations (MTO)

FINANCIALS

- The total revenue for the year ended March 31, 2016 was ₹ 4,762 crore as against ₹ 4,774 crore for the corresponding period of the previous year
- EBIT was ₹ 239 crore for the year ended March 31, 2016, as against ₹ 190 crore for the corresponding period of the previous year, registering an increase of 26%

STRENGTH

- Logistics solutions for complicated and critical loads
- Highest number of girder bridge assisted deliveries
- Capable of executing projects, which need cranes and lifting solutions ranging in capacity from 50 to 3,000 metric tons
- Sectors serviced: Power (thermal, combined cycle and wind), Oil and Gas, Refineries, Cement, Steel, Ports, CFS and Infrastructure
- Certifications and accreditations- OHSAS and LEEA
- Vehicle tracking system
- Owned equipment
- Experienced team of skilled engineers and experts

when our customers need it. We are geared for RTV (Return to Vendor), RTI (Return to Inventory) and RTO (Return to Origin). Our strength is our ability to invest in technology and potential for scalability owing to our lineage and financial strength.

ASSETS

Service oriented; nothing is owned

PRESENCE

Pan-India

PERFORMANCE

- The business achieved total volumes of 4,59,746 TEUs for the year ended March 31, 2016 as against 4,22,200 TEUs for the corresponding period of the previous year, reporting an increase of 9%

BUSINESS

- Project Forwarding and Crane Rental

FINANCIALS*

- The total revenue for the year ended March 31, 2016, was ₹ 549 crore as against ₹ 530 crore for the corresponding period of the previous year, reporting an increase of 4%
- EBIT was ₹ 64 crore for the year ended March 31, 2016, as against ₹ 73 crore for the corresponding period of the previous year

STRENGTH

- State-of-the-art facility design
- Geared for RTV, RTI, RTO
- Trained professionals at various levels with 100+ years of combined experience
- Strong IT infrastructure
- Scalable and customised warehousing
- Supply chain business process integration
- End-to-end supply chain solutions
- Seamless visibility into all your inventory
- Strict safety and environment regulations

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Our customers can count on us to make their supply chain flexible, efficient and future ready. We partner with our customers to deliver their commitments by creating solutions that are one of a kind. From promising safer movement of goods even with large parcels/over dimensional cargo, to more economical mode for break bulk cargo, we make it happen.

ASSETS

5 coastal ships

PRESENCE

Across Indian coasts and sub-continent

STRENGTH

- Three Indian flagged vessels and two Sri Lankan flagged vessels
- Indian flag vessels work in Indian coast and near coast area
- Sri Lankan flag vessels work in/ around Sri Lankan coast and international voyages
- Well maintained and self-geared ships
- Vessels reaching all Indian ports
- Only Indian player to cater to a domestic bulk coastal cargo for the past five years
- Solutions-based pricing
- Customer oriented service excellence

Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Shashi Kiran Shetty Managing Director	Mr. Adarsh Hegde Whole-time Director	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	260.02	197.82	457.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	41.92	2.54	44.46
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- as % of profit	300.00	200.00	500.00
	- others, specify...	NIL	NIL	NIL
5.	Others, please specify			
	- Provident Fund	28.80	NIL	28.80
	Total (A)	630.74	400.36	1031.10
	Ceiling as per the Act	"Refer Note"		

MANAGEMENT DISCUSSION AND ANALYSIS

India spends around 13-14% of its GDP on logistics and transportation as compared to less than 8-9% by the other developing countries. Indian logistics and freight market is expected to grow at a CAGR over 13% by 2020 to reach over US\$ 300 billion, driven by the growth in manufacturing, retail, FMCG and e-commerce sectors.

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Primary Segment Information

(₹ in lakhs)

Particulars	Multimodal Transport Operations	Container Freight Stations	Project and Engineering Solutions	Others	Unallocable	Total
Revenue						
External Revenue	471,898	43,029	51,576	2,290	-	568,794
	473,083	38,753	49,762	1,282	-	562,880
Add : Inter Segment Revenue	4,349	1,285	3,322	196	1,652	10,805
	4,295	1,500	3,275	166	1,665	10,901
Total Revenue	476,247	44,315	54,898	2,486	1,652	579,598
	477,378	40,253	53,000	1,448	1,665	573,781
Segment Results before Interest and Tax	23,933	13,708	6,444	109	-	44,194
	18,955	*10,903	*7,259	151	-	37,268
Finance costs						(4,249)
						(5,347)
Other unallocable income						2,630
						3,045
Other unallocable expenditure						(7,278)
						(3,252)

Country / Region	31 March 2016			31 March 2015		
	Segment Revenue	Segment Assets	Total Cost incurred to acquire Segment Assets	Segment Revenue	Segment Assets	Total Cost incurred to acquire Segment Assets
India	169,434	134,742	11,371	161,140	137,905	1,650
America	135,783	25,344	621	141,766	27,035	390
Far East	99,726	20,698	318	93,814	17,220	332
Europe	131,100	123,218	1,101	137,468	106,935	927
Others	57,943	12,580	331	51,770	10,760	228
Less: Inter Segment	(25,193)	3,532	-	(23,442)	5,150	-
Total	568,794	320,115	13,743	562,880	305,005	3,527