



# **KAMARAJAR PORT LIMITED**

(A COMPANY OF CHENNAI PORT TRUST)

(MINISTRY OF PORTS, SHIPPING AND WATERWAYS, GOVERNMENT OF INDIA)

(CIN: U45203TN1999GOI043322)

## **TWENTY FIRST ANNUAL REPORT 2020-21**



# Kamarajar Port Limited

(A Company of Chennai Port Trust)  
(Ministry of Ports, Shipping and Waterways - Government of India)

## Board of Directors

Shri Sunil Paliwal, Chairman-cum-Managing Director  
Shri P. Raveendran, Nominee Director-ChPT  
Shri S. Balaji Arunkumar, Nominee Director-ChPT  
Shri V.M.V. Subba Rao, Independent Director  
Capt. Anoop Kumar Sharma, Independent Director  
Smt. Sarla Balagopal, Independent Director

## DIN

01310101  
07640613  
07526368  
02435597  
03531392  
01572718

## Key Officials

Shri Sanjay Kumar,  
General Manager (CS & BD)  
  
Shri M. Gunasekaran,  
General Manager (Finance) cum CFO  
  
Shri V. Krishnasamy,  
General Manager (Operation)  
  
Shri P. Radhakrishnan,  
Deputy General Manager (Civil)  
  
Shri G.M. Balan  
Deputy General Manager (MS)  
  
Smt. Jayalakshmi Srinivasan  
Company Secretary

## Registered Office

2<sup>nd</sup> Floor (North Wing) & 3<sup>rd</sup> Floor  
Jawahar Building,  
17, Rajaji Salai, Chennai - 600 001.  
Ph: 044 - 25251666-70/ Fax : 044 - 25251665

## Registrar & Share Transfer Agent

Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg  
Vikhroli (West), Mumbai - 400 083.  
Ph : 022 - 49186000 / Fax : 022 - 49186060

## Statutory Auditors

M/s. B. Thiyagarajan & Co.  
Chartered Accountants

## Internal Auditors

M/s. G.C. Daga & Co  
Chartered Accountants

## Secretarial Auditors

M/s. S. Dhanapal & Associates  
Company Secretaries

## Bankers

Axis Bank  
Andhra Bank  
State Bank of India  
Indian Bank

## Debenture Trustees

- (i) SBICAP Trustee Company Ltd  
Mistry Bhavan, 4th Floor,  
122, Dinshaw Vachha Road, Churchgate,  
Mumbai - 400020.  
Ph : 022 - 43025555/ Fax : 022 - 43025500
- (ii) Catalyst Trusteeship Limited,  
GDA House, Plot No.85,  
Bhusari Colony (Right),  
Paud Road, Pune - 411038

## Depositories

National Securities Depository Limited  
Central Depositories Services (India) Limited

# Vision & Mission

## Vision

*"To develop Kamarajar Port as a mega port with world class facilities to become the Eastern gateway Port of India."*

## Mission

*"To Provide Port Services of International Standards."*





## **Kamarajar Port Limited**

(A Company of Chennai Port Trust)  
(Ministry of Ports, Shipping and Waterways - Government of India)

### **BOARD OF DIRECTORS AS ON 26.08.2021**



**SHRI SUNIL PALIWAL, I.A.S.  
CHAIRMAN-CUM-MANAGING  
DIRECTOR**



**SHRI P. RAVEENDRAN, IRTS  
NOMINEE DIRECTOR**



**SHRI S. BALAJI ARUNKUMAR, IRTS  
NOMINEE DIRECTOR**



**SHRI V.M.V. SUBBA RAO, FCA,  
DISA (ICAI)  
INDEPENDENT DIRECTOR**

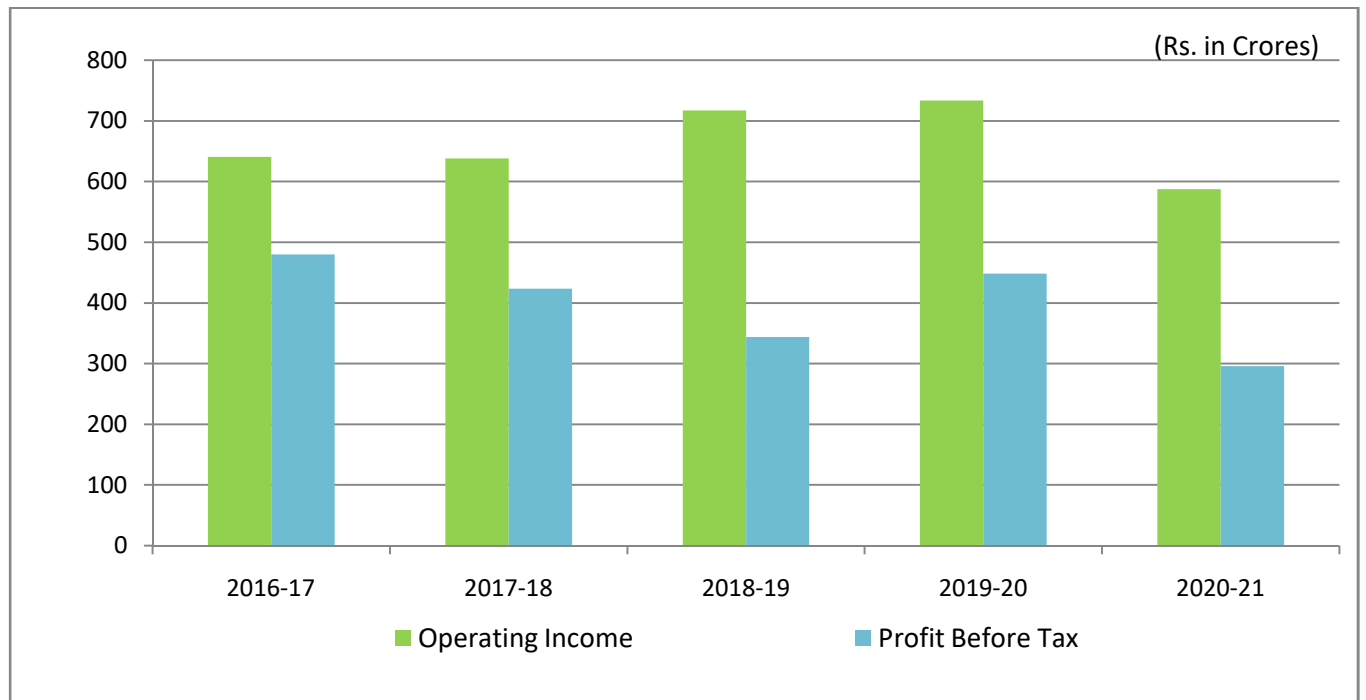


**CAPT. ANOOP KUMAR SHARMA  
INDEPENDENT DIRECTOR**

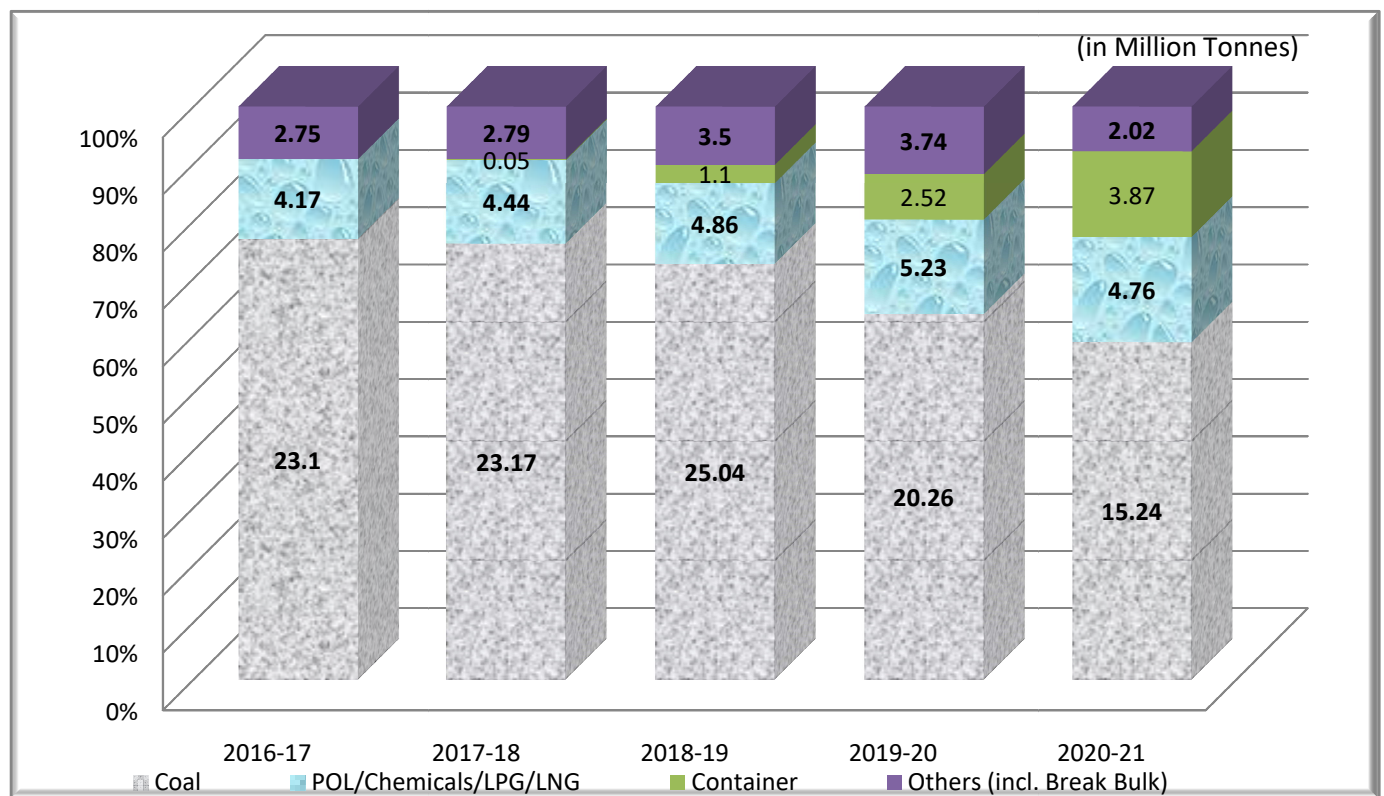


**SMT. SARLA BALAGOPAL, IRTS (Retd)  
INDEPENDENT DIRECTOR**





**Operating Income & PBT during the last 5 years**



**Cargo handled during the last 5 years**



# **Kamarajar Port Limited**

## **Annual Report 2020-21**

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## **Chairman's Speech**

### **Dear Shareholders,**

It is a pleasure to welcome you all to the 21<sup>st</sup> Annual General Meeting of your Company. Financial year 2020-21 has been very challenging for your Company and its Stakeholders/Clients. COVID-19 pandemic which has affected every country, business and individual has also impacted the performance of your Company.

### **Physical Performance & Highlights:**

During the year 2020-21, the Company handled cargo throughput of 25.89 million tonnes, 18.46% lesser as against 31.75 million tonnes handled during the previous year 2019-20. Though overall the cargo through put has come down, many milestones have been achieved as under:

- Containers handled during the year were 53.32% higher than previous year.
- Avg. Total Turn Round Time (calculated from Pilot Boarding to De-boarding) of 42.97 hours was achieved as against the Ministry target of 43 hours.
- Your Port handled the Largest Ever Container Transshipment Vessel and the largest LNG vessel to have been handled/ berthed in East Coast of India.
- 7<sup>th</sup> Trade Meet was organised in association with Madras Chamber of Commerce & Industry to create awareness of the project facilities available at your Port for attracting new customers and also to get suggestions from Stakeholders/Trade to improve Port services.
- Long Term Agreements have been executed with M/s. Daimler India Commercial Vehicles Pvt. Ltd. and M/s. Isuzu Motors India Pvt. Ltd for export of automobiles.
- During the MIS 2021, your Company has signed 14 MoUs with potential investors/ developers for port projects mainly related to dredging, expansion of rail connectivity, technology transfer, creating new rail connectivity for liquid/POL cargo evacuation, etc. The investment commitments from these MoUs are worth around Rs.2,695 Crores. The above MoUs will give a further fillip to the overall growth and efficiency improvement of your Company, which in turn would provide enhanced development opportunities for all the stakeholders.

### **Financial Performance**

During the year under review, your Company registered an operating income of Rs.581.09 Crores as against Rs.703.18 Crores reported in the previous year mainly due to handling lower cargo throughput. Consequently, a lower Profit Before Tax (PBT) and Profit After Tax (PAT) of Rs.295.84 Crores and Rs.152.71 Crores respectively were reported during the year under review.

**Dividend**

Board of Directors have recommended dividend @ 50% on paid up equity share capital which is Rs.5/- per share for the financial year 2020-21 which will be paid, subject to your approval at the Annual General Meeting.

**Corporate Governance:**

Your Company believes that Corporate Governance is not merely compliance check point but a framework designed to inspire confidence in the Board and the external stakeholders with respect to the Company's business. Hence, a Report on Corporate Governance is attached to the Board's Report voluntarily.

**Corporate Social Responsibility (CSR)**

Your Company as a responsible Corporate citizen has undertaken projects in line with adopted CSR Policy and requirement of the Companies Act, 2013 the details of which are available in the Annual report

**Acknowledgement**

On behalf of the Board of Directors, I would like to place on record our gratitude for the continued support and guidance received from various stakeholders and take this opportunity also to thank our employees who had shown great resilience during the pandemic. I wish to place on record my sincere appreciation to all my colleagues on the Board for their invaluable contribution in fulfilling the responsibilities of Board and strengthening the Company. Last but not the least, I seek your continued support and patronage to take our Company to greater heights.

**Sd/-**  
**Sunil Paliwal, I.A.S.,**  
**Chairman cum Managing Director**



**KAMARAJAR PORT LIMITED**  
**CIN: U45203TN1999GOI043322**

Regd. Office: 2nd Floor (North Wing) & 3rd Floor, Jawahar Building,  
17, Rajaji Salai, Chennai - 600 001.

Phone: 044 - 25251666 -70 Fax No: 044 - 25251665.

Website: [www.kamarajarport.in](http://www.kamarajarport.in), Email: [info@kplmail.in](mailto:info@kplmail.in)

**NOTICE**

**NOTICE** is hereby given that the 21<sup>st</sup> Annual General Meeting of Members of Kamarajar Port Limited will be held on Friday the 24<sup>th</sup> day of September 2021 at 12:30 P.M. (IST) through two way Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March 2021 and the reports of the Board of Directors, the Auditor's Report and Comments of Comptroller and Auditor General of India under Section 143 (6) of the Companies Act, 2013.
2. To declare Dividend on equity shares for the financial year 2020-21.
3. To appoint a Director in place of Shri Sadagopan Kumar Balajiarun (DIN:07526368) who retires by rotation and being eligible, offers himself for reappointment.
4. To pass with or without modification, the following resolution as an Ordinary Resolution for payment of remuneration to Statutory Auditors:

**“RESOLVED THAT** pursuant to Section 142(1) of the Companies Act, 2013, approval be and is hereby given to the Board of Directors for fixing the remuneration of the Statutory Auditors of the Company, to be appointed by Comptroller and Auditor General of India for the financial year 2021-22.”

**By Order of the Board of Directors**

**Place :** Chennai  
**Date :** 07.09.2021

**Sd/-**  
**Jayalakshmi Srinivasan**  
**Company Secretary**

**NOTES:**

- a) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated January 13, 2021 read with circulars dated May 05, 2020, April 13, 2020 and April 08, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue till 31.12.2021. Those wishing to participate through VC or OAVM may do so in person. Proxy cannot participate in the meeting through VC or OAVM. Hence, Proxy Form, Attendance Slip, Route Map are not annexed to the Notice. Members participating through VC or OAVM may cast their votes on the resolutions during the meeting by show of hands or only by sending emails through their email addresses registered with the Company in case of a Poll. The said emails shall only be sent to the designated email address circulated by the Company.
- b) Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/such other documents authorizing their representative to attend the AGM through VC/OAVM on its behalf and to vote.
- c) The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- d) Statutory Registers as stipulated in the Companies Act, 2013 will be available electronically/ kept open for inspection during the AGM. Members seeking to inspect such documents can send an email to [agm-shareholders@kplmail.in](mailto:agm-shareholders@kplmail.in).
- e) Members are requested to notify immediately any change of address to their respective Depository Participant.
- f) Brief Resume of the Director seeking appointment at this Annual General Meeting is attached hereto and forms part of the Notice.

**Instructions for attending the AGM through VC:**

- 1. Weblink and log-in credentials for attending AGM through VC/OAVM will be provided in the e-mail forwarding the Notice and Annual Report.
- 2. Members can join Video Conference either through Mobile/Laptop/Desktop.

**Brief Resume of Shri S. Balaji Arunkumar is as under:-**

<b>Particulars</b>	<b>Details</b>
Date of Birth and Age	05.06.1971; 50 Years
Educational & Professional Qualification	B.Law
Business Occupation	Deputy Chairman, Chennai Port Trust
Experience	Indian Railway Traffic Service Officer of 1997 batch (I.R.T.S). He worked in Southern Railways & Southern Eastern Railway, Bilaspur, for 17 years in operations, commercial and safety wings. He has wide experience in operations, Traffic Planning, Rail Freight Marketing and Passenger Time Tabling. He has also worked as Senior General Manager, Chennai CONCOR on deputation for 2 years. Before joining as Deputy Chairman, Chennai Port Trust, he has worked as Deputy Chairman, Kolkata Port Trust (now called as Syama Prasad Mookerjee Port) for more than 4 years and he was holding the charge of Deputy Chairman, Haldia Dock Complex, Kolkata and Deputy Chairman, Kolkata Dock Labour Board. He is also the Managing Director of Central Inland Water Transport Corporation Ltd (CIWTC) and Director in Hooghly Dock and Port Engineers Ltd. He graduated in Law from Madras University.
Securities held in KPL	1 Equity Share of Rs.10/- as a Nominee of Chennai Port Trust
Relationship with other Directors/KMP of KPL	Not applicable
Directorship/ Membership in other Companies	<b>Name of the Company</b>
	<b>Nature of interest/concern</b>
	Central Inland Water Transport Corpn Ltd.
	Managing Director
	Hooghly Dock & Port Engineers Ltd
	Director
	Bhor Sagar Port Ltd.
	Nominee Director
	Kolkatta Port Accretion Ltd
	Nominee Director
Terms and conditions of appointment	Nominee Director liable to retire by rotation
Remuneration last drawn	Not applicable
Number of Meetings of the Board attended during the year	Corporate Governance Report ( <b>Annexure VI</b> of Board's Report) may be referred.

## BOARD'S REPORT

**Dear Members,**

Your Directors take pleasure in sharing the developments and progress made by your Company during the financial year 2020-21 and in presenting the Audited Financial Statements for the year ended 31<sup>st</sup> March 2021.

### 1.0 PERFORMANCE

#### (i)(a) FINANCIAL HIGHLIGHTS

**(Rs. in Crs.)**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Income from Operations	581.09	703.18
Other Income	6.32	30.50
<b>Total Income</b>	<b>587.41</b>	<b>733.68</b>
Operating Expenses	141.59	146.30
Finance Costs	64.99	84.65
Depreciation and Amortization	84.99	52.13
<b>Total Expenses</b>	<b>291.57</b>	<b>283.08</b>
<b>Profit Before Extraordinary &amp; Exceptional Items</b>	<b>295.84</b>	<b>450.60</b>
Exceptional Items (-)	-	2.61
<b>Profit Before Tax</b>	<b>295.84</b>	<b>447.99</b>
Taxes	143.13	198.96
<b>Profit After Tax</b>	<b>152.71</b>	<b>249.03</b>

#### (i)(b) FINANCIAL PERFORMANCE

During the year under review, your Company registered an operating income of Rs.581.09 Crores as against Rs.703.18 Crores reported in the previous year. The decrease of Rs.122.09 Crores was mainly on account of handling lower cargo throughput due to COVID-19 pandemic. Consequently, your Company has reported a lower Profit Before Tax (PBT) and Profit After Tax (PAT) of Rs.295.84 Crores and Rs.152.71 Crores respectively during the year under review as against Rs.447.99 Crores and Rs.249.03 Crores reported in the previous year.



**(ii) OPERATIONAL PERFORMANCE & HIGHLIGHTS**

During the year 2020-21, the Company recorded cargo handling of 25.89 MTPA as against 31.75 MTPA in 2019-20. The main reasons for shortfall of cargo throughput of your Company were due to:-

- a) reduced Thermal Coal handled at TNEB Thermal Power Plants due to lesser demand of power on account of lockdown measures due to Covid coupled with sourcing of power through renewable energy like Solar and Wind Power;
- b) slowdown in POL consumption, EXIM Cargo through containers, bulk consumption and shutting down of Automobile units due to COVID-19 pandemic and consequent lockdown effecting Indian Maritime sector.

Your Company handled largest ever Container Vessel M.V. MSC Faith having a length of 366 meters and capacity of 14336 TEUs. Another notable achievement was that the total Container cargo handled during the year is about 53% higher than previous year.



***(Largest transshipment Vessel to call on East Coast, MV MSC Faith berthed at Container Terminal)***

Your Company also handled one of the largest LNG Vessels to have berthed in East Coast of India, M.T. Al Nuaman ('Q-Flex LNG carrier') having a length 315 meters, width of 50 meters and cargo handling capacity of 207,032 m<sup>3</sup>



***(Calling of Q-Flex LNG Carrier at LNG Terminal)***

Your Company achieved average Turn Around Time (TAT) (calculated from Pilot Boarding to De-boarding) of 42.97 hours as against the target of 43 hours fixed by Ministry of Ports, Shipping and Waterways.

Your Company organised the 7<sup>th</sup> Trade Meet in coordination with MCCI on 05.02.2021 for an interaction with the Stakeholders/Trade to highlight project facilities available at KPL to attract new customers and also to get their suggestions to further improve the Port services, particularly in the post Covid period.



***(7<sup>th</sup> Trade Meet conducted in coordination with MCCI)***

Your Company executed agreements with M/s.Daimler India Commercial Vehicles Pvt Ltd on 25.02.2021 and M/s.Isuzu Motors India Pvt. Ltd. on 20.05.2021 for export of automobiles exclusively through KPL for a period of 10 years with effect from 1<sup>st</sup> March 2021 to 28<sup>th</sup> February 2031 and for a period of five 5 years from 01<sup>st</sup> April 2021 to 31<sup>st</sup> March 2026 respectively.

Cargoes handled by the 8 operational Berths are given below:

Sl.No.	Terminals	Capacity	Cargo Handled FY 2020-21
		(in Million Tonnes)	
1.	TANGEDCO – CB1	8	6.2
2.	TANGEDCO – CB2	8	3.49
3.	CICTPL (Now ECTPL)*	10	5.55
4.	ETTPL	3	4.12
5.	AECTPL (8,00,000 TEUs)	15.44	3.87
6.	CIBTPL (Now EBTPL)**	2	0.85
7.	GCB	2	1.17
8.	LNG	5	0.64

\* During the reporting year, M/s.JSW Infrastructure Ltd. has purchased the entire shares of M/s.Chettinad Builders Pvt. Ltd., which was the holding Company of M/s.CICTPL and has subsequently changed the name of the SPV Company as Ennore Coal Terminal Private Limited.

\*\* During the reporting year, M/s.JSW Infrastructure has purchased the entire share of M/s.Chettinad Builders Private Limited, which owned 90% stake in the SPV Company viz., CIBTPL and has subsequently changed the name of the SPV Company to Ennore Bulk Terminal Private Limited.

## 2.0 DIVIDEND

For the financial year 2020-21, Board of Directors in their meeting held on 26.8.2021 have recommended dividend @ 50% on paid up equity share capital which is Rs.5/- per share). The dividend will be paid, subject to the approval of Members at the Annual General Meeting.

## 3.0 TRANSFER TO RESERVES

### 3.1 General Reserve:

Your Company has not transferred any amount to General Reserve during the year as it is not mandatory to transfer any amount before declaration of dividend under the Companies Act, 2013. The balance as on 31<sup>st</sup> March 2021 remains at Rs.79.02 Crores.

### **3.2 Debenture/Bond Redemption Reserve:**

Your Company has transferred Rs.8.63 Crores to Debenture/Bond Redemption Reserve pursuant to Section 71 of the Companies Act, 2013 and the balance as on 31<sup>st</sup> March 2021 stood at Rs.71.30 Crores.

## **4.0 FINANCE**

During the reporting year, your Company has not availed/raised any loan/borrowings.

Your Company repaid scheduled installments of Foreign Currency Loan (FCL) amounting to Rs.91.48 crores availed from Axis Bank which had become due during the year and also promptly paid the monthly interest payments.

Your Company repaid scheduled installments of term loans availed from Chennai Port Trust amounting to Rs.23.01 Crores which had become due during the current year and promptly paid the quarterly interest payments.

Your Company promptly discharged the annual interest obligation to the tune of Rs.6.74 crores and Rs.32.22 crores on Tax Free Bonds issued during the financial years 2012-13 and 2013-14 respectively on the due dates.

### **4.1 Ratings**

As per the offer document of Tax Free Bonds issued by your Company, your Company has to carry out the annual surveillance of Credit Ratings.

The Credit Rating Agencies have assigned the following ratings during annual surveillance as detailed below:

<b>Credit Rating Agencies</b>	<b>Ratings / Outlook</b>
CRISIL	AA/Stable
CARE	AA/Negative
ICRA	AA-/Stable
Brick Work	AA+/Stable



#### **4.2 Particulars of transaction made with Related Parties**

All the contracts/arrangements/transactions entered by the Company during the financial year 2020-21, with the related parties were in the ordinary course of business and on arm's length basis.

The disclosure of Related Party Transaction as required under Section 134(3)h of the Companies Act, 2013 in Form AOC-2 is enclosed as **Annexure-I**.

#### **4.3 Material changes and commitments affecting financial position between the end of the financial year and date of report**

There are no material changes and commitments affecting financial position of your Company between the end of financial year and date of report.

#### **4.4 Change in the nature of business, if any**

There has been no change in the business of the Company during the Financial Year.

#### **4.5 Particulars of Loans, Guarantees**

Your Company has not given any Loans and Guarantees or provided any Security under Section 186 of the Companies Act, 2013.

#### **4.6 Investments**

During the year under review, your Company has not invested / paid advance towards Investments.

#### **4.7 Capital Expenditure**

Your Company spent Rs.94.57 Crores on capital expenditure during the financial year 2020-21 as against Rs.200 Crores spent in the previous year.

#### **4.8 Fixed Deposits**

During the year under review, your Company has not accepted any fixed deposits, nor has any outstanding unclaimed or unpaid deposits as on 31.03.2021.

#### **4.9 Internal Financial Control**

Your Company has adopted policies and procedures for ensuring orderly and efficient conduct of its business and adheres to the Company's policies, for safeguarding its assets, for preventing and detecting frauds and errors, for accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. Internal control procedures are also considered sufficient to provide a reasonable assurance as to the integrity and reliability of the Financial Statements. The internal control and governance processes are duly reviewed by the Internal Auditor for their adequacy and effectiveness.

#### **5.0 MOU 2020-21**

As per the MOU guidelines issued by the Department of Public Enterprises (DPE), your Company had submitted the Draft MoU 2020-21 through Ministry of Shipping (now Ministry of Ports, Shipping & Waterways-MoPS&W) on 02.12.2019. However, consequent to your Company ceasing to be a Government Company and becoming a Subsidiary Company of Chennai Port Trust in March 2020, signing of MoU with MoPS&W was not required. Hence, your Company has signed the MoU for the year 2020-21 with Chennai Port Trust on 25.03.2021.

#### **6.0 MARITIME INDIA SUMMIT 2021**

Ministry of Ports, Shipping and Waterways (MoPS&W) organized the Maritime India Summit (MIS) 2021 from 2<sup>nd</sup> March 2021 to 4<sup>th</sup> March 2021 on virtual platform to showcase the development and investment opportunities in the Maritime sector. The summit was inaugurated by Hon'ble Prime Minister Shri Narendra Modi on 2<sup>nd</sup> March 2021.



*(CMD, KPL and officials of KPL at Maritime India Summit – 2021)*

Your Company, being an important stake holder participated in the Summit, CMD, KPL acted as Convener for an important Break Out Session to deliberate on Bulk Cargo Transportation with focus on Liquid cargo.

During MIS 2021, your Company has signed 14 MOU's with potential investors/ developers for port projects mainly related to dredging, expansion of rail connectivity, technology transfer, creating new rail connectivity for liquid/POL cargo evacuation, development of Energy Facilitation Centres, Large Format Retail Outlets, Bunkering facilities etc. The investment commitments from these MoUs are worth around Rs.2695 Crores.



*(Signing of MoU with MOL Toyofuji Automotive Logistics (India) Pvt Ltd) for complete Yard Management and Stevedoring Operations)*

The above MoU's will give a further fillip to the overall growth and efficiency improvement of your Company, which in turn would provide enhanced development opportunities for all the stake holders.

## **7.0 PROJECTS UNDER IMPLEMENTATION**

To increase its ability to provide various services to its customers with proactive and futuristic market sensitivity, your Company has initiated action for development of additional six berths/terminals: - three berths to handle Coal, two berths to handle Liquid Cargo, and one more berth to handle Containers. The ongoing projects on completion will add 50.58 Million Tonnes further to the existing capacity of 53.44 Million Tonnes totaling to 104.02 Million Tonnes. The status is as detailed below:

**(a) Coal Berths 3 & 4 (18 MTPA)**

Considering the expansion of the existing Thermal Power Plants and new Power Plants in the vicinity of KPL, TANGEDCO had requested KPL to establish additional Coal Berths. KPL constructed two additional Coal berths (CB3 & CB4) at an investment of Rs.500 Crore. The new Coal Berths can accommodate capesize vessel of 18 m draft and have capacity of 9 MTPA each. KPL has handed over Coal Berth - 4 and Coal Berth - 3 to TANGEDCO during August 2018 and June 2019 respectively, for installation of top loading facilities like Unloaders, Conveyor system etc. Mechanisation of the berths by TANGEDCO is under progress.

**(b) Modification of Iron Ore Terminal on as is where is basis to also handle common user coal (12 MTPA)**

KPL had signed an agreement for an Iron Ore Terminal on a 30 years BOT basis in September 2006 with the Project Company SICAL Iron Ore Terminal Limited (SIOTL). The BOT operator had developed the first phase of 6 MTPA during 2010-11. However, due to ban on export of Iron Ore, the Terminal was never put into use. Consequently, modification of existing Iron Ore Terminal on “as is where is” to also handle Common User Coal was contemplated and accordingly License Agreement was signed on 11.07.2016 between KPL and SIOTL.

However, due to the occurrence of Financial Default by the Concessionaire, ‘Termination Notice’ was issued by your Company to M/s. SIOTL on 22.03.2021 and the License Agreement was terminated on 19.06.2021. However, the Termination process (Refer Clause 15 (iii)(b) of Note No.30 to the Accounts) is under process.

**(c) IOCL Captive Jetty (3 MTPA)**

Your Company has signed the agreement on 9.6.2016 with IOCL for construction of Captive Jetty to handle POL and LPG products. The capacity of the Terminal is 3 Million Tonnes per annum. Independent Engineer has been appointed. IOCL has obtained CTE and is expecting to get PESO clearance soon.



**(d) Marine Liquid Terminal – 2 (3 MTPA)**

In order to meet ever increasing demand for POL, KPL has initiated action for development of 2<sup>nd</sup> Marine Liquid Terminal consisting of berth and tankage facilities in DBFOT mode at an investment of Rs.393 Crores. The capacity of the Terminal is 3 MTPA. After competitive bidding, KPL issued Letter of Award (LoA) to Consortium of BPCL-HPCL on 14.02.2018. Due to litigation by existing BOT operator of MLT-1, the Concession Agreement is yet to be signed.

**(e) Container Terminal - Phase 1 (stage 2) (6,00,000 TEUs/11.58 MTPA)**

The Concessionaire has raised Arbitration on many issues including Schedule of Stage II construction.

**(f) Automobile Export/ Import Terminal-2 (3 MTPA)**

Your Company intends to develop the 2<sup>nd</sup> Automobile Export/Import Terminal with estimated capacity of 3 MTPA. The estimated project cost is Rs.188.13 Crores (including GST). NIT was published on 02.06.2021. Your Company intends to award the work by 3<sup>rd</sup> quarter of 2021-22.

**8.0 INFRASTRUCTURE DEVELOPMENT**

As a corporate port, functioning on “Landlord” model, your Port has to provide the basic infrastructure like road & rail connectivity, dredged basin/channel, marine services and other common utilities.

Effective internal network of road and rail as well as external connectivity to the National Highway and trunk railway routes are essential to ensure faster receipt and evacuation of cargo. Towards this end your Company has initiated actions as detailed below:

**I. Road connectivity**

**(i) Internal Road Connectivity**

To avoid congestion in the road traffic and parking problems of truck drivers inside the port area, your Company has completed the development of the internal roads, truck parking bays, Rest Shelter Building, etc. at a cost of Rs.46.86 Crores.



***(Common Truck Parking Bay near West gate)***



***(Rest Shelter Building for truck drivers at Common Truck Parking Bay)***

## **(ii) External Road Connectivity**

### **(a) Southern Port Access Road**

Present road connectivity of Kamarajar Port to the three National Highways (NH5, NH4 & NH45) is through the Port Access Road, the NCTPS approach road, Tiruvottiyur – Ponneri – Panchetty (TPP) Road, the Inner Ring Road (IRR) and the Chennai Bypass Road. Considering the increasing road traffic movement of import/export of cargoes, KPL has undertaken widening of the existing two lane road starting from Vallur Junction (TPP road) to Kamarajar

Port Main entrance to four lane road and has entrusted the work on a turnkey basis to TNRDC for a cost of Rs.195 Crores. The proposal comprises of 4.8 km length of North Chennai Thermal Power Station (NCTPS) Road belonging to Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO) and 2.3 km length of Port Access Road belonging to Kamarajar Port.

Road improvement from NCTPS junction to KPL Main Gate (2.3 km) is expected to be completed by September 2021 and Road improvement from Vallur Junction to NCTPS junction (4.8 km) is expected to be completed by June 2022.

#### **(b) Northern Port Access Road**

The Northern Port Access Road, which connects Kamarajar Port to NH5 has a length of 21.148 km with a 4.35 km SPUR Road to the existing Chennai ORR. This Northern Port Access Road forms part of Section-1 of the Chennai Peripheral Ring Road (CPRR). The State Government vide G.O.(Ms) No.37 Highways and Minor Ports (HW2) Department dated 8.3.2019 has accorded Administrative Sanction for Rs.2673.42 Crore for the formation of the road. JICA is the funding agency for this project. The project is being executed by TNRDC. M/s.Tata Projects has been identified as the L1 bidder for the work. Award of work by Government of Tamil Nadu is expected shortly.

## **II. Rail Connectivity**

Presently, your Company is connected by rail to the mainline at Attipattu and Attipattu Pudunagar Stations located in the Chennai – Gudur Section of the Southern Railway on the Chennai – Delhi/Kolkata route. Your Company developed the railway facilities connecting the stackyards of the Coal and Iron Ore Terminals to the existing NCTPS railway line. Further, as part of obligations of your Company, Rail Connectivity to Container and Multi Cargo Terminals have been provided and is operational since October 2018.

To ease congestion in rail bound traffic, your Company has initiated actions for the following Rail Connectivity projects:

**(a) Southern Rail Connectivity**

Your Company has entered into agreement with Indian Port Rail & Ropeway Corporation Limited (IPRRCL) for doubling the existing single line rail connectivity from Holding yard No.1 to Container Yard at a project cost of Rs.86.00 Crores. The total length of doubling rail connectivity is 2.62 kms.

IPRCL has awarded contracts for major and minor bridge construction and track formation works in 2 separate packages in December 2018 and November 2020 (re-tender) respectively. CRZ Clearance was obtained for the project in January 2020. Works have commenced in both the packages. The project is expected to be completed by August 2022.

**(b) Northern Rail Connectivity**

Northern Rail Link connects Kamarajar Port to Northern side of Minjur Station i.e. Chennai - Gudur Railway mainline. Total length of the Northern rail link connectivity is 11.211 kms. Your Company and Kattupalli Ports agreed for 30m ROW (15m each) out of 100m ROW being acquired by Govt. of Tamil Nadu for NPAR. Your Company has conveyed its consent for incremental cost sharing due to change in design of NPAR for providing rail connectivity to KPL and Kattupalli Port.

Your Company has identified 55.73 acres as the total land requirement for NRL and has requested Industries Department, Govt of Tamil Nadu for acquiring the required land from private owners and also to give ROW permission for Govt. land for 99 years lease on upfront basis for NRL.

**9.0 INDUSTRIAL RELATIONS**

Your Company maintained cordial and harmonious Industrial relations during the year 2020-21. No man days were lost during the year due to any strike or stoppage of work. The labour situation at the port was normal.

**10.0 HUMAN RESOURCE DEVELOPMENT**

**10.1 Manpower**

The manpower details with respect to all employees as on 31.03.2021 are given below:

	<b>SC</b>	<b>ST</b>	<b>OBC</b>	<b>Others</b>	<b>Total</b>
Officers	<b>12</b>	<b>3</b>	<b>28</b>	<b>20</b>	<b>63</b>
Staff	<b>9</b>	<b>1</b>	<b>20</b>	<b>6</b>	<b>36</b>
Total	<b>21</b>	<b>4</b>	<b>48</b>	<b>26</b>	<b>99</b>

## **10.2 Representation of SCs/STs/OBCs and Minorities**

Your Company meticulously follows the Presidential Directives and orders of the Central Government from time to time on reservation of posts/benefits in favour of the Scheduled Caste, Scheduled Tribes, Other Backward Classes, and Minorities etc. SC employees constitute 21% of total manpower and ST employees constitute 4% of total manpower.

Liaison Officers for SC/ST and OBC have been appointed to ensure compliance and implementation of the reservation orders in the organization.

## **10.3 Training**

Your Company has always been showing keen interest in imparting training to its employees to keep them abreast of the knowledge in their related fields. During the year, due to COVID-19 Pandemic, few employees attended online training programmes.

## **10.4 Grievance Redressal Mechanism**

Your Company has in place a grievance redressal procedure for Executives as well as non-executive employees. No grievances were received for the year under review.

## **11.0 HEALTH, SAFETY & ENVIRONMENT**

Your Port is committed to providing a safe and healthy work environment for its users, contractors & employees.

Your Company is running OHC equipped with trained paramedical staff and ambulance service round the clock (24 x 7) basis to provide the first aid during emergency to the employees of the Company and other BOT Operators and port users.

As a welfare measure, periodical health check-ups are provided to employees and their family members. Port organized a medical camp on



04.03.2021 at Occupational Health Centre which benefitted KPL Employees, BOT Operators and SHG Women.



***(Medical camp conducted at Occupational Health Centre, KPL)***

To prevent the outbreak of COVID-19 within port premises, your port has taken various preventive measures.

Your Port gives utmost importance to Safety in the work place. To sensitize employees, stakeholders and port users to improve the health and safety performance in your Port, National Safety Week was celebrated during first week of March 2021 in your Company.

Training programmes on Fire fighting training for port users (11 nos.), mock drills at berths and port users (10 nos.), mutual aid drills with neighbouring industries namely IPPL & BPCL (02 nos.) were conducted.



***(Fire fighting training conducted at KPL)***

National Safety Council conducted a Safety Audit during 23<sup>rd</sup> - 27<sup>th</sup> November, 2020 for the berths/terminals/storage facilities handling non-inflammable products inside your Port.

Your Company endeavors to remain as eco-friendly port serving various needs of the Maritime industry. Port is regularly monitoring the environment. Port has engaged M/s.Hubert Enviro Care Systems (P) Ltd, a NABL accredited/MoEF&CC recognized laboratory for sampling and testing of various environmental parameters like ambient air, marine water quality, sediment and noise. BOT operators inside the Port are also monitoring the environment. The environmental quality reports are regularly forwarded to the State Pollution Control Board.

Port has empanelled three Tamil Nadu Pollution Control Board approved recyclers of waste oil for collection and disposal of ship generated oily wastes. Your port has appointed a contractor for the collection, segregation and disposal of solid waste generated from the ships and inside port. The segregated wastes are sent to Pollution Control Board approved re-cyclers for further beneficial use.

## **12.0 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 AND WOMEN EMPOWERMENT**

The provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder including the constitution of Internal Complaints Committee have been implemented in the Company with the aim of providing protection to women against sexual harassment at workplace and for prevention and redressal of complaints. No complaints were received during the year 2020-21.

As on 31<sup>st</sup> March 2021, there are a total of 17 women employees on Company rolls. Women constitute 5% of the total employees in staff cadre and 12% in officers cadre. International Women's Day was celebrated on 6<sup>th</sup> March 2021 with active participation of women employees in various events.

## **13.0 CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY**

Your Company as a responsible Corporate citizen has undertaken projects in line with adopted CSR Policy and requirement of the Companies Act, 2013. CSR Policy has been amended to be in line with the newly amended

Rules/newly amended provisions of Companies Act 2013. CSR Annual Report detailing the various CSR initiatives is enclosed as **Annexure - II** and forms part of the Board's Report. All the requisite disclosures relating to composition of the CSR committee, CSR policy and initiatives taken during the year on CSR are contained in the said Report.

#### **14.0 PUBLIC PROCUREMENT POLICY**

The Ministry of Micro, Small and Medium Enterprises has notified Public Procurement Policy which is applicable for CPSEs. Your Company has ceased to be a CPSE. However, your Company has procured 65.05% of annual value of goods or services from Micro and Small Enterprises as against 20% mandated in the policy.

#### **15.0 RISK MANAGEMENT POLICY**

Risk Management Policy adopted by the Company provides a framework to identify, assess and manage potential risks and opportunities. It provides a way for managers to make informed management decisions.

Some of the objectives of a Risk Management Framework are given below:

- A focused approach in identifying the obstacles & managing them to help the Organization perform better.
- Introduce a structured risk management initiative across the Organization to identify potential risks that may adversely affect the objectives of the Organization, plan for their mitigation with specific responsibilities assigned.
- Improve strategic decision making.
- Improve business performance.
- Reduce operational surprises and losses.
- Improve deployment of capital.
- Provide a sound basis for integrated risk management and internal control as components of good corporate governance;

The risks are identified, evaluated and mitigating plans are reviewed and monitored from time to time.

## **16.0 WHISTLE BLOWER POLICY**

Company has put in place a “Whistle Blower Policy” for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy by adopting highest standards of professionalism, honesty, integrity and ethical behavior. No complaints have been received under the Policy during the year.

## **17.0 NOMINATION AND REMUNERATION POLICY**

The Terms and Conditions of Remuneration were determined by the Government of India as your Company was a Government Company till 27.3.2020. Subsequent to disinvestment of entire Shareholding held by Government of India to Chennai Port Trust, the Company ceased to be Government Company and is a Subsidiary of Chennai Port Trust, an autonomous body under Ministry of Ports, Shipping and Waterways, Government of India. As per the Share Purchase Agreement entered between The President of India (Seller) and Chennai Port Trust (Acquirer), no action (except in the ordinary course of business of the Company) shall be taken by the acquirer which may adversely impact the seniority, compensation and benefit packages (including retirement benefits), and growth and progression plans/prospects of the employees of the Company, except with the prior written consent of the Seller for a period of 3 (Three) years after the closing date. The Nomination and Remuneration Policy comprising the above feature is available in the weblink <http://www.ennoreport.gov.in/content/innerpage/manuals.php>.

## **18.0 RIGHT TO INFORMATION ACT, 2005**

Your Company is complying with the Right to Information Act, 2005 and has designated a Public Information Officer, and an Appellate Authority to look after the compliances of RTI Act, 2005. The information required to be provided as per Section 4(1)(b) of the Right to Information Act, 2005 has been posted on the website of the Company [www.kamarajarport.in](http://www.kamarajarport.in).

During the year, 57 applications were received and attended to under the Act. 4 appeals were received and the same were disposed off within the stipulated time.

## **19.0 INFORMATION TECHNOLOGY**

Your Company has always been at the forefront in technology adoption for better business process management and providing value to the business. Your Company has undertaken many IT initiatives to carry out all business processes and service delivery through IT systems and IT enabled services and realized the digital transformation propounded by the Government of India. Your Company maintained more than 99 percent uptime of SAP operations during the year.

Some of the IT systems implemented and initiatives taken by your Company are:

- M/s.Pricewaterhouse Coopers (PWC) conducted IT Audit and submitted Risk Assessment report along with policy documents. The entire activity including ISMS Roll-out is expected to be completed by third quarter of 2021-22. On successful completion, action will be initiated towards external audit and process of obtaining ISO-27001 Certification.
- Administrative, Technical & Budgetary sanction was obtained to replace the legacy POMS and LMS system with a new portal for the Customers & Vendors to interact electronically with your Company. This is slated for implementation in 2021-22 and will cover the entire Port Operations, including vessels, cargo, port crafts, etc and seamlessly merge various port operations in a single IT system.
- Action is being taken for creation of proper Disaster Recovery (or) Business Continuity site during 2021-22.

## **20.0 IMPLEMENTATION OF OFFICIAL LANGUAGE**

Your Company has made focused efforts for the propagation and implementation of the official language policy of the Government of India. Official Language Implementation Committee meetings chaired by CMD were held every quarter for effective implementation of Rajbhasha. Hindi workshops were conducted every quarter to give wide awareness on ensuring progressive use of Hindi.

Hindi Day was celebrated at Kamarajar Port on 14.09.2020 with a fortnight long celebrations from 01.09.2020 to 14.09.2020. Competitions like essay

writing, poster making, etc. were conducted for the employees and all the programs were organized online in view of the Covid 19 pandemic.



***(Participation of KPL employees in Hindi Day Celebrations)***

The ceremony began with a special address by Shri Sunil Paliwal, CMD. The Chief Guest of the function Shri Pradeep Sharma, Registrar, Dakshin Bharath Hindi Prachar Sabha, Chennai expressed happiness over the increased usage of the official language at Kamarajar Port.

Employees were incentivized on successful completion of Prabodh, Praveen and Pragya Exams held during May - Nov/Dec 2020. Important milestone has been achieved in KPL as 27 employees of KPL have gained working knowledge in Hindi and have been entrusted with the task of implementing the Official Language in their respective departments.



## **21.0 BOARD OF DIRECTORS**

### **a) Changes in Directors & Key Managerial Persons**

During the year under review,

- Pursuant to Chennai Port Trust Letter No. ChPT/KPL CELL/2020/F dated 28.08.2020, Shri S. Balaji Arunkumar, Deputy Chairman, ChPT was appointed as Nominee Director of Chennai Port Trust w.e.f. 04.09.2020 on the Board of your Company in place of Shri Cyril C George.
- Pursuant to Chennai Port Trust Letter No. ChPT/KPL CELL/2020/F dated 13.10.2020, Capt. Anoop Kumar Sharma was appointed as Independent Director w.e.f. 10.11.2020 on the Board of your Company.
- Pursuant to Chennai Port Trust Letter No. ChPT/KPL CELL/2020/F dated 13.10.2020, Smt. Sarla Balagopal was appointed as Independent Director w.e.f. 10.11.2020 on the Board of Kamarajar Port Limited.

### **b) Details of Meetings of the Board/Committees and composition**

Details of Meetings of the Board/Committee and composition are given in the Corporate Governance Report that forms part of this Annual Report. All the recommendations of the Committees have been accepted by the Board.

### **c) Annual Evaluation**

Your Company was a Government Company till 27<sup>th</sup> March 2020 and hence statement indicating manner in which annual evaluation has been made by the Board of its own performance and that of its Committees was not required. 50% of the Directors were appointed by the Board only in later part of the year i.e. November 2020 (and by the Shareholders in December 2020) after which only two Board meetings were held in March 2021. Accordingly the annual evaluation of Directors can be carried out only in the following financial year.

## **22.0 DECLARATION OF INDEPENDENT DIRECTORS**

Your Company has received necessary Declaration from each of the Independent Directors of the Company during the year 2020-21 conforming that they meet the criteria of Independence as prescribed under 149 (6) of



Companies Act 2013, and the SEBI (listing Obligations and Disclosure Requirements), Regulations 2015.

In the opinion of the Board, the Independent Directors appointed during the year possess the requisite integrity, expertise and experience required to discharge the duties as Independent Directors.

The Independent Director who has neither taken online proficiency self-assessment test conducted nor exempted from taking the test by the Institute notified under sub-section (1) of Section 150 of the Companies Act, 2013 has given an undertaking that the same will be complied within stipulated time.

## **23.0 VIGILANCE**

The Vigilance Division scrutinizes the documents with respect to the work contracts executed by various departments. Procedural lapses, deviations from tendering norms and shortcomings in contract works are pointed out to the concerned departments for corrective actions and system improvements. The recovery of money is also advised in fitting cases.

The CVC guidelines/notifications are circulated to the departments. The Annual Immovable Property Returns submitted by the officers of KPL are scrutinized by the Vigilance Division. Clarifications are sought for the abnormalities, if any, from the concerned officers. The Audit reports are studied at Vigilance Division and departments are advised to take necessary corrective action, wherever required.

### **23.1 Vigilance Awareness Week, 2020**

As per Central Vigilance Commission's direction Kamarajar Port Limited observed Vigilance Awareness Week from 27.10.2020 to 02.11.2020 on the theme **"Vigilant India, Prosperous India"**.

Essay and Slogan writing competitions were held with the active participation from KPL staff. Lectures were organized on vigilance related topics to create more awareness on Vigilance. Your Company also took efforts to involve the students of schools and colleges in the vicinity of the Port on the observance of Vigilance Awareness Week. In the week long program, around 150 students enthusiastically participated in the Essay,

Poster Making and Elocution Competitions on the topic “Vigilant India, Prosperous India”.



*(Prizes were distributed to the students who won in various competitions)*

Due to Covid19 Pandemic, as per CVC's advice, various Internal Housekeeping activities were carried out in campaign mode as part of the Vigilance Awareness Week 2020.

### **23.2 Adoption of Integrity Pact**

The Central Vigilance Commission has recommended

- adoption of Integrity Pact and provided basic guidelines for its implementation in respect of major procurements in the Government Organizations.
- appointment of Independent External Monitors (IEMs) for the implementation of Integrity Pact and also advised the organisations to fix a threshold value for the contracts/ procurement which are to be brought under the Integrity Pact.

The Pact envisages an agreement between the prospective vendors/bidders and the Employer/Principal committing the persons /officials of the both parties, not to exercise any corrupt influence on any aspect of the contract. KPL Board has approved the Vigilance department's proposal of Integrity Pact in the Board meeting held on 21.02.2015. The threshold value for contracts/procurement to be covered under Integrity Pact has been fixed as Rs.1 Crore and above. The CVC had appointed the following two retired

officers as Independent External Monitors (IEM) for implementing the Integrity Pact in KPL.

- 1) Shri.V.Kannan, Former CMD, Vijaya Bank.
- 2) Shri.R.Kuppan, IRSME (1980 batch)  
Former Principal Chief Mechanical Engineer.

Integrity Pact covers all phases of the contract i.e from the stage of Notice Inviting Tender (NIT) till the conclusion of the contract. All the Departments were advised to incorporate Integrity Pact clause in the tender documents for works/procurements having value more than the threshold value of Rs.1 Crore.

#### **24.0 NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

During the year no Company has become or ceased to be its Subsidiary, Joint Venture or Associate Company.

#### **25.0 DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;

- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **26.0 DISCLOSURE AS PER SECTION 197 OF THE COMPANIES ACT AND THE REQUIREMENTS OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

The requisite details pursuant to provisions of Section 197 of the Companies Act, 2013, read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of Directors' Report and is Annexed to this Report as **Annexure -III**.

## **27.0 AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Comptroller & Auditor General of India, New Delhi has appointed M/s. B.Thiyagarajan & Co., Chartered Accountants as Statutory Auditors of the Company for auditing the books of accounts of the Company for the period ended 31<sup>st</sup> March 2021.

### **27.1 Statutory Auditors' Report**

The Statutory Auditor of the Company, M/s. B.Thiyagarajan & Co., Chartered Accountants, have given an unqualified report on the accounts of the Company for the financial year 2020-21. The Emphasis of matters and Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

### **27.2 Review of Accounts by Comptroller and Auditor General of India**

The comments of C & AG under Section 143 (6) (b) of the Companies Act, 2013 on the accounts of the Company for the Financial Year 2020-21 and replies of the management thereto are attached as Annexure to the Board's Report and will form part of this report.

## **28.0 SECRETARIAL AUDIT**

M/s.S.Dhanapal & Associates, Practicing Company Secretaries was appointed to conduct Secretarial Audit of your Company for the Financial

Year 2020-21. They have reported that during the period under review, your Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc to a required extent except appointment of Independent & Women Director(s) and all related compliances till 09th November 2020 and Board evaluation & meeting of Independent Directors for the year. The Secretarial Auditor's Report for the financial year 2020-21 forms part of this Boards' Report as **Annexure – IV**.

### **28.1 Reply to the comments of Secretarial Auditor**

As pointed out by the Secretarial Auditor, Independent Directors including Woman Director have been appointed only in the later part of the Financial year. Consequently, as 50 % of the Board of Directors were inducted in later part of the financial year, Board evaluation & meeting of Independent Directors for the year could not be carried out/held. Steps have been initiated for Board evaluation.

### **29.0 SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **30.0 ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3) (a) of the Companies Act, 2013, the Annual Return is available in the following link <http://www.kamarajarport.in/content/innerpage/annual-return.php>.

### **31.0 DEBENTURE TRUSTEE**

Your Company had appointed M/s. SBICAP Trustees Company Ltd. and M/s. Catalyst Trusteeship Ltd. (formerly known as GDA Trusteeship Ltd.) as Debenture Trustees for Tax Free bonds issued during the Financial Years 2012-13 and 2013-14 respectively.

### **32.0 REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.**

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 information regarding Conservation of Energy, Technology

Absorption, Foreign Exchange earnings and outgo is given at **Annexure – V** to this report.

### **33.0 REPORT ON CORPORATE GOVERNANCE**

A voluntary report on Corporate Governance for the year ended 31<sup>st</sup> March 2021 is enclosed as **Annexure - VI** to this report.

#### **33.1 Secretarial Standards**

Your Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2).

#### **33.2 Cost Records**

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company.

### **34.0 ACKNOWLEDGEMENT**

Your Directors would like to place on record their gratitude for the support and guidance received from the Ministry of Ports, Shipping and Waterways, Government of India and Chennai Port Trust and appreciates the co-operation received from TANGEDCO/TNEB, TNPCB, GoTN and GoI, particularly the Ministry of Environment, Forest and Climate Change, Department of Public Enterprises, Indian Port Association, Ministry of Finance and Indian Railways/Southern Railways.

Your Directors gratefully acknowledge the continued support and cooperation received from the Comptroller & Auditor General of India, Statutory Auditors, Internal Auditors and Secretarial Auditor. Your Directors thank the Port Users, BOT Concessionaires, Contractors and Bankers for their continued support and assistance. Your Directors wish to place on record their appreciation of the continued excellent work done by all the employees of the Company during the year.

**For and on behalf of the Board of Directors  
Kamarajar Port Limited**

**Sd/-  
Sunil Paliwal, I.A.S.**

**Chairman cum Managing Director  
(DIN: 01310101)**

**Place: Chennai  
Date : 26.08.2021**

**Form No. AOC-2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis-  
**Not Applicable.**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts /arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any-
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board-
- (g) Amount paid as advances, if any: No
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship-

Chennai Port Trust

- (b) Nature of contracts/arrangements/transactions

Appointment of Chennai Port Trust for Project Management Consultancy services on nomination basis for the work of Dredging Plan Phase IV(A) -Capital and Maintenance dredging at Kamarajar Port.

- (c) Duration of the contracts /arrangements/transactions

8 (Eight) Months plus 2(Two) Months

- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:



- i. The PMC service fee of Rs. 3.07 Crs. excluding GST for the 8months contract period. If the contract is extended beyond 8 months, no additional service fee will be charged by ChPT upto 10 months. If the contract period is extended beyond 10 months, additional fee of 0.25 % of the project cost per month or part thereof will be charged by ChPT.
- a) Rs.80 Lakhs shall be released after signing of the Agreement.
- b) Rs.80 Lakhs shall be released at the end of 4<sup>th</sup> month from the Date of Commencement i.e. from 11.07.2020.
- c) Rs.80 Lakhs shall be released at the end of 8<sup>th</sup> month from the Date of Commencement i.e. from 11.07.2020.
- d) Balance amount of Rs.67 Lakhs shall be released after completion of the final billing to the contractor.

(e) Date(s) of approval by the Board, if any:

Circular Resolution No.03/2020-21 dated 24.07.2020 and the same has been taken note of by the Board in its meeting held on 09.09.2020

(f) Amount paid as advances, if any: NO

(g) Justification for entering into the Contract:

As per the roadmap indicated by the Ministry pursuant to disinvestment and subsequent MoU between Chennai Port Trust and KPL.

**For and on behalf of the Board of Directors  
Kamarajar Port Limited**

**Sd/-**

**Place: Chennai  
Date : 26.08.2021**

**Chairman-cum-Managing Director  
(DIN: 01310101)**

**ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21**  
**[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules**  
**made thereunder]**

**1. Brief Outline of Company's CSR Policy**

Your Company consistently strive to meet the expectations of the society by supporting initiatives for improving infrastructure/ quality of life of society / community without compromising on ecological issues on sustainable basis consistent with the CSR provisions of the Companies Act, 2013; Schedule VII of the Companies Act, 2013.

Your Company, as a socially responsible corporate port endeavors to

- promote and leverage green technologies to produce goods and services that contribute to social and environmental sustainability
- take up on priority, CSR projects which are in the National Development agenda like safe drinking water, provision of Toilets especially for girls, health and sanitation and education, etc., with the main focus to address the basic needs of the deprived, under privileged and are in line with CSR rules and the policy directions issued by the Government from time to time.

**2. Composition of CSR Committee**

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Designation/Nature of Directorship</b>	<b>Number of Meetings of CSR Committee held during the year</b>	<b>Number of Meetings of CSR Committee attended during the year</b>
1	Shri Sunil Paliwal	CMD of KPL & Chairman of CSR Committee	4	4
2	Shri P Raveendran	Nominee Director & Member	4	4
3	Shri S Balaji Arunkumar	Nominee Director & Member	4	2*
4	Shri V.M.V Subba Rao	Non Official Independent Director of KPL & Member of CSR Committee	4	4

\* Only two CSR Committees were held after Shri S.Balaji Arunkumar was appointed as Nominee Director & Member of CSR Committee

**3. Provide the web link where composition of CSR Committee and CSR Projects Approved by the Board are disclosed in the website**

Composition of CSR Committee link: <http://www.kamarajarport.in/content/innerpage/board-level-committee.php>

CSR Projects & Policy Link : <http://www.ennoreport.gov.in/content/innerpage/corporate-social-responsibility-csr.php>

**4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Companies Corporate Social Responsibility Policy) Rules 2014; If applicable (attach the report)**

Not Applicable

**5. Details of the amount available for set off in pursuance of sub rule (3) of rule 7 of the Companies (Companies Corporate Social Responsibility Policy) Rules 2014, and the amount required for set off for the financial year, if any –**

Not Applicable

**6. Average Net profit of the Company as per Section 135 (5) : Rs.40,514.00 Lakhs**

**7. (a) Two percentage of average net profit of the Company as per Section 135 (5) : Rs.810.00 Lakhs**

**(b) Surplus arising out of CSR Projects or Programmes or Activities of the previous financial years - NIL**

**(c) Amount required to be set off for the financial year, if any - Not Applicable**

**(d) Total CSR Obligation for the financial year (7a+7b -7c) : Rs.810.00 Lakhs**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the financial year (Rs. in lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified in Schedule VII as per second provision to section 135(5)		
	Amount (Rs in lakhs)	Date of transfer	Name of the fund	Amount	Date of transfer
828.25*	283**	30.04.2021	NA	NA	NA

\* Actual spent for the FY 2020-21 is Rs 1856.00 Lakhs which comprises of Rs 828.25 Lakhs spent against projects during the FY 2020-2021 and Rs 1029.00 Lakhs spent in the FY year 2020-21 on projects which had commenced in the previous years.

\*\* Pertains to unspent amount of previous years as on 31.03.2021.

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the project	Item from the list of activities in Schedule VII in the Act	Local Area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in Rs.)	Amount Spent in the current financial year	Amount Transferred to the unspent CSR Account for the project as per Section 135(6)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District						Name	CSR Registration No.
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S.No.	Name of the project	Item from the list of activities in Schedule VII in the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (in Lakh Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - through implementing Agency	
				State	District			Name	CSR Registration No.
1	Contribution to PM Cares fund for COVID-19 pandemic	Schedule VII (vii)	No	NA	NA	400	No	PM Cares fund	-
2	Contribution to promoting health care- Developing High Dependency Unit	Schedule VII (i)	Yes	TN	Chengalpet	22.05	No	Chengalpet Medical College & Hospital	-
3	Contribution to promoting education	Schedule VII (ii)	Yes	TN	Chennai	100	No	Chennai Port & Dock Educational Trust	-
4	Contribution to Armed Forces Flag Day Fund	Schedule VII (vi)	No	NA	NA	05	No	DRO, Tiruvallur	-
5	Contribution to 22 CSR initiatives -Rural development projects	Schedule VII (x)	Yes	TN	Tiruvallur	300	No	DRDA, Tiruvallur	-
<b>TOTAL</b>						<b>827.05</b>			

- (d) Amount spent in Administrative Overheads -Rs.1.20 lakhs
- (e) Amount spent on Impact Assessment, if applicable - NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Rs.828.25 lakhs
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in lakhs)
1	(i) Two percent of average net profit of the company as per section 135(5)	810.00
2	(ii) Total amount spent for the Financial Year	828.25
3	(iii) Excess amount spent for the financial year [(ii)-(i)]	18.25
4	(iv) Surplus arising out of the CSR projects or programmes or	0.00
5	(v) Amount available for set off in succeeding financial years [(iii)-(iv)]	18.25

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**  
Not Applicable\*

\* Transfer of unspent CSR Funds to Unspent CSR account is introduced by MCA with effect from 01.04.2021.

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)**

(a) Date of creation or acquisition of the capital asset(s). NIL

(b) Amount of CSR spent for creation or acquisition of capital asset. NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)** NA

Sd/-  
Chairman-cum-Managing Director &  
Chairman of CSR Committee

Place: Chennai

Date: 26.08.2021

### Annexure-III

#### Information under Section 197 of the Companies Act, 2013

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

*The ratio of the remuneration of each director for the year 2020-21 to the median remuneration of the employees of the Company is tabulated below. CMD is the only director of the Company.*

<b>Sl.No.</b>	<b>Name</b>	<b>Ratio</b>
1	Shri Sunil Paliwal - CMD	4.59

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

<b>Sl.No.</b>	<b>Name</b>	<b>Percentage</b>
1	Shri Sunil Paliwal - CMD	*
2	Shri M Gunasekaran, CFO	(12%)
3	Smt Jayalakshmi Srinivasan, CS	(4%)

*\* Shri Sunil Paliwal joined KPL in mid September 2019 and received salary for around 6 months i.e. from Sep 2019 to Mar 2020 in the previous year. The same is not comparable to the salary of full current year i.e. from April 2020 to Mar 2021. Accordingly, a comparison is not drawn.*

*As per the policy of the Company, the annual increment in basic pay of the employees of the Company is 3%. The Dearness Allowance is increased as per Government rules. Further the Performance related payments are paid as per the applicable rules depending on the performance of the Company during the relevant year.*

3. The percentage increase in the median remuneration of employees in the financial year

	<b>CY</b>	<b>PY</b>	<b>Percentage</b>
Median Remuneration	1078549.63	1137495.48	(5%)

4. The number of permanent employees on the rolls of Company:

*The total number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2021 is 99.*

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification

thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

*Average percentage increase in remuneration including key managerial personnel during the financial year was in the range of (5)-(10)% excluding CMD*

6. Affirmation that the remuneration is as per the remuneration policy of the Company.

*The remuneration to all employees of the Company is as per the Remuneration Policy of the Company.*

7. The particulars for the year 2020-21 as required to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

*Nil. No employee had earned beyond the limits prescribed therein.*



### Top ten employees in terms of remuneration drawn

SN	Name & Designation	Remuneration* received	Qualifications & Experience	Date of commencement of employment	Age	Last employment held
1	Shri Sanjay Kumar General Manager (CS & BD)	50,17,361	B Sc Physics with 34 years of experience in various capacities.	03.05.2005	58.1	CISF
2	Shri Sunil Paliwal, IAS Chairman-cum-Managing Director	49,77,911	B. Tech (Comp.Sci), MS (Comp Science) & MBA with 28 years of experience in various capacities.	16.09.2019	52.8	State Government, Labour & Employment Department
3	V. Krishnasamy General Manager (Operations)	38,87,129	Dip in CE, B.E. Mechanical, MBA (HRM) with 36 years of experience in various capacities.	13.09.2007	59.10	Chiyoda & Synamprogeti Co.Ltd.
4	P. Radhakrishnan DGM (Civil)	38,80,539	BE (CIVIL) & M E Management with 35 years of experience in various capacities.	12.12.2007	58.0	Mecon Ltd
5	M. Gunasekaran General Manager (Finance)	37,88,546	M.Com, AICWAI, ACS with 35 years of experience in various capacities.	28.11.2001	58.5	BSES Kerala Power Ltd.
6	Shri C.S. Vemanna Chief Manager (Finance)	26,75,186	B COM, AICWA, Dip in Fisheries Tech & Navigation Engg & MBA with 30 years of experience in various capacities.	05.03.2012	53.4	IOCL
7	Shri G.M. Balan Dy. General Manager (Marine Services)	26,60,538	B.SC PHYSICS & MASTER –FG with 25 years of experience in various capacities.	16.08.2013	48.1	LP Logistics Pvt. Ltd
8	Shri P. Om Pragesh Sr. Executive Secretary	25,52,675	B.COM, MBA, PGDM (PM) with 27 years of experience in various capacities.	25.02.2002	48.5	Central Government, Ministry of Shipping
9	Dr. Sravan Kumar, Sr. Manager, HSE	25,39,509	B.SC, Chemistry, MSC Marine Science & Ph.D Marine Science with 26 years of experience in various capacities.	11.05.2005	55.4	Dept of Ocean Development, ICAM Project Directorate
10	S.P. Desikamani Pilot	25,36,820	BSC/Master FG with 29 years of experience in various capacities.	27.04.2018	50.4	West Asia Maritime Limited

Note:

- (i) All are permanent employees
- (ii) No employee is holding equity share in the Company except Shri Sunil Paliwal, CMD and Shri M. Gunasekaran, General Manager (Finance) who are holding 1 equity share each as Nominees of Chennai Port Trust.
- (iii) No employee is a relative of any Director or Manager of the Company

\* Remuneration includes pilotage allowances, leave encashment, PRP, etc.

## **Annexure-IV**

Suite No. 103, First Floor, Kaveri Complex No. 96/104,  
Nungambakkam High Road  
(Next to NABARD & ICICI Bank), Nungambakkam, Chennai - 600 034 Phone No. 044 - 4553  
0256, 4553 0257/4265 2127  
E-mail: csdhanapal@gmail.com, website: www.csdhanapal.com

### **S Dhanapal & Associates Practising Company Secretaries**

Partners

**S. Dhanapal**, B.Com., B.A.B.L., F.C.S

**N. Ramanathan**, B.Com., FC.S

**Smita Chirimar**, M.Com., F.C.S, DCG(ICSI)

**R. Pratheepa**, B.C.S., A.C.S

#### **FORM NO. MR-3**

#### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

**The Members,**

**Kamarajar Port Limited**

(erstwhile Ennore Port Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s.KAMARAJAR PORT LIMITED** (erstwhile Ennore Port Limited), (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2021, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2021 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the applicable extent.
- v) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act, 1992('SEBI ACT'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as substituted by the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as substituted by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as substituted by the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

vii) Acts, Rules and Regulations relating to Port Management and related activities as identified by the Management and communicated to us.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2), and
- ii) The Listing Agreements entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above to a required extent except appointment of independent & women director(s) and all related compliances till 09<sup>th</sup> November 2020 and Board evaluation & meeting of Independent Directors for the year.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/notices received by the Company during the financial year under various enactments as applicable to the company.

**We further report** that, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that

took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

**We further report that** based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the audit period the company sought the approval of its members for the following matters other than ordinary business at the Annual General Meeting:

- Appointment of Shri Sunil Paliwal, I.A.S. (DIN: 01310101) as Chairman cum-Managing Director of the Company
- Appointment of Shri V.M.V. Subba Rao (DIN: 02435597) as an Independent Director of the Company
- Appointment of Shri S. Balaji Arunkumar (DIN: 07526368) as a Nominee Director of the Company
- Appointment of Capt. Anoop Kumar Sharma (DIN: 03531392) as an Independent Director of the Company
- Appointment of Smt. Sarla Balagopal, IRTS (Retd.) (DIN: 01572718) as an Independent Director of the Company

On 27/03/2020, the Ministry of Ports, Shipping and Waterways, Government of India disinvested its complete stake in the Company which was acquired by Chennai Port Trust, whereby company became wholly owned subsidiary of Chennai Port Trust, with the Trust as its sole shareholder. On 31/08/2020, Chennai Port Trust nominated six individuals to hold 1 share each in the Company as registered holders u/s 89 (beneficial interest retained by M/s. Chennai Port Trust), and accordingly, from 31/08/2020, the Company is in compliance with Section 3 of the Act having seven shareholders.

We further report that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

We further report that we have conducted entire secretarial audit only through online verification and examination of records, as requested and facilitated by the company, due to prevailing COVID situation for the purpose of issuing this Report.

Place: Chennai  
Date: 26.08.2021

**For S DHANAPAL & ASSOCIATES**  
(A firm of Practicing Company Secretaries)

Sd/-  
**N. RAMANATHAN (Partner)**  
**FCS 6665 CP No. 11084**  
**UDIN: F00665C000834514**

This Report is to be read with our testimony of even date which is annexed as Annexure A and forms an integral part of this report.

**To**

The Members,

**Kamarajar Port Limited**

(erstwhile Ennore Port Limited)

Chennai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place:** Chennai

**Date:** 26.08.2021

**For S DHANAPAL & ASSOCIATES**

(A firm of Practicing Company Secretaries)

Sd/-

**N. RAMANATHAN (Partner)**

**FCS 6665**

**CP No. 11084**

**UDIN: F00665C000834514**

**INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013  
READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014**

**A) Conservation of Energy:**

**(i) steps taken or impact on conservation of energy:**

- (a) To ensure effective utilization of electrical energy, M/s.Greenserve Energy was appointed for conducting Energy Audit. Pursuant to the Audit report was obtained during June 2020. The following energy conservation measures were recommended by the auditor.

Air conditioner duct leakages inside false ceiling in both 2<sup>nd</sup> and 3<sup>rd</sup> floors of Jawahar Building at Registered Office during September 2020.

The other recommendations will be implemented in the following year.

1. Installing of occupancy sensor in toilet and board rooms and motion sensor in pathway of chairman corridor and other walkways to improve the operational effectiveness of lighting.
2. Installation of additional 40KW new solar power plant in signal station and renovation of existing storage system.
3. Installing new substation near signal station which will help in reduction of distribution losses.

(b) Impacts

- Energy Efficient.
- Environment friendly.
- Reduction in distribution losses leading to conservation of energy.

**(ii) steps taken by the Company for utilizing alternate sources of energy:**

Around 39,600 KWh (Units) of power has been generated through Diesel Generator and around 32,400 KWh(Units) of power has been generated through solar and the same has been utilized during the year 2020-21.

The following steps have also been taken for setting up of solar power plant inside the port.



**Solar Energy:**

M/s.TORP Systems Pvt. Ltd., Chennai was appointed as a Consultant to carry out the work of “Preparation of Feasibility Report (FR) for setting up of Solar Power Plant covering Car Parking Yard at Kamarajar Port”. The Consultant has submitted the FR and recommended for installation of 300KW roof top solar power plant with covered car parking shed on RESCO model to meet the electrical power requirements of KPL.

**(iii) Capital Investment on energy conservation equipments:**

Nil.

**B) Technology Absorption:**

**i) SAP ERP System**

KPL has successfully implemented SAP S/4 HANA 1610 ERP system covering various functional areas like, Budget, Accounts & Finance, HR & Payroll, Material Management, Project Systems, etc.

Plans are being drawn to migrate / upgrade the SAP system to the latest version i.e. SAP S/4 HANA 2020 during the FY 2021-22.

This will enhance the overall IT utilization and take KPL forward in terms of increasing the overall productivity, enhance the customer services, service level commitments, utilization of resources in optimal level, etc.

**ii) Benefits**

Business processes and functionalities of HR/Payroll, Finance & Accounting, Purchase & Contracts and Project Systems (WBS), Employee Requests/Claim and Loan processes are made online through Employee Self Service (ESS) Portal. These had resulted in increased transactional efficiency and productivity leading to cost reduction.

**iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year**

**a) The details of technology imported:** Not applicable

**b) The year of import:** Not applicable

**c) Whether the technology been fully absorbed:** Not applicable

**d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof :** Not applicable

**iv) The expenditure incurred on Research and Development: NIL**

**C) Foreign Exchange Earnings & outgo:**

Foreign Exchange Earnings is Nil and Foreign Exchange outflow is Rs.97.07 Crores towards debt services of Foreign Currency Loan and Purchase of Mobile X-ray machine.

**For and on behalf of the Board of Directors  
Kamarajar Port Limited**

**Place:** Chennai  
**Date :** 26.08.2021

**Sd/-  
Chairman-cum-Managing Director  
(DIN: 01310101)**

**REPORT ON CORPORATE GOVERNANCE****1.0 BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE**

We believe that Corporate Governance is not merely compliance check point but a framework designed to inspire confidence in the Board and the external stakeholders with respect to the Company's business. To sustain this confidence, we are voluntarily attaching the Report on Corporate Governance. The members of our Audit committee maintain a strong oversight of the financial reporting process, the audit process, the Company's system of internal controls and compliance with laws and regulations.

**2.1 Composition and category of the Board of Directors as on 31.03.2021.**

Sl.no	Name	Category
1	Shri Sunil Paliwal, I.A.S	Chairman-cum-Managing Director
2	Shri P. Raveendran, I.R.T.S.	Nominee Director
3	Shri S. Balaji Arunkumar, I.R.T.S.	Nominee Director
4	Shri V.M.V. Subba Rao	Non- official Part time (Independent) Director
5	Capt. Anoop Kumar Sharma	Non- official Part time (Independent) Director
6	Smt. Sarla Balagopal, I.R.T.S. (Retd.)	Non- official Part time (Independent) Director

Changes in Board of Directors during in FY 2020-21:

Sl.no	Name	Nature of Change
1	Shri Cyril C George	Cessation w.e.f 04.09.2020
2	Shri S. Balaji Arunkumar, I.R.T.S.	Appointment* w.e.f 04.09.2020
3	Capt. Anoop Kumar Sharma	Appointment* w.e.f 10.11.2020
4	Smt. Sarla Balagopal, I.R.T.S. (Retd.)	Appointment* w.e.f 10.11.2020

\* Subsequently regularized at the AGM held on 16.12.2020

**2.2 No. of Board Meetings held with dates of the Meeting:**

During the financial year 2020-21, 6 (Six) Board meetings were held on 11.05.2020, 29.06.2020, 09.09.2020, 10.11.2020, 05.03.2021 and 30.03 2021.

### 2.3 Meetings and Attendance during the year

Attendance of each member along with Chairmanship/Membership of the Audit Committee (AC) and Stakeholder Relationship Committee (SRC) of Public Limited Companies (including KPL) as per the data/details made available during their tenure in the Company/Committee is given below:

Name of Director	Designation of the Director	No. of Board Meeting held during the tenure of respective Director in F.Y. 2020-21	No. of Board Meeting Attended	Last AGM attended	Other Director ship as on 31 <sup>st</sup> March 2021	No. of Committees across all Companies	
						As Member As on 31 <sup>st</sup> March 2021	As Chairman As on 31 <sup>st</sup> March 2021
Shri Sunil Paliwal	Chairman-cum-Managing Director	6	6	Yes	3	AC-KPL SRC-KPL	AC- SCL
Shri P.Raveendran	Nominee Director	6	6	Yes	1	AC-KPL AC- SCL	SRC-KPL
Shri S. Balaji Arun Kumar	Nominee Director (w.e.f 04.09.2020)	4	4	Yes	3	Nil	Nil
Shri Cyril C George	Nominee Director (upto 04.09.2020)	2	2	NA	NA	NA	NA
Shri V.M.V Subba Rao	Independent Director	6	6	Yes	1	Nil	AC-KPL
Capt. Anoop Kumar Sharma	Independent Director (w.e.f 10.11.2020)	2	2	Yes	1	AC-KPL AC-DCI	Nil
Smt. Sarla Balagopal	Independent Director (w.e.f 10.11.2020)	2	2	Yes	Nil	AC- KPL	Nil

Notes: KPL-Kamarajar Port Limited, SCL - Sethusamudram Corporation Limited, DCI-Dredging Corporation of India Limited

### 3.0 Audit Committee

The role, terms of reference, Composition of the Audit Committee is in accordance with Companies Act, 2013 and other applicable provisions. Company Secretary acts as Secretary to the Audit Committee. Shri M. Gunasekaran, General Manager (Finance) cum CFO acts as the Nodal Officer to the Audit Committee. Head of Finance, Internal Auditors, Statutory Auditors and Senior Executives from various functions were invited in the Audit Committee meetings for interacting with the members of the Audit Committee.

#### **A. Composition of Audit Committee**

The Audit Committee of the Company comprised of the following members as on 31.03.2021:

Shri V.M.V. Subba Rao	-	Chairman
Shri Sunil Paliwal	-	Member
Shri P. Raveendran	-	Member
Capt Anoop Kumar Sharma	-	Member
Smt. Sarla Balagopal	-	Member

#### **B. Meetings and Attendance during the year:**

During the year 2020-21, three Audit Committee meetings were held on 29.06.2020, 10.11 2020 and 05.03 2021.

#### **C. The details of members including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:**

Members	No. of Meeting Held during tenure	Attendance by Members	
		No. of meetings	%
Shri V.M.V. Subba Rao	3	3	100
Shri Sunil Paliwal	3	3	100
Shri P. Raveendran	3	3	100
Capt Anoop Kumar Sharma (From 10.11.2020 )	1	1	100
Smt. Sarla Balagopal (From 10.11.2020)	1	1	100

#### **4.0 Nomination and Remuneration Committee**

The role, terms of reference and composition of the Nomination and Remuneration Committee is in accordance with Companies Act, 2013 and other applicable provisions. The Company Secretary acts as Secretary to the Nomination and Remuneration Committee

#### **A. Composition of Nomination and Remuneration Committee**

Nomination and Remuneration Committee comprised of the following Members as on 31.3.2021:

Capt Anoop Kumar Sharma	-	Chairman
Shri P. Raveendran	-	Member
Shri Sunil Paliwal	-	Member
Smt. Sarla Balagopal	-	Member

**B. Meetings and Attendance during the year**

During the year 2020-21, two Nomination and Remuneration Committee meeting were held on 29.06.2020 and 10.11.2020.

**C. The details of members including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:**

Members	No. of Meetings held during tenure	Attendance by Members	
		No. of meetings	%
Shri V.M.V. Subba Rao (Up to 10.11.2020)	2	2	100
Shri Cyril C George (From 11.05.2020 Up to 04.09.2020)	1	1	100
Shri P. Raveendran	2	2	100
Shri Sunil Paliwal	2	2	100
Shri Sadagopan Kumar Balaji Arun (From 09.09.2020 and up to 10.11.2020)	1	1	100

Capt. Anoop Kumar Sharma and Smt. Sarla Balagopal was inducted in this committee by the Board in its meeting held on 10.11.2020 subsequent to Nomination and Remuneration Committee meeting.

**Remuneration received by Functional Directors**

Details of remuneration of functional directors of the Company paid for the financial year 2020-21:

Name of the Directors	Salary & Other Allowances (Rs.)	Bonus / Commission / PRP (Rs.)	Total (Rs.)
Shri Sunil Paliwal	49,77,911/-	-	49,77,911/-*

\* The total remuneration mentioned above does not include value of perquisites under Section 17(2) of the Income Tax Act, 1961 and Terminal Benefits.

**5.0 Stakeholder Relationship Committee**

Stakeholder Relationship Committee looks into redressal of complaints/grievances of bondholders pertaining to non receipt of interest/transfer/transmission of bonds

and other miscellaneous complaints. The Company Secretary acts as Secretary to the Stakeholder Relationship Committee

#### **A. Composition of Stakeholder Relationship Committee**

As on 31.03.2021, the Stakeholder Relationship Committee comprised of the following Members

Shri P. Raveendran	-	Chairman
Shri Sunil Paliwal	-	Member

#### **B. Meetings and Attendance during the year**

During the year 2020-21, four Stakeholder Relationship Committee meetings were held on 29.06.2020, 09.09.2020, 10.11.2020, and 05.03.2021.

#### **C. The details of members including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:**

#### **D.**

Members	Entitled to attend	Attendance by Members	
		No. of meetings	%
Shri P. Raveendran	4	4	100
Shri Sunil Paliwal	4	4	100

### **6.0 Board of Level Committee on CSR and Sustainability Development**

The role, terms of reference and composition of the Committee is in accordance with Companies Act, 2013 and other applicable provisions. Shri P. Radhakrishnan, DGM(C) acts as the Nodal Officer. The Company Secretary acts as Secretary to the CSR Committee.

#### **A. Composition of Board Level Committee on CSR and Sustainability Development**

The Board Level Committee on CSR and Sustainability Development of the Company comprised of the following members as on 31.03.2021:

Shri Sunil Paliwal	-	Chairman
Shri P. Raveendran	-	Member
Shri S.Balaji Arunkumar	-	Member
Shri V.M.V. Subba Rao	-	Member

**B. Meetings and Attendance during the year**

During the year under review, four Meetings of the Committee on CSR and Sustainable Development were held on 11.05.2020, 09.09.2020, 10.11.2020 and 05.03.2021.

**C. The details of members including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:**

Members	Entitled to attend	Attendance by Members	
		No. of meetings	%
Shri Sunil Paliwal	4	4	100
Shri P Raveendran	4	4	100
Shri V.M.V. Subba Rao	4	4	100
Shri S. Balaji Arunkumar (From 09.09.2020)	2	2	100

Shri Cyril C George was inducted in this Committee by the Board in its meeting held on 11.05.2020 subsequent to the CSR meeting.

**7.0 GENERAL BODY MEETING**

The date, time and place of the AGMs held during the preceding three years and special resolution passed thereat are as under:

Year	Date	Time	Place	Special Resolution passed
2019-20	16.12.2020	11.00 A.M	Through two way Video Conferencing (VC) or Other Audio Visual Means (OAVM) in Board Room at the Registered office of the Company – 600 001	-NIL-
2018-19	06.09.2019	12.15 P.M	Board Room at the Registered office of the Company – 600 001	-NIL-
2017-18	24.09.2018	11.00 A.M	Board Room at the Registered office of the Company – 600 001	-NIL-



## 8.0 DISCLOSURES

- (i) Related Party Transactions are set out in Note No. 30 (12) to the notes forming part of the financial statement for the year ended 31st March 2020 in the Annual Report.
- (ii) The statutory authorities have also not passed any strictures or imposed penalty on the Company under any Act/Rules during the last three financial years.
- (iii) Your Company has a Whistle Blower Policy and no personnel of the Company have been denied access to the Audit Committee.
- (iv) No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred for the Board of Directors and Top Management which was personal in nature.
- (v) None of the Part time Directors of the Company have pecuniary relationship or transaction with the Company.
- (vi) Details of administrative & office expenses and financial expenses for the year under review and for the previous year are available in annual accounts.
- (vii) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company.

## 9.0 CODE OF CONDUCT

As part of Kamarajar Port's persisting endeavor to set a high standard of conduct for its employees a "Code of Business Conduct and Ethics" has been laid down for all Board Members and Senior Management Personnel. All Board Members and Senior Management personnel have affirmed compliance with Kamarajar Port's "Code of Business Conduct and Ethics" for the financial year 2020-21.

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### Declaration

All the Board Members and Senior Management of the Company have confirmed compliance with 'Code of Business Conduct and Ethics' for the year ended 31<sup>st</sup> March 2021.

for **Kamarajar Port Limited**

**Sd/-**

**(Sunil Paliwal, I.A.S.)**

**Chairman-Cum- Managing Director**  
**(DIN: 01310101)**

**Place:** Chennai

**Date:** 25-06-2021

## **10.0 TRAINING OF BOARD MEMBERS**

Your Company has a policy for Training of Directors for Promoting better understanding of professional requirements as well as sensitization to professional, socio-economic and political environment in which work is done.

Capt. Anoop Kumar Sharma, Independent Director attended two days Familiarisation Programme for Independent Directors conducted by Indian Institute of Corporate Affairs at Goa on 18<sup>th</sup> and 19<sup>th</sup> February 2021.

## **11.0 REVIEW OF COMPLIANCE OF APPLICABLE LAWS**

The Board has periodically reviewed the compliance reports of all laws applicable to the Company and has ensured the compliance of all the applicable laws.

## **12.0 MEANS OF COMMUNICATION**

Pursuant to listing of Tax Free Bonds in the Bombay Stock Exchange, the Company intimated half-yearly financial results/audited annual financial results during 2020-21 to the Stock Exchange. These financial results were published in the Business Standard all Editions. The results were also sent to Debenture Trustees and Bond Holders and displayed on the website of the Company [www.kamarajarport.in](http://www.kamarajarport.in).

Annual Report containing inter-alia, Audited Accounts, Directors' Report, Auditors' Report, Cash Flow Statement and other important information is circulated to the members and others entitled thereto. Annual Report and Audited Financial statements including Directors' Report and Auditors' Report are also available on the web-site. Website displays major official news releases.

Website of the Company contains Contact details of Compliance officer, Registrar and Transfer Agent. The Company has designated Shri M.Gunasekaran, General Manager (Finance) and Chief Financial Officer as Compliance Officer for servicing Tax Free Bond holders. The email id [mguna@kplmail.in](mailto:mguna@kplmail.in) has been created for addressing the queries of Bond holders.

**For and on behalf of the Board of Directors**

**Place:** Chennai  
**Date:** 26.08.2021

**Sd/-**  
**Sunil Paliwal, I.A.S.**  
**Chairman-Cum-Managing Director**  
**(DIN:01310101)**

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

**To**

The Board of Directors

**KAMARAJAR PORT LIMITED**

Chennai

We have been informed by the management of M/s. Kamarajar Port Limited ("the Company") that pursuant to strategic disinvestment of entire shareholding held by GoI in the Company, the Company has ceased to be a CPSE and accordingly compliance of conditions of Corporate Governance as per the Guidelines issued by the Department of Public Enterprises (DPE), vide reference no. 18(8)/2005-GM dated 14<sup>th</sup> May, 2010 are not mandatory for the financial year ended March 31, 2021; however the Company has, during the FY 20-21, taken steps to comply with the said Guidelines on a voluntary basis, limited to the extent of only those provisions of DPE Guidelines which are coterminous with the provisions of Companies Act, 2013/SEBI (LODR) Regulations, 2015.

We have been engaged by the Company to examine the compliance of conditions of Corporate Governance by **KAMARAJAR PORT LIMITED** for the financial year ended March 31, 2021 as per the Guidelines issued by the Department of Public Enterprises (DPE), vide reference no. 18(8)/2005-GM dated 14<sup>th</sup> May, 2010, on a voluntary basis, limited to the extent of only those provisions of DPE Guidelines which are coterminous with the provisions of Companies Act, 2013 / SEBI (LODR) Regulations, 2015.

Our examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance as per the Guidelines issued by the Department of Public Enterprises (DPE), vide reference no. 18(8)/2005-GM dated 14<sup>th</sup> May, 2010, on a voluntary basis, limited to the extent of only those provisions of DPE Guidelines which are coterminous with the provisions of Companies Act, 2013 / SEBI (LODR) Regulations, 2015. It is neither an audit nor an expression of opinion of financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we report that the Company has complied with the conditions of Corporate Governance, as per the Guidelines issued by the Department of Public Enterprises (DPE), vide reference no. 18(8)/2005-GM dated 14<sup>th</sup> May, 2010, on a voluntary basis, limited to the extent of only those provisions of DPE Guidelines which are coterminous with the provisions of Companies Act, 2013 / SEBI (LODR) Regulations, 2015, except appointment of independent directors and all related compliances till 09<sup>th</sup> November 2020.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR S DHANAPAL & ASSOCIATES**  
**A Firm of Practising Company Secretaries**

**Sd/-**

**SMITA CHIRIMAR**

**Partner**

**Membership Number: F8137**

**CP NO: 9357**

**Place:** Chennai

**Date:** 26.08.2021



भारतीय लेखापरीक्षा एवं लेखा विभाग  
कार्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा, चेन्नै

*Indian Audit and Accounts Department*  
*Office of the Director General of Commercial Audit, Chennai*

No. DGCA/Chennai/CA-2/KPL Accounts/2-209/2021-22/683

Dt. 26.08.2021

To  
The Chairman-cum-Managing Director,  
Kamarajar Port Limited,  
2<sup>nd</sup> Floor (North Wing) & 3<sup>rd</sup> Floor,  
Jawahar Building, 17, Rajaji Salai,  
Chennai – 600 001.

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of Kamarajar Port Limited for the year ended 31 March 2021.

Sir,

I forward herewith comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements Kamarajar Port Limited for the year ended 31 March 2021. The date of holding of Annual General Meeting may be intimated.

Five copies of Printed Annual Report may be arranged to be forwarded to this office.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

**DEVIKA NAYAR**  
**DIRECTOR GENERAL OF COMMERCIAL AUDIT, CHENNAI**

Encl: Audit Comment

**Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of Kamarajar Port Limited for the year ended 31 March 2021**

The preparation of financial statements of Kamarajar Port Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Kamarajar Port Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

**(A) Comments on Financial Position**

**1. Non-Current Assets**

**Property, Plant and Equipment: ₹2,75,798.26 lakh**

**Port Basin & Entrance Channel: ₹81,442.23 lakh**

An amount of ₹5,907.98 lakh towards maintenance dredging was capitalized under Property, Plant and Equipment (PPE) and ₹3,110.51 lakh was depreciated out of the capitalised amount during the year. As per Ministry of Shipping's Dredging guidelines for Major Ports, process of removing deposited material periodically to



maintain the operational depth is termed as maintenance dredging which is a continuous process. Thus entire amount of ₹5,907.98 lakh towards maintenance dredging being in revenue nature was required to be charged to Profit and Loss Account. Incorrect capitalisation of dredging expenditure resulted in overstatement of Port Basin & Entrance Channel asset and Profit to the extent of ₹2,797.47 lakh (₹5,907.98 lakh- ₹3,110.51 lakh) as on 31 March 2021.

## **2. Current Assets**

### **Trade Receivables: ₹7,770.45 lakh**

Above includes ₹2,821.86 lakh receivables towards Licence Fee from M/s SICAL Iron Ore Terminals Limited (SIOTL) with which the company terminated (March 2021) Licensing Agreement of 'Modification of Iron Ore Terminal to Coal Terminal' (on DBFOT basis) due to default to Lenders by SIOTL. SIOTL could not attract/find any new investor, nor the parent company is willing to/able to extend any more financial support to SIOTL. Independent Auditors of SIOTL reported its acute liquidity crunch and cast doubt on its ability to continue as a going concern. This was also reproduced in the Audit report (August 2020) of its parent company. However, provision for doubtful debts was not created by the company for trade receivables from SIOTL. This has resulted in overstatement of Trade Receivables and Profit by ₹2,821.86 lakh.

## **3. Other Non-Current Assets**

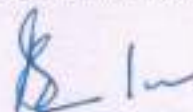
### **Advance for Capital Expenditure: ₹7,328.63 lakh**

Above includes ₹4,509.50 lakh towards Advance for Capital Expenditure to M/s Hindustan Construction Company Limited (HCC). The company had lost the Arbitration proceedings (2003 and 2004) to recover ₹4,509.50 lakh from HCC and petitions to set aside the Arbitration awards were also dismissed by High Court of Madras (2017 and 2019). As such recovery of advance from HCC is very remote considering legal case history and elapse of significant time. Hence, a provision for doubtful debt of ₹4,509.50 lakh was expected to be created by the company. However, non-existence of provision resulted in overstatement of Advance for Capital Expenditure and Profit by ₹4,509.50 lakh.

**(B) Independent Auditors Report**

KPL implemented (May 2018) SAP ERP system covering various functional areas like Budget, Accounts & Finance, HR and Payroll, Material Management, Project System etc. for processing all business transactions. Audit observed that despite implementing SAP ERP system, Management processed some of the accounting entries outside the SAP ERP system and included the same in the financial statements. Accounting entries amounting to ₹477.43 lakh were transferred from Budget Accounts to Capital Work in Progress outside the SAP system. This was not disclosed in Statutory Auditors report resulting in non-compliance of CAG's directions under section 143 (5) of the Companies Act, 2013.

**For and on behalf of the  
Comptroller & Auditor General of India**



**DEVIKA NAYAR  
DIRECTOR GENERAL OF COMMERCIAL AUDIT**

Place: Chennai  
Date: 26.08.2021

**MANAGEMENT REPLIES TO THE COMMENTS OF CAG UNDER SEC. 143 (6) (B)  
OF THE COMAPNIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF  
KAMARAJAR PORT LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021.**

C & AG COMMENTS	MANAGEMENT REPLIES
<p><b>1. Non-Current Assets</b></p> <p><b>Property, Plant and Equipment: ₹2,75,798.26 lakh - Port Basin &amp; Entrance Channel: ₹81,442.23 lakh.</b></p> <p>An amount of ₹5,907.98 lakh towards maintenance dredging was capitalized under Property, Plant and Equipment (PPE) and ₹3,110.51 lakh was depreciated out of the capitalised amount during the year. As per Ministry of Shipping's Dredging guidelines for Major Ports, process of removing deposited material periodically to maintain the operational depth is termed as maintenance dredging which is a continuous process. Thus entire amount of ₹5,907.98 lakh towards maintenance dredging being in revenue nature was required to be charged to Profit and Loss Account. Incorrect capitalisation of dredging expenditure resulted in overstatement of Port Basin &amp; Entrance Channel asset and Profit to the extent of ₹2,797.47 lakh (₹5,907.98 lakh- ₹3,110.51 lakh) as on 31 March 2021.</p>	<p>During the year 2020-21, KPL carried out maintenance dredging through Dredging Corporation of India amounting to Rs.5907.88 lakh based on the study carried out by IIT, Madras at the instance of KPL.</p> <p>As per Ministry's Dredging Guidelines, <i>"the sediment quantity or approximate reduction of available depth over a period of time can be estimated, which is required to be removed periodically to maintain the operational depth". This process of removing the deposited material is termed as Maintenance Dredging, which is a continuous process depending on the water body characteristics</i>" and nowhere stated that "incurred every year and being revenue in nature"</p> <p>From the above, it is clear that Maintenance Dredging may be carried out periodically but need not be every year and also depending on sediments accumulation / the water body characteristics.</p> <p>Kamarajar Port (unlike other ports such as Kolkatta, Haldia and Cochin which require maintenance dredging every year as per their water body characteristics) carries out maintenance dredging once the accumulation of sediment quantity crosses the tolerance limit in maintaining the operational depth. KPL had carried out Maintenance dredging in FY 2020-21 and accounted as per Ind AS, i.e. capitalized and depreciated based on life of the Asset.</p> <p>As per Para No.6. Definition under Ind AS 16,</p>



	<p><b><i>Property, Plant and Equipment are tangible items that :</i></b></p> <p><b><i>(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and</i></b></p> <p><b><i>(b) are expected to be used during more than one period</i></b></p> <p>As per Para No.7 of Recognition of the asset:</p> <p><b><i>7. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:</i></b></p> <p><b><i>(a) it is probable that future economic benefits associated with the item will flow the entity; and</i></b></p> <p><b><i>(b) the cost of the item can be measure reliably</i></b></p> <p><b><i>Depreciation:</i></b></p> <p><b><i>43. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately</i></b></p> <p>Maintenance Dredging was carried out at various places viz., Approach Channel, Entrance Channel and alongside of various berths. As per the Technical study of In-house team, certain locations viz. Approach Channel, Entrance channel, Harbour basin etc. accumulate sediments which need annual dredging and inside harbour areas like alongside jetties of CB1, CB2, GCB, Container Terminal, Multi-cargo terminal, SIOTL etc. are having economic benefits of two years. Accordingly, the quantity arrived was 1.544 million cu.m. out of 2.955 million cu.m. (for both set of locations of one year and two years) for calculation of depreciation amounting to Rs.3110.51 lakhs for both locations.</p>
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	<p>Hence, the capitalisation of Maintenance Dredging and depreciation claimed thereon was on the basis of Technical study and Ind AS 16.</p>
<p><b>2. Current Assets</b></p> <p><b>Trade Receivables: ₹7,770.45 lakh</b></p> <p>Above includes ₹2,821.86 lakh receivables towards Licence Fee from M/s SICAL Iron Ore Terminals Limited (SIOTL) with which the company terminated (March 2021) Licensing Agreement of 'Modification of Iron Ore Terminal to Coal Terminal' (on DBFOT basis) due to default to Lenders by SIOTL. SIOTL could not attract/find any new investor, nor the parent company is willing to/able to extend any more financial support to SIOTL. Independent Auditors of SIOTL reported its acute liquidity crunch and cast doubt on its ability to continue as a going concern. This was also reproduced in the Audit report (August 2020) of its parent company. However, provision for doubtful debts was not created by the company for trade receivables from SIOTL. This has resulted in overstatement of Trade Receivables and Profit by ₹2,821.86 lakh.</p>	<p>M/s. Yes Bank, lead lenders to the SIOTL project, has invoked the provision of 5.1 of Substitution Agreement which deals with the Termination upon occurrence of Financial default. Consequently, KPL issued "Notice of Intent to Terminate" on 21.12.2020 with Remedy period of 90 days as per 22.3.3 of LA. During the remedy period, SIOTL has neither cured the default nor Yes Bank, the lenders have withdrawn the Notice. Upon the expiry of the remedy period, KPL has initiated the termination process as per clause 22.3.5 of LA and appointed IIT Madras, as the Condition Surveyor.</p> <p>As per the process of termination specified in LA, the compensation payable shall be the aggregate fair value, as determined by the Expert being a reputed valuer, of Transfer Assets LESS amount, if any due to the Licensor from the Licensee under the Provisions of the Agreement as per Clause 25.3 of LA.</p> <p>Hence, as per the agreement, KPL is confident of recovering the dues after finalisation of "Final compensation".</p> <p>As the termination process has started during the last month of financial year 2020-21, the stated Trade Receivables would be realised after determining the Final compensation amount payable to the Licensee / Lenders.</p> <p>Since the recovery of entire outstanding amount is covered under the provisions of License Agreement, the dues have been considered good and no provision for doubtful debt was made.</p>

<p><b>3. Other Non-Current Assets</b></p> <p><b>Advance for Capital Expenditure: ₹7,328.63 lakh</b></p> <p>Above includes ₹4,509.50 lakh towards Advance for Capital Expenditure to M/s Hindustan Construction Company Limited (HCC). The company had lost the Arbitration proceedings (2003 and 2004) to recover ₹4,509.50 lakh from HCC and petitions to set aside the Arbitration awards were also dismissed by High Court of Madras (2017 and 2019). As such recovery of advance from HCC is very remote considering legal case history and elapse of significant time. Hence, a provision for doubtful debt of ₹4,509.50 lakh was expected to be created by the company. However, non-existence of provision resulted in overstatement of Advance for Capital Expenditure and Profit by ₹4,509.50 lakh.</p>	<p>The Audit may please note that the said amounts were originally claimed as counter claims and or alleged excess payments to the Contractor (in the Running account Bills) in an arbitration filed by the then Project Execution Agent, i.e Chennai Port Trust during the FY 1998-2001 and the matter not yet reached its finality. It is stated that Rs.45.06 Crore was shown as “Advance for Capital Expenditure” carried from the earlier Financial years also and there was no movement during the year 2020-21. It is further stated the status of the cases are pending before Division Bench, Honourable High Court of Madras.</p> <p>As and when the finality is reached as per the Court direction, necessary adjustment entries would be made in the year of final verdict. In case, provision is made, it will be capitalised and not charged to P &amp; L account and thus the overstatement of profit of Rs.4509.50 lakhs does not arise.</p>
<p><b>(B) Independent Auditors Report</b></p> <p>KPL implemented (May 2018) SAP ERP system covering various functional areas like Budget, Accounts &amp; Finance, HR and Payroll, Material Management, Project System etc. for processing all business transactions. Audit observed that despite implementing SAP ERP system, Management processed some of the accounting entries outside the SAP ERP system and included the same in the financial statements. Accounting entries amounting to ₹477.43 lakh were transferred from Budget Accounts to Capital Work in Progress outside the SAP system. This was not disclosed in Statutory Auditors report resulting in non-compliance of CAG’s directions under section 143 (5) of the Companies Act, 2013.</p>	<p>The comment was referred to the Statutory Auditors for their remark.</p>



**B. THIAGARAJAN & Co.**

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Members Kamarajar Port Limited

### Report on the Audit of Ind AS Financial Statements

#### Opinion

1. We have audited the accompanying Ind AS financial statements of **Kamarajar Port Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date including summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit of the 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 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 financial statements under the provisions of the Act and the Rules made thereunder, 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 audit opinion on the financial statements.

"VIGFIN HOUSE"  
OLD No.15, NEW No. 24,  
YOGAMBAL STREET, T. NAGAR,  
CHENNAI - 600 017

Phone : 42122115  
42122116 Email : btandco@gmail.com  
GST No. : 33AADFB9485H1ZA



## Emphasis of Matters

4. Reference is invited to Note 30(18) regarding management's evaluation of the impact of the prevailing and emerging situation and circumstances arising out of Covid-19 virus which have had an impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations,
5. Reference is invited to Note 4(a) regarding pending conveyance deed/registration deeds for several of the immovable properties obtained by the Company from Government/ Government owned entities. Further, consideration/ compensation payable to various agencies is yet to be finalized and have not been provided for,
6. Reference is invited to Note 11 regarding excess payments of Rs.4509.49 Lakhs made to project contractors included in Other Assets - Non-Current and not capitalized till date pending disputes referred to High Court of Madras.
7. Reference is invited to Note 30(16) regarding balances of Trade Receivable, term Loans and Advances, GST input credit, Advance tax and Tax deducted at source and Trade Payables as at 31<sup>st</sup> March 2021 to the extent not subsequently adjusted/paid are subject to confirmation and reconciliation.
8. Reference is invited to Note 30(15)(iii)(a) regarding initiation of arbitration proceedings by one of the BOT operators against the Company during the year stating various claims amounting to a sum of Rs 1180.12 Crores in respect of which counter claims have been filed by the Company and arbitrators appointed by both parties and the status of the arbitration proceedings as at the year end. Accordingly, for reasons mentioned in the said Note, no provision for the claims raised by the BOT operator is considered necessary as at the year end.
9. Reference is invited to Note 30(15)(iii)(b) regarding termination notice issued to one of the BOT operators during the year in response to the lenders of the BOT operator initiating action of financial default as per the loan agreement to the BOT operator. Accordingly, for reasons mentioned in the said Note, no provision for the same is considered necessary as at the year end.
10. Reference is invited to Note 10 regarding balance of MAT Credit Entitlement amounting to Rs 43,538.45 Lakhs as at the year end, which in management's estimates, will be recovered through utilization of such balances in future years.



11. Reference is invited to Note 8 – Loans and Advances regarding advances to employees (House Building Advance) termed as secured, in respect of which necessary creation of charge of security is in process for a sum aggregating to Rs 202.45 Lakhs as at the year end.

Our opinion is not modified in respect of the matters referred to Paragraphs 7 to 11 above.

## Key Audit Matters

12. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial 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 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 Matter	Auditor's response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations. The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations and determination of transaction price of the identified performance obligations.</p>	<p>We evaluated management's process to identify the impact of adoption of the new standard and tested key controls by selecting a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We also carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>We performed the following procedures on the selected samples:</p> <ul style="list-style-type: none"> <li>• Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ul>
2.	Uncertain Direct/indirect tax	Our in-house expert has reviewed the nature of





S No.	Key Audit Matter	Auditor's response
	positions and recoverability of tax receivables as at March 31, 2021, assets in respect of direct/indirect taxes including MAT Credit entitlements, pre-paid taxes and CENVAT recoverable which are pending for future set-offs/adjudication.	the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

### Information Other than the Financial Statements and Auditor's Report Thereon

13. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board Report including Annexures to Board's Report and Annual report on CSR Activities but does not include the financial statements and our auditor's report thereon.
14. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
15. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.
16. The Management Discussion and Analysis, Board Report including Annexures to Board's Report and Annual report on CSR Activities and Information to Shareholders is expected to be made available to us after that date. When we read the reports which, are expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



## Management's Responsibility for the Financial Statements

17. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 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.
18. In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
19. The Board of Directors are also responsible for overseeing the Company's financial reporting process.





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

20. 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.
21. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a 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.
22. 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 statements, 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 financial 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 Company 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 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 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 Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
23. 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.
24. 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.



## Report on Other Legal and Regulatory Requirements

25. As required under section 143(5) of the Act, 2013, We give in the Annexure A, our report on the directions/sub-directions issued by the Comptroller and Auditor General of India.
26. 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 B, a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
27. 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 appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representation received from the directors, as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of sub section (2) of section 164 of the Act.



- f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) 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:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B. Thiagarajan & Co  
Chartered Accountants

FRN 004371S



  
Ram Srinivasan

Partner

M. No. 220112

Place: Chennai

Date: 25-06-21

Voino. 21220112 AAAA B08854



## ANNEXURE A TO THE AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors Report of even date on the Financial Statement of Kamarajar Port Limited for the year ended 31<sup>st</sup> March 2021.

1	Whether the company has system in place to process all the accounting transactions through IT system? If no, the implications of processing of accounting transactions outside IT system on the integrity of accounts along with the financial implications, if any, maybe stated	The company has system in place to process all the accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact maybe stated	There are no cases of restructuring of an existing loan or cases of waiver/write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of Deviation	During the year under review, the company has not received funds for specific schemes from Central/State agencies.





## ANNEXURE B TO THE AUDITORS' REPORT

Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors Report of even date on the Financial Statement of Kamarajar Port Limited for the year ended 31<sup>st</sup> March 2021.

1. (a) The company is maintaining proper records including quantitative details of fixed assets. *In our opinion, the records require further improvement with respect to updating of the situation of fixed assets.*  
  
(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, 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) The Company owns land measuring 2,787.27 acres acquired from TIDCO (950.00 acres), TNEB (1092.20 acres), Salt Department, Ministry of Commerce, Government of India (712.42 acres) and Government of Tamil Nadu (47.87 acres), which are under the possession of the company. Further, out of the total land area owned, 2,008.34 acres including 297.98 acres procured from TIDCO, 995.05 acres from TANGEDCO, 682.66 acres from Salt Department have been registered in the name of the Company and patta has been obtained for 32.65 acres procured from Government of Tamil Nadu and in respect of the balance, registration is in process.
2. The Company is engaged in the development and operation of port and is primarily rendering port services. It does not hold any inventory of goods. Thus, Para 3(ii) of the Order is not applicable.
3. As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.



4. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not given Loans, guarantees, investments or securities in violation of Sections 185 & 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, provisions of clause 3(v) of the Order are not applicable.
6. As per the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Company.
7. (a) According to the information and explanation given to us and as per our verification of the records of the company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and any other statutory dues with the appropriate authorities and no material statutory dues have been outstanding for more than six months from the due date as at the year end.
- (b) According to the information and explanation given to us and as per our verification of the records of the Company, the following disputed amounts of tax/ duty have not been deposited with appropriate authorities as at 31<sup>st</sup> March 2021

Statute	Nature of dues	Amount (In Lakhs)	Period to which the amount relates	Forum to which amount is pending
Income Tax Act, 1961	Income tax	Rs. 1,264.84	AY 2005-06 to AY 2012-13, 2016-17	Assessing Officer
Income Tax Act, 1961	Income tax	Rs 4,631.43	AY 2012-13, 2014-15, 2017-18	CIT (Appeals)
Income Tax Act, 1961	Income tax	Rs.125.08	AY 2002-03 to AY 2004-05, AY 2012-13	High Court of Madras

8. According to information and explanation given to us and as per our verification of the records of the company, the Company has not defaulted in repayment of its dues to bank/ financial institution/ debenture holders during the year.



9. The Company has not raised money by way of Initial Public offer or further public offer. The term loans raised have been applied for the purposes for which they were raised.
10. According to the information and explanations given to us and as per our verification of the records of the company, no fraud either on or by the company has been noticed or reported by its officers or employees during the year.
11. In our opinion and according to the information and explanation given by the management, managerial remuneration has been paid or provided which is in accordance with requisite approvals mandated by Section 197 read with schedule V to the Companies Act.
12. The Company is not a Nidhi company and accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, 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 financial statements as required by the applicable accounting standards.
14. 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. Accordingly, paragraph 3(xiv) of the Order is not applicable.
15. 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.





16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B. Thiagarajan & Co  
Chartered Accountants

FRN 004371S



  
Ram Srinivasan

Partner

M. No. 220112

Place: Chennai

Date: 25-06-21

UDIN: 24220112AAAA B08554

## **ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of M/s **Kamarajar Port Limited**("the Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of the 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 ("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 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 Company's internal financial controls over financial reporting 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") 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 applicable to an audit of Internal Financial Controls and, 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 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 Company's internal financial controls system over financial reporting.

### **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 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 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.

### Opinion

In our opinion, 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 2021, 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 B. Thiagarajan & Co

Chartered Accountants

FRN 004371S



  
Ram Srinivasan

Partner

M. No. 220112

Place: Chennai

Date: 25-06-21

VDIN: 21220112 AAAA B08554

Kamarajar Port Limited  
CIN:U45203TN1999GOI043322  
"Jawahar Buildings", No.17, Raja's salai, Chennai 600 001.

**STATEMENT OF ASSETS & LIABILITIES AS AT 31st MARCH, 2021**

(Rupees in lakhs)

Particulars	Note No.	As at Mar 31, 2021	As at Mar 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	275798.26	273178.30
(b) Right-of-Use Assets		1509.85	1575.22
(c) Capital work-in-progress	5	15881.07	10761.88
(d) Other intangible assets	6	469.90	608.86
(e) Financial Assets			
(i) Investments	7	4160.07	4148.04
(ii) Loans & Advances	8	378.16	408.74
(iii) Others	9	392.87	360.59
(f) Deferred Tax Assets	10	14721.91	23845.14
(g) Other non-current Assets	11	7478.22	13725.83
<b>Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	12	7770.45	4816.59
(ii) Cash & Cash Equivalents	13	3201.44	9920.80
(iii) Loans & Advances	8	53.95	52.94
(iv) Others	9	135.11	9.94
(b) Current Tax Assets	14	288.86	388.77
(c) Other Current Assets	11	1875.88	2018.77
<b>Total Assets</b>		<b>334116.00</b>	<b>345820.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	30000.00	30000.00
(b) Other Equity		205204.86	207906.66
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	66377.01	77522.09
(ii) Other Financial Liabilities	17	397.00	566.15
(b) Provisions	18	-	-
(c) Deferred tax liabilities (Net)			
(d) Other non-current liabilities	19	8730.10	8334.96
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	20	4600.65	4255.05
(ii) Other Financial Liabilities	17	11608.99	12047.45
(b) Current Tax liabilities	14	-	-
(c) Other current liabilities	19	5639.50	4154.53
(d) Provisions	18	1557.90	1033.50
<b>Total Equity and Liabilities</b>		<b>334116.00</b>	<b>345820.41</b>

Notes to Accounts 30

Significant Accounting policies 1 to 3

The notes referred to above form an integral part of the financial statements.

For KAMARAJAR PORT LIMITED

SUNIL RAJWAL, I.A.S.,  
Chairman cum Managing Director  
DIN : 01310101

M. GUNASEKARAN  
Chief Financial Officer & Compliance Officer

JAYALAKSHMI SRINIVASAN  
Company Secretary

Place : Chennai  
Date : 25th June, 2021



P. RAVEENDRAN, L.R.T.S.,  
Director  
DIN : 07640613

For B. THIAGARAJAN & CO.,  
Chartered Accountants,  
FIRN : 0043719  
RAM SRINIVASAN  
Partner  
M.No. 220112

UDIN : 21220112 AAAAG0 8554

Kamarajar Port Limited  
CIN:U45203TN1999GOI043322  
'Jawahar Buildings', No.17, Rajaji salai, Chennai 600 001.

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021**

(Rupees in lakhs)

Particulars	Note No.	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
<b>Income</b>			
i) Revenue From Operations	21	58109.25	70317.50
ii) Other Income	22	632.47	3050.49
<b>Total Income</b>		<b>58741.72</b>	<b>73367.99</b>
<b>Expenses</b>			
i) Operating Cost	23	7108.26	8320.51
ii) Employee Benefits	24	1893.15	2058.83
iii) Finance Cost	25	6499.05	8464.84
iv) Depreciation & Amortization Expenses	26	8499.44	5213.04
v) Other Expenses	27	5157.83	4250.38
<b>Total expenses</b>		<b>29157.73</b>	<b>28307.60</b>
<b>Profit before exceptional items and tax</b>		<b>29583.99</b>	<b>45060.39</b>
Exceptional Items	28	-	261.69
<b>Profit Before Tax</b>		<b>29583.99</b>	<b>44798.70</b>
Less : Tax expense			
- Current Tax	10	5200.38	7827.23
- Deferred Tax	10	9112.95	12068.67
<b>Profit for the period from continuing</b>		<b>15270.66</b>	<b>24902.81</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
<b>Profit from discontinued operations after</b>			
<b>I Profit for the year</b>		<b>15,270.66</b>	<b>24,902.81</b>
<b>II Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		25.80	34.88
Less: Income Tax on Above	10	(9.02)	(12.19)
- Change in fair value of Equity instruments		12.03	-
Less: Income Tax on Above		(1.28)	-
<b>Other Comprehensive Income</b>		<b>27.54</b>	<b>22.69</b>
<b>Total Comprehensive Income for the period</b>		<b>15298.20</b>	<b>24925.50</b>
<b>Earnings per equity share :</b>			
(1) Basic	29	5.10	8.31
(2) Diluted		5.10	8.31

Notes to Accounts

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Significant Accounting Policies

1 to 3

The notes referred to above form an integral part of the financial statements.

For KAMARAJAR PORT LIMITED

SUNIL PALIWAL, I.A.S.,  
Chairman cum Managing Director  
DIN : 01310101

M. GUNASEKARAN  
Chief Financial Officer & Compliance Officer

JAYALAKSHMI SRINIVASAN  
Company Secretary

Place : Chennai

Date : 25th June, 2021



P. RAVEENDRAN, I.R.T.S.,  
Director  
DIN : 07640613

For B. THIAGARAJAN & CO.,  
Chartered Accountants,  
F.N. : 0043715

KAM SRINIVASAN  
Partner  
M.No. 220112

UDIN : 21220112 AAAAB08554



Kamarajar Port Limited  
CIN:U45203TN1999001043322  
"Jawahar Buildings", No.17, Rajaji salai, Chennai 600 001.

Cash Flow Statement For The Year Ended 31 at March , 2021

Particulars	(Rupees in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss Before Tax	29583.99	44798.68
Adjustment for:-		
Loss / (Profit) on Sale of Fixed Assets	-	-
Depreciation	8499.44	5211.04
Interest & Finance Charges	6919.63	7730.35
Short Term gain on Mutual Funds	(9.37)	(148.83)
Interest Income	(462.41)	(623.14)
Dividend received	-	(51.01)
Operating Profit before Working Capital Changes	44531.28	56999.10
Adjustment for:-		
Loans & Advances (Non-Current)	30.57	(72.79)
Other Assets (Non-Current)	(32.28)	(20.37)
Other non-current Assets	6247.61	2991.95
Trade Receivables	(2953.86)	(1778.43)
Loans & Advances	(1.01)	28.19
Other Assets	(125.17)	10.25
Other Current Assets	142.90	628.93
Other Financial Liabilities (Non-Current)	(169.15)	266.83
Other Non-current Liabilities	395.12	(2445.24)
Trade payables	345.60	(4294.05)
Other Financial Liabilities	(638.47)	579.22
Other current liabilities	1484.97	124.40
Provisions	550.19	(309.99)
Current Tax Payments	(5100.47)	(7341.63)
Net Cash From Operating Activities	44907.83	43287.37
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of PPE	(16034.26)	(12902.49)
Investments made during the Year	-	(25.04)
Short Term gain on Mutual Funds	9.37	148.83
Interest Income	462.41	623.14
Dividend received	-	51.01
Net Cash From Investing Activities	(15562.48)	(12304.55)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid during the Year	(18000.00)	(9041.65)
Loans raised during the year	-	-
Loans repaid during the year	(31145.08)	(9673.96)
Interest & Finance Charges	(6919.63)	(7730.35)
Net Cash From Financing Activities	(36964.71)	(26445.96)
<b>D. Net changes in Cash &amp; Cash equivalents</b>	(6719.36)	6736.85
<b>E. Opening Cash &amp; Cash Equivalents (Note No 13)</b>	9920.80	3183.94
<b>F. Closing Cash &amp; Cash Equivalents (Note No 13)</b>	3201.44	9920.80

For KAMARAJAR PORT LIMITED

SUNIL PALIWAL, I.A.S.,  
Chairman cum Managing Director  
DIN : 0830001

M. GUNASEKARAN  
Chief Financial Officer & Compliance Officer

JAYALAKSHMI SRINIVASAN  
Company Secretary

Place : Chennai  
Date : 25th June, 2021



P. RAVEENDRAN, I.R.T.S.,  
Director  
DIN : 07640613

For B. THIAGARAJAN & CO.,  
Chartered Accountants,  
FIRM : 4043718



B. SRINIVASAN  
Partner  
M.No. 220112

UDIN : 21220112 99AAB0 8554

## Statement of Changes In Equity - Balance as at 31st March, 2021

## Equity Share Capital

Balance as at April 1, 2021	Changes in share capital during the year	Balance as at Mar 31, 2021
30,000	-	30,000

Balance as at April 1, 2020	Changes in share capital during the year	Balance as at Mar 31, 2020
30,000	-	30,000

## Other Equity

For the year ended 31st Mar, 2021

Particulars	Debenture Redemption Reserve	Reserves and Surplus		Other Components of Equity		Total
		General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	FVTOCI - Investments	
(Rupees in lakhs)						
Balance at the beginning of the reporting period	6267.37	7902.00	195741.56	(62.51)	(1961.76)	207906.66
Changes in accounting policy prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Total Comprehensive Income for the Year	0.00	0.00	15270.66	0.00	0.00	15270.66
Other Comprehensive Income for the Year	0.00	0.00		16.79	10.75	27.54
Transfer to Debenture Redemption Reserve	862.93	0.00	(862.93)	0.00	0.00	0.00
Dividend - P.Y. 2019-20	0.00	0.00	(18000.00)	0.00	0.00	(18000.00)
Balance at the end of the reporting period	7130.30	7902.00	192149.29	(25.75)	(1951.01)	205204.86

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 71 C of the Companies Act, 2013, the Company creates Debenture / Bond Redemption Reserve (DRR) upto 25% of the value of bonds / debentures issued through public issue during the maturity period of such bonds / debentures. Accordingly, during the year, the company has created DRR amounting to Rs. 8,62,92,983/- (Previous year Rs.8,62,92,983/-).

## Other Equity

For the year ended 31st Mar, 2020

Particulars	Debenture Redemption Reserve	Reserves and Surplus		Other Components of Equity		Total
		General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	FVTOCI - Investments	
(Rupees in lakhs)						
Balance at the beginning of the reporting period	5404.44	7902.00	180776.87	(19.82)	(1961.76)	192101.73
Changes in accounting policy prior period errors	0.00	0.00	(33.50)	0.00	0.00	(33.50)
Total Comprehensive Income for the Year	0.00	0.00	24902.81	0.00	0.00	24902.81
Other Comprehensive Income for the Year	0.00	0.00		(22.69)	0.00	(22.69)
Transfer to Debenture Redemption Reserve	862.93	0.00	(862.93)	0.00	0.00	0.00
Final Dividend (incl DDT) - F.Y. 2018-19	0.00	0.00	(9041.68)	0.00	0.00	(9041.68)
	0.00	0.00	0.00	0.00	0.00	0.00
Balance at the end of the reporting period	6267.37	7902.00	195741.57	(42.51)	(1961.76)	207906.66





## KAMARAJAR PORT LIMITED

CIN: U45203TN1999GOI043322

"Jawahar Buildings", 17, Rajaji Salai, Chennai 600 001.

### Notes to the Financial Statements

#### 1. Corporate Information:

Kamarajar Port Limited is a Public Limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is operating mostly on landlord port model limiting its functions to overall planning, development, mobilization of investments for the development of port and common infrastructure facilities. The development and operations of the terminals are mostly entrusted to private operators/captive users.

#### 2. Basis of Preparation :

The Company has adopted Ind-AS, in accordance with Notification dated February 16, 2015 issued by Ministry of Corporate Affairs, Government of India, with effect from April 01, 2016 with a transition date of April 01, 2015.

All amounts included in the financial statements are reported in Indian rupees (Rupees in Lacs) except equity shares, which are expressed in numbers.

#### 3. Significant Accounting Policies

##### 3.1. Use of estimates and judgment:

The preparation of stand-alone financial statements of the Company requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

##### 3.2. Functional and presentation currency:

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

##### 3.3. Revenue Recognition:

1) Revenue from services is measured at the fair value of the consideration received or receivable net of discounts and excluding taxes and duties. Revenue from service rendered will be recognised upon completion of services. Revenue is recognised when following conditions are met

- i) the amount of revenue can be measured reliably;
- ii) It is probable that the economic benefits associated with the transaction will flow to the entity;
- iii) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- iv) No significant uncertainty exists as to its collection.

Revenue stream Includes:

- i) Vessel Related Income.
- ii) Cargo related income.
- iii) Revenue share and Licence fee arising from Leasing of land and waterfront on BOT and other port users / captive users.
- iv) Composite Tariff.



## KAMARAJAR PORT LIMITED

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"Jawahar Buildings", 17, Rajaji Salai, Chennai 600 001.

### Notes to the Financial Statements

Revenue recognition in respect of each stream of revenue is described below:

#### i) Vessel Related Income

Vessel related income consists of income from handling of the vessels. Revenue attributable to Vessel related operations are recognized on completion of the specific services.

#### ii) Cargo related income

Cargo related income consists of income from rendering services with respect to cargo and are recognised on completion of related services

#### iii) Leasing of land and waterfront on BOT/Captive use basis.

- a) Revenue share from BOT operators is calculated at the quoted % on the gross revenue as per concession / licence agreement on accrual basis up to end of the financial year.
- b) Income from Operating Lease which include escalation clause in line with the general inflation trends is accounted as per terms of the contract.
- c) Income from other Operating Lease is recognized on a straight-line basis over the term of lease.
- d) Contingent Rent is recognized as income in the period in which they accrue.

#### iv) Composite Tariff

Composite Tariff represents the income earned at a composite tariff for the cargo handled by captive users.

2 Dividend income from investments is recognized when the Company's right to receive payment is established and it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of income can be measured reliably.

3 a. Interest income from financial instruments is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial instruments to that instrument's net carrying amount on initial recognition.

b. Interest income on belated/disputed revenue are recognised on realization basis.

### 3.4. Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date.



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### Notes to the Financial Statements

The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates, taxes/duties and cess on which input credit for capital goods is availed.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The amounts becoming payable by the Company on account of uncontested arbitral awards on project claims and interest on such awards up to the date of commissioning of the asset are capitalized in the year of award as additions during the year in the respective asset category. The interest after the date of commissioning of the asset on such awards payable to the contractor is treated as revenue expenditure in the year of award.

When parts of an item of Property, Plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, Plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are stated at net values under "Other Income/ Other Expenses" in the Statement of Profit or Loss.

The company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

#### *Major repairs and overhauling costs:*

The Company recognises in the carrying amount of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, cost of major repairs/ overhauling if the recognition criteria are met. The carrying amount of replaced part is derecognised and the cost of repairs is amortized over the remaining useful life of the repair/ overhaul.

### 3.5. Intangible Assets

Intangible Assets are stated at cost, less accumulated depreciation and impairment, if any.

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably. Amortisation is provided on Straight Line Method (SLM), which reflect the management's estimate of the useful life of the intangible assets.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.



## KAMARAJAR PORT LIMITED

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"Jawahar Buildings", 17, Rajaji Salai, Chennai 600 001.

### Notes to the Financial Statements

#### 3.6. Depreciation

The depreciable amount of an item of PPE is allocated on a straight line basis over its useful life as prescribed in the manner specified in Schedule II of Companies Act, 2013.

For each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset, is depreciated separately. Depreciation on all such items is provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. In case of port specific assets, the depreciation is charged at the rate as determined in accordance with the life of those assets as per the practice prevailing in Major ports in India. Depreciation on addition in value of assets due to arbitral award is claimed over the remaining useful life of the assets from the start of the financial year in which such award is passed and accepted.

#### 3.7. Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

To the extent the Company borrows generally and uses them for the purpose of obtaining a qualifying asset, amount of borrowing cost eligible for capitalization is computed by applying a capitalization rate to the expenditure incurred. The capitalization rate is determined based on the weighted average of borrowing costs, other than borrowings made specifically towards purchase of a qualifying asset. Borrowing costs also includes exchange differences to the extent as an adjustment to the borrowing costs.

#### 3.8. Foreign Currency Transactions:

Transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the reporting date.

Foreign currency monetary items (except where realisability of overdue receivable is uncertain) are converted using the closing rate as defined in the Ind AS-21. Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss is recognized in the Statement of Profit and Loss.



## KAMARAJAR PORT LIMITED

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"Jawahar Buildings", 17, Rajaji Salai, Chennai 600 001.

### Notes to the Financial Statements

#### 3.9. Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all related conditions are complied with. These grants are classified as grants relating to assets or revenue based on the nature of the grants.

Grants relating to depreciable assets are initially recognised as deferred revenue and subsequently recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset generally in the same proportion in which depreciation is charged on the depreciable assets acquired out of such contribution. Changes in estimates are recognised prospectively over the remaining life of the assets.

Grants in the form of revenue grant are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Grants in the form of non-monetary assets such as land and other resources are recognised at fair value and presented as deferred income which income is recognized in the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

#### 3.10. Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. A provision is reversed when it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### 3.11. Contingent Liabilities / Assets:

##### Contingent Liabilities

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.





## KAMARAJAR PORT LIMITED

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### Notes to the Financial Statements

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is also treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

#### Contingent Assets:

Contingent Assets are not recognised in the financial statement or disclosed in Notes.

### 3.12. Employee benefits:

#### i) Defined Benefit Plan:

Provision for gratuity, leave encashment/availment and other terminal benefits is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets excluding interest (if applicable), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

#### ii) Defined Contribution Plan:

Contribution to Provident Fund is recorded as expenses on accrual basis.

#### iii) Short Term Employee Benefits:

Short term employee benefits obligations are measured on an undiscounted basis and expensed as the related services are provided. A liability is recognized for the amount expected to be paid under short-term employee benefits if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### 3.13. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

#### Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



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### Notes to the Financial Statements

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date is arrived at after setting off deferred tax assets and liabilities.

#### *Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.14. Impairment:

If the recoverable amount of an asset (or cash-generating unit/Fixed Assets) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in Statement of Profit and Loss.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



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### Notes to the Financial Statements

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually or whenever there is an indication that the asset may be impaired.

#### 3.15. Earnings per share:

Basic earnings per equity are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### 3.16. Financial instruments:

##### i) Non-derivative financial instruments:

Non-derivative financial instruments consist of:

- Financial assets include cash and cash equivalents, trade receivables, employee advances, other advances, security deposits, investments in equity securities and other eligible current/non-current assets;
- Financial liabilities include long/short-term loan, borrowings, trade payables, security deposits, retention monies and other eligible current/non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs except financial instrument measured at fair value through Statement of Profit and Loss which are initially measured at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

- a) Investments in, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in Statement of Other Comprehensive Income. The impairment losses, if any, are reclassified from Other Equity to Statement of Profit and Loss. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in Other Equity is transferred to the Statement of Profit and Loss.





## KAMARAJAR PORT LIMITED

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### Notes to the Financial Statements

#### b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues, staff advances, security deposits paid and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, evaluation is made for additional allowances required, if any.

#### c) Trade and other payables:

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts are approximate fair value due to the short term maturity of these instruments.

#### d) Security Deposits

Security Deposits are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses.

#### e) Tax Free Bonds:

Tax free bonds are recognized initially at fair value net of transaction costs. In subsequent periods, Tax free bonds are presented at amortised cost using effective interest method. Interest expenses are recognised in the statement of profit or loss as financial expenses over the life of the tax free bonds using effective interest rate.

#### ii) Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;



## KAMARAJAR PORT LIMITED

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### Notes to the Financial Statements

- Probability that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

Certain categories of financial assets such as trade receivables are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include companies past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in Statement of Profit and Loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through Statement of Profit and Loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

#### iii) De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

### 3.17. Segment Information

The Chairman cum Managing Director (CMD) of the Company is identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS-108, "Operating Segments." The CMD of the Company evaluates the segments based on standalone financial statements. The Management considers "Port Services" rendered in India as a single reportable Business/Geographical segment.



## KAMARAJAR PORT LIMITED

CIN: U45203TN1999GO1043322

"Jawahar Buildings", 17, Rajaji Salai, Chennai 600 001.

### Notes to the Financial Statements

#### 3.18. Prior Period

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes on Accounts.

#### 3.19. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **i) Right-of-Use Assets**

The Company recognises right-of-use assets ("RoU Assets") at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section (I) Impairment of non-financial assets.

##### **ii) Lease Liabilities.**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the



## KAMARAJAR PORT LIMITED

CIN: U45203TN1999GOI043322

"Jawahar Buildings", 17, Rajaji Salai, Chennai 600 001.

### Notes to the Financial Statements

Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities". Lease liabilities has been presented under the head "Other Financial Liabilities".

#### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### 3.20. Current/Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realized within twelve months after the reporting period; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.





## KAMARAJAR PORT LIMITED

CIN: U45203TN1999GOI043322

"Jawahar Buildings", 17, Rajaji Salai, Chennai 600 001.

### Notes to the Financial Statements

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company's normal operating cycle is twelve months.

#### 3.21. Dividend distribution to shareholders:

Dividends proposed by the board of directors are recognized in the financial statements when approved by the shareholders at the Annual General Meeting.

#### 3.22. Prepaid expenses

Revenue expenditure under each head are segregated into current year and prepaid wherever the amount exceeds Rs.20,000/-

#### 3.23. Premia for foreclosure

Premia for foreclosure of loans or any part thereof is recognised as finance cost in the year in which the foreclosure is effected.

#### 3.24. Liquidated damages

Liquidated damages is accounted on certainty basis. In respect of Capital Projects, the same will be reduced from the cost of asset and in all other cases, the same is recognized as Other Income.

#### 3.25. Statement of Cash Flows

Cash Flows are reported using the Indirect Method. For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.



4. Property, Plant and Equipment

Particulars	Gross carrying value as at April 1, 2020	Additions	Disposal/adjustment	Gross carrying value as at Mar 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Disposal/adjustment	Accumulated depreciation as at Mar 31, 2021	Carrying Value as at Mar 31, 2021
Land	63,952.64	-	-3.44	63,952.64	-	-	-	-	63,952.64
Buildings, Sheds & Other Structures	12,324.60	374.99	-	12,699.59	1,487.59	320.77	-	1,508.16	11,191.42
Wharves & Boundaries	64,485.91	-	-	64,485.91	6,577.31	1,536.33	-	8,113.66	56,372.25
Roads	8,919.99	3,502.35	-	12,422.34	1,988.01	605.21	-	2,593.22	9,829.12
Railway Track & Signalling System	7,660.95	944.33	-	8,605.28	2,259.06	555.19	-	2,814.24	5,791.04
Docks, Seawalls, Piers & Break Water	57,637.86	-	-	57,637.86	11,897.20	754.74	-	12,651.94	44,985.92
Navigational Aids	381.67	-	-	381.67	290.39	6.61	-	297.00	84.67
Vehicles	184.47	23.78	-	208.25	42.10	21.85	-	63.95	144.30
Electrical Installations	1,862.03	50.58	-	1,912.61	1,060.40	137.49	-	1,197.89	714.72
Installation For Water, Communication & Electrical Appliance	306.19	-	-	306.19	149.76	8.09	-	158.45	147.74
Office Equipment	198.60	32.33	-	230.93	108.60	19.92	-	128.52	102.41
Furniture & Fittings	930.80	15.63	-	946.43	144.79	15.14	-	159.93	31.93
Computers	856.65	10.99	-	867.64	419.57	74.57	-	494.14	432.29
Port Basin & Entrance Channel	84,920.76	5,907.98	-	90,828.74	426.84	120.90	-	547.74	319.91
Plant & Machinery	1,099.46	14.24	-	1,113.69	5,469.99	3,916.32	-	9,386.51	81,442.23
Security Asset	65.09	-	-	65.09	728.15	160.48	-	888.63	225.06
<b>Total</b>	<b>305,980.15</b>	<b>10,880.03</b>	<b>(3.44)</b>	<b>316,856.73</b>	<b>32,801.77</b>	<b>8,256.71</b>	<b>0.00</b>	<b>41,058.48</b>	<b>275,798.26</b>

Land:

a) The Company owns land measuring 2802.49 acres acquired from GoTN, TNER, TIDCO and Salt Department, Ministry of Commerce, out of which 2787.27 acres is under possession of the company and the balance 15.22 acres of land is yet to take possession as these lands were under litigation. Out of 15.22 acres of land under litigation, two writ petitions W.P. No. 26941/2001 & 26942/2001 were filed by Tmt. Pappa & Thiru P. Selvaraj against the land acquisition. The Hon'ble High Court of Madras vide its judgment dated 19.11.2019 quashed the Notification u/s 4(i) and the Declaration u/s 6 of the Land Acquisition Act, in so far as the lands of the petitioners. The court advised to initiate land acquisition proceedings afresh by issuing a fresh Notification u/s 4(i) of the Land Acquisition Act.

The company has decided not to appeal against the judgment of the Hon'ble High Court of Madras dated 19.11.2019 in W.P. No. 26941/2001 and 26942/2001. The port had emitted an amount of Rs. 2.86 lakhs for 6.82 acres of land belonging to Smt. P. Selvaraj and Rs. 0.58 lakhs for 1.38 acres of land belonging to Smt. S. Pappa as compensation amount and the same was ordered to be kept in reverter deposit and cumulative of Rs. 3.44 lakhs shown under Disposal / adjustments.

b) The company procured 950 acres of land from TIDCO, out of which 297.98 acres got registered in the name of the company and the balance registration is in progress.

The company procured 1092.20 acres of land from TANGEDCO, out of which 995.05 acres got registered in the name of the company and the balance registration is in progress.

The company procured 712.42 acres of land from Salt Department, out of which 682.66 acres got registered in the name of the company and the balance registration is in progress.

The company acquired 32.65 acres of land from GoTN and the Port obtained in the name of company.

Original  
New #24 Line  
Kamarajar Street  
Chennai-47

Chennai International Coal Terminal Private Limited and M/s. SICAL from Ore Terminals Limited. M/s. Adani Container Terminal Private Limited, M/s. Chennai Bulk Terminal



## Property, Plant and Equipment

Particulars	Gross carrying value as at April 1, 2019	Additions	Disposal/salvage amounts	Gross carrying value as at Mar-31-2020	Accumulated depreciation as at April 1, 2019	Depreciation for the year	Disposal/adjustment	Accumulated depreciation as at Mar-31-2020	Carrying Value as at Mar-31-2020
Land	58994.47	4961.61	0.00	63,956.08	0	0.00	0.00	0.00	63,956.08
Building, Sheds & Other Structures	11225.41	1159.99	(60.80)	12,324.60	889.29	300.64	(2.53)	1187.40	11,137.20
Wharves & Boundaries	64369.47	537.50	(421.07)	64,485.90	5057.52	1532.79	(12.99)	6577.32	57,908.58
Roads	8558.95	361.04	0.00	8,919.99	1437.06	550.95	0.00	1988.01	6,931.98
Railway Track & Signalling Systems	7660.95	0.00	0.00	7,660.95	1765.42	493.64	0.00	2259.06	5,401.89
Docks, Seawalls, Piers & Break Water	57581.56	56.30	0.00	57,637.86	11143.33	753.87	0.00	11897.20	45,740.66
Navigational Aids	381.67	0.00	0.00	381.67	283.77	6.61	0.00	290.38	91.29
Vehicles	111.63	72.84	0.00	184.47	28.39	13.91	0.00	42.10	142.37
Electrical Installations	1716.76	145.26	0.00	1,862.02	925.07	135.33	0.00	1060.40	801.62
Installation For Water, Communication &	306.19	0.00	0.00	306.19	141.08	8.69	0.00	149.77	156.42
Electrical Appliance	192.48	6.12	0.00	198.60	91.67	16.93	0.00	308.60	90.00
Office Equipment	177.98	11.05	0.00	189.03	129.99	14.80	0.00	144.79	44.24
Furniture & Fittings	921.56	9.23	0.00	930.79	345.45	74.11	0.00	419.56	511.23
Computers	849.36	7.30	0.00	856.66	305.09	121.79	0.00	426.88	429.78
Port basin & Entrance Channel	79743.49	5177.27	0.00	84,920.76	4669.10	800.89	0.00	5469.99	79,450.77
Plant & Machinery	1099.46	0.00	0.00	1,099.46	567.80	160.35	0.00	728.15	371.31
Security Asset	53.71	11.38	0.00	65.09	46.07	6.14	0.00	52.21	12.88
<b>Total</b>	<b>293945.10</b>	<b>12516.89</b>	<b>(481.87)</b>	<b>96580.12</b>	<b>27825.91</b>	<b>4991.44</b>	<b>(15.32)</b>	<b>32801.82</b>	<b>275178.30</b>



## 4 (a) Rights of Use Assets

Particulars	Gross carrying value as at April 1, 2020	Additions	Disposal/adjustments	Gross carrying value as at Mar 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Disposal/adjustment	Accumulated depreciation as at Mar 31, 2021	Carrying Value as at Mar 31, 2021
Leased assets of Registered office	2,002.42	23.16	-	2,025.58	427.20	88.53	-	515.73	1,509.85
<b>Total</b>	<b>2,002.42</b>	<b>23.16</b>	<b>0.00</b>	<b>2,025.58</b>	<b>427.20</b>	<b>88.53</b>	<b>0.00</b>	<b>515.73</b>	<b>1,509.85</b>

## Notes to accounts for the year ended 31st Mar'2020

## 4 (a) Rights of Use Assets

Particulars	Gross carrying value as at April 1, 2019	Additions	Disposal/adjustments	Gross carrying value as at Mar 31, 2020	Accumulated depreciation as at April 1, 2019	Depreciation for the year	Disposal/adjustment	Accumulated depreciation as at Mar 31, 2020	Carrying Value as at Mar 31, 2020
Leased assets of Registered office	2,002.42	-	-	2,002.42	341.18	86.02	-	427.20	1,575.22
<b>Total</b>	<b>2,002.42</b>	<b>0.00</b>	<b>0.00</b>	<b>2,002.42</b>	<b>341.18</b>	<b>86.02</b>	<b>0.00</b>	<b>427.20</b>	<b>1,575.22</b>





Kamarajar Port Limited

Notes to accounts for the year ended 31st Mar'2021

5 Capital Work- In- Progress

Particulars	Balance as at April 1, 2020	Additions/ Adjustments during the year	Capitalized / Adjustments during the year	Balance as at Mar, 31 2021
CWIP - Building Sheds & Other Structures	1788.67	1410.04	-374.99	2823.73
CWIP - Wharves & Boundaries	6.90	24.15	0.00	31.05
CWIP - Roads	3689.01	1825.03	-3502.35	2011.70
CWIP - Railway Track & Signalling System	3906.05	6427.87	-944.33	9389.59
CWIP -Docks, Seawalls, Piers & Break Water	24.15	102.45	-24.15	102.45
CWIP - Navigational Aids	0.00	0.00	0.00	0.00
CWIP - Vehicles	0.00	0.00	0.00	0.00
CWIP - Electrical Installations	62.97	0.00	-62.97	0.00
CWIP - Installation For Water, Communication & Fire	0.00	0.00	0.00	0.00
CWIP - Electrical Appliance	0.00	0.00	0.00	0.00
CWIP - Office Equipment	0.00	0.00	0.00	0.00
CWIP - Computers	0.00	0.00	0.00	0.00
CWIP - Port Basin & Entrance Channel	144.58	6029.96	-5907.98	266.56
CWIP - Plant & Machinery	1139.53	116.47	0.00	1256.00
CWIP-Computer software	0.00	0.00	0.00	0.00
<b>Total</b>	<b>10761.86</b>	<b>15935.98</b>	<b>(10816.77)</b>	<b>15881.07</b>
<b>Previous Year</b>	<b>9894.56</b>	<b>7952.32</b>	<b>(7085.03)</b>	<b>10761.88</b>



Kamarajar Port Limited

Notes to accounts for the year ended 31st Mar'2021

**6 Intangible Assets - Software**

Particulars	As at Mar 31, 2021
Gross carrying value as at April 1	1,077.73
Additions	15.23
Disposal/adjustments	
Gross carrying value as at March 31	1,092.96
Accumulated depreciation as at April 1	468.86
For the Year	154.21
On Disposal/adjustments	
Accumulated depreciation as at March, 31	623.06
Carrying Value as at March 31	469.90



## 7 Investments

Particulars	(Rupees in lakhs)	
	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non-Current</b>		
Investment in Shares-Quoted		
10000 shares in Dredging corporation of India (Market value as at 31st March 2021 - Rs.57,07,500/-, Previous Year - Rs. 14,54,200/-)	57.07	25.04
Investment in Shares - Unquoted		
Equity Shares of Sethusamudram Corporation Ltd	3000.00	3000.00
Less: Provision for Diminution in value of Investments	-3000.00	-3000.00
Equity Shares of Chennai Finance Port Road Company Ltd	3400.00	3400.00
Equity Shares of Indian Port Rail Corporation Limited	720.00	720.00
Equity Shares of Kanniyakumari Port Limited	2.00	2.00
Investments in Renewable Energy Certificate	1.00	1.00
<b>Total</b>	<b>4160.07</b>	<b>4188.04</b>
<b>Current</b>		
Investments in Liquid Funds	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

#. As the dredging work is suspended from 14.09.2007 upon the direction of the Honble Supreme Court of India and as there is no further progress in the project since then, the Management has provided for diminution towards the Investments in Equity shares of Sethusamudram Corporation Limited.

## 8 Loans &amp; Advances

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Long Term</b>		
<i>Secured (considered good)</i>		
Advances to Employees (House Building Advance)	567.42	394.59
Advances to Employees (Vehicle Advance)	10.74	14.15
<b>Total</b>	<b>578.16</b>	<b>408.74</b>
<b>Short Term</b>		
<i>Secured (considered good)</i>		
Advances to Employees (House Building Advance)	42.43	44.98
Advances to Employees (Vehicle Advance)	4.48	5.56
Advances to Employees (Others)	7.05	2.40
<b>Total</b>	<b>53.96</b>	<b>52.94</b>

Advances to Employees (House Building Advance) include Rs.202.45 lakhs being advances extended to 16 employees for which Memo of Deposit is pending due to pandemic.

## 9 Other Financial Assets

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Long Term</b>		
Deposits	392.87	360.59
Interest accrued on:		
-Advances to Related Parties	0.00	0.00
<b>Total</b>	<b>392.87</b>	<b>360.59</b>
<b>Short Term</b>		
Interest accrued on:		
-Short Term Deposits	0.00	9.94
-Advances to Related Parties	0.00	0.00
Income Receivable	135.11	0.00
<b>Total</b>	<b>135.11</b>	<b>9.94</b>



Income receivable represents unbilled port services which was subsequently billed in April 2021.

10 Tax Expense

Particulars	(Rupees in lakhs)	
	As at Mar 31, 2021	As at Mar 31, 2020
<b>Tax recognised in Statement of profit and loss</b>		
Current income tax		
In respect of current year	5200.38	7827.23
In respect of prior years	0.00	0.00
<b>Sub Total (A)</b>	<b>5200.38</b>	<b>7827.23</b>
Deferred tax expense		
In respect of current year	1720.98	6303.85
Minimum Alternate Tax (MAT) [Net of MAT Credit]	2418.61	5767.82
In respect of Earlier Years - MAT Credit no longer available	4973.36	0.00
<b>Sub Total (B)</b>	<b>9112.95</b>	<b>12068.67</b>
<b>Total (A+B)</b>	<b>14313.33</b>	<b>19895.90</b>

Tax recognised in other comprehensive income

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Defined benefit plan actuarial gains (losses)	9.02	12.19
Change in fair value of Equity instruments	1.28	0.00
<b>Total</b>	<b>10.30</b>	<b>12.19</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Profit before tax for the Year	29558.19	44763.82
Income Tax expense calculated @34.94%	10328.81	15641.98
Add/(Less) - Adjustments for:		
Effect of income that is exempt from taxation	(5,200.73)	(6,715.53)
Effect of expenses that are not deductible in determining taxable profit	793.46	810.54
Effect of previously unrecognised deductible temporary differences now recognised as d	(211.48)	-
Effect of MAT Credit Adjustment in the Current Year relating to MAT Credit recognise	8,537.67	7,513.30
Others adjustments	65.61	2,645.60
<b>Income Tax Expense recognised in Statement of P&amp;L</b>	<b>14,313.34</b>	<b>19,895.90</b>

Recognised deferred tax assets and liabilities

Movement in deferred tax balances during the year along with category wise break up

Particulars	Balance as at April 1, 2020	Recognised in profit & loss	Recognised in OCI	As at Mar 31, 2021
Property, plant and equipment	(28,831.69)	(1,879.14)		(30,710.83)
Employee benefits	6.79	122.29	(9.02)	120.06
TDS Disallowance	-	-	-	-
Provision for Doubtful Debts	454.18			454.18
MAT Credit Entitlement *	50,930.42	(7,391.97)		43,538.45
Others	237.12	(237.12)		(0.00)
Diminution in Investments	1,048.32			1,048.32
Upfront Development Charges	-	272.98		272.98
Change in fair value of Equity instruments	-	-	(1.28)	(1.28)
<b>Total</b>	<b>23,845.14</b>	<b>(9,112.96)</b>	<b>(10.30)</b>	<b>14,721.88</b>

The Company is availing tax benefits under Sec.80 IA of the IT Act for ETPL, CHPL & GCB and the same is expiring in FY 2021-22. Hence the Company is liable to pay under MAT for these three enterprises. Considering the Business Plan, the company has drawn for next five years, the Revenue and Profit is liable for payment of Tax at normal rates from FY 2022-23 and the company is confident in availing the accumulated MAT Credit Entitlements.

Particulars	Balance as at April 1, 2019	Recognised in profit & loss	Recognised in OCI	As at Mar 31, 2020
Property, plant and equipment	(22,320.64)	(6,310.85)		(28,631.49)
Employee benefits	(0.95)	(4.45)	12.19	6.79
TDS Disallowance	-	-	-	-
Provision for Doubtful Debts	449.81	4.37		454.18
MAT Credit Entitlement *	50,930.24	(5,767.82)		45,162.42
Others	237.12	-		237.12
Diminution in Investments	1,038.24	10.08		1,048.32
Upfront Development Charges	-	-		-
Change in fair value of Equity instruments	-	-	12.19	12.19
<b>Total</b>	<b>30,316.62</b>	<b>(12,068.66)</b>	<b>12.19</b>	<b>18,259.15</b>



11 Other Assets	(Rupees in lakhs)	
	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non-Current</b>		
Advance to Contractors	0.00	0.00
Advance for Capital Expenditure	7328.63	13134.55
Prepaid Lease Rental	0.00	0.00
Deferred Employee Cost	149.59	137.78
Deferred Fair Valuation Gain - Security Deposits	0.00	0.00
Advance against Arbitration Award	0.00	0.00
Balance with Government Authorities	0.00	455.49
<b>Total</b>	<b>7478.22</b>	<b>13725.83</b>
<b>Current</b>		
Advance to Contractors	1058.22	971.86
Prepaid Lease Rental	0.00	0.00
Prepaid Expenses	29.73	96.90
GST Input Credit	725.82	761.92
Deferred Employee Cost	0.00	0.00
Other Assets	62.11	188.69
<b>Total</b>	<b>1875.85</b>	<b>2018.77</b>

Advance for Capital expenditure under Non-current includes Rs.4509.50 lakhs being excess payment to Project contractors referred to High Court of Madras at the time of taken over the Assets and liabilities from Chennai Port Trust on 22.06.2001.

12 Trade Receivables		
Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Trade receivables		
Debtors outstanding for a period exceeding six months from the date they become due for payment		
- Unsecured - Considered good	3528.07	854.82
- Doubtful	1299.74	1299.74
Other debtors (Less than six months)		
- Unsecured - Considered good	4242.37	3961.76
Less: Allowances for doubtful debts	-1299.74	-1299.74
<b>Total</b>	<b>7770.45</b>	<b>4816.59</b>

13 Cash & Cash Equivalents		
Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Cash on hand	0.00	0.00
Cheques, Drafts on hand	0.00	0.00
Balances with Banks	3201.44	2920.80
<b>Sub-total (A)</b>	<b>3201.44</b>	<b>2920.80</b>
Other Bank Balances		
- Term Deposit		
- Less than 3 months	0.00	0.00
- More than 3 months but less than 12 months	0.00	7000.00
<b>Sub-total (B)</b>	<b>0.00</b>	<b>7000.00</b>
<b>Total</b>	<b>3201.44</b>	<b>9920.80</b>

14 Current Tax Assets		
Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Advance Tax and Tax Deducted at Source	71106.47	66006.00
Provision for Income Tax	-70817.61	-65617.23
<b>Total</b>	<b>288.86</b>	<b>388.77</b>



## 15 Equity Share Capital

Particulars	(Rupees in lakhs)	
	As at Mar 31, 2021	As at Mar 31, 2020
Authorized Equity shares of Rs. 10/- each 500,000,000 equity shares	50000.00	50000.00
Issued, subscribed and fully paid Equity shares of Rs. 10/- each 300,000,000 equity shares	30000.00	30000.00
	30000.00	30000.00

## Reconciliation of share Capital:

Particulars		As at Mar 31, 2021	
		No of Shares	Amount
Opening Equity Shares		300000000	3000000000
Add: -No. of Shares, Share Capital issued/ subscribed during the year		0	0
Closing balance		300000000	3000000000

Particulars		As at Mar 31, 2020	
		No of Shares	Amount
Opening Equity Shares		300000000	3000000000
Add: -No. of Shares, Share Capital issued/ subscribed during the year		0	0
Closing balance		300000000	3000000000

Shares in the company held by shareholder holding more than 5 percent			
Name of the Share holder	As at Mar 31, 2021	As at Mar 31, 2020	
Chennai Port Trust	100%	30000	30000

Government of India disinvested its entire Equity shares held in the company to Chennai Port Trust through Share Purchase Agreement entered

## 16 Borrowings

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>SECURED - LONG TERM</b>		
Term Loan		
Chennai Port Trust	30506.25	22807.50
Foreign Currency Loan from Axis Bank	0.00	8868.90
Tax Free Bonds		
(i) Series 2012-13	9429.68	9416.85
(ii) Series 2013-14	36441.08	36428.84
<b>Total</b>	<b>66377.01</b>	<b>77522.09</b>

## Secured Redeemable Non-Convertible Bonds

(i) Redeemable at par, 829334 Nos of 10 Year Bonds of Face value - Rs.1000/- each amounting to Rs.82,93,34,000/- are due on 25.03.2023 and 117156 Nos of 15 Year bonds of Face Value - Rs.1000/- each amounting to Rs.11,71,56,000/- are due on 25.03.2028 with interest rates @ 7.51% and 7.67% to Retail Investors and 7.01% and 7.17% to others respectively, payable annually. The bonds are secured against the assets of the company viz. Small Craft Jetty - 1, 2 and 3 and General Cargo Berth pursuant to the terms of the Bond Trust Deed registered on 25.03.2013.

(ii) Redeemable at par, 794951 Nos of 10 Year Bonds of Face value - Rs.1000/- each amounting to Rs.79,49,51,000/- are due on 25.03.2024 and 191630 Nos of 15 Year bonds of Face Value - Rs.1000/- each amounting to Rs.19,16,30,000/- are due on 25.03.2029 and 943142 Nos of 20 Year Bonds of Face Value - Rs.1000/- each amount to Rs.94,31,42,000/- are due on 25.03.2034 with interest rates @ 8.61%, 9% and 9% respectively to Retail Investors and 8.36%, 8.73% and 8.75% respectively to others, payable annually. The bonds are secured against the assets of the company viz. North Break Water pursuant to the terms of the Bond Trust Deed registered on 19.03.2014.

## Term loan from Chennai Port Trust

Term Loan due to Chennai Port Trust converted at the time of taken over of assets & liabilities in the year 2001-02 and is repayable in 60 Equated Quarterly instalments commencing from 30.06.2012. The instalments are paid up to date during this period. The above loan is secured by hypothecation of specifically earmarked immovable fixed assets of the company. The company has borrowed an additional amount of Rs.70 crs and Rs.20 crs on 18.06.2018 and 29.09.2018 respectively on the same terms and conditions of the original loan.

## Foreign Currency Loan from Axis Bank

Axis Bank has sanctioned Foreign Currency Loan (FCL) 100 USD Million on 30.03.2017 against Trade receivables @ interest rate of 6M Libor Plus 195 BPS repayable within Five Year including one year moratorium. The company has availed 47 USD Million and the company during the year 2017-18. The company also hedged the 6M Libor Rate in excess of 250 basis points (bps) has been hedged in order to protect Interest Rate Risk.

## Overdraft Facility from State Bank of India

State Bank of India sanctioned clean Overdraft facilities of Rs.50 Crores towards Fund Based and Rs.10 Crores towards Non-fund based limit. The company has entered loan agreement on 31st January, 2020. However, no facilities were availed as on 31st March 2021.





17 Other Financial Liabilities

Particulars	(Rupees in lakhs)	
	As at Mar 31, 2021	As at Mar 31, 2020
<b>Long Term</b>		
Security Deposits	385.57	275.97
Retention Money Payable	11.43	290.18
<b>Total</b>	<b>397.00</b>	<b>566.15</b>
<b>Short term</b>		
Current maturities of long term debt		
- Chennai Port Trust	2301.25	2301.25
- Foreign Currency Loan from Axis Bank	8656.41	8935.25
Security Deposits	139.58	260.63
Retention Money Payable	382.09	350.98
Amount Payable to Employees	0.48	0.48
Other Liabilities	129.18	198.86
<b>Total</b>	<b>11608.99</b>	<b>12047.45</b>

18 Provisions

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non-Current</b>		
<b>FOR EMPLOYEE BENEFITS</b>		
Leave Encashment	0.00	0.00
Gratuity	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Current</b>		
<b>FOR EMPLOYEE BENEFITS</b>		
Leave Encashment	51.80	7.65
Gratuity	15.24	11.79
Performance Related Pay	100.00	290.00
<b>Sub Total (A)</b>	<b>167.04</b>	<b>209.44</b>
<b>OTHER</b>		
Expenses		
- Revenue	1061.00	748.79
- Capital	329.86	65.27
<b>Sub Total (B)</b>	<b>1390.86</b>	<b>814.06</b>
<b>Total(A+B)</b>	<b>1557.90</b>	<b>1023.50</b>

19 Other Liabilities

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>Non-Current</b>		
Income Received in Advance	6449.43	6956.78
Advance Lease Charges	1710.27	781.21
Other Liabilities	0.00	0.00
Deferred Fair Valuation Gain - Security Deposits	570.40	588.85
Government Grant	0.00	8.14
<b>Total</b>	<b>8730.10</b>	<b>8334.98</b>
<b>Current</b>		
Income Received in Advance	866.75	814.61
Other Statutory Payables	1865.91	1224.36
Advance Received from Customers	2714.79	1981.23
Advance Lease Charges	79.79	45.00
Other Liabilities	112.26	89.33
<b>Total</b>	<b>5639.50</b>	<b>4154.53</b>

Interest received in advance of Rs.6449.43 lakhs under Non-Current includes an amount from Indian Oil LNG Private Limited towards upfront licence fees for 30 years for 5,20,000 sqm. Land allotted for the construction of LNG Terminal as per the Licence Agreement dated 31st July 2015.

20 Trade Payables

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Total outstanding dues of micro and small scale Industrial Undertaking(s). (Due over 30 days Rs.28.12 lakhs) *	28.12	0.00
Total outstanding dues of Medium scale Industrial Undertaking(s). (Due over 30 days * Nil/-)	0.00	0.00
<b>Total</b>	<b>4572.53</b>	<b>4255.05</b>
<b>Total</b>	<b>4600.65</b>	<b>4255.05</b>

\* Rs. 82 lakhs disputed interest due thereon



Kamarajar Port Limited

Notes forming part of the Financial Statements for the year ended 31st March 2021

21 Revenue From Operations (Rupees in lakhs)

Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
<b>Lease Income</b>		
Composite Tariff on Coal	16306.12	21361.49
Estate Income	3806.72	4473.35
Revenue Share	18440.33	19182.64
<b>Marine Services</b>		
Vessel Related Income	14316.75	17616.88
<b>Cargo Related Service</b>		
Wharfage	4236.70	6922.01
Royalty	909.87	622.36
<b>Other Operating Revenues</b>		
Other Services	92.76	138.76
<b>Total</b>	<b>58109.25</b>	<b>70317.50</b>





Notes forming part of the Financial Statements for the year ended 31st March 2021

**22 Other Income**

Particulars	(Rupees in lakhs)	
	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Interest from Banks	320.24	415.85
Interest on Staff Advances	34.75	42.61
Interest - Others	107.42	164.68
Short Term Gain from Mutual Fund	9.37	148.83
Dividend received	0.00	51.01
<b>Other non operating income</b>		
Sale of Tender Documents	0.00	0.08
Personnel & Vehicle Entry Pass	70.99	65.76
Liquidated Damages	0.00	1892.30
Other Income	89.70	269.37
<b>TOTAL</b>	<b>632.47</b>	<b>3050.49</b>

**23 Operating Cost**

Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Time Charter Crafts	3125.54	3293.86
Consultancy Services - Operations	175.54	364.85
Power & Water charges	214.60	215.90
Environment	295.91	473.75
Fuel Expense	664.88	769.46
Manning Services	609.32	646.55
Survey & Maintenance Dredging	118.02	102.70
Repairs and Maintenance	938.92	977.25
Incentive	685.16	1231.23
Insurance	280.37	244.96
<b>TOTAL</b>	<b>7108.26</b>	<b>8320.51</b>

**24 Employee Benefits**

Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Salaries and Wages	1406.66	1400.68
Contribution to Provident Fund	128.82	117.17
Staff Welfare expenses	38.81	21.98
Performance Related Pay	0.00	152.99
Employee Medical expenses	52.84	75.30
Terminal Benefits	266.02	290.71
<b>TOTAL</b>	<b>1893.15</b>	<b>2058.83</b>



Notes forming part of the Financial Statements for the year ended 31st March 2021

25 Finance Cost		
(Rupees in lakhs)		
Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Interest Expense :		
- From Banks	437.70	1038.42
- Tax Free Bonds - 2012-13	686.91	686.11
- Tax Free Bonds - 2013-14	3234.23	3225.18
- Others	2560.78	2780.64
Other Borrowing Costs :		
- Tax Free Bond Expenses	8.77	9.32
Net loss / - Gain on Foreign currency transaction and translation to the extent treated as Borrowing costs.	-429.34	725.17
<b>TOTAL</b>	<b>6499.05</b>	<b>8464.84</b>

26 Depreciation And Amortization Expenses		
Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Depreciation / Amortisation for the year		
Tangible Assets	8256.71	4975.92
Right- of- Use Assets	88.53	86.02
Intangible Assets	154.21	151.10
Impairment Expenses	0.00	0.00
<b>TOTAL</b>	<b>8499.44</b>	<b>5213.04</b>

27 Other Expenses		
Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
AMC - Software Expenses	71.57	65.52
Auditors' remuneration		
- Statutory audit	6.00	3.00
- Tax Audit Fees	1.00	0.50
- Payment for other Services	0.45	0.50
- Reimbursement of expenses	0.60	0.30
Books and periodicals	2.43	2.75
Electricity & Water Charges	128.75	122.86
Legal & Professional Charges	190.24	165.46
Miscellaneous Expense	78.92	124.42
Printing and stationery	14.69	17.19
Rent, Rates & Taxes	73.94	55.38
Safety & security expenses	1372.33	1277.89
Seminars & conference expenses	2.20	15.64
Corporate Social Responsibility Expenses	2140.66	810.54
Subscription & Membership fees	152.01	119.58
Communication Expenses	55.47	62.22
Travelling and conveyance	8.29	44.71
Vehicle running expenses	275.15	294.73
Advertising and promotional expenses	26.92	47.59
Foreign Exchange Fluctuation Loss	0.00	688.16
R & M Office	426.21	331.44
Donations & Contributions	130.00	0.00
<b>TOTAL</b>	<b>5157.83</b>	<b>4250.38</b>

CSR Expenses includes carried forward unspent amount of Rs.12.93 Crore of previous years.



## Corporate Social Responsibility Expenses

(a) Gross amount required to be spent by the company during the year : Rs. 810.00 lakhs

(b) Amount spent during the year on :

S. N o.	Particulars	(Rupees in lakhs)		
		in Cash	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	0.00	0.00	0.00
(ii)	on purposes other than (i) above	1857.29	283.38	2140.66
	<b>TOTAL</b>	<b>1857.29</b>	<b>283.38</b>	<b>2140.66</b>

## 28 Exceptional Items

Particulars	(Rupees in lakhs)	
	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Interest paid on Arbitration / Service tax	0.00	144.27
Service Tax Deposit - Dispute settlement	0.00	117.42
<b>TOTAL</b>	<b>0.00</b>	<b>261.69</b>

## 29 Earnings per Share

Particulars	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Total Comprehensive Income for the Year	1529819643	2492549819
Weighted average number of shares - Basic	300000000	300000000
Weighted average number of shares - Diluted	300000000	300000000
Earnings per Share - Basic	5.10	8.31
Earnings per Share - Diluted	5.10	8.31



## Note 30: Disclosure Notes

## 1. Commitments:

## Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Expenditure (net of advances) and not provided for Rs. 30879.80 lakhs (Previous Year: Rs.23175.21 lakhs)

## 2. Payment to the Statutory Auditors

(Amount in Lakhs)

Particulars	2020-21	2019-20
Audit Fees	6.00	3.00
Tax Audit Fees	1.00	0.50
Certification fees	0.45	0.50
Reimbursements: - Out of Pocket Expenses	0.60	0.30

## 3. Additional information pursuant to Schedule III of the Companies Act, 2013

(Amount in Lakhs)

Sl.	Particulars	2020-21	2019-20
<b>A</b>	<b>Expenditure in Foreign currency on:</b>		
	(i) Professional and consultancy fee	-	-
	(ii) Tours and Travels	-	-
	(iii) Interest on FCL including Hedging	437.70	1038.42
	(iv) Others	-	-
<b>B</b>	<b>Earnings in Foreign Exchange</b>	-	15.15

4. Information in respect of Micro, Small and Medium Enterprises as at 31<sup>st</sup> March 2021:

(In Rs. Lakhs)

Sl.	Particulars	2020-21	2019-20
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	28.12	-
	b) Interest due thereon	13.82	-
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Classification of Vendors into Micro, Small and Medium Enterprises have been made to the extent information is available with the Company



**Disclosure requirements of Indian Accounting Standards****5. Disclosures in respect of Ind AS 107 - Financial Instruments****5.1 Financial Instruments by Categories**

The carrying value and fair value of financial instruments by categories were as follows:

(Amount in Lakhs as of March 31, 2021)

Particulars	Amortized cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Non-current Investment (Ref Note No.7)	-	12.03	4148.04	4160.07	4160.07
Cash & Cash Equivalents (Ref Note No.13)	3201.44	-	-	3201.44	3201.44
Trade Receivable (Ref Note No. 12)	7770.45	-	-	7770.45	7770.45
Loans and Advances (Ref Note No. 8)	432.12	-	-	432.12	432.12
Other Financial Assets (Ref Note No. 9)	527.99	-	-	527.99	527.99
<b>Liabilities:</b>					
Term loan from Chennai Port Trust (Ref Note No. 16 & 17)	22807.50	-	-	22807.50	22807.50
Tax Free bonds (Ref Note No. 16)	45870.76	-	-	45870.76	45870.76
Loan from Axis Bank (Ref Note No.16 & 17)	8656.41	-	-	8656.41	8656.41
Trade Payables (Ref Note No. 20)	4600.65	-	-	4600.65	4600.65
Other Financial Liabilities (Ref Note No.17)	1048.32	-	-	1048.32	1048.32





(Amount in Lakhs as of March 31, 2020)

Particulars	Amortized cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Non-current Investment (Ref Note No.7)	-	-	4148.04	4148.04	4148.04
Cash & Cash Equivalents (Ref Note No.13)	9920.80	-	-	9920.80	9920.80
Trade Receivable (Ref Note No. 12)	4816.59	-	-	4816.59	4816.59
Loans and Advances (Ref Note No. 8)	461.68	-	-	461.68	461.68
Other Financial Assets (Ref Note No. 9)	370.54	-	-	370.54	370.54
<b>Liabilities:</b>					
Term loan from Chennai Port Trust (Ref Note No. 16 & 17)	25108.75	-	-	25108.75	25108.75
Tax Free bonds (Ref Note No. 16)	45845.69	-	-	45845.69	45845.69
Loan from Axis Bank (Ref Note No.16 & 17)	17804.15	-	-	17804.15	17804.15
Trade Payables (Ref Note No. 20)	1229.15	-	-	1229.15	1229.15
Other Financial Liabilities (Ref Note No.17)	1377.10	-	-	1377.10	1377.10

## 5.2. Fair Value Hierarchy

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



The following tables presents fair value hierarchy of assets and liabilities measured at fair value:

(Amount in Lakhs)

Particulars	For the year 31.03.2021				For the year 31.03.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments in unquoted equity instruments	-	-	4,123	4,123	-	-	4,123	4,123

### 5.3 Financial risk management

#### Financial risk factors

The Company's activities are exposed to limited financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

#### a) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate because of changes in market price.

The Company has interest rate risk as the Market risk. The company does not have price risk on its financial instruments since company does not have any derivative financial asset.

#### Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The company has availed Foreign Currency Loan of USD 47 Million out of sanctioned loan of USD 100 Million from Axis Bank in four tranches @ LIBOR plus 195 BPS during the year 2017-18. However, LIBOR rate in excess of 250 basis points (bps) has been hedged in order to protect Interest Rate Risk.

Further, the company has interest rate risk on the loans obtained from Chennai Port Trust as the annual interest rate reset is pegged to the movement in MCLR rate of State Bank of India.

As at the reporting date, the interest rate profile of the company's interest-bearing financial instruments are as follows:





(Amount in lakhs)

Particulars	31st Mar 2021	31st Mar 2020
Fixed Rate Instruments	-	-
Financial Asset		
- Fixed Deposit with Bank	-	7000.00
- Employee Advance	425.06	459.27
Financial Liabilities		
- Tax Free Bonds	45870.76	45845.69
Variable Rate Instruments		
- Loan from Chennai Port Trust	22807.50	25108.75
- Foreign Currency Loan	8656.41	17804.15

**b) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Since the company generally stipulates pre-payment with respect to its income for major port services, there is normally no credit offered to anyone. In such cases there is no credit default risk. However, where the company is rendering certain ancillary / support services the invoices are raised, as and when the services are rendered and in cases of disagreement on user charges, licence fee etc. on settlement of disputes and in these cases, there could be an element of credit default risk.

**Trade Receivables**

The company has outstanding trade receivables amounting to Rs.7770.45 Lakhs and Rs. 4816.59 lakhs as of March 31, 2021 and March 31, 2020, respectively. Trade receivables are typically unsecured and are derived from revenue accrual from customers. Since most of the port services are rendered on pre recovery basis by collecting in advance, Trade receivable constitutes the unpaid Revenue dues mostly towards Estate rentals and allied services. Provision for disputed debts are reviewed at each balance sheet date and provided for on a case to case basis.

**Credit risk exposure**

An age-wise analysis of trade receivables at each reporting date is summarized below:

(Amount in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Gross	Impairment	Gross	Impairment
Not past due	3595.45	-	2791.23	-
Past due less than three months	2.97	-	-	-
Past due more than three months but not more than six months	643.95	-	1166.47	-
Past due more than six months but not more than one year	1283.49	-	4.40	-
More than one year	3544.33	1299.74	2154.57	1299.74
<b>Total</b>	<b>9070.19</b>	<b>1299.74</b>	<b>6116.67</b>	<b>1299.74</b>



Provision for impairment of trade receivables on a case to case basis is made in the year when recoverability is assessed as doubtful based on the recovery analysis performed by the company or is based on likely outcome of disputes over the interpretation of certain clauses in the concessionaire agreements. The company considers all other financial assets which are not impaired and past due for each reporting dates under review are of good credit quality.

#### **Other financial assets**

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We consider the credit quality of term deposits with banks which are subjected to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. Credit risk related to employee loans are considered negligible since loan is secured either as mortgage of the title deed of the property or by way of hypothecation of the vehicle for which these loans have been granted to the employees. Besides, the company has appropriation right over the terminal benefits due to the employees. Therefore, there is no requirement for impairment provision for these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

#### **c) Liquidity Risk**

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations,

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirement consists mainly of resources required to settle trade payables, expenses payable, employee dues, repayment of current maturities of loans, etc., arising during the normal course of business as of each reporting date. We maintain sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include borrowings from Chennai Port trust, Tax Free Bonds, and Foreign Currency Loan from Axis Banks, Retention money payable and Security deposits.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

(Amount in Lakhs as of March 31, 2021)



Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Chennai Port Trust Loan	1150.62	1150.62	4602.48	4602.48	11301.31	22807.51
Loan from Axis bank	4328.25	4328.26	-	-	-	8656.41
Tax Free Bonds	-	-	8293.34	-	37577.42	45870.76
Retention money	-	382.09	11.43	-	-	393.52
Security Deposits	-	137.87	387.28	-	-	525.15
Trade Payables	-	4600.65	-	-	-	4600.65
Other Liabilities	-	129.66	-	-	-	129.66
	5478.67	10728.95	13294.53	4602.48	48878.73	82983.36

(Amount in Lakhs as of March 31, 2020)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Chennai Port Trust Loan	1150.62	1150.62	4602.48	4602.48	13602.56	25108.76
Loan from Axis bank	4467.63	4467.63	8868.90	-	-	17804.16
Tax Free Bonds	-	-	-	8293.34	37552.35	45845.69
Retention money	-	350.98	290.18	-	-	641.16
Security Deposits	-	260.63	275.97	-	-	536.60
Trade Payables	-	1229.15	-	-	-	1229.15
Other Liabilities	-	199.34	-	-	-	199.34
Total	5618.25	7658.35	14037.53	12895.82	51154.91	91364.86

**6. Disclosure in respect of Indian Accounting Standard (Ind AS)-21 "The Effects of changes in Foreign Exchange Rates"**

The amount of exchange differences (net) debited to the Statement of Profit & Loss Rs. Nil (P.Y.Rs. 688.16 Lakhs) under Other Expenses.

**7. Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"**

During the year, the company has reviewed its Fixed Assets for impairment of assets as per Ind AS-36 and has observed no impairment of assets in the current Financial year (Previous year - NIL).



8. Disclosure in respect of Indian Accounting Standard (Ind AS)-20 "Accounting for Government Grants and Disclosure of Government Assistance"

(Amount in Lakhs)		
Grant received for	2020-21	2019-20
Government Grants	Nil	Nil
Total Grants Received	Nil	Nil

9. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

A. General description of various employee's benefit schemes are as under:

a) Provident Fund:

The company's Provident Fund is deposited with Regional Provident Fund Commissioner. The company pays fixed contribution to provident fund at pre-determined rate.

b) Gratuity:

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity @ 15 days salary (15/26 x last drawn basic pay plus dearness allowance) for each completed year of service on superannuation, resignation, termination, and disablement or on death. A trust has been formed for this purpose. This scheme is being managed by the Life Insurance Corporation of India (LIC) for which the company has taken a Master Policy.

The scheme is funded by the company and the contributions are paid to the insurer, i.e., the Life Insurance Corporation of India as per the demand made by them. The recognition of net obligation for the defined benefit plan and the disclosure of information as required under Ind AS-19 is made in accordance with the actuarial valuation report.

c) Superannuation Scheme:

The Company has implemented a non-contributory Employee's Group Superannuation Pension Scheme which is also managed by LIC of India. Contributions @ 12% of Basic Pay plus dearness allowance of the enrolled employee is made to the Corporation.

The contribution to the scheme for the period is grouped under Employee Cost on accrual basis. In respect of employees on deputation, pension contribution is calculated as per lending organization/Govt. of India Rules and is accounted for on accrual basis.

d) Leave:

The company provides for Earned Leave benefits and Half-Pay Leave to the employees of the company, which accrue annually at 30 days & 20 days respectively. The Earned Leave is encashable once in a calendar year while in service for a period of maximum 30 days as per eligibility and on Superannuation, the maximum limited to 300 days.

The liability on Earned leave is recognized on the basis of actuarial valuation.



- a. The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under:

(Amount in Lakhs)

Particulars		Gratuity (Funded)	Leave (Funded)
Defined Benefit Obligation	C.Y.	386.25	377.00
	P.Y.	354.38	315.72
Fair Value of Plan Assets	C.Y.	371.01	325.20
	P.Y.	346.74	303.93
Funded Status [Surplus/(Deficit)]	C.Y.	15.24	51.80
	P.Y.	7.64	11.79
Effect of asset ceiling	C.Y.	0	0
	P.Y.	0	0
Net Defined Benefit Assets/(Liabilities)	C.Y.	15.24	51.80
	P.Y.	7.64	11.79

## (Movement in defined benefit obligation)

(Amount in Lakhs)

Particulars		Gratuity (Funded)	Leave (Funded)
Defined benefit obligation - Beginning of the year	C.Y.	354.38	315.72
	P.Y.	272.70	226.48
Current service cost	C.Y.	32.88	44.20
	P.Y.	33.53	16.07
Interest Cost	C.Y.	23.92	21.31
	P.Y.	20.88	17.55
Benefits Paid	C.Y.	0	0
	P.Y.	(6.61)	0
Re-measurements - actuarial loss/(gain)	C.Y.	(24.94)	(4.23)
	P.Y.	33.89	55.61
Defined benefit obligation – End of the year	C.Y.	386.24	377.00
	P.Y.	354.38	315.72





**Movement in plan asset**

		(Amount in Lakhs)	
Particulars		Gratuity (Funded)	Leave (Funded)
Fair value of plan assets at beginning of year	C.Y.	346.74	303.93
	P.Y.	252.60	221.27
Interest income	C.Y.	23.40	20.52
	P.Y.	22.39	19.63
Employer contributions	C.Y.	0	0
	P.Y.	79.34	64.04
Benefits paid	C.Y.	0	0
	P.Y.	(6.61)	0
Re-measurements – Return on plan assets	C.Y.	0.87	0.76
	P.Y.	(0.99)	(1.01)
Fair value of plan assets at end of year	C.Y.	371.01	325.20
	P.Y.	346.74	303.93

**Amount Recognized in Statement of Profit and Loss**

		(Amount in Lakhs)	
Particulars		Gratuity (Funded)	Leave (Funded)
Current service cost	C.Y.	32.88	44.20
	P.Y.	33.53	16.08
Past Service Cost – Plan Amendment	C.Y.	0	0
	P.Y.	0	0
Curtailment cost/(credit)	C.Y.	0	0
	P.Y.	0	0
Settlement cost/(credit)	C.Y.	0	0
	P.Y.	0	0
Service Cost (A)	C.Y.	32.88	44.20
	P.Y.	33.53	16.08
Net Interest on Net Defined Benefit Liability/(assets) (B)	C.Y.	0.52	0.80
	P.Y.	(1.52)	(2.08)
Cost Recognized in P&L (A+B)	C.Y.	33.40	45.00
	P.Y.	32.01	14.00



## Sensitivity Analysis

(Amount in Lakhs as of March 31, 2021)

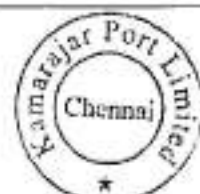
Assumption	Change in Assumption	Gratuity (Funded)	Leave (Funded)
Discount rate	+1.00%	354.28	361.43
	-1.00%	423.30	394.06
Salary growth rate	+1.00%	421.83	396.31
	-1.00%	352.96	359.05
Withdrawal rate	+1.00%	391.00	378.35
	-1.00%	380.88	375.54

(Amount in Lakhs as of March 31, 2020)

Assumption	Change in Assumption	Gratuity (Funded)	Leave (Funded)
Discount rate	+1.00%	325.58	303.25
	-1.00%	387.92	329.40
Salary growth rate	+1.00%	386.10	329.33
	-1.00%	325.68	303.06
Withdrawal rate	+1.00%	358.57	316.75
	-1.00%	349.70	314.59

## Actuarial Assumption

Particulars		Gratuity (Funded)	Leave (Funded)
Method used	C.Y.	PUC	PUC
	P.Y.	PUC	PUC
Discount rate	C.Y.	6.82%	6.82%
	P.Y.	6.75%	6.75%
Rate of salary increase	C.Y.	5%	5%
	P.Y.	5%	5%
Rate of return of plan Asset	C.Y.	6.82%	6.82%
	P.Y.	6.75%	6.75%
Withdrawal Rate	C.Y.	1% to 3%	1% to 3%
	P.Y.	1% to 3%	1% to 3%
Retirement Age	C.Y.	60 Years	60 Years
	P.Y.	60 Years	60 Years
Average Future Service	C.Y.	15.52	15.52
	P.Y.	16.05	16.05
Mortality rate	C.Y.	IALM (2012-14) Table	IALM (2012-14) Table
	P.Y.	IALM (2006-08) Table	IALM (2006-08) Table
Disability Rate	C.Y.	No explicit loading	No explicit loading
	P.Y.		





**Category of investment in Plan assets**

Category of Investment	% of fair value of plan assets
Insurance Policies	100%

**10. Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"**

The company primarily operates in one segment – Port Services and there is no reportable Geographical segment either.

The Company derives revenues from the following customers which accounts for 10 per cent or more of Company's revenues. In respect of the other customers, their individual share is less than 10% of the company's revenues

Customer	(Amount in Lakhs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
TANGEDCO	10880.62	14990.94
NTECL (JV of Tangedco & NTPCL)	7264.55	8338.10
Eunore Coal Terminal Private Limited (Erstwhile Chettinad International Coal Terminal Pvt Ltd)	9348.27	12023.54

**11. Disclosure in respect of Indian Accounting Standard 23 "Borrowing Costs"**

Borrowing costs capitalised during the year is Rs. Nil (Previous Year Rs. Nil) in the respective carrying amount of Property, Plant and Equipment / Capital works in Progress (CWIP).

**12. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"**

**a. List of Related parties:**

**Key Managerial Persons:**

Name	Designation
Shri Sunil Paliwal, IAS.,	Chairman-cum Managing Director)
Shri P.Raveendran, IRTS.,	Nominee Director
Shri S. Balaji Arunkumar, IRTS	Nominee Director (w.e.f 04.09.2020)
Shri V.M. Subba Rao, FCA, DISA (ICA)	Independent Director
Capt. Anoop Kumar Sharma	Independent Director (w.e.f. 10.11.2020)
Smt. Sarala Balagopal, IRTS (Retd.)	Independent Director (w.e.f. 10.11.2020)
Shri M. Gunasekaran,	General Manager (Finance) cum CFO
Smt. Jayalakshmi Srinivasan	Company Secretary

**Other Entities:**

- M/s. Kanniyakumari Port Limited



**b. Transaction with Related Parties:**

**Compensation of Key Management Personnel**

(Amount in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration and Short-term benefits	110.95	94.61
Post-employment benefits	18.01	8.61
Other long-term benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
Sitting fee	2.20	-
<b>Total</b>	<b>128.96</b>	<b>103.22</b>
Recovery of Loans & Advances during the year	-	-
Advances released during the year	-	-
Closing Balance of Loans & Advances	-	-

**Chennai Port trust**

(Amount in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Paid	2394.50	2758.93
Loan Repaid	2301.25	2301.25
Lease Rent Expenses	36.04	40.31
Project Management Services	192.21	47.75
Security Deposit - Lease Rent	1.97	193.76
Upfront Lease Premium	0.27	-
Dividend paid	18000.00	2500.00
CSR Expenses	100.00	-
Manpower	28.90	-
Others	9.13	49.11
Closing Balance of Term Loan	22807.50	25108.75



13. Disclosure in respect of Indian Accounting standard (Ind AS) 116 "Leases"

a. Operating lease

i) As a Lessee

- Future minimum lease payments under non-cancellable operating leases excluding upfront fee payments

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Not later than 1 year	4.84	15.48
Later than 1 year and not later than 5 years	-	11.47
Later than 5 years	-	-

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Minimum lease payments	15.48	40.55

Leasing arrangement:

The Company has leased Motor Vehicles for the use of officials. The lease has been taken for four years. The company has leased office premises for 30 years from Chennai Port Trust on upfront premium lease payments.

ii. As a lessor

- Future minimum lease receivables under non-cancellable operating lease

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Not later than 1 year	3085.49	2421.13
Later than 1 year and not later than 5 years	17899.18	14047.20
Later than 5 years	88239.65	56508.51

- Leasing arrangement:

As per the business model adopted by the Company, the development, operation, marketing and maintenance of cargo terminals are left with the Captive / PPP BOT operators on 30 years Licence / Concession Agreement. The company leased out water front and land area for development of Berths through BOT operators / Captive users as per the Licence / Concession Agreement.



14. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share (EPS)"

a) Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS is as follows:

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit (loss) for the year, attributable to the owners of the company	15298.20	24925.50
Earnings used in calculation of basic earnings per share(A)	15298.20	24925.50
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	300000000	300000000
Basic EPS(A/B) – Rs.	5.10	8.31

b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit (loss) for the year, attributable to the owners of the company	15298.20	24925.50
Earnings used in calculation of basic earnings per share(A)	15298.20	24925.50
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	300000000	300000000
Basic EPS(A/B)	5.10	8.31

15. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

Contingent Liabilities

(i) Disputed Tax demand:

Disputed tax matters amounting to Rs. 98.15 lakhs (Previous year Rs.910.74 lakhs) are being contested before Appellate authorities.

(ii) Contract / supply works:

Some of the contractors for construction / supply and execution of works at our projects have made claims on the company aggregating to Rs. 10705.37 lakhs (Previous Year : 11308.00 lakhs)



seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for extended period of work, idle charges etc. These claims are being contested by the company as being not admissible in terms of the provision of the respective contracts. The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims.

(iii) (a) Revenue Contracts with PPP Concessionaires – M/s AECTPL:

KPL entered into a Concession Agreement with M/s. Adani Ennore Container Terminal Private Limited under PPP DFBOT mode on 15.03.2014 for the Development of Container Terminal for 30 years.

The commercial operation commenced during October 2017 for Phase I and Phase II of the project is under construction. Due to delay in commissioning of Phase II, the Company levied liquidated damages as per the terms of the Concession Agreement amounting to Rs 29.60 Crores. The levy of damages was disputed by the Concessionaire and consequent to their appealing against the arbitration award in favour of the Company, the High Court finally ordered to pay damages to the tune of Rs. 10 crores and the same was deposited by the concessionaire.

Subsequently, the concessionaire had raised certain disputes and invoked Arbitration clause and issued the Arbitration notice to the Company. Post constitution of Arbitration Tribunal on 1st August 2020, claims and counter claims were filed before the Arbitration Tribunal by both the concessionaire and the Company.

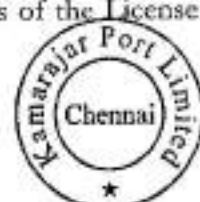
The nature of disputes and claims by the concessionaire relate to "Delay in completion of Phase I and II, alleged to have been attributable to KPL", questioning the Levy of Liquidated damages, calling for Refund of 10 cr deposited with KPL, Non achievement of Minimum Guaranteed Cargo due to issuance of consultation by KPL, Change in Law and consequences of Covid- 19, Rejection of Financing document by KPL, and non-approval of Revised project cost, and consequent Interest etc., amounting to Rs.1180.12 Crores.

The Company has denied the claims by the concessionaire in its entirety and has preferred a counter claims amounting to Rs.167.81 Cores.

The arbitration is in progress as at the year end.

(b) Revenue Contracts with PPP Concessionaires – M/s. SIOTL:

Kamarajar Port Limited entered into a License Agreement with M/s. SICAL Iron Ore terminal Agreement (SIOTL) on 11.7.2016 for "Modification of existing Iron Ore Terminal to also handle Coal" under PPP - DBFOT basis. The 27 year concession period commenced from 20.7.2018. However due to various problems and difficulties faced by the SIOTL, the Project could not be completed and commissioned on the scheduled date. In the meantime, the Lenders have issued 'Notice of Financial Default' by the SIOTL and requested KPL to issue Termination Notice by exercising their rights available under the License Agreement. KPL has commenced the Termination process by issuing a Termination Notice on 22.3.2021 under relevant provisions of the License





Agreement. Since the Termination of the Agreement is initiated due to the default of the Licensee (SIOTL), KPL will take over the project assets on payment of compensation to the Licensee as specified in Sections 25.3, 4.5V(c), 18.2.3 and 25.6.

#### Summary of Contingent Liabilities;

(Amount in Lakhs)

	Particulars	2020-21	2019-20
a)	Disputed Tax Demand but not acknowledged as debt	6021.35	910.74
b)	Claims against the company not acknowledged as debt		
	- NGT	400.00	834.60
	- Contract / supply works	10705.37	11308.00
	<b>Total</b>	<b>11105.37</b>	<b>12142.60</b>
c)	Claims against Revenue contract with PPP Concessionaires	118012.00	-

#### 16. Confirmation of balances:

Trade Receivables/Payables, Term Loans and Advances, GST input credit/GST and Deposits are subject to confirmation and Reconciliation.

#### 17. Capital Management:

The Company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in the light of the changes in economic and market conditions.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

Rs.in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Total Debt	77334.68	88758.58
Less : Cash and cash equivalent	3201.44	9920.80
Net Debt	74133.24	78837.78
Total Equity	235204.86	237906.66
Net debt to equity ratio	31.52%	33.14%



# 18. Note on COVID 19

The World Health Organisation (WHO) has declared the outbreak of COVID 19 a pandemic, which has led to invoke the provisions and powers conferred under the Disaster Management Act, 2005 by the National Disaster Management Authority (NDMA) who has issued series of guidelines including complete lockdown, partial lockdown, etc., to take effective measures to prevent the spread of COVID 19 in the country.

However since the Ministry of Ports, Shipping & Waterways (MoPS&W), Govt. of India, has declared Port related activities, as essential service for maintaining supply chain link, the following reliefs were extended to trade during the period 22nd March, 2020 to 3rd May, 2020 (lockdown period) as there was an inevitable impact in the form of delays in evacuation of cargo, inability to fulfil obligations by various parties /stakeholders due to the effect on the downstream services and in order to support the Port Operators, Port Users and end users:

- i) Shipping lines were advised not to impose any container detention charges (including any new or additional charge) on import and export shipments for the period from 22<sup>nd</sup> March 2020 to 14<sup>th</sup> April, 2020 by DG (Shipping).
- ii) **Force Majeure:** The COVID 19 pandemic was considered as a natural calamity which entitled the invocation of Force Majeure provisions in meeting the obligations under various contracts. The period of completion of any Project under implementation in PPP mode or otherwise, was extended including waiver of all penal consequences with deferment of performance obligations as per the relevant provisions of Concession Agreement.
- iii) **Remission of charges to Port Users:**
  - a) Ports allowed free storage time during the lockdown period.
  - b) Ports allowed deferment of April, May & June 2020 months lease rentals/license fees.
  - c) No penal charges, demurrage, detention charges, dwell time charges, anchorage charges, penal berth hire charges, performance related penalties, etc were levied during the lockdown period plus 30 days recovery period.
  - d) No charges/rentals for allotment of additional land for temporary storage.
- iv) **Remission of charges to PPP Concessionaires:**
  - a) Deferment of April, May & June 2020 months revenue share/royalty without any interest for three months or six monthly EMIs at interest rate equal to RBI 91 days T-Bill.
  - b) Waiver of lease rentals/license fees for three months (April, May & June 2020), to the extent the volume of cargo dropped compared to monthly average cargo volume of last calendar year, i.e 1<sup>st</sup> January 2019 to 31<sup>st</sup> December, 2019.
  - c) No MGT (Minimum Guaranteed Throughput) obligations during the lockdown period.
  - d) No penalty for any shortfall in performance standards during the lockdown period.
  - e) Allotment of additional storage on temporary basis without any charge/rental/fees.
- v) **Vessel Related charges (VRC)** from Shipping Lines: Interest free 60 days deferment of VRC against submission of Bank Guarantee to Indian coastal vessels.






Since the pandemic and consequent lockdown have disturbed the economic activities and the company has handled cargo 18% lower than the previous year and corresponding Operating income has reduced during the year.

19. Previous year's figures have been regrouped wherever necessary.

20. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 25<sup>th</sup> June, 2021.

For Kamarajar Port Limited




Sunil Paliwal, I.A.S.,

Chairman cum Managing Director  
DIN : 01310101

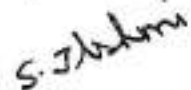


P. Raveendran, I.R.T.S.,

Director  
DIN : 07640613



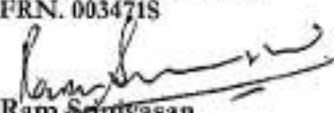
M. Gunasekaran  
Chief Financial Officer & Compliance Officer



Jayalakshmi Srinivasan  
Company Secretary



For B. Thiagarajan & Co.  
Chartered Accountants  
FRN. 003471S



Ram Srinivasan  
Partner  
M.No.220112

UDIN 21220112 AAABO 8554

Place : Chennai  
Date : 25<sup>th</sup> June, 2021