



# KAMARAJAR PORT LIMITED

## कामराजर पोर्ट लिमिटेड

(erstwhile Ennore Port Limited)

CIN:U45203TN1999GOI043322

(A Mini Ratna Govt. of India Undertaking  
under Ministry of Shipping)



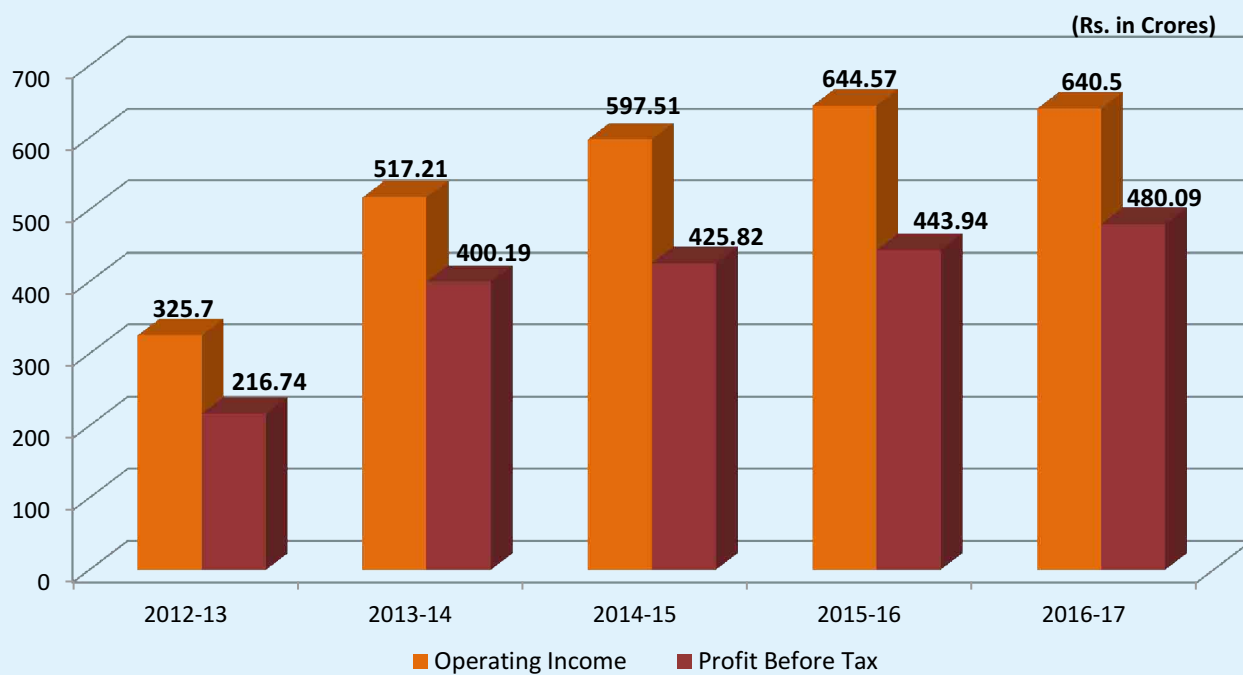
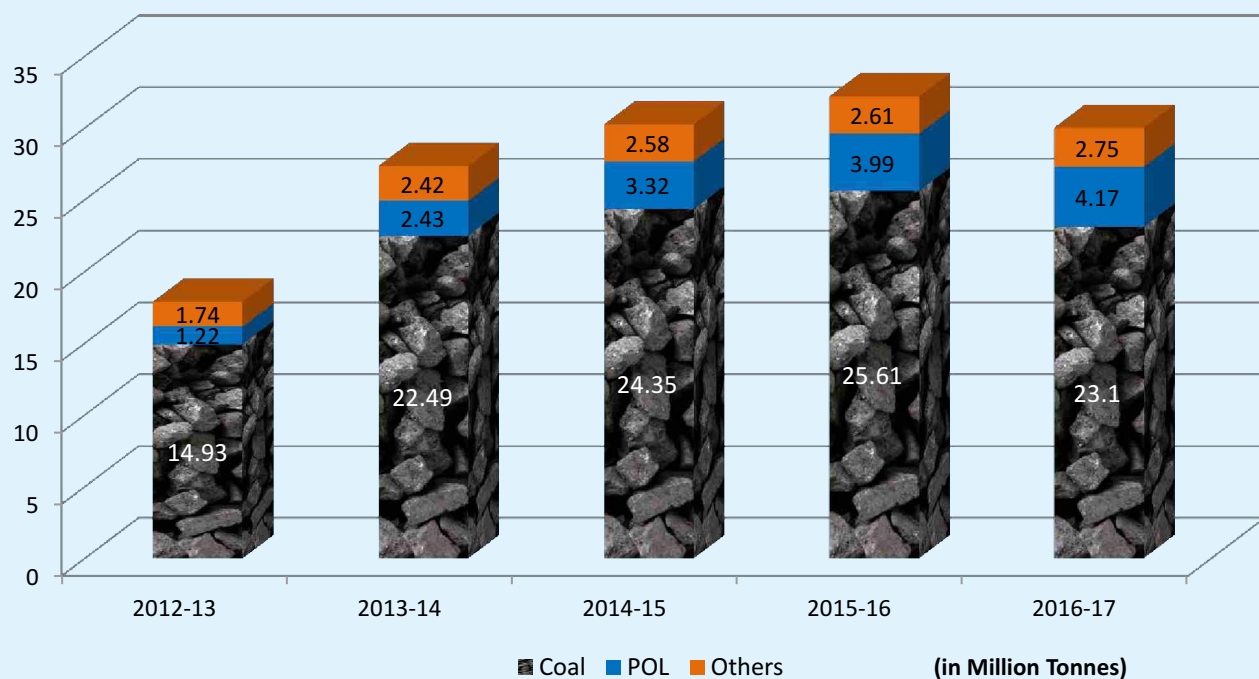
# 2016-17

## 17<sup>th</sup> ANNUAL REPORT

## 17<sup>वीं</sup> वार्षिक रिपोर्ट



India's Port of the Millennium  
इस मिलिनियम का भारतीय पोर्ट



Figures of FY 2015-16 & 2016-17 are as per IND AS.



# **KAMARAJAR PORT LIMITED**

(erstwhile Ennore Port Limited)

(CIN: U45203TN1999GOI043322)

(A Mini Ratna Government of India Undertaking  
under Ministry of Shipping)



## **17<sup>th</sup> ANNUAL REPORT**

**2016 - 17**





## KAMARAJAR PORT LIMITED

### BOARD OF DIRECTORS (As on 9.9.2017)



**Shri RINKESH ROY**  
Chairman-cum-Managing Director



**Smt. L. VICTORIA GOWRI**  
Independent Director



**Shri P. RAVEENDRAN, IRTS**  
Nominee Director, ChPT



# KAMARAJAR PORT LIMITED

(A MINI RATNA GOVERNMENT OF INDIA UNDERTAKING)

## Board of Directors

## DIN

Shri Rinkesh Roy, Chairman-cum-Managing Director (appointed w.e.f.02.08.2017)	07404080
Shri P. Raveendran, Nominee Director (appointed w.e.f. 21.10.2016)	07640613
Smt. L. Victoria Gowri, Independent Director (appointed w.e.f. 10.02.2017)	07734561

## Key Officials

Shri Sanjay Kumar  
General Manager (CS & BD)

Shri M. Gunasekaran,  
General Manager (Finance)-cum-CFO

Capt. A.K. Gupta,  
General Manager (Marine Services)

Shri V. Krishnasamy,  
General Manager (Operation)

Shri P. Radhakrishnan,  
Deputy General Manager (Civil)

## Company Secretary

Smt. Jayalakshmi Srinivasan

## Debenture Trustees

SBICAP Trustees Company Ltd.  
8, Khetan Bhawan, 5<sup>th</sup> Floor,  
198, J. Tata Road, Church Gate,  
Mumbai – 400 020

Catalyst Trusteeship Limited,  
GDA House, Plot No.85,  
Bhusari Colony (Right), Paud Road,  
Pune – 411 038

## Depositories

National Securities Depository Limited  
Central Depositories Services (India) Limited

## 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 – 400 078.  
Ph : 022-25967878  
Fax : 022-25960329

## Statutory Auditors

M/s. Sankaran & Krishnan  
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

# KAMARAJAR PORT LIMITED

2016-17

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# 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

CIN: U45203TN1999GOI043322

(A Mini Ratna Government of India Undertaking)

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

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

Website: www.kamarajarport.in E-mail: info@epl.gov.in

### NOTICE

**NOTICE IS HEREBY GIVEN THAT the 17<sup>th</sup> Annual General Meeting of Members of Kamarajar Port Limited** will be held on **Thursday, the 21<sup>st</sup> day of September 2017 at 11.30 a.m. at Board Room at the Registered Office of the Company**, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March 2017, including the audited Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on equity shares for the financial year 2016-17.

### SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri P. Raveendran (DIN 07640613) who was appointed as a Government Nominee Director of the Company by the Board in terms of the direction of Government of India, letter No.9 (24)/2000-GM dated 7<sup>th</sup> March 2001 and Ministry of Shipping letter No. A-11013/11/98-P.E.II dated 26<sup>th</sup> September 2001 and Chennai Port Trust letter No. ICM1/3143/2016/GA dated 13<sup>th</sup> October 2016, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Smt. L. Victoria Gowri (DIN 07734561) who was appointed as Non-official Independent Director of the Company by the Board pursuant to Government of India Office Order No. EPL/02/2006/-DO(PO) (Vol.II [308862] dated 1<sup>st</sup> February 2017, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation.

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Rinkesh Roy (DIN 07404080) who was appointed as an additional director u/s 161 of the Companies Act 2013 and Chairman-cum-Managing Director by the Board w.e.f. 02.08.2017 pursuant to the order issued by Government of India, Ministry of Shipping vide letter No. PD-27/12/2017-PD-1 dated 02.08.2017 and holds office upto date of AGM of the Company, be and is hereby appointed as the Director and Chairman-cum-Managing Director of the Company on the terms and conditions as stipulated in the order issued by the Government of India and shall not be liable to retire by rotation.

By Order of the Board of Directors

Place : Chennai  
Date : 09.09.2017

(Jayalakshmi Srinivasan)  
Company Secretary

**NOTES:**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- b) All documents referred to in the Notice are open for inspection at the Registered Office of the Company
- on all working days, except Saturdays, Sundays and holidays, upto the date of the Annual General Meeting.
- c) The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 3, 4 and 5 is annexed hereto and forms a part of this Notice.
- d) Members are requested to notify immediately any change of address.
- e) Brief Resume of the Directors seeking appointment/re-appointment at this Annual General Meeting is attached hereto and forms part of the Notice.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3**

Shri P. Raveendran (DIN 07640613) was appointed as a Government Nominee Director of the Company by the Board with effect from 21.10.2016 in terms of the direction of Government of India, letter No. 9 (24)/2000-GM dated 7<sup>th</sup> March 2001 and Ministry of Shipping letter No. A-11013/11/98-P.E.II dated 26<sup>th</sup> September 2001 and Chennai Port Trust letter No. ICM1/3143/2016/GA dated 13<sup>th</sup> October 2016.

Shri P. Raveendran does not hold any shares in the Company and is deemed to be interested in proposed resolution to the extent of his appointment as Director. No other Director or KMP and their relative is interested or concerned in the said resolution.

Pursuant to the Companies Act, 2013, as approval of the members is to be obtained, the same is brought to the Shareholders. Directors recommend the resolution for Members' approval.

**Item No. 4**

Smt. L. Victoria Gowri (DIN 07734561) was appointed as Non-official Independent Director of the Company by the Board with effect from 10.02.2017 pursuant to Government of India Office Order No. EPL/02/2006/-DO(PO) (Vol.II[308862] dated 1<sup>st</sup> February 2017, for a period of three years from the date of notification of appointment or until further orders in this regard, from the Government of India, whichever event occurs earlier.

Smt. L. Victoria Gowri does not hold any shares in the Company and is deemed to be interested in proposed resolution to the extent of her appointment as Director. No other Director or KMP and their relative is interested or concerned in the said resolution.

Pursuant to the Companies Act, 2013, as approval of the members is to be obtained, the same is being brought to the Shareholders. Directors recommend the resolution for Members' approval.

**Item No. 5**

Shri Rinkesh Roy (DIN 07404080) was appointed as additional director u/s 161 of the Companies Act 2013 and Chairman-cum-Managing Director by the Board by way of Circular Resolution with effect from 02.08.2017 in terms of Ministry of Shipping letter No. PD-27/12/2017-PD-1 dated 02.08.2017.

Shri Rinkesh Roy does not hold any shares in the Company and is deemed to be interested in proposed resolution to the extent of his appointment as Director. No other Director or KMP and their relatives is interested or concerned in the said resolution.

Pursuant to the Companies Act, 2013, as approval of the members is to be obtained, the same is being brought to the Shareholders. Directors recommend the resolution for Members' approval.

By Order of the Board of Directors

**Place :** Chennai  
**Date :** 09.09.2017

**(Jayalakshmi Srinivasan)**  
**Company Secretary**

## BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 17<sup>TH</sup> ANNUAL GENERAL MEETING

### Item No.3

Shri P. Raveendran (DIN 07640613), aged 54 years, is an IRTS Officer. He is a Mechanical Engineer from College of Engineering, Guindy and holds a Masters in Business Administration. During the year 2000, he had undergone one year training programme in Railway Systems from University of Hannover, Germany, Port operations from Hamburg Port Authority (HPA), Germany and Transport Management in Conurbations from Technical University Dresden, Germany. He also had various certifications from reputed institutions such as Strategic Management from ISB and INSEAD, Supply chain management from IIM, Ahmedabad, Leadership qualities and Scenario Planning from The ICLIF Leadership and Governance Centre.

He was earlier Divisional Railway Manager, Khurda Road Division of East Coast Railway. Prior to that, Shri P. Raveendran was Chief Freight Transportation Manager with Southern Railway. He had also worked in various senior capacities in Southern and South Western Railway and also as Group General Manager, CONCOR.

Presently he is holding the position of Chairman in Chennai Port Trust.

Shri P. Raveendran is not related to any of the Directors and Key Managerial Personnel of the Company.

### Item No.4

Smt. L. Victoria Gowri (DIN 07734561), aged 44 years, is an Advocate by profession. She holds Bachelor of Law degree from Madurai Law College. She enrolled as an Advocate of Tamil Nadu Bar Association in the year 1995 before the High Court of Judicature at Madras. After a brief practice before the Subordinate Judge's Court at Karur, from the year 1996, she continued her practice in Kanyakumari District. In the year 2006, she extended her practice before the Madurai Bench of Madras High Court too. She has more than 21 years of experience in legal profession. She launched Victory Legal Associates in 1997 which is known for their distinguished practice in Civil, Family, Criminal, Writs & Appeal sides of legal practice and is a pioneer in Tamilnadu in conducting Domestic violence cases.

Smt. L. Victoria Gowri is not related to any of the Directors and Key Managerial Personnel of the Company.

### Item No.5

Shri Rinkesh Roy (DIN 07404080), aged 47 years, is an IRTS Officer of 1992 batch. Shri Rinkesh Roy has done his Masters in Public Management from Harvard University and National University of Singapore. He graduated in Economics (Hons) from Ravenshaw College, securing 1<sup>st</sup> position in Utkal University. He was awarded the Lee Kuan Yew Fellowship in 2013.

He joined the Indian Railway Traffic Service (IRTS) in 1992 on South Eastern Railway. Rinkesh Roy has developed an expertise in logistics, operations and strategic planning. He has worked in varied capacities and has rich experience in the interface and working of iron-ore mines, Steel plants, Collieries, Power Plants and Port operations. He was also associated with the formulation of the 12<sup>th</sup> Five Year Plans of the Ministries of Railways, Coal and Power. He has worked in varied capacities in the Railway Operations Department at Khurda Road, Sambalpur, Waltair, Kharagpur, Chakradharpur and Bilaspur Divisions. He has vast experience at Railway Board level – working there as Director (Planning) and Director, Traffic Transportation. He has worked in East Coast Railway as Secretary to General Manager and as Chief Freight Traffic Manager of ECOR, wherein he was a Member of the Team that made it the highest freight-loading Railway. As GM/Operations in CRIS, he has developed a mobile application called 'Parichaalan' for freight operations.

He was part of a select team that visited the United States of America for Project Implementation of 25 Tonne axle load wagons. He has been to Japan on training for the Dedicated Freight Corridor (2007) and Urban Transport Systems (2010).

At present, posted as Chairman, Paradip Port Trust with effect from 23<sup>rd</sup> December 2015.

Shri Rinkesh Roy is not related to any of the Directors and Key Managerial Personnel of the Company.

## BOARDS' REPORT

**To  
The Members,  
Kamarajar Port Limited  
(erstwhile Ennore Port Limited).**

Your Directors have the pleasure of presenting the 17<sup>th</sup> Annual Report on the performance of your Company for the financial year ended 31<sup>st</sup> March 2017 along with Audited Statements of Accounts, Auditors' Report & review of accounts by the Comptroller and Auditor General of India.

### 1.0 FINANCIAL HIGHLIGHTS

Particulars	Current Financial Year 2016-17 (Rs. in crores)	Previous Financial Year 2015-16 (Rs. in crores)
Income from services	620.14	616.49
Other Income	20.36	28.08
<b>Total Income</b>	<b>640.5</b>	<b>644.57</b>
Operating Expenses	127.31	105.80
Finance Costs	77.81	75.75
Depreciation and Amortization	21.89	19.08
<b>Total Expenses</b>	<b>227.01</b>	<b>200.63</b>
<b>Profit Before Extraordinary &amp; Exceptional Items</b>	<b>413.49</b>	<b>443.94</b>
Exceptional Items (-)	66.6	-
Extraordinary Items	-	-
<b>Profit Before Tax</b>	<b>480.09</b>	<b>443.94</b>
Taxes	7.69	68.14
<b>Profit After Tax</b>	<b>472.40</b>	<b>375.80</b>
Other Comprehensive Income	19.65	0.08
Total Comprehensive Income	452.75	375.72

*Note: Figures of Previous Financial Year 2015-16 are regrouped as per the transition of INDAS.*

### 2.0 FINANCIAL PERFORMANCE

During the year under review, your Company registered a total income of Rs.640.50 crores as against Rs.644.57 crores reported during the previous year reflecting a decrease of Rs.4.07 crores (0.63%). The operating expenditure incurred was Rs.127.31 crores as against Rs.105.80 crores during the previous year reflecting an increase of Rs.21.51 crores (20.33%). The increase in expenditure was mainly on account of certain provision made in the books of accounts, increased contribution to Indian Ports Association and CSR expenses. Your Company has achieved Profit Before Tax (PBT) and Profit After Tax (PAT) of Rs.480.09 crores and Rs.472.40 crores respectively as against Rs.443.94 crores and Rs.375.80 crores. Your Company reported an increase of Rs.36.15 crores (8.14%) and Rs.96.60 crores (25.70%) in Profit Before Tax (PBT) and Profit After Tax (PAT) respectively. The Company has prepared the Financial Statements as per Indian Accounting Standards (Ind AS). As per Ind AS provisions, taxes has

been arrived at based on Deferred Taxes (detailed as per Note No.10 to the Audited Financial Statements). Deferred Taxes for the period upto 31<sup>st</sup> March 2016 has recognized Rs.68.14 crores in 2015-16 and Rs.7.69 crores has been recognized for the year 2016-17.

### 3.0 DIVIDEND

As per Ministry of Finance guideline vide No. F.No.5/2/2016 – Policy dated 27<sup>th</sup> May, 2016, “every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the Networth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions”. The Company's 5% of Networth works out to Rs.92.57 crores and 30% of PAT works out to Rs.135.82 crores.

Accordingly, your Board of Directors are pleased to recommend a Dividend of 46% of the Equity Share Capital of Rs.300 crores for the year ended 31<sup>st</sup> March, 2017. The Dividend will be paid, subject to the approval of Members at the Annual General Meeting. The proposed dividend for the financial year, amounts to Rs.4.60 per equity share and will absorb Rs.166.09 crores, including Dividend Distribution Tax of Rs.28.09 crores.

### 4.0 TRANSFER TO RESERVES

#### 4.1 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, 2017 remains Rs.79.02 crores.

#### 4.2 Debenture / Bond Redemption Reserve:

Your Company has transferred Rs.8.63 crores as Debenture/Bond Redemption Reserve pursuant to Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act, 2013 and the balance as on 31<sup>st</sup> March, 2017 is Rs.36.79 crores.

### 5.0 FINANCE

#### Indian Accounting Standards (Ind AS) – IFRS Converged Standards

Your Company had adopted Ind AS with effect from 1<sup>st</sup> April, 2016 pursuant to Ministry of Corporate Affairs notification dated 16<sup>th</sup> February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. Your Company has published Ind AS Financials for the year ended 31<sup>st</sup> March 2017 along with comparable as on 31<sup>st</sup> March 2016 and Opening Statement of Assets and Liabilities as on 1<sup>st</sup> April 2015.

Your Company has not availed any term loan during the financial year 2016-17.

During the year under review, your Company has repaid instalments of term loans availed from Chennai Port Trust amounting to Rs.23.01 crores which had become due during the current year.

Your Company has discharged the interest obligation on Tax Free Bonds on the due date.

### 5.1 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. Accordingly, the requisite details were furnished to Credit Rating Agencies for annual surveillance.

The Credit Rating Agencies have accorded the following ratings during Annual Surveillance:

Credit Rating Agencies	Ratings	Outlook
CRISIL	AA	Positive
CARE	AA	Positive
ICRA	AA	Positive
Brick Work Ratings	AA+ (SO)	Stable

### 5.2 Particulars of transaction made with Related Parties

There are no contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013. Prescribed Form AOC-2, is appended as **Annexure-1** to the Boards' report.

### 5.3 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 the Company between the end of financial year and date of report.

## 6.0 PARTICULARS OF LOANS, GUARANTEES

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

## 7.0 INVESTMENTS

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

### 7.1 Plan Expenditure

Your Company has spent Rs.545.63 crore for capacity expansion during the financial year 2016-17 as against the target of Rs.250 crores set for the year.

## 8.0 FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits.

## 9.0 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. The Audit Committee of the Board reviews the financials and gives its recommendations to the Board for implementation.

## 10.0 CHANGE OF REGISTERED OFFICE

Your Company shifted its Registered Office from 4<sup>th</sup> Floor of Diabetic Speciality Centre (erstwhile DLB Building) of Chennai Port Trust at Rajaji Salai, Chennai - 600 001 to 2<sup>nd</sup> Floor (North Wing) & 3<sup>rd</sup> Floor, Jawahar Building, No.17, Rajaji Salai, Chennai - 600 001 with effect from 1<sup>st</sup> May 2017. Board in its meeting dated 30.05.2017 has also approved keeping of Books of Account at Central Documentation Complex (CDC Building), Ground Floor (South Wing), 13, Rajaji Salai, Chennai - 600 001.

## 11.0 MoU WITH MINISTRY OF SHIPPING, GOVT. OF INDIA

Your Company has submitted the Draft MoU to Ministry of Shipping on 21.01.2017 for administrative approval, pursuant to the detailed guidelines for MoU 2017-18 issued by the Department of Public Enterprise (DPE) on 16.12.2016. The Draft MoU submitted by your Company was approved by Ministry of Shipping and the same was forwarded to DPE on 31.01.2017.

Your Company has signed the MoU for 2017-18 with the Ministry of Shipping on 06.07.2017.



*Memorandum of Understanding (MoU) for 2017-18 was signed between Kamarajar Port and Ministry of Shipping on 6-7-2017 at New Delhi. Shri Ravi Kant, IAS, Secretary to Govt. of India, Ministry of Shipping and Shri M.A. Bhaskarachar, Chairman-cum-Managing Director, Kamarajar Port Limited are seen in the picture.*

### 11.1 MoU Performance for 2016-17

Your Company has been consistently accorded 'Excellent' rating by Government of India since FY 2007-08. With regard to 2016-17, MoU performance evaluation is under progress.

## 12.0 VISIT OF PARLIAMENTARY STANDING COMMITTEE

The Department related Parliamentary Standing Committee on Human Resource Development visited Visakhapatnam, Chennai, Bhopal, Ujjain and Indore under the Chairmanship of Dr. Satyanarayan Jatiya and held discussion with KPL Management at Chennai on 28-06-2016.

The Committee on Papers Laid on the Table, Rajya Sabha to Kodaikanal (via Madurai), Chennai and Mumbai under the Chairmanship of Dr. C.P.Thakur, held discussion with KPL Management at Chennai on 01.07.2016.

The Committee on Subordinate Legislation to Tirupati, Chennai, Visakhapatnam and Lucknow under the Chairmanship of Dr.T.Subbarami Reddy, held discussion with KPL Management at Chennai on 14.10.2016.

The Department related Parliamentary Standing Committee on Transport, Tourism and Culture visited Ahmedabad, Mumbai, Kochi and Munnar under the Chairmanship of Shri Mukul Roy and held discussion with KPL Management at Mumbai on 07-06-2017.

The Committee on Subordinate Legislation, Rajya Sabha visited Vijayawada, Chennai and Kolkata under the Chairmanship of Dr.T. Subbarami Reddy and held discussion with KPL Management at Chennai on 23.06.2017.

## 13.0 AWARDS

Kamarajar Port received the 'Best Car / Automobile Port of the Year' Award during the 8<sup>th</sup> South East CEO Conclave organized by Shipping Times of EXIM India. Shri M.A. Bhaskarachar, Chairman-cum-Managing Director, KPL received the award during the Awards function held in Chennai on 24.6.2016.

During the PSE Excellence Awards 2015 organized by Indian Chamber of Commerce at New Delhi on 6.7.2016, your Company has received 'Operational Performance Excellence Award' under Mini-Ratna category.

Your Company has also been adjudged as Winner in the category of 'Sectoral Excellence Awards – Best Seaport Infrastructure' during "3<sup>rd</sup> MARKENOMY Awards 2016" held at New Delhi on 27.10.2016.

## 14.0 OPERATIONS

The eight berths available in your Port have the modern state-of-the-art facilities. The infrastructure facilities provided for evacuation of cargoes through rail and road, facilitates faster and speedy evacuation. The closed conveyors connected directly to stackyards of Coal and Iron Ore Berths ensure eco-friendly environment by keeping your Port clean. Thus your clean and green port is serving the various needs of the maritime industry.

## 14.1 Cargo Throughput

Over the last five years, your Port registered a sound growth of 68% at 30.02 Million Tonnes in FY 2016-17 as against 17.89 Million Tonnes in FY 2012-13.

## 14.2 Existing Operational Facilities

Your Port which was looked upon initially as a mono commodity coal port to serve the interest of TNEB, has over the period developed as a multi cargo port and today it has created facilities for handling liquid bulk, iron ore, automobiles, containers and general cargo with a handling capacity of 38 MTPA.

## 14.3 TNEB Coal Berths

Coal Berths 1 & 2 are operated by your Port and are exclusively for TNEB (TANGEDCO) to handle thermal coal brought from Paradip by coastal transport for its thermal power plants at North Chennai, Ennore and Mettur. Unloaded Coal is directly moved through the conveyor system to the stackyard located in the adjoining North Chennai Thermal Power Station (NCTPS) from where a part of it is moved further to Mettur and Ennore through rail connectivity.

These berths are located north of the southern breakwater and are in the form of a continuous finger jetty. Each berth is 280 m long and 26 m wide with a dredged depth of 16.0 m. The berths have been designed to accommodate bulk carriers upto 85,000 DWT.

## 14.4 Marine Liquid Terminal

Marine Liquid Terminal with cargo handling capacity of 3 MMTPA was developed under BOT basis by M/s.Ennore Tank Terminals Private Limited (ETTPL) at an investment cost of Rs.252 crores in the first stage. In the second stage, an additional investment of Rs.167 crores was made for development of additional storage tanks and LPG handling equipments. The revenue share offered is 21.678%. Total cargo handled by M/s.ETTPL during the financial year 2016-17 is 4.17 million tonnes which is 4.511% higher than the last financial year.

## 14.5 Common User Coal Terminal

Common User Coal Terminal with cargo handling capacity of 8 MMTPA was developed on BOT basis by M/s.Chettinad International Coal Terminal Pvt. Ltd. (CICTPL) with a project cost of Rs.399.13 crores. Commercial operations began from 11<sup>th</sup> March 2011. In the second stage, an additional investment of Rs.10 crores was made for extension of jetty length of 22.5 m for berthing the cap size vessel. Further, your Company also carried out the associated capital dredging for accommodating cap size vessel in the berth. The revenue share offered is 52.524%. During the year under review, M/s.CICTPL handled 6.74 million tonnes of coal. CICTPL has also handled about 2.47 million tonnes of Coal for TANGEDCO at their jetty during the year.

#### 14.6 General Cargo Berth-cum-Automobile Export Terminal

Your Company has set up a berth for car export and for other general cargo at a cost of Rs.140 crores. The berth can accommodate the world's largest car carrier vessel with a storage capacity of 8,000 cars. Further, it has a back-up area of about 1,99,500 sq.m. with an expansive car parking yard for 14,000 cars which is the largest facility in any Indian Ports. The export of automobile units through GCB crossed 11.50 lakh units as on 31.03.2017. During the period under review, your Company handled 2,27,581 automobile units which is 4.91% higher than the corresponding period during last year.

#### 14.7 Iron Ore Terminal (12 MTPA)

Your Company had signed an agreement for an Iron Ore terminal on 30 years BOT basis on 23<sup>rd</sup> September 2006 with the project Company M/s.SICAL Iron Ore Terminal Limited with an approved project cost of Rs.480 crores in two phases of 6 million tonnes each. The Licensee has developed the first phase of 6 MTPA capacity at an investment of Rs.360 crores. The revenue share offered is 51.60%. The commissioning activities were stalled due to ban on export of Iron Ore by State Government of Karnataka and the Hon'ble Supreme Court. Hence your Company in consultation with the Ministry decided to convert the Terminal also to handle coal in the said Terminal.

After following due process of evaluation of RFP document, your Company obtained approval of the Board of Directors for issue of letter of intent to M/s.SIOTL for the above conversion project. Accordingly, a letter of intent was issued on 2.6.2016 to M/s.SIOTL for Modification of existing Iron Ore Terminal on "as is where is" to also handle Common User Coal at Kamarajar Port on DBFOT basis for the revenue share quoted at 52.524%. Subsequently, letter of award was awarded and Concession Agreement has been signed with M/s.SIOTL on 11.7.2016. The conversion work would commence after obtaining MoE&F clearance and will be commissioned within twelve months from the date of commencement of work.

#### 14.8 Development of Container Terminal (16.8 MTPA)

Your Company has issued a letter of award to M/s.Adani Ports and Special Economic Zone Ltd., Gujarat for a quoted revenue share of 37.00% for Development of Container Terminal in two phases on DBFOT basis with a capacity of 1.4 Million TEUs at an estimated cost of Rs.1270 crores. On 15<sup>th</sup> March 2014, your Company has signed concession agreement with M/s.Adani Ennore Container Terminal Private Limited (AECTPL). The concessionaire has commenced and completed the construction of first phase of 0.8 Million TEUs capacity terminal and the terminal has been inaugurated on 09-06-2017.



*Shri Nitin Gadkari, Hon'ble Union Minister of Road Transport, Highways & Shipping inaugurated five new projects viz., Container Terminal, Multi-cargo Terminal, Rail connectivity to Container and MCT terminals, e-Office and RFID system in the presence of Shri Pon. Radhakrishnan, Hon'ble Minister of State for Road Transport, Highways & Shipping.*

#### 14.9 Development of Multi Cargo Terminal (2 MTPA)

In order to cater to the EXIM traffic of Bulk and Project Cargoes like Turbine & Generators, windmill etc., imports of fertilizer / wooden logs, Port has initiated for development of Multi Purpose Cargo Terminal for handling dry, bulk and project cargoes other than Coal, Iron Ore, POL and Automobile units, on DBFOT basis. Your Company has issued a letter of award to the Consortium of M/s.Chettinad Builders Pvt. Ltd. & South India Corporation Pvt. Ltd., Chennai for a quoted revenue share of 36.00% for Development of Multi Cargo Terminal on DBFOT basis at an estimated project cost of Rs.151 crores. On 28<sup>th</sup> March 2014, your Company has signed concession agreement with M/s.Chettinad International Bulk Terminal Private Limited (CIBPTL), an SPV of Consortium of Chettinad Builders Pvt. Ltd. & South India Corporation Pvt. Ltd. Award of Concession was granted on 24.02.2015. The construction work has been completed and the terminal has been inaugurated on 09-06-2017.

#### 14.10 International Benchmarking for Operational Efficiencies

Government of India has conducted study to benchmark the parameters for increasing operational efficiency. M/s BCG International Consultants have recommended various initiatives and targets to be achieved for all Ports. Accordingly, your Company has taken up various initiatives for implementation which has yielded results in improving Turnaround Time of vessels, berth productivity and capacity utilizations.

#### 15.0 BUSINESS DEVELOPMENT

In recent times, in order to meet the growing traffic demands, your Company has initiated action and awarded the contract for creating additional terminal facilities viz., Container Terminal, Multi Cargo Terminal, construction of two more coal berths for TANGEDCO, LNG Terminal, IOCL Captive Jetty and

Additional RoRo-cum-General Cargo Berth II for handling additional cargo of 48 MTPA.

### **15.1 Coal Berths 3 & 4 for TANGEDCO**

Considering the expansion of existing and new Thermal Power Plants of TANGEDCO and their joint ventures, TANGEDCO requested your Company to establish additional Coal Berths. Conceding to their request, your Company has awarded the Contract for construction of two Coal Berths of each 9 MTPA capacity at own investment of Rs.500 crores. The proposed berths to accommodate cap size vessels of 18 metre draft. Construction work for both CB3 and CB4 are in progress and expected to be completed by the end October 2017 and December 2017 respectively.

### **15.2 LNG Terminal**

IOCL has planned to set up an LNG Terminal Storage, Re-gasification Terminal Project. The capacity of LNG Terminal is 5 MTPA with provision to expand to 10 MTPA. Investment cost by Captive User (IOCL) – Rs.5151 crores. Cabinet has approved leasing of land to M/s. IOCL to an extent of 5,20,000 sq.mtr. to the Joint Venture led by IOCL for a period of 30 years for setting up of LNG Re-gasification Terminal. Construction work is in progress and is expected to be completed by the end of 2018.

### **15.3 Captive Oil Jetty by IOCL (3 MTPA)**

To meet the growing demand of POL, LPG products and Lube Oil Base Stock (LOBS) in bulk in Tamil Nadu and neighbouring states, your Company has signed Memorandum of Understanding with Indian Oil Corporation Limited on 30.11.2015 for building a Captive jetty at Kamarajar Port for handling LPG, POL and LOBS with a capacity of 3 MTPA.

Further, your Company signed the Concession Agreement with IOCL for Construction of Captive Oil Jetty on 9<sup>th</sup> June 2016 and awaiting Environmental clearance for commencement of work. The captive jetty is expected to be commissioned during 2020-21.

### **15.4 Construction of RoRo-cum-General Cargo Berth 2**

To meet the export demand of automobile exporters, your Company initiated actions for development of RoRo-cum-General Cargo Berth 2 consisting of berth and parking yard through Internal and Extra Budgetary Resources (IEBR). The capacity of the terminal is 3 MTPA with an estimated cost of Rs.320 crores.

Your Company invited tender during February 2016 and issued Letter of Intent on 28.03.2016 to the firm M/s. L&T Geostucture LLP, Chennai for Rs.115.03 crores excluding parking yard. On receipt of Environmental Clearance from Ministry of Environment & Forest, your

Company will issue the work order for commencement of work and the contract period is 20 months.

## **16.0 PORT EXPANSION**

### **16.1 Marine Liquid Terminal - II**

To meet the growing demand of oil industry, your Company has initiated action for development of 2<sup>nd</sup> Marine Liquid Terminal consisting of berth and tankage Terminal by PPP/Captive mode. The berth will be located adjacent to the existing Marine Liquid Terminal-I. The capacity of the Terminal is 3 MTPA with an estimated cost of Rs.393 crores. The berth to be designed to handle suezmax tankers upto 1,50,000 DWT.

Your Company has commenced the bidding process on 30.6.2016 and due to litigation by the existing BOT Operator the work is not yet awarded.

## **17.0 DEVELOPMENT OF FREE TRADE WAREHOUSING ZONE**

To meet the growing demand of EXIM trade, your Company has initiated action for Setting up of Port Based Free Trade Warehousing Zone (FTWZ) at an extent of 40 Hectares for export promotion and providing value added service. The FTWZ will function as International Hubs which serve as key links in global logistics and supply chains servicing both India and the world.

Your Company had appointed M/s. Mahindra Consulting Engineers Ltd. in association with M/s. Price water House Coopers Pvt. Ltd, Chennai for preparation of Master Plan and Detailed Feasibility Report during January 2015.

Your Company had opted for developing the FTWZ under PPP mode with 100% Private Investment and invited RFQ. Due to non-response to RFQ by PPP mode, your Company decided to develop the basic infrastructure by own investment and subsequently select the co-developer for development and operation of the FTWZ.

## **18.0 INFRASTRUCTURE DEVELOPMENT**

### **18.1 Capital Dredging Phase-III**

The work of Capital Dredging Phase-III involving creation of water depth of (-) 16m CD for the upcoming terminal berths such as Container, Multi cargo and Coal Berth III has been commenced by the contractor, M/s.International Seaport Dredging Ltd. during August 2015 and so far nearly 85% of work has been completed.

### **18.2 Capital Dredging Phase-IV**

As per the directives of Government, your Company has initiated actions for carrying Capital Dredging Phase-IV to provide 18m deep draft in the basin and channel area of the Port. With increase in EXIM

trade demand, the preference of trade will be to deploy deep draft vessels to gain economies of scale.

The estimated dredging volume is 16.16 million cubic metres at an estimated cost of Rs.600 crores which will be financed through Internal and Extra Budgetary Resources (IEBR).

Your Company has invited tender during January 2016 through global tender process and issued Letter of Intent to M/s. International Seaport Dredging Pvt. Ltd. on 31.03.2016 for a contract value of Rs.257.90 crores.

On receipt of Environmental Clearance from Ministry of Environment & Forest, your Company will issue the Work order for commencement of work and the contract period is 20 months.

### 18.3 Rail Connectivity

Your Port is connected to the Southern Railway network at Attipattu and Attipattu Pudhunagar Railway Stations, at about 6 km. from the Port, on the Chennai-Gudur section of Southern Railway. Rail connectivity between your Port and mainlines of Indian Railways (Ennore Port to Attipattu and Attipattu Pudhunagar Railway Stations) to coal / iron ore stackyards at a total estimated cost of Rs.80 crores is in progress.

Your Company has entered into MoU with RITES for execution of various Railway projects of KPL on Deposit basis. Accordingly, RITES initiated and awarded the contract for rail connectivity to the Container and Multi Cargo Terminal from the existing NCTPS Railway line for rail movement of container and multi cargo traffic and the work was completed and has been inaugurated on 09.06.2017.

RITES also initiated and awarded the second work of balance rail connectivity in holding yard-1, i.e. (connecting Coal and Iron Ore Stackyard to Athipattu Pudunagar Railway Station Yard) in February 2017 and the construction work is in progress and is expected to be completed by the end of 2018.

### 18.4 Road Connectivity

Your Company has initiated various measures for development of Port internal and external road connectivity for in and out of the Port cargoes. The details are as follows:

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

Considering the increasing road traffic movement for import/export of cargo, KPL has envisaged widening of the existing two lane road leading from Vallur junction (TPP Road) to KPL Main Entrance into four lane road. The total length of the road is 7.1 Kms.

Your Company has appointed Tamil Nadu Road Development Corporation (TNRDC), Government of

Tamilnadu as Consultant/implementing agency on 7.8.2015 for development of SPAR on turnkey basis. Your Company is in the process of forming the SPV Company for implementing the project. The Board of Directors approved the revised project cost at Rs.200 crores. TNRDC is in the process of obtaining statutory clearances for development of SPAR.

#### b) Internal Port Road

Your Company has awarded a work for widening the existing two lane road to four lane concrete road and construction of Gate Complex at a cost of Rs.27.43 crores and the construction work is in progress and expected to be completed by the mid of 2018.

#### c) Construction of Container Pre-Stackyard

To avoid congestion in the road traffic, your Company has initiated action and awarded the work at a cost of Rs.24.28 crores for developing the container Pre-Stackyard in an extent of 16 acres of land for facilitating the process for clearances for entry to the Port. The construction work is in progress and expected to be completed by the middle of 2018.

## 19.0 INDUSTRIAL RELATIONS

During the year under review, cordial and harmonious Industrial Relations were maintained in your Company and no man-day was lost on account of industrial unrest.

## 20.0 HUMAN RESOURCE DEVELOPMENT

### 20.1 New HR Systems

Your Company constantly reviews and revises its HR processes to suitably align with present requirements and with its strategic HR objectives. Your Company is currently in the process of implementing SAP system for all HR related items which will make HR more employee-friendly as everything can be achieved with a click of a button. This implementation is one step towards Digital India and our drive towards Employee Happiness.

### 20.2 Manpower

The manpower details with respect to all employees as on 31.03.2017 of your Company are given below:

Class/Group	SC	ST	OBC	Others	Total
Class I	6	1	22	15	44
Class II	4	2	7	6	19
Class III	5	-	14	4	23
Class IV	6	1	8	2	17
<b>Total</b>	<b>21</b>	<b>4</b>	<b>51</b>	<b>27</b>	<b>103</b>

### 20.3 Representation of SCs/ STs/ OBCs and Minorities

Your Company has adhered to the policies and directives of the Government relating to the recruitment of Scheduled Castes, Scheduled Tribes, Physically

Challenged, Other Backward Classes, Ex-Servicemen and Minorities etc. during the year.

## 20.4 Training Programme

During the year 2016-17, your Company imparted various training programmes to its employees conducted by different institutions to upgrade competency of employees and to equip them to keep abreast of latest developments in their respective sector.

During the year, 88 man-days of training was imparted to all its employees.

## 20.5 Grievance Redressal Mechanism

Your Company has its own grievance redressal procedure for Executives as well as non-executive employees. The grievances of employees are accordingly dealt with as per the policy.

## 21.0 HEALTH, SAFETY & ENVIRONMENT

### 21.1 Health

As a welfare measure, periodically health check-ups are provided to employees and their family members.

### 21.2 Safety

National Safety Week was celebrated at your Port. Nearly seventeen man-days training programs on work safety, fire & rescue were given to BOT, contractors and stevedores. Mock fire & oil spill drills were regularly conducted during the year.

### 21.3 Environment

Your Port has obtained Environmental Management System (EMS) ISO 14001:2004 (for GCB, Administrative building and Car parking yard) during February, 2015 which is valid for a period of three years. Your Company always endeavours to remain as eco-friendly environment Port and user-friendly Port while serving the various needs of the maritime industry.

### 21.4 Oil spill

At around 04:00 IST on 28<sup>th</sup> January 2017, 'M.T.BW MAPLE' Flag ISLE OF MAN carrying LPG and 'M.T.DAWN KANCHIPURAM' Flag INDIAN carrying POL met with collision outside harbour while M.T.BW MAPLE was being out-bound vessel and M.T.DAWN KANCHIPURAM was in-bound vessel. Due to collision, fuel oil from the ship M.T.DAWN KANCHIPURAM got spilled and subsequent pollution of the coast occurred. Various agencies like ICG, Chennai Port, State Govt., TNPCB, Oil PSUs, etc. participated in the cleanup operations of the coast. The collected oily wastes and oil contaminated sand was brought into KPL for treatment using bio-remediation process. Notices issued by various authorities were replied and instructions given are followed.

In this connection cases have been filed in the National Green Tribunal (NGT), South Zone, where KPL is one of the respondents. KPL claimed expenditure incurred for cleaning up has been settled by insurance of the Vessel M.T. Dawn Kanchipuram.

SOP for Marine operations has been approved by Board for implementation recently.

## 21.5 Swachh Sagar Abhiyan

As part of Swachh Bharat Abhiyan, Kamarajar Port and Indian Coast Guard conducted Swachh Sagar Abhiyan on 02.10.2016. KPL Management, ICG, CISF personnel actively participated. A cleaning operation along the coastal stretch from the north of north breakwater was carried out. Pamphlets highlighting cleanliness were also distributed. Further, an expenditure of Rs. 1,83,30,235/- has been incurred towards painting of buildings, cleaning and repair of roads, beautification of parks, modernizing of toilets & solid waste management, etc. under Swachh Bharat Abhiyan.



*Nationwide Swachhta Abhiyan-2017 observed at Kamarajar Port from 15<sup>th</sup> September to 2<sup>nd</sup> October, 2017.*

## 21.6 Solid Waste Management

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 approved re-cyclers for further beneficial use.

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

Your Company has 17 women employees including 12 officers and 5 supporting staff. The total women employees constitute approximately 17% of its total workforce of 103 as on 31.03.2017.

Your Company is taking all measures to implement the policy to curb Sexual Harassment of women workers at work place. No case of any harassment has since been reported at any time in your Company. The women

employees are facilitated to perform and display their efficiencies for the betterment of the organization as well as self improvement. Various cultural, social, educative and community activities, such as adult educating, blood donation camps, eye camps, etc. are being organised regularly, mostly for the benefit of the women residing in the neighbouring areas.

Every year, 8<sup>th</sup> March is celebrated as International Women's Day and various programmes are organised with the active participation of women employees to mark the day. Your Company has established a Women's Cell to address the grievances of women employees.

Your Company provides livelihood opportunity to 120 women workers as social welfare measure through self help group from surrounding villages for several years at the Port.

### 23.0 CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

It has been your Company's conscious and continuous endeavour to contribute to the community development and services. Towards its commitment to the society, your Company has adopted CSR Policy and the same has also been published in the website of the Company as required under Section 135 of Companies Act 2013. During the year under review, KPL has spent Rs. 8.43 crores during the financial year 2016-17 out of financial target of Rs. 8.48 crores for the financial year 2016-17 towards various CSR activities namely infrastructure development works in the neighbourhood villages like providing basic amenities to public such as drinking water facility, construction of toilets, community hall, primary health sub-centres, laying of road, bus shelters etc., construction of school buildings, anganwadi centres, toilet blocks, classrooms, etc, promoting ecological conservation activities, imparting vocational and skill development training to educated youths and wards of fishermen and improving quality of child education. The details of CSR and sustainability development initiatives taken by the Company forms part of this Boards' Report as **Annexure – 2.**

During the year 2016-17, following changes occurred in constitution of Committee:

- Shri Cyril George was appointed as member w.e.f. 26.05.2016 and ceased to be member on 21.10.2016.
- Shri Sanjay Kumar, Director (Operations) ceased to be Director w.e.f. 08.6.2016 consequent to the completion of his tenure.
- Shri P. Raveendran was appointed as Member w.e.f. 03.11.2016.
- Smt. L. Victoria Gowri was appointed as Member w.e.f. 10.03.2017.

- Shri Pravir Krishn ceased to be member w.e.f. 21.02.2017.
- Shri M.A. Bhaskarachar ceased to be Chairman w.e.f. 31.07.2017 consequent to his superannuation and Shri Rinkesh Roy has been appointed as Chairman of the Committee w.e.f. 11<sup>th</sup> August 2017.

The current composition of CSR and Sustainability Development Committee is as follows:

Shri Rinkesh Roy	-	Chairman
Shri P. Raveendran	-	Member
Smt. L. Victoria Gowri	-	Member

During the year under review, Four (4) Meetings of the Committee on CSR and Sustainable Development were held on 01.09.2016, 06.10.2016, 09.12.2016 and 20.01.2017.

### 24.0 RESEARCH & DEVELOPMENT

Your Company, for its future growth and to improve and expand its operations by developing new processes, upgraded the Kamarajar Port Physical Model by installing new equipment for wave generation (RSWG) and Data Acquisition System at CWPRS, Pune under Research and Development at a cost of Rs.1,68,45,952/- during 2014-15. CWPRS is the implementing agency for the project and the work was completed on January 2017.

### 25.0 PUBLIC PROCUREMENT POLICY

The Ministry of Micro, Small and Medium Enterprises has notified the Public Procurement Policy and in terms of the said notification, 33.90% of annual value of goods or services are procured from Micro and Small Enterprises as against 20% as mandated in the policy.

### 26.0 RISK MANAGEMENT POLICY

Risk Management Policy approved by the Board of Directors on 21.02.2015 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 and managing them will help the Organizations to 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 responsibility;
- Implement such a plan with targeted date and review periodically;

- Improves strategic decision making;
- Improves business performance;
- Reduces operational surprises and losses;
- Promote a more innovative and less risk averse culture;
- Improves deployment of capital;
- Provide a sound basis for integrated risk management and internal control as components of good corporate governance;
- Seizing opportunities.

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

## **27.0 WHISTLE BLOWER POLICY**

With the object of conducting the affairs of its constituents in a fair and transparent manner the Company has put in place a “Whistle Blower Policy” for employees to report to the management instances of unethical behaviour, 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 behaviour. Said policy is available on our website.

## **28.0 NOMINATION AND REMUNERATION POLICY**

The Terms and Conditions of Remuneration are determined by the Government of India as your Company is a Government Company. Other details are provided in the Corporate Governance Report which forms part of the Annual report.

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

Your Company has implemented the Right to Information Act, 2005 by providing information to the citizens of India and is also maintaining accountability and transparency in working.

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). Your Company has designated a Public Information Officer, and an Appellate Authority to look after the compliances of RTI Act, 2005. The details of designated officers are available on the Company’s website.

During the year under report, 32 applications were received and attended under the Act. One appeal was received and the same was disposed off within the stipulated time.

## **30.0 INFORMATION TECHNOLOGY**

Government of India has laid out ambitious plans for e-governance and e-delivery of services. Ministry of

Shipping has directed all the Major Ports to implement full-fledged comprehensive ERP system and RFID based port access control system.

Your Company accords utmost importance to Information Technology in its corporate strategy to emerge as Mega Port in India. Your Company has already implemented Port Operating Management System (POMS) covering the entire marine operations, vessel and cargo related operations. Some of the IT systems implemented and projects undertaken by your Company during 2016-17 are:

- Your Company has taken following proactive steps to implement IT systems for Port entry pass issue and port access control.
  - In January 2016, the web based online Pass system developed by NIC was made operational. Since then the system has been successfully used by Port users for online authentication and issue of Port entry passes to Port Users.
  - Your Company has also implemented the project for RFID based Port Access Control System and Surveillance System on 15<sup>th</sup> November 2016. The Access Control System and the Surveillance cameras have gone live from 1<sup>st</sup> April 2017. The Migration of all Port Users to online pass system will be completed by August 2017. The Port entry/exit gates have been automated by RFID card for men through flap barriers and RFID tag for vehicles through boom barriers.
- Your Company has operationalized the web based GIS and Land Management System which was commissioned in June 2016.
- Your Company has successfully deployed the e-Office system developed by NIC which was inaugurated by the Honourable Minister of Shipping during his visit to the Port on 9<sup>th</sup> June 2017. With this, your Company has taken a major step towards becoming paperless and smart office.
- Your Company is planning to re-launch a completely revamped new website complying with all security features and GIGW (Guidelines for Government websites) requirements. The new website will be launched by second quarter of 2017-18 after Security & GIGW Audit by respective agencies.
- Implementation of ERP System has been initiated in the previous fiscal and the implementation of same is progressing as per the schedule. M/s Ernst & Young LLP were selected through open tender process as the SI (System Integrator) for the implementation of SAP S/4 HANA ERP system. The SAP S/4 HANA 1610 ERP system will cover all processes and is being integrated with the existing

systems such as POMS, GIS based Land Management System, RFID System, etc.

- SAP S/4 HANA is the latest version offered by SAP and with a scheduled 'Go live' in the second quarter of 2017-18, your Company is on course to become the first Major Port or CPSU to implement SAP S/4 HANA 1610 System.

### 31.0 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.

### 32.0 BOARD OF DIRECTORS

The composition of Board of Directors as on 31.03.2017 was as below:

Shri M.A. Bhaskarachar	- Chairman-cum-Managing Director
Shri Barun Mitra	- Nominee Director
Shri P. Raveendran	- Nominee Director
Smt L. Victoria Gowri	- Independent Director

During the year under review, the following changes occurred in the composition of Board :

- Shri Cyril George, Chairman I/c, Chennai Port Trust had been appointed as Government Nominee Director with effect from 06.05.2016 and ceased to be a Director on the Board of KPL with effect from 21.10.2016. In his place Shri P. Raveendran, Chairman, Chennai Port Trust, has been appointed with effect from 21.10.2016.
- Shri Sanjay Kumar ceased to be the Director w.e.f. 8.6.2016 consequent to completion of his tenure.
- Smt. L. Victoria Gowri has been appointed as Non-official Independent Director of the Company w.e.f. 10.02.2017.
- Shri Pravir Krishn, Nominee Director, ceased to be a Director on the Board of KPL with effect from 21.02.2017 and in his place Shri Barun Mitra, Joint Secretary (Ports), Ministry of Shipping was appointed with effect from 21.02.2017. Shri Barun Mitra, ceased to be a Director on the Board of KPL w.e.f. 16.08.2017.
- Shri M.A. Bhaskarachar, ceased to be Chairman & Managing Director consequent to his superannuation on 31.07.2017 and Shri Rinkesh Roy has been appointed as Chairman & Managing Director w.e.f. 02.08.2017.

The Board places on record the valuable services rendered by Shri M.A. Bhaskarachar, Shri Barun Mitra, Shri Cyril George, Shri Pravir Krishn, Shri Sanjay Kumar, Directors during their tenure in office.

During the year, your Company has appointed Smt. L. Victoria Gowri as Non-official Independent Director in the Board of Directors of Kamarajar Port Limited w.e.f. 10.02.2017 and has obtained declaration about meeting the criteria of Independent Directors as stipulated in Section 149 (6) of the Companies Act, 2013 from her. However, Company is awaiting orders from Government for appointment of remaining Independent Directors on the Board. Once the remaining Independent Directors are appointed, other related provisions of the Companies Act, 2013 and DPE guidelines, with respect to their appointment will be complied with.

### 32.1 Number of meetings of the Board

The Board met 9 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

### 32.2 Details of Key Managerial Person appointed or ceased during the year

Shri Sanjay Kumar ceased to be Director w.e.f. 8.6.2016 consequent to completion of his tenure.

### 33.0 AUDIT COMMITTEE

The Audit Committee of the Company as on 31.3.2017 comprised of the following members:

Shri P. Raveendran, Nominee Director	- Chairman
Shri M.A. Bhaskarachar, CMD	- Member
Smt. L. Victoria Gowri, Independent Director	- Member

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.

### 34.0 OTHER COMMITTEES

Detailed note on other committees including CSR and Audit Committee is provided in Corporate Governance Report which forms part of Annual Report.

### 35.0 VIGILANCE

The Vigilance Department in Kamarajar Port Limited was headed by Shri R. Ramakrishnan, IAS, Chief Vigilance Officer, V.O.Chidambaram Port Trust, Tuticorin, who was holding additional charge of CVO, KPL with effect from 25.11.2015 to 07.04.2017. Thereafter, Shri.T.Kandasamy, IPS, Chief Vigilance Officer, Chennai Port Trust, Chennai was holding additional charge of CVO, KPL from 08.04.2017 to 14.05.2017. Shri S.K. Sadangi, IRSS, has been appointed as CVO w.e.f. 20.06.2017. CVO is assisted by a Manager.

The Vigilance Department scrutinizes files and documents with respect to the work contracts executed

by the departments. Procedural lapses, deviations from tendering norms and shortcomings in contract works etc., are pointed out to the concerned departments for rectification and corrective actions.

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 department. Clarifications are sought for the abnormalities, if any, from the concerned officers. The Audit reports are studied at Vigilance department and departments are advised to take corrective action, wherever required.

### 35.1 Vigilance Awareness Week, 2016

As directed by the Central Vigilance Commission, Vigilance Awareness Week, 2016 was observed in KPL from 31<sup>st</sup> October 2016 to 5<sup>th</sup> November 2016. The theme of observing Vigilance Awareness Week was **“Public participation in promoting Integrity and eradicating Corruption”**. Essay and Slogan writing competitions were held with the active participation from KPL staff and students from nearby schools. Lectures were organized on vigilance related topics to create more awareness on Vigilance.

### 35.2 Adoption of Integrity Pact

The Central Vigilance Commission has been promoting Integrity, transparency, equity and competitiveness in Government/PSU transactions as a part of vigilance administration and superintendence. Public procurement is a major area of concern for the Central Vigilance Commission and various steps have been taken to put proper systems in place. The Commission has recommended adoption of Integrity Pact and provided basic guidelines for its implementation in respect of major procurements in the Government Organizations.

Further, the Commission has recommended for the 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 both the parties, not to exercise any corrupt influence on any aspect of the contract.

Board of Directors has approved the Vigilance department's proposal of Integrity Pact in their 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 monitoring the implementation of Integrity Pact in KPL:

- 1) Shri Velayutham Venkatachalam, I.A.S., (Retd), Chennai.

- 2) Shri T.Govindarajan, Former C.E. (PWD), Coimbatore.

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 threshold value of Rs. 1 crore. The IEMs reviewed the implementation of Integrity Pact in respect of contract works and procurements having a threshold value of Rs.1 crore in KPL on 06.06.2016 and 17.04.2017.

### 36.0 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 subsidiaries, joint ventures or associate companies.

### 37.0 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;

### 38.0 PARTICULAR OF EMPLOYEES

Your Company being a Government Company, the provisions of Section 197(12) of the Companies Act,

2013 and relevant Rules shall not apply in view of the Gazette notification dated 5.06.15 issued by Government of India, Ministry of Corporate Affairs.

### 39.0 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.Sankaran & Krishnan, Chartered Accountants, Chennai as Statutory Auditors of the Company for the period ended 31<sup>st</sup> March 2017.

#### 39.1 Statutory Auditors' Report

The statutory auditor of the Company, M/s. Sankaran & Krishnan, Chartered Accountants, have given an unqualified report on the accounts of the Company for the financial year 2016-17. The Emphasis of matters and Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### 40.0 REVIEW OF ACCOUNTS BY COMPTROLLER AND AUDITOR GENERAL OF INDIA

Under Section 143(6)(b) of the Companies Act, 2013, the Comptroller and Auditor General of India vide letter dated 25<sup>th</sup> July 2017, has forwarded their comments which is self explanatory. A copy of the report of C&AG is annexed herewith.

### 41.0 SECRETARIAL AUDIT

M/s.Dhanapal & Associates, Practicing Company Secretaries was appointed to conduct secretarial audit of the Company for the financial year 2016-17 as required under Section 204 of the Companies Act, 2013 and rules thereunder.

The Secretarial Auditors have reported that during the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. to the required extent except appointment of independent directors and all related compliances and appointment of women Director till appointment of Smt. L. Victoria Gowri as additional Director on 10.02.2017. The secretarial Auditors' Report for the financial year 2016-17 forms part of this Board's Report as **Annexure – 3**.

#### 41.1 Reply to the comments of Secretarial Auditor.

Your Company being a public sector undertaking, the appointment of Directors both Executive and Non-Executive are to be made by the Government of India. Government of India vide Office Order No. EPL/02/2006/-DO(PO)(Vol.III (308862] dated 1<sup>st</sup> February 2017, communicated the appointment of Smt. L. Victoria Gowri as Non-official Independent Director in the Board of Directors of Kamarajar Port

Limited, for a period of three years, with effect from the date of notification of appointment or until further orders in this regard, whichever is earlier. Subsequently, Smt. L.Victoria Gowri was appointed by the Board w.e.f. 10-02-2017 and the Company has complied with all related provisions of Companies Act 2013 and DPE guidelines in respect of her appointment. The Company is awaiting orders from Government for appointment of remaining Independent Directors on the Board. Once the remaining Independent Directors are appointed, other related provisions of the Companies Act, 2013 and DPE guidelines, with respect to their appointment will be complied with.

### 42.0 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.

### 43.0 EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of annual return as provided under Section 92(3) is appended as **Annexure - 4** to the Boards' report.

### 44.0 DEBENTURE TRUSTEE

Your Company has appointed M/s. SBICAP Trustees Company Ltd. and GDA Trusteeship Ltd. as Debenture Trustees for Tax Free bonds issued during the Financial Years 2012-13 and 2013-14 respectively. Name of GDA Trusteeship Ltd. has become Catalyst Trusteeship Limited w.e.f. 8.6.2016.

### 45.0 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 – 5** to this report.

### 46.0 REPORT ON CORPORATE GOVERNANCE

As per the guidelines of the Government of India, Department of Public Enterprises, a report on Corporate Governance for the year ended 31<sup>st</sup> March 2017 has been incorporated in the Annual Report. Certificate on Corporate Governance is available at **Annexure-6** to this report.

### 47.0 REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis is enclosed at **Annexure – 7**.

## 48.0 ACKNOWLEDGEMENT

Your Directors would like to place on record their gratitude for the support and guidance received from the Ministry of Shipping, Government of India and Chennai Port Trust and appreciate co-operation received from TANGEDCO/TNEB, TNPCB, GoTN and GoI, particularly the Ministry of Environment & Forests, Planning Commission, Department of Public Enterprises, Indian Port Association, Ministry of Finance and Indian Railways/Southern Railway.

Your Directors gratefully acknowledge the continued support and co-operation 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 of  
Kamarajar Port Limited**

**Place :** Chennai  
**Date :** 09.09.2017

**Rinkesh Roy**  
**Chairman-cum-Managing Director**  
**(DIN No.07404080)**

## ANNEXURE - 1

### 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 :

- |                                                                                                                       |       |
|-----------------------------------------------------------------------------------------------------------------------|-------|
| (a) Name(s) of the related party and nature of relationship                                                           | : N.A |
| (b) Nature of contracts/arrangements/transactions                                                                     | : N.A |
| (c) Duration of the contracts / arrangements/transactions                                                             | : N.A |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any                        | : N.A |
| (e) Justification for entering into such contracts or arrangements or transactions                                    | : N.A |
| (f) Date(s) of approval by the Board                                                                                  | : N.A |
| (g) Amount paid as advances, if any                                                                                   | : N.A |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 | : N.A |

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
	Nil	Nil	Nil	Nil	Nil	Nil

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

**Place :** Chennai  
**Date :** 09.09.2017

**Rinkesh Roy**  
**Chairman-cum-Managing Director**  
**(DIN No.07404080)**

## CSR ACTIVITIES OF KAMARAJAR PORT LIMITED FOR THE YEAR 2016-17



Kamarajar Port conducted 'Sabka Sath Sabka Vikas Sammelan' (Collective Efforts, Inclusive Growth) on 18th June, 2017 at Vellore East showcasing 3 years achievements of Govt. of India.

### Brief outline of KPL Policy

KPL shall 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 Act, Schedule VII of the Act, CSR rules, the Guidelines issued by DPE and the policy directions issued by the Government from time to time.

KPL, as a socially responsible corporate port would like to endeavour to :

- promote and leverage green technologies to produce goods and services that contribute to social and environmental sustainability.
- take up CSR projects by priority to the issues 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 weaker sections of the society which consists of SC, ST, OBCs, minorities, BPL families, old and aged, woman/girl child and physically challenged, etc.

### CSR Committee as on 31.03.2017

Shri. M.A. Bhaskarachar	-	Chairman
Shri. P. Raveendran	-	Member
Smt. L. Victoria Gowri	-	Member

Average Net Profit of the Company for last three financial years (PBT)  
 $(400.19 + 425.82 + 445.88)/3 = 423.96 \text{ Crs.}$

Prescribed CSR Expenditure (2% of the average Net Profit) = **8.48 Crs.**

Details of CSR spent during the financial year 2016-17

- (a) Total amount to be spent for the financial year 2016-17 = 8.48 Crores
- (b) Amount unspent, if any = 0.05 Crores \*

\*The reason for short spent is due to payment pending to the consultant for want of final report as stage-wise payments are made. The final payment will be made in the next financial year.

- (c) Manner in which the amount spent during the financial year is detailed below:

## CSR ACTIVITIES OF KAMARAJAR PORT LIMITED FOR THE YEAR 2016-17

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs-wise in Rs.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: Rs.	Cumulative expenditure up to the reporting period Rs.	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Infrastructure	Education	(1) Local area (2) Thiruvallur District Construction of anganwadi building at Merattur village	10,00,000	10,00,000	10,00,000	Through District Collector, Thiruvallur.
2	Infrastructure	Education	(1) Local area (2) Thiruvallur District Construction of anganwadi building at Vayalur village	10,00,000	10,00,000	10,00,000	Through District Collector, Thiruvallur.
3	Infrastructure	Education	(1) Local area (2) Thiruvallur District Construction of school building at Merattur Colony (50% contribution)	15,00,000	15,00,000	15,00,000	Through District Collector, Thiruvallur.
4	Infrastructure	Education	(1) Local area (2) Thiruvallur District Construction of anganwadi building at Kamarajar Nagar-Athippattu	5,00,000	5,00,000	5,00,000	Through District Collector, Thiruvallur.
5	Infrastructure	Education	(1) Local area (2) Thiruvallur District Construction of compound wall for Higher Secondary School at Thirupalaivanam	30,00,000	30,00,000	30,00,000	Through District Collector, Thiruvallur.
6	Infrastructure	Education	(1) Local area (2) Thiruvallur District Construction of additional building for SC Welfare School at Thathamanni village	30,00,000	30,00,000	30,00,000	Through District Collector, Thiruvallur.
7	Infrastructure	Drinking Water	(1) Local area (2) Thiruvallur District Drinking water facilities - Providing borewell for drinking water at Mothambedu-Neithavayal Panchayat.	4,60,000	4,60,000	4,60,000	Through District Collector, Thiruvallur.
8	Infrastructure	Drinking Water	(1) Local area (2) Thiruvallur District Construction of Overhead water tank at Chegalimedu, Vayalur Panchayat.	30,00,000	30,00,000	30,00,000	Through District Collector, Thiruvallur.

## CSR ACTIVITIES OF KAMARAJAR PORT LIMITED FOR THE YEAR 2016-17

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs-wise in Rs.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: Rs.	Cumulative expenditure up to the reporting period Rs.	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
9	Infrastructure	Drinking Water	(1) Local area (2) Thiruvallur District Construction of Overhead water tank at Thiruvellaivayal Main Colony (30,000 ltrs.)	30,00,000	30,00,000	30,00,000	Through District Collector, Thiruvallur.
10	Infrastructure	Drinking Water	(1) Local area (2) Thiruvallur District Construction of Overhead water tank at Vanchivakkam	25,00,000	25,00,000	25,00,000	Through District Collector, Thiruvallur.
11	Infrastructure	Drinking Water	(1) Local area (2) Thiruvallur District Providing deep borewell - 2 Nos. with pipeline for 2 Km at Kattur village	20,00,000	20,00,000	20,00,000	Through District Collector, Thiruvallur.
12	Infrastructure	Drinking Water	(1) Local area (2) Thiruvallur District Construction of Overhead water tank at Reddyar Palayam (30,000 ltrs.)-Athippattu	25,00,000	25,00,000	25,00,000	Through District Collector, Thiruvallur.
13	Infrastructure	Drinking Water	(1) Local area (2) Thiruvallur District Construction of Overhead water tank at Dr.Ambethkar Nagar (30,000 ltrs.)-Athippattu	25,00,000	25,00,000	25,00,000	Through District Collector, Thiruvallur.
14	Infrastructure	Sanitation	(1) Local area (2) Thiruvallur District Construction of Integrated Women Sanitary Complex- Vayalur Colony	10,00,000	10,00,000	10,00,000	Through District Collector, Thiruvallur.
15	Infrastructure	Sanitation	(1) Local area (2) Thiruvallur District Construction of Individual Toilet (100 Nos.)-Kattur	10,00,000	10,00,000	10,00,000	Through District Collector, Thiruvallur.
16	Maintenance	Sanitation	(1) Local area (2) Thiruvallur District Maintenance cost of Toilets at Govt.High School, Athippattu, Ponneri Taluk.	1,20,000	1,19,882	1,19,882	Through M/s.Lok Priya SevaSansthan

## CSR ACTIVITIES OF KAMARAJAR PORT LIMITED FOR THE YEAR 2016-17

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs-wise in Rs.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: Rs.	Cumulative expenditure up to the reporting period Rs.	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
17	Contribution	Sanitation	(1) Other area (2) Ministry of Finance Contribution towards Swachh Bharat Kosh	1,69,60,000	1,69,60,000	1,69,60,000	Through Ministry of Finance
18	Infrastructure	Preventive Health Care	(1) Local area (2) Chennai District Improvement works to Voluntary Health Services Hospital, Tharamani, Chennai.	50,08,995	53,994	40,78,132	Direct
19	Infrastructure	Preventive Health Care	(1) Local area (2) Thiruvallur District Construction of Primary Public Health Sub-Centre at Neithavoyal)	5,00,000	5,00,000	5,00,000	Through District Collector, Thiruvallur.
20	Infrastructure	Preventive Health Care	(1) Local area (2) Thiruvallur District Construction of Primary Public Health Sub-Centre at Merattur	10,00,000	10,00,000	10,00,000	Through District Collector, Thiruvallur.
21	Infrastructure	Ecological Conservation & Environmental Sustainability	(1) Local area (2) Thiruvallur District Renovation work in Pond-Thamaraikulam (50% of the work at Neithavayal	25,00,000	25,00,000	25,00,000	Through District Collector, Thiruvallur.
22	Infrastructure	Ecological Conservation & Environmental Sustainability	(1) Local area (2) Thiruvallur District Repairs to water bunds at Chengalimedu-Vayalur	15,00,000	15,00,000	15,00,000	Through District Collector, Thiruvallur.
23	Infrastructure	Ecological Conservation & Environmental Sustainability	(1) Local area (2) Thiruvallur District Repairing of Bund-Athipattu	10,00,000	10,00,000	10,00,000	Through District Collector, Thiruvallur.
24	Infrastructure	Rural Development	(1) Local area (2) Thiruvallur District Construction of Bus shelter at Merattur	2,00,000	2,00,000	2,00,000	Through District Collector, Thiruvallur

## CSR ACTIVITIES OF KAMARAJAR PORT LIMITED FOR THE YEAR 2016-17

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs-wise in Rs.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: Rs.	Cumulative expenditure up to the reporting period Rs.	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
25	Infrastructure	Rural Development	(1) Local area (2) Thiruvallur District Construction of Community Hall-Thiruppalaivanam	25,00,000	25,00,000	25,00,000	Through District Collector, Thiruvallur.
26	Infrastructure	Rural Development	(1) Local area (2) Thiruvallur District Construction of Community Hall-Manuan New Colony-Thathaimanji	25,00,000	25,00,000	25,00,000	Through District Collector, Thiruvallur.
27	Infrastructure	Rural Development	(1) Local area (2) Thiruvallur District Construction of Community Hall (50% contribution) at Kadapakkam	12,50,000	12,50,000	12,50,000	Through District Collector, Thiruvallur.
28	Infrastructure	Rural Development	(1) Local area (2) Thiruvallur District Construction of Kachipadi Colony-Kattuppalli	25,00,000	25,00,000	25,00,000	Through District Collector, Thiruvallur.
29	Infrastructure	Rural Development	(1) Local area (2) Thiruvallur District Providing Inner road to Mel Colony, Kadapakkam	10,00,000	10,00,000	10,00,000	Through District Collector, Thiruvallur.
30	Infrastructure	Rural Development	(1) Local area (2) Thiruvallur District Providing Andarmadam link road, Kadapakkam	10,00,000	10,00,000	10,00,000	Through District Collector, Thiruvallur.
31	Infrastructure	Rural Development	(1) Local area (2) Thiruvallur District Providing CC Road-Reddyar Palayam to Karampedu Road (600 Mtrs.)-Athippattu	6,00,000	6,00,000	6,00,000	Through District Collector, Thiruvallur.
32	Infrastructure	Rural Development	(1) Local area (2) Thiruvallur District Providing Outer ring road at Thiruvallur District	1,28,00,000	1,28,00,000	1,28,00,000	Through District Collector, Thiruvallur.

## CSR ACTIVITIES OF KAMARAJAR PORT LIMITED FOR THE YEAR 2016-17

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs-wise in Rs.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: Rs.	Cumulative expenditure up to the reporting period Rs.	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
33	Skill Development Training	Enhancing vocation skill and livelihood enhancement.	(1) Local area (2) Thiruvallur District Imparting of Skill Development Training to residents of villages around Kamarajar Port through the National Institute for Micro, Small and Medium Enterprises (50% of the Project Cost)	1,57,50,000	70,32,210	1,40,64,420	Through National Institute of Micro, Small and Medium Enterprises, Hyderabad
34	Skill Development Training	Enhancing vocation skill and livelihood enhancement.	(1) Local area (2) Thiruvallur District Imparting of Skill Development Training on Driving to residents of villages around Kamarajar Port through MRF Institute of Driver Development	1,57,50,000	1,69,000	1,42,33,420	Through MRF Institute of Driver Development, Chennai.
35	Consultancy	Baseline study/ Evaluation	(Remuneration for evaluation of CSR and Sustainability activities for the year 2015-16 through NGO M/s. Association for Sustainable Community Development	1,73,000	1,73,000	1,73,000	Direct
36	Consultancy	Baseline study/ Evaluation	Remuneration for Identification of community development works to fishermen and local villages around Kamarajar Port through M/s.Caritas India, New Delhi	16,27,000	4,06,750	4,06,750	Direct
37	Administration Expenses	Engagement of CSR Cell Officer	Remuneration to CSR Cell Officer Shri. V.Nagarajan on Contract basis	5,51,451	5,51,451	5,51,451	Direct
				<b>Total</b>	<b>8,42,76,287</b>		

The CSR Committee of Board has constituted a transparent monitoring mechanism for implementation of the CSR Projects/ Activities/ programs undertaken by KPL.

**Place :** Chennai  
**Date :** 09.09.2017

**Chairman-cum-Managing Director &  
Chairman, CSR Committee**

**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2017**

ANNEXURE - 3

*[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)**  
**Chennai.**

1. 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.
2. 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 the 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, 2017, 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, 2017 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;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - 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;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - i) The Company has identified and informed the following laws as being specifically applicable to the Company:
    1. Indian Ports Act, 1908
    2. International Convention for Safety of Life at Sea, 1974
    3. The Inland Vessels Act, 1917 (1 of 1917)
    4. The Merchant Shipping Act, 1958 (44 of 1958)
    5. Coastal Regulation Zone Notification, 2011

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).
- ii) The Listing Agreement entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii) Guidelines issued by Department of Public Enterprises (DPE) vide reference No.18 (8)/2005-GM dated May 14, 2010.

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to a required extent except appointment of independent directors and all related compliances and appointment of women director till appointment of Ms. Smt. L. Victoria Gowri as Additional Director on 10.02.2017.

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 lapses, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with Executive Directors and Non-Executive 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 member's views are captured and recorded as part of the minutes.

**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 Mr. Pravir Krishn (DIN 06519104) as Director of the Company, liable to retire by rotation w.e.f. 28.09.2016.
- Appointment of Mr. Cyril George (DIN 07499367) as Director of the Company, liable to retire by rotation w.e.f. 28.09.2016.

**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.

**Place :** Chennai

**Date :** 24<sup>th</sup> July 2017

**For S Dhanapal & Associates**

(A Firm of Practising Company Secretaries)

**S. Dhanapal**

**(Sr. Partner)**

**FCS 6881**

**CP No. 7028**

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.

## ANNEXURE - A

To

**The Members,  
KAMARAJAR PORT LIMITED  
(erstwhile Ennore Port Limited)  
Chennai.**

**Managements' Responsibility**

- a. 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.

**Auditor's Responsibility**

- b. Our responsibility was to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

**Place :** Chennai

**Date :** 24<sup>th</sup> July 2017

- c. We believe that audit evidence and information obtained from Company's management is adequate and appropriate for us to provide a basis for our opinion.
- d. Whereever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events and policies, appraisal and processes etc.

**Disclaimer**

- e. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

**For S Dhanapal & Associates**

(A Firm of Practising Company Secretaries)

**S. Dhanapal  
(Sr. Partner)  
FCS 6881  
CP No. 7028**



## Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U45203TN1999GOI043322
ii.	Registration Date	11-10-1999
iii.	Name of the Company	KAMARAJAR PORT LIMITED (erstwhile Ennore Port Limited)
iv.	Category / Sub-Category of the Company	Company Limited by Shares/Union Government Company
v.	Address of the Registered Office and contact details	4 <sup>th</sup> Floor, Super Speciality Diabetic Centre, (erstwhile DLB Building), Rajaji Salai, Chennai - 600 001. Tel: 044-25251666, Fax: 044- 25251665
vi.	Whether listed company : Yes / No	Yes (Tax free Bonds listed on BSE)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd, C-101, 247 Park, L.B.S. Marg Vikhroli (West), Mumbai - 400 083. Tel : 2596 7878, Fax: 2596 0329, E-mail: ennore.ncd@linkintime.co.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the Company
1	Infrastructure Services and Port Services	52242	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
No Holding, Subsidiary and Associate Company					

### IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as Percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
(a) Individual */ HUF	—	5	5	—	—	5	5	—	Nil
(b) Central Government	—	19,99,99,995	19,99,99,995	66.67%	—	19,99,99,995	19,99,99,995	66.67%	Nil
(c) State Governments	—	—	—	—	—	—	—	—	—
(d) Bodies Corporate (Board of Trustees, Chennai Port Trust)		10,00,00,000	10,00,00,000	33.33%	—	10,00,00,000	10,00,00,000	33.33%	Nil
(e) Banks/Fls	—	—	—	—	—	—	—	—	—
(f) Any other (Specify)	—	—	—	—	—	—	—	—	—
<b>Sub-Total A(1)</b>		<b>30,00,00,000</b>	<b>30,00,00,000</b>	<b>100%</b>	—	<b>30,00,00,000</b>	<b>30,00,00,000</b>	<b>100%</b>	<b>Nil</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
(a) NRI - Individual	—	—	—	—	—	—	—	—	—
(b) Other – Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corporate	—	—	—	—	—	—	—	—	—
(d) Banks/FIs	—	—	—	—	—	—	—	—	—
(e) Any other.....	—	—	—	—	—	—	—	—	—
<b>Sub-Total (A)(2)</b>	—	—	—	—	—	—	—	—	—
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		30,00,00,000	30,00,00,000	100%	—	30,00,00,000	30,00,00,000	100%	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	—	—	—	—	—	—	—	—	—
(b) Banks/FIs	—	—	—	—	—	—	—	—	—
(c) Central Govt.	—	—	—	—	—	—	—	—	—
(d) State Govt.(s)	—	—	—	—	—	—	—	—	—
(e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
(f) Insurance Companies	—	—	—	—	—	—	—	—	—
(g) FIs	—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
(i) Other (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-Total B(1) :</b>	—	—	—	—	—	—	—	—	—
<b>2. Non-Institutions</b>									
(a) Bodies Corporate	—	—	—	—	—	—	—	—	—
(i) Indian	—	—	—	—	—	—	—	—	—
(ii) Overseas	—	—	—	—	—	—	—	—	—
(b) Individuals	—	—	—	—	—	—	—	—	—
(i) Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	—	—	—	—	—	—	—	—	—
(ii) Individual Shareholders holding Nominal Share Capital in excess of Rs.1 lakh	—	—	—	—	—	—	—	—	—
(c) Other (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-Total B(2) :-</b>	—	—	—	—	—	—	—	—	—
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	—	—	—	—	—	—	—	—	—
<b>C. Shares held by Custodian for GDRs and ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A) + (B) + (C)</b>	—	30,00,00,000	30,00,00,000	100%		30,00,00,000	30,00,00,000	100%	Nil

\* As nominees of the President of India through MoS, GoI.

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	The President of India, through MoS	19,99,99,995	66.67%	—	19,99,99,995	66.67%	—	Nil
2	Board of Trustees of ChPT	10,00,00,000	33.33%	—	10,00,00,000	33.33%	—	Nil
3	Dr. (Ms.) T. Kumar*	1	0.00	—	1	0.00	—	Nil
4	Mr. M.A. Bhaskarachar*	1	0.00	—	1	0.00	—	Nil
5	Mr. M. Gunasekaran*	1	0.00	—	1	0.00	—	Nil
6	Mr. Sanjay Kumar*	1	0.00	—	1	0.00	—	Nil
7	Mr. V.G. Sravan Kumar*	1	0.00	—	1	0.00	—	Nil
	<b>Total</b>	<b>30,00,00,000</b>	<b>100%</b>	<b>—</b>	<b>30,00,00,000</b>	<b>100%</b>	<b>—</b>	<b>Nil</b>

\*As nominees of the President of India through MoS, GoI.

**(iii) Change in Promoters' Shareholding (please specify, if there is no change) – No change**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares of the Company
1	At the beginning of the year	—	—	—	—
2	Date-wise Increase / Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus /sweat equity etc.)	—	—	—	—
3	At the end of the year	—	—	—	—

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	—	—	—	—
2	Date-wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus /sweat equity etc)	—	—	—	—
3	At the end of the year (or on the date of separation, if separated during the year)	—	—	—	—

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year*	3	0.00	3	0.00
2	Date-wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus /sweat equity etc.)	—	—	—	—
3	At the end of the year**	2	0.00	2	0.00

\*As nominees of the President of India through MoS, GoI.

\*\* Shri Sanjay Kumar ceased to be Director w.e.f. 8.6.2016 consequent to completion of his tenure.

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rupees in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	713.26	—	—	713.26
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	7.65	—	—	7.65
<b>Total (i+ii+iii)</b>	<b>720.35</b>	<b>—</b>	<b>—</b>	<b>720.35</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	25.92	—	—	25.92
Reduction	52.16	—	—	52.16
<b>Net Change</b>	<b>(-) 26.24</b>	<b>—</b>	<b>—</b>	<b>(-)26.24</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	687.94	—	—	687.94
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	6.17	—	—	6.17
<b>Total (i+ii+iii)</b>	<b>694.11</b>	<b>—</b>	<b>—</b>	<b>694.11</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WT/Manager		Total Amount
		Mr. M.A. Bhaskarachar, CMD	Mr. Sanjay Kumar, Director (O) till 07.06.2016	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	30,81,690	4,79,976	35,61,666
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	22,582	-	22,582
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- as % of profit	—	—	—
	- others, specify.....	—	—	—
5.	Others, please specify			
	- Provident Fund (including Employer contribution)	3,03,844	37,300	3,41,144
	- Performance Related Pay	18,00,606		18,00,606
	- Any other	3,03,844		3,03,844
	<b>Total (A)</b>	<b>55,12,566</b>	<b>5,17,276</b>	<b>60,29,842</b>
	Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies.		

**B. Remuneration to other Directors:**

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Smt. L. Victoria Gowri				
1	Independent Directors					
	• Fees for attending Board/committee Meetings	20000	-	-	-	20000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>20000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20000</b>
2	Other Non-Executive Directors	-	-	-	-	-
	• Fees for attending Board/committee Meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>20000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20000</b>
	<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Overall Ceiling as per the Act	-	-	-	-	-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB**

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	12,86,976	23,48,761	36,35,737
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	10,773	93,521	1,04,294
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-	-
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission				
	- As % of profit	—	—	—	—
	- others, specify...				
5	Others, please specify				
	- Provident Fund (including Employer contribution)	-	1,13,914	1,75,966	2,89,880
	- Performance Related Pay	-	-	4,87,620	4,87,620
	- Any other	-	1,13,914	1,75,966	2,89,880
	<b>Total</b>	-	<b>15,25,577</b>	<b>32,81,834</b>	<b>48,07,411</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees Imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE - 5**
**INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013  
r/w Rule 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014**
**A) Conservation of Energy:**
**i) Steps taken or impact on conservation of energy:**

(a) (i) To ensure effective utilization of electrical energy, Energy Audit was conducted by M/s.Dynaspede Integrated Systems Private Limited and audit report was obtained in November-2010. The implementation of recommendations of the Energy Audit report is received on December-2011. Then the work order was given to M/s. Microvision Technologies, Nashik – 422 005 to provide 136.5KVA capacity (22.5KVA – 05 Nos. & 24KVA-01 No.) Energy Savers for high mast tower

lights and access road street lights on 22.08.2012. The firm has supplied the materials. However installation and commissioning work is not yet completed and conciliation at MSME is in process.

ii) M/s.Thorn Lighting India Pvt. Ltd., Chennai has conducted the energy audit in the Port during the year 2014 and submitted the report with the following recommendations :

1. To replace the existing 2\*36 / 40 Watts fluorescent lamps installed in the various premises inside the Port with LED lamps.

2. To replace the existing 150,250 Watts High Pressure Sodium Vapour (HPSV) lamps installed in the street lights with 72 & 120Watts LED lamps.
3. To replace the existing 2\*400 Watts & 1\*400Watts HPSV/MH lamps with 400 Watts & 200Watts LED lamps.
- iii) 1. Accordingly, 850 Nos. of 36 / 40 Watts of fluorescent lamps have been replaced with 18 Watts LEDs in various buildings inside the Port premises during the year 2015-16 to give the same illumination level.
2. A work order has been issued for replacement of 190 Nos. of 150 Watts High Pressure Sodium Vapour (HPSV) lamps, 220 Nos. of 250 Watts High Pressure Sodium Vapour (HPSV) lamps and 50 Nos. of 400 Watts flood light fittings with 60, 120 and 200 Watts LED light fittings respectively and the work is expected to be completed during July-2017.

The other recommendations will be implemented in the following year.

**(b) Impacts**

- Energy Efficient.
- Environment friendly.
- Longer Life of LEDs compared to others.

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

Around 36,000KWh (Units) of power has been generated through Diesel Generator and around 28,908 Kwh (Units) of power has been generated through solar and the same has been utilized during the year 2016-17.

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

An amount of Rs.48,37,450/- has been invested for replacement of 190 Nos. of 150 Watts High Pressure Sodium Vapour(HPSV) lamps, 220 Nos. of 250Watts High Pressure Sodium Vapour (HPSV) lamps and 50 Nos. of 400Watts flood light fittings with 60,120 and 200 Watts LED light fittings respectively during the year 2016-17.

**B) Technology Absorption :**

**i) RFID based Port Access Control System**

Ministry of Shipping, Govt. of India has directed all the major ports to implement RFID system as one of the initiatives under Ease of Doing Business. In line with the

Ministry of Shipping schedule, Kamarajar Port Limited has awarded the contract on 07.04.2016, for supply, installation, integration, commissioning and maintenance of Radio Frequency Identification (RFID) System at Kamarajar Port Limited to M/s.CMS Computer Limited to the contract value of Rs.11.82 crores.

The Contractor has commissioned the RFID automated Gate Control System from 15.11.2016. The RFID passes for men and vehicles are issued through online web based request system. The payment gateway through online has been enabled with RFID Pass Issuance System.

The RFID system is an integrated intelligent system comprising of RFID based pass to men & vehicle, automated entry and exit of men through flap barriers with RFID cards and vehicles through boom barriers with RFID tags.

RFID system installed at KPL is web based online fully automated system which is significantly enhance the security of the Port, speed up the movement, track every movement of men and material across the Port and prevent the revenue leakage and any malfunction at the gate. The security person can see the men and vehicle identification physically as well as in the displayed system placed at gates.

**ii) Benefits**

Kamarajar Port have experienced on implementation of RFID Automated Gate Control System which brought the gate time from 5 minutes to 2 minutes. The Port Users, Contractors and Agents are obtaining their passes through online without spending time at the Gate.

**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 outflow is Rs. 167.33 lakhs and there is no foreign exchange inflow.

## REPORT ON CORPORATE GOVERNANCE

Your Company is committed to adopt the best global practices of Corporate Governance by laying emphasis on the cardinal values of fairness, transparency, internal controls and compliances with statutory requirements for performance at all levels, thereby enhancing the shareholders' value and protecting the interest of the stakeholders.

We believe, highest standards of corporate behaviour is required towards everyone we work with, the communities we touch and the environment on which we have an impact to succeed. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

In line with the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) a report regarding compliance with the provisions of Corporate Governance is given below as a part of the Director's Report along with the Certificate issued by the Secretarial Auditor of the Company.

### 1.0 BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Our corporate structure, business, operations and disclosure practices are aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We have tried to blend growth and efficiency with governance and ethics. Our Board of Directors, guided by the mission statement, formulate strategies and policies having focus on optimising value for various stakeholders like consumers, shareholders and the society at large.

Responsibilities of the Company's Board of Directors include overall Development of Port, Business Reviews in relation to targets, operational performance, detailed scrutiny of half yearly and annual financial results, compliance of statutory guidelines, Social Responsibility, overall supervision of Human Resources.

The Board has constituted various sub-committees and delegated powers for different functional areas for close monitoring and effective governance. The Board as well as its committees meets at periodical intervals. As on 31<sup>st</sup> March, 2017, the Board comprised of Chairman & Managing Director and two Non-Executive Directors and one Independent Director, who are eminent personalities from various walks of life.

Their rich and varied experience, guide the KPL in its progress and achievements in various spheres.

### 2.0 BOARD OF DIRECTORS

#### 2.1 Composition and category of the Board of Directors as on 31.03.2017

##### Executive Director

- (i) Shri M. A. Bhaskarachar, Chairman-cum-Managing Director

##### Nominee Directors

- (ii) Shri Barun Mitra, IAS, Nominee Director of Govt. of India
- (iii) Shri P. Raveendran, Nominee Director of Chennai Port Trust

##### Non-official Part time (Independent) Director

- (iv) Smt. L. Victoria Gowri

**Note:** During the year, the following changes in the Board took place :

1. Shri Cyril George, was appointed as Nominee Director, on behalf of Chennai Port Trust, w.e.f. 06.05.2016. Subsequently, w.e.f. 21.10.2016, Shri P. Raveendran was appointed as Nominee Director in place of Shri Cyril George.
2. Shri Sanjay Kumar ceased to be Director (O) w.e.f. 08.06.2016.
3. Smt. L. Victoria Gowri was appointed as Non-official Independent Director of the Company w.e.f. 10.02.2017.
4. Shri Barun Mitra was appointed as Nominee Director, on behalf of Govt. of India in place of Shri Pravir Krishn w.e.f. 21.02.2017 and subsequently, Shri Barun Mitra ceased to be Director on the Board of KPL w.e.f. 16.08.2017.
5. Shri M.A. Bhaskarachar, ceased to be Chairman & Managing Director consequent to his superannuation on 31.07.2017 and Shri Rinkesh Roy has been appointed as Chairman & Managing Director w.e.f. 02.08.2017.

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

During the year 2016-17, 9 (Nine) Nos. of Board Meetings were held on 26.05.2016, 02.06.2016, 01.09.2016, 07.09.2016, 06.10.2016, 10.11.2016, 09.12.2016, 20.01.2017 & 10.03.2017.

### 2.3 Attendance of each Director at the Meeting, Last AGM, Number of Directorship and Membership / Chairmanship of Committee

Name and Designation of the Director	No.of Board Meeting held during the tenure of each Director in F.Y. 2016-17	No. of Board Meeting Attended	Last AGM attended	Other Directorship as on 31 <sup>st</sup> March 2017	No. of Committees across all companies*	
					As Member** As on 31 <sup>st</sup> March 2017	As Chairman** As on 31 <sup>st</sup> March 2017
Executive Directors						
Shri M. A. Bhaskarachar, Chairman-cum-Managing Director	9	9	Yes	2	2	1
Shri Sanjay Kumar, Director (Operations) ceased w.e.f. 08.06.2016	2	2	***	-	-	-
Non Executive - Government Nominee Directors						
Shri Pravir Krishn, Nominee Director of Govt. of India (from 23.02.2016 to 21.02.2017)	8	6	No	-	-	-
Shri Cyril George, Nominee Director of Chennai Port Trust. (from 06.05.2016 to 21.10.2016)	5	4	Yes	-	-	-
Shri P. Raveendran, Nominee Director of Chennai Port Trust. (w.e.f. 21.10.2016)	4	3	***	-	-	2
Shri Barun Mitra, Nominee Director of Govt. of India (w.e.f. 21.02.2017)	1	1	***	1	-	-
Non- official Part time (Independent) Directors						
Smt. L. Victoria Gowri, Independent Director (w.e.f. 10.02.2017)	1	1	-	-	1	-

\* Chairmanship/Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including KPL).

\*\* As per the data/details made available during their tenure in the Company/ Committee.

\*\*\* was not Director on the date of AGM.

### 3.0 COMMITTEE OF BOARD OF DIRECTORS

The Board level Committees deal with specific area / activities which concern the Company and need a closer review. They play a crucial role in the governance structure of the Company. Various Committees of Board are as under:

#### 3.1 Audit Committee

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The role and terms of reference of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Guidelines on Corporate Governance for CPSEs issued by DPE.

##### A. Composition of Audit Committee

The Audit Committee of the Company comprised of the following members as on 31.03.2017:

Shri P. Raveendran, Nominee Director - Chairman  
Shri M.A. Bhaskarachar, CMD - Member  
Smt. L. Victoria Gowri, Independent Director - Member

During the year 2016-17, Shri Cyril George was inducted as member of the Audit Committee on 05.07.2016 and ceased w.e.f. 21.10.2016. Shri Sanjay Kumar ceased to

be member of the Committee consequent to completion of his tenure as Director (O) w.e.f. 08.06.2016. Shri P Raveendran has been inducted as Member on 03.11.2016 and as Chairman of the Committee w.e.f. 10.03.2017. Shri Pravir Krishn, ceased to be the Chairman of the Committee w.e.f. 21.02.2017. Smt L. Victoria Gowri was inducted as member from 10.03.2017. Consequent to superannuation of Shri M.A. Bhaskarachar on 31.07.2017, he ceased to be Member of the Committee and Shri Rinkesh Roy has been inducted as member of the Committee w.e.f. 11.08.2017.

The Company Secretary acts as Secretary to the Audit Committee. Shri M. Gunasekaran, General Manager (Finance)-cum-CFO acts as the Nodal Officer.

##### B. Brief description of Terms of Reference:

- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Valuation of undertaking or assets of the company wherever it is necessary.
- Review of Internal financial controls and risk management systems and reviewing the Company Financial and Risk Management Policies.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- e. Recommending fixation of audit fee and also approval for payment for any other services.
- f. Reviewing with the management the quarterly, half-yearly and annual financial statements, as may be applicable, before submission to the Board, focusing primarily on:
  - ❖ Matters required to be included in the Directors Responsibility Statement of the Boards' report in terms of clause 5 of Section 134 of the Companies Act, 2013.
  - ❖ Changes, if any, in accounting policies and practices and reasons for the same.
  - ❖ Major accounting entries involving estimates based on the exercise of judgment by management.
  - ❖ Significant adjustments made in the financial statements arising out of audit findings Compliance with accounting standards.
  - ❖ Compliance with legal requirements concerning financial statements.
  - ❖ Qualification in draft audit report, related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
  - ❖ Any related party transactions, i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large and any modification thereof, statement of related party transactions submitted by management. Audit Committee may also designate a member who shall be responsible for reviewing related party transactions.
- g. Reviewing with the management, external and internal auditors :
  - ❖ the adequacy of internal control systems including computerized information system controls and security,
  - ❖ Significant findings during the year, including the status of previous audit recommendations.
  - ❖ Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- h. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing, seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- i. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board. Review of internal audit reports relating to internal control weaknesses.
- k. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- l. Discussion with external auditors before the audit commences on nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- m. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- n. Scrutiny of inter-corporate loans and investments.
- o. Review of the functioning of the Whistle Blower Mechanism.
- p. To review the follow-up action on the audit observations of the C&AG audit, recommendation of Committee on Public Undertakings (COPU) of the Parliament.
- q. Monitoring the end use of funds raised through public offers and related matters.
- r. Review of Management discussion and analysis of financial condition and results of operations.
- s. Certification/Declaration of financial statements by the Chief Executive/Chief Finance Officer, as and when applicable.

### C. Meetings and Attendance during the year :

During the year 2016-17, four Audit Committee Meetings were held on 26.05.2016, 01.09.2016, 09.12.2016 and 10.03.2017.

#### Attendance during the year 2016-17:

Members	No.of Meetings held during tenure	Meetings attended
Shri M.A.Bhaskarachar	4	4
Shri Sanjay Kumar	1	1
Shri Pravir Krishn (w.e.f. 26.02.2016 upto 21.02.2017)	3	2
Shri Cyril George (w.e.f. 05.07.2016 upto 21.10.2016)	1	1
Shri P. Raveendran (w.e.f. 03.11.2016)	2	2
Smt. Victoria Gowri (w.e.f. 10.03.2017)	1	1

### 3.2 Nomination and Remuneration Committee

For finalizing the Performance Related Pay (PRP) for Executive Directors, Executives and Non-unionised supervisors, as required under the DPE guidelines, the Board had earlier constituted the Remuneration Committee and the said Committee has been renamed as "Nomination and Remuneration Committee" in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

As on 31.03.2017, the Committee composed of the following Members:

Smt. L. Victoria Gowri - Chairperson (inducted on 10.03.2017)	
Shri Barun Mitra	- Member (inducted on 10.03.2017)
Shri P. Raveendran	- Member (inducted on 03.11.2016)

During the year 2016-17, following changes occurred in the constitution of the Committee. Shri Cyril George was inducted as Member of the Committee w.e.f. 26.05.2016 and ceased on 21.10.2016. Shri Sanjay Kumar ceased to be member of the committee w.e.f. 08.06.2016. Shri Pravir Krishn ceased to be a Member w.e.f. 21.02.2017. Shri M.A. Bhaskarachar and Shri Barun Mitra ceased to be Members of the Committee w.e.f. 10.03.2017 and 16.08.2017 respectively. Shri Rinkesh Roy was inducted as Member of the Committee w.e.f. 09.09.2017.

#### Terms of Reference

1. To identify persons who are qualified to be appointed in senior management in accordance with the criteria and formulate the criteria for determining qualifications, positive attributes of senior management and recommend to the Board a policy, relating to the remuneration for the senior management and other employees.
2. To decide the quantum of Annual Bonus/Variable Pay and policy for distribution across the Executives and staff within the prescribed limits.
3. To ensure :
  - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Senior Management Personnel of the quality required to run the Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

During the year under the review no meeting was held.

The appointment of Executive Directors including the Chairman and Managing Director is contractual in nature and the remuneration is paid to them as per the terms of their appointment made by the Government of India. The remuneration of Part-time official Directors is governed by their respective Government rules. Sitting fees are paid to Independent Directors.

#### Remuneration received by Functional Directors

Details of remuneration of functional directors of the Company paid for the financial year 2016-17:

Name of the Directors	Salary & Other Allowances (Rs.)	Bonus/ Commission/ PRP (Rs.)	Total (Rs.)
Shri M. A. Bhaskarachar, Chairman-cum-Managing Director	30,81,960	18,00,606	48,82,566
Shri Sanjay Kumar, Director (Operations)	4,79,976	-	4,79,976

*Note : The total remuneration mentioned above does not include value of perquisites under Section 17(2) of the Income Tax Act, 1961 and Provident Fund (including employer's contribution).*

### 3.3 Share Allotment and Share Transfer Committee

The Share Allotment and Share Transfer Committee comprises of the following members as on 31<sup>st</sup> March 2017:

Shri M. A. Bhaskarachar	- Chairman
Shri Barun Mitra	- Member
Shri P. Raveendran	- Member

During the year, Shri Sanjay Kumar ceased to be member consequent to completion of his tenure as Director (O) w.e.f. 08.06.2016. Shri Pravir Krishn ceased to be a member of the Committee w.e.f. 21.02.2017. Shri Barun Mitra and Shri P. Raveendran were inducted as Member of the Committee w.e.f. 10.03.2017. Consequent to superannuation of Shri M.A. Bhaskarachar on 31.07.2017, he ceased to be Chairman of the Committee. Shri Barun Mitra, ceased to be a Member w.e.f. 16.08.2017.

No share allotment or share transfer occurred during the year under review.

### 3.4 Stakeholder Relationship Committee

The Stakeholder Relationship Committee of the Company comprised of the following members as on 31.03.2017:

Shri P. Raveendran	- Chairman
Shri M.A. Bhaskarachar	- Member
Shri M. Gunasekaran	- Member

During the year 2016-17, Shri Sanjay Kumar ceased to be member of the Committee consequent to completion

of his tenure as Director (O) w.e.f. 08.06.2016. Shri Cyril George has been inducted as member of the Stakeholder Relationship Committee on 05.07.2016 and ceased on 21.10.2016. Shri P. Raveendran has been inducted as Chairman of the Committee on 03.11.2016. Consequent to superannuation of Shri M.A. Bhaskarachar on 31.07.2017, he ceased to be Member of the Committee and Shri Rinkesh Roy has been inducted as Member of the Committee w.e.f. 11.08.2017.

During the year 2016-17, seven Stakeholder Relationship Committee meeting were held on 20.05.2016, 03.08.2016, 31.08.2016, 28.09.2016, 10.11.2016, 03.12.2016 and 07.01.2017.

Members	Entitled to attend	Meeting attended
Shri M.A. Bhaskarachar	6	6
Shri Sanjay Kumar	1	1
Shri Cyril George	3	3
Shri P. Raveendran	3	3
Shri M. Gunasekaran	7	7

### 3.5 Board Level Committee on CSR and Sustainability Development

During the year 2016-17, Shri Sanjay Kumar, Director (Operations) ceased to be a member of the Committee w.e.f. 08.06.2016, consequent to completion of his tenure as Director (O). Shri Cyril George was appointed as member w.e.f. 05.07.2016 and ceased w.e.f. 21.10.2016. Shri Pravir Krishn, one of the member of the

Committee ceased w.e.f. 21.02.2017. Shri P. Raveendran and Smt. L. Victoria Gowri were appointed as Members w.e.f. 03.11.2016 and 10.03.2017 respectively. Consequent to superannuation of Shri M.A. Bhaskarachar on 31.07.2017, he ceased to be Chairman of the Committee and Shri Rinkesh Roy has been inducted as Chairman of the Committee w.e.f. 11.08.2017.

The current composition of CSR and Sustainability Development Committee is as follows:

Shri Rinkesh Roy	-	Chairman
Shri P. Raveendran	-	Member
Smt. L. Victoria Gowri	-	Member

During the year under review, four (4) Meetings of the Committee on CSR and Sustainable Development were held on 01.09.2016, 06.10.2016, 09.12.2016 and 20.01.2017.

Members	Entitled to attend	Meeting attended
Shri M.A. Bhaskarachar	4	4
Shri Pravir Krishn	4	3
Shri Cyril George	2	1
Shri P. Raveendran	2	1

### 4.0 GENERAL BODY MEETING

The Annual General Body Meeting of the Company for the financial year 2016-17 will be held on Thursday, the 21<sup>st</sup> day of September 2017 at 11.30 a.m. at the Registered Office of the Company.

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
2015-16	28.09.2016	11.30 a.m	Port Administrative Office, Vallur Post, Chennai – 600 120	-NIL-
2014-15	28.09.2015	11.30 a.m.	Port Administrative Office, Vallur Post, Chennai – 600 120	-NIL-
2013-14	29.09.2014	12.00 noon	P.T. Lee Chengalvaraya Naicker Maaligai, 1st Floor, No.23, Rajaji Salai, Chennai-600 001	(i) Borrowing money in excess of aggregate paid up capital and free reserves upto Rs.1500 crores from GoI, ChPT, any bank/financial institution etc. (ii) Create Mortgage/Charges/Hypothecation and floating charge (in addition to the existing mortgages/charges/ hypothecation created by the Company in favour of lenders) subject to an overall limit of Rs.1,500 crores of Loans or Advances obtained or to be obtained in any form. (iii) For entering into an agreement with ChPT to avail their technical services for civil works of the Company.

### 5.0 DISCLOSURES

- Related Party Transactions are set out in Note No. 33 to the notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2017 in the Annual Report.
- The Company has not received any Presidential directives during the FY 2016-17.

- There was no case of non-compliance of provisions of Companies Act, 2013 or any other statutory laws, except regarding appointment of Independent Directors and all related compliances and appointment of woman Director until Smt. L. Victoria Gowri was appointed as Woman Director vide Government of India Office Order No. EPL/02/2006/-DO(PO)(Vol.III (308862]

dated 1<sup>st</sup> February 2017. The Company is awaiting orders from Government for appointment of remaining Independent Directors on the Board. Once the remaining Independent Directors are appointed, other related provisions of the Companies Act, 2013 and DPE guidelines, with respect to their appointment will be complied with. The statutory authorities have also not passed any strictures or imposed penalty on the Company under any Act/Rules.

- (iv) Your Company has a Whistle Blower Policy as per the guidelines issued by the Department of Public Enterprises (DPE) and no personnel of the Company have been denied access to the Audit Committee.
- (v) No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.
- (vi) The Company has complied with the requirements of DPE Guidelines on Corporate Governance. Secretarial Auditors of the Company have certified the compliance of DPE Guidelines on Corporate Governance by the Company.
- (vii) None of the Part-time Directors of the Company have pecuniary relationship or transaction with the Company.
- (viii) Details of administrative and office expenses and financial expenses for the year under review and for the previous year are available in annual accounts.

## 6.0 CODE OF CONDUCT

As part of Kamarajar Port's persisting endeavour 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 2016-17.

### Declaration

As provided under the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises, 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 2017.

**for Kamarajar Port Limited**

**M. A. Bhaskarachar**  
Chairman-cum-Managing Director

**Place :** Chennai  
**Date :** 20.05.2017

## 7.0 TRAINING OF BOARD MEMBERS

Your Company has a policy for Training of Directors approved by the Board. The training policy for the Directors has the following objectives:

Empower and equip the Board with skills and attitudes required to perform their challenging tasks and play their role in a transparent, objective and ethical manner as per the best corporate governance practices.

Promoting better understanding of professional requirements as well as sensitization to professional, socio-economic and political environment in which work is done.

Promoting an environment conducive to learning and development by serving as a role model for all the other employees of the Company.

## 8.0 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.

## 9.0 MEANS OF COMMUNICATION

**Half-Yearly Results:** Pursuant to listing of Tax Free Bonds in the Bombay Stock Exchange, the Company intimated half-yearly financial results/audited annual financial results during 2016-17 to the Stock Exchange immediately after it was taken on record and approved by the Board. These financial results were published in the leading Tamil Newspapers having wide circulation in Southern region and English daily newspaper having circulation in whole or substantially whole of India. The results were also sent to Debenture Trustee and displayed on the website of the Company.

**Website:** The Company's website is [www.kamarajarport.in](http://www.kamarajarport.in). Annual Report and Audited Financial statements including Directors' Report and Auditors' Report are also available on the web-site.

**Annual Report:** 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.

**Compliance Officer:** The Company has designated Shri M. Gunasekaran, General Manager (Finance) and Chief Financial Officer as Compliance Officer for servicing Tax Free Bond holders. The e-mail id [mguna@epl.gov.in](mailto:mguna@epl.gov.in) has been created for addressing the queries of Bond holders.

**Registrar and Transfer Agent :** Details of Registrar and Transfer Agent for Tax Free Bonds issued u/s (15)(iv)(h) of the Income Tax Act, 1961 for the financial years 2012-13 & 2013-14, is as under:

LINK INTIME INDIA PRIVATE LIMITED  
C-101, 247 Park, L.B.S. Marg  
Vikhroli (West), Mumbai – 400 083.  
Tel : 2596 7878, Fax: 2596 0329,  
E-mail: [ennore.ncd@linkintime.co.in](mailto:ennore.ncd@linkintime.co.in)



**S. DHANAPAL & ASSOCIATES  
PRACTISING COMPANY SECRETARIES**

Suite No. 103, First Floor, Kaveri Complex,  
No. 96/104, Nungambakkam High Road,  
(Next to Ganpat Hotel & ICICI Bank)

Nungambakkam, Chennai - 600 034.

Phone No. 044-45530256 / 257

Direct Number : 044-42652127

E-mail : csdhanapal@gmail.com

Website : www.csdhanapal.com

Partners  
S. Dhanapal, B.Com., B.A.B.L., F.C.S.  
N. Ramanathan, B.Com., F.C.S.  
Smita Chirimar, M.Com., F.C.S.  
R. Pratheepa, B.C.S., A.C.S.  
T. Murugan, B.Sc., A.C.A., A.C.S.

Branch Office:

K.K. Nagar

“Muthukumaran Illam”

M22-E, Sri Subah Colony,

Munusamy Road, K.K. Nagar,

Chennai - 600 078.

**CERTIFICATE  
(Under Guidelines issued by the Department of Public Enterprises)**

**To  
The Shareholders  
Kamarajar Port Limited  
Chennai**

We have examined the compliance of conditions of Corporate Governance by Kamarajar Port Limited, Chennai (“The Company”) for the financial year ended March 31, 2017 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.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. 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 confirm that the Company has complied with the conditions of Corporate Governance, as required under the guidelines issued by Department of Public Enterprises (DPE) vide reference No. 18(8)/2005 - GM dated 14<sup>th</sup> May 2010, except the condition with regard to appointment of Independent Director as envisaged in condition 3.1.4 of the Guidelines.

We state that the confirmation 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.

**Date : 02-08-2017**

**Place : Chennai**

**For S Dhanapal & Associates  
A Firm of Practising Company Secretaries**

**S. Dhanapal  
(Sr. Partner)  
(Membership No.F 6881)  
CP No. 7028**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2016-17

### Global Scenario

Global economic activity is picking up with a long-awaited cyclical recovery in investment, manufacturing, and trade. World growth is expected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018, slightly above the October 2016 World Economic Outlook (WEO) forecast. Stronger activity and expectations of more robust global demand, coupled with agreed restrictions on oil supply, have helped commodity prices recover from their troughs in early 2016. Higher commodity prices have provided some relief to commodity exporters and helped lift global headline inflation and reduce deflationary pressures [Source : World Economic Outlook (WEO)].

Growth in South Asia region is forecast to pick up to 6.8% in 2017 and accelerate to 7.1% in 2018, reflecting an expansion of domestic demand and exports. Excluding India, regional growth is anticipated to hold steady at 5.7%, rising to 5.8%. India is expected to accelerate to 7.2% in fiscal 2017 (April 1, 2017 – March 31, 2018) and 7.5% in next fiscal year (Source: Global Economic Prospects, World Bank).

### Indian Scenario

Indian seaports play vital role in fastening the India's trade and economic growth as Indian Ports handles around 95% of India's merchandised export-import trade. Increased import of energy, containerization of export and import cargo and fertilizer agro commodities will continue to grow the cargo volumes at Indian ports. On the concern side, the traffic at Indian ports has increased at a slow pace mainly on account of the ban on iron ore mining and exports since 2011. Moreover, the EXIM trade is getting affected on account of uncertainty associated with particular cargo categories like imported coal, due to uncertainties plaguing the power sector and persisting delays in execution of Greenfield power projects; and containers, due to the relatively weak global environment.

Nevertheless, the outlook for cargo growth continues to be strong over the medium to long term driven by series of steps taken by the current government to increase private participation in the ports industry development viz, PPP projects, Private sector participation in Major Ports and joint venture with foreign ports. In addition, the government's plans to float global arm for international projects and speed-up port connectivity projects too will provide support to port sector.

In the past one year, the port sector has witnessed significant recovery, signalling the revival of country's economy. In FY 15, the country has registered significant increase in the handling of cargo by 12 major ports and these ports have registered higher profit.

### Performance Overview

Since commencement, the volume of traffic handled is nearly 9.0 times i.e 3.40 million tonnes in 2001-02 to 30.02 million tonnes in year 2016-17. The details of cargo handled during the last five years are given under-

Traffic Handled at KPL (Million Tonnes)					
Cargo	2012-13	2013-14	2014-15	2015-16	2016-17
Coal-TNEB	9.88	14.07	15.13	17.00	16.36
Coal Others	5.05	8.42	9.22	8.61	6.74
POL	1.22	2.43	3.31	3.99	4.17
Iron Ore	NIL	NIL	NIL	NIL	NIL
Other Cargo	1.74	2.42	2.58	2.61	2.75
<b>Total</b>	<b>17.89</b>	<b>27.34</b>	<b>30.24</b>	<b>32.21</b>	<b>30.02</b>

### A. Industry Structure, Market-Scenario, Opportunities & Threats, Outlook, Risks and Concerns

#### ❖ Industry Structure and Market Scenario:

The Port which was looked upon initially as a mono commodity coal port to serve the interest of TNEB, has over the period developed as a multi cargo port. Kamarajar Port is operating as a landlord port limiting its functions to overall planning, development, mobilization of investments for development, conservancy of port, regulatory aspects, environment monitoring, providing / operating basic utilities (water, electricity supply, fire fighting facilities, security etc.) providing rail / road connectivity etc. The development and operations of most of the terminals are entrusted to private/captive operators. Similarly, most of the future terminal developments are proposed through private/captive sector participation. Many of the services are carried out by outsourcing.

#### ❖ Strength and Weakness

##### Strength:

- Guaranteed captive cargo and income from TANGEDCO (formerly TNEB) as coastal based power stations are developed and operated by TANGEDCO and its associates adjacent to the Port.
- As per the policy adopted by the Port company, not only the captive users TANGEDCO and its associates made substantial investments by installing top side facilities like fully mechanised unloading equipments, conveyors, etc., but also operation and maintain the unloading system resulting in assured cargo throughput and income to the Company.
- Landlord Model wherein cargo operations are vested with the private operators who bring capital and efficiency in operations.

- Deep draft port facilitates berthing of large size and new generation vessels resulting in reduced freight rate and saving in time.
- Proximity to National Highways and Indian Railways' mainlines providing excellent connectivity to hinterland.
- Fully mechanised cargo handling operations.
- Enough back up land for storage of cargo.

#### **Weakness:**

- The captive user TNEB and the BOT operators are responsible for day-to-day cargo handling operations. Hence KPL's role is limited in volume/throughput to be handled.
- Movement of Iron ore from Bellary-Hospet region was banned by the Government of Karnataka. Consequently, export from this region is totally affected.
- The development of common infrastructure facilities like capital dredging, road & rail connectivity is vested with KPL for which huge amount of funds are raised from the market with no government assistance/grant.
- Raising of fresh funds on the strength of port assets is limited on account of BOT performances.

#### **❖ Opportunities and Threats**

##### **Opportunities:**

- Market demand for Coal to feed Thermal Power Stations and Industries.
- Market demand for Containerized traffic.
- Port is surrounded by a number of Container Freight Stations and Industries.
- Thinly populated neighbourhood area and availability of large tracts of land to trigger further port based developments.

##### **Threats:**

- No clear-cut policy on development of non-major ports particularly licensing of non-major port to private in the vicinity of major ports by the State Government which results in uneven playground by Public Sector Ports.
- Development of new ports at Kattupalli (adjacent to KPL) by L&T and at Krishnapatnam (150km. from KPL).

#### **❖ Outlook**

The traffic at major ports of India is likely to grow to 1215 million metric tonnes by 2020 from the present level of 647.43 million metric tonnes whereas the traffic at non-major ports is expected to grow by 1,280 million metric tonnes in the same period from the present level of 473.63 million metric tonnes. Thus the anticipated traffic at Indian Ports would grow to 2,494 million metric tonnes by 2020 from the present level of 1,080 million

metric tonnes. Having set the tune for the growth plan, both the major ports and non-major ports have formulated ambitious plans in order to meet the growing opportunities in the EXIM trade (Source : Maritime Agenda 2020 by MoS, GoI).

The Traffic forecast for the Company has been made for the period of 20 years from 2007-08 to 2026-27. The principal items of Cargo to be handled at Kamarajar Port comprises of Coal (for TNEB and non-TNEB), Iron Ore, POL & bulk liquids, Containers, Automobiles, General cargo like Timber, Granite, Steel, dust-free cargo etc.

For the financial year 2016-17, KPL has handled the cargo throughput of 30.02 million metric tonnes which is lesser than the cargo throughput handled in 2015-16. Accordingly, all the financial parameters are worked out.

#### **❖ Risks and Concerns**

The port sector is all set to witness intense competition with the advent of many private ports being developed under State Maritime Boards.

KPL is fully prepared to match their investment, operations and pricing strategies so as to ensure adequate growth by roping in private sector in development and operations of the various cargo terminals.

#### **B. Segment-wise or Product-wise Performance**

##### **❖ Sales Performance**

The income from services during the year 2016-17 was Rs.620.14 crores as against Rs. 616.49 crores during the same period in previous year.

##### **❖ Quantity**

During the year 2016-17, a quantity of 30.02 million tonnes of cargo was handled as against 32.21 million tonnes previous year.

#### **C. Internal Control Systems and their adequacy**

The Company has an internal control system with proper internal delegation of authority, supervision and checks and balances and procedures through documented policy guidelines and manuals. This system is reviewed and updated periodically in order to improve upon it and to meet the business requirements.

The Directors' Report 2016-17 may kindly be referred to for the details in respect of following items :

- D.** Discussion on Financial Performance with respect to Operational Performance.
- E.** Material developments in Human Resources, Industrial Relations front, including number of people employed.
- F.** Environmental Protection and Conservation, Technological Conservation, Renewable energy developments, Foreign Exchange conservation.
- G.** Corporate Social Responsibility.



## भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा  
तथा पदेन सदस्य लेखा परीक्षा बोर्ड, चेन्नै

**Indian Audit and Accounts Department**  
**Office of the Principal Director of Commercial Audit**  
**and ex-officio Member Audit Board, Chennai.**

25.07.2017

No. PDCA/Chennai/CA-III/2-106/KPL A/cs 16-17/2017-18/222

The Chairman-cum-Managing Director,  
Kamarajar Port Limited,  
Chennai.

Sir,

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 2017.

I forward herewith the 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 2017.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-  
(G. SUDHARMINI)  
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT  
AND EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI.

Encl. : As stated.

इंडियन आईल भवन, स्तर - 2, 139, महात्मा गाँधी मार्ग, चेन्नै - 600 034  
**Indian Oil Bhavan, Level-2, 139, Mahatma Gandhi Road, Chennai - 600 034**  
**Tel : 044-28330147 Fax: 044-28330142/45 e-mail : mabchennai@cag.gov.in**

**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 2017**

The preparation of financial statements of Kamarajar Port Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 is responsible for expressing opinion on the financial statements under Section 143 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 30 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Kamarajar Port Limited for the year ended 31 March 2017. 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. Balance Sheet**

**Assets - Non-Current Assets**

**1. Property, Plant & Equipment (Note 4)**

**Land - ₹ 59,033.03 Lakh**

The above includes land to the extent of 8.48 acre, acquired by the Company, which was yet to be mutated in its name. However, the land was fraudulently mortgaged by a third party with various banks and the said banks have attached the same. This fact has not been disclosed in the Financial Statements.

**2. Capital Work in Progress - ₹ 77,065.99 Lakh**

Above includes a sum of ₹ 292.93 Lakh being expenditure incurred for development of a software which should have been shown separately as 'Intangible Assets under development' as per the provisions of the Companies Act, 2013. This has resulted in overstatement of Capital Work in Progress and understatement of Intangible Assets under development by ₹ 292.93 Lakh.

**B. Independent Auditors Report.**

**Emphasis of Matters**

The report highlights six issues under Emphasis of Matters. However, the auditor did not indicate that his opinion is not modified in respect of the matter emphasized which is not in compliance to Section 143 of the Companies Act 2013 and Standard of Auditing - 706.

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

(G. SUDHARMINI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT  
AND EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

**Place :** Chennai

**Date :** 25-07-2017

**FINAL CAG COMMENTS ON THE ACCOUNTS OF KAMARAJAR PORT LIMITED  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017 AND REPLIES THEREON**

S. No.	Final Audit Comment	Management Reply	Auditors' Reply
<b>A.</b>	<b>Balance Sheet - Assets – Non-Current Assets</b>		
1.	The above includes land to an extent of 8.48 acres, acquired by the Company, which was yet to be mutated in its name. However, the land was fraudulently mortgaged by a third party with various banks and the said banks have attached the same. This fact has not been disclosed in the Financial Statements.	The Govt. of Tamil Nadu had acquired 31.97 acres of land for KPL, out of which 31.44 acres of land patta has been obtained in the name of KPL. However, about 15 writ petitions have been filed in the Hon'ble Madras High Court, challenging the acquisition process, which included D.R. Logistics, the owner of neighbouring property fraudulently mortgaged 8.48 acres of land on the patta land owned by Company. The Company has taken appropriate legal action.	We concur with the reply given by the Management.
2.	<b>Capital Work-in Progress-Rs. 77065.99 lakh</b> Above includes a sum of Rs.292.93 lakh being expenditure incurred for development of a software which should have been shown separately as "Intangible Assets under development" as per provisions of the Companies Act, 2013. This has resulted in overstatement of Capital Work-in Progress and understatement of Intangible Assets under development by Rs.292.93 lakh.	As per Ind AS, Work-in Progress of Intangible Assets have been depicted under "Intangible Assets under development". KPL has shown as Capital Work in Progress as per pre-IndAS format inadvertently. Even though there is a misclassification, there is no over / under statement of Non-Current Assets per se. However, the observation of Audit is noted for future guidance.	We concur with the reply given by the Management.
<b>B.</b>	<b>Independent Auditors' Report</b>		
	<b>Emphasis of Matters</b> The report highlights six issues under Emphasis of Matters. However, the Auditor did not indicate that this opinion is not modified in respect of the matter emphasized which is not in compliance to Section 143 of the Companies Act 2013 and Standard of Auditing - 706.	As this comment is on the Independent Auditors' Report, no comments by the Management.	Instead of typing "our opinion is not modified in respect of these matters" under Emphasis of Matters, it was wrongly typed under other matters and we regret for the mistake.



## SANKARAN & KRISHNAN

### Chartered Accountants

1E, Marble Arch Apartments,  
4 & 5, Bishop Wallers Avenue East,  
Mylapore, Chennai - 600 004.

Phone : 2499 0722  
2499 0723  
4214 4516  
E-mail : sk@sankrish.ind.in

## INDEPENDENT AUDITORS REPORT

### TO THE MEMBERS OF KAMARAJAR PORT LIMITED

#### Report on the IND AS Financial Statements

We have audited the accompanying financial statements of **KAMARAJAR PORT LIMITED** (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, (including other comprehensive income), the Cash Flow Statement and the statement of changes of Equity for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information.

#### Management’s Responsibility for the IND AS Financial Statements

The Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these IND AS financial statements that give a true and fair view of the Statements of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed 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 IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on these IND AS financial statements based on our audit. We have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the IND AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the IND AS financial statements. The procedures selected depend on the Auditor’s judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal financial control relevant to the Company’s preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS,

- a) Of the state of affairs (Financial position) of the Company as at 31<sup>st</sup> March 2017),
- b) Its Profit (Financial performance including other comprehensive income), for the year ended 31-03-2017.
- c) Its cash flows and the changes in Equity for the year ended 31-03-2017.

### Other matters

The Comparative Financial information of the Company on the Transition date, being Opening Balance sheet as on 1st April 2015 (included in these IND AS Financial Statements), as based on the Statutory Financial Statements and Audit Report thereon certified by us.

Our opinion is not modified in respect of these matters.

### Emphasis of Matters

1. As per the directions of Ministry of Corporate Affairs, the company has prepared the Financial Statements as per Indian Accounting Standards for Transition. Accordingly the Balance sheet items - both assets and liabilities have been reclassified.

As a result of the implementation, the profit for the Accounting year 2015-16 WAS INCREASED BY Rs. 2499.83 LAKHS, and the profit for the year under consideration IS REDUCED BY Rs.3265.27 LAKHS.

2. With regard to the collusion of the two vessels - M.T. Dawn Kanchipuram and B.W. Maple on 28th January 2017 - (refer not no. 19 on oil Spill), THE COMPANY HAS NOT MADE AN ASSESSMENT OF THE CLAIM ARISING OUT OF THE ACCIDENT BY VARIOUS AGENCIES (INCLUDING NGOS ASSOCIATED WITH ENVIRONMENT) AND THE COMPANY HAS NOT MADE ANY PROVISION IN THE ACCOUNTS FOR THE YEAR UNDER CONSIDERATION. ACCORDINGLY WE ARE UNABLE TO COMMENT THE IMPACT OF THIS IN THE ACCOUNTS FOR THE YEAR UNDER CONSIDERATION.

3. (A) The Company appointed a firm of Chartered Accountants to conduct Special Audit regarding the Revenue Sharing with CICTPL for the period 01-04-2010 to 31-03-2014. As per Report (dated 18-06-2015) submitted by Special Audit team, the following amounts are related to Consultancy income and Tipper income accounted by CICTPL in their books of accounts.

- a. Consultancy  
(2011-12 and 2012-13) - Rs.1700 Lakhs
- b. Tipper income  
(2011-12, 2012-13, 2013-14) - Rs.54.30 Lakhs

THE COMPANY HAS NOT RECOGNISED ITS SHARE OF THE ABOVE INCOME IN THE ACCOUNTS FOR THE YEAR UNDER CONSIDERATION.

3. (B) As per Special Audit Report, KPL is entitled to receive interest @ 15% on the shortfall of the income as per the following details,

- a. Interest receivable upto  
18-06-2015 - Rs. 2104.88 Lakhs
- b. The interest receivable from  
19-06-2015 to 31-03-2017 - Rs. 1356.56 Lakhs

THE COMPANY HAS NOT RECOGNISED THE ABOVE INCOME IN THE ACCOUNTS FOR THE YEAR UNDER CONSIDERATION.

4. Regarding Rs.4509.49 Lakhs being excess payments made to project contractors, pending finalization of Dispute Redressal Mechanism (Refer Note No. 11.1)
5. An amount of Rs.117.42 Lakhs relating to Service Tax on Upfront Fee has been paid under protest for the period 2006-07 and 2007-08. The matter is pending before Service Tax Appellate Tribunal, Chennai (Refer Note No. 11.2)
6. An amount of Rs.19028.68 Lakhs relating to Claims (including interest accrued as per Award) against the company preferred by the contractors of Ennore Coal Port Project (implemented by Chennai Port Trust during the year 1996-2001) are pending before various Dispute Resolution Forums (Refer Note No.31.2).

### THIS MATTER IS PENDING IN THE HIGH COURT OF CHENNAI

The Company has not recognised these items as "INCOME" for the year under consideration 31-03-2017.

### Report on Other Legal and Regulatory Requirements.

1. As required under section 143(5) of the Act, 2013, We give in the Annexure A of our report on the directions/sub-directions issued by the Comptroller and Auditor General of India.
2. As required by the Companies (Auditors report) Order, 2016 ("The Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B Statement on the matters specified in the paragraph 3 & 4 of the Order.
3. As required by Section 143(3) of the Act, 2013, we report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account.



- d. In our opinion, the aforesaid IND AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. Clauses referred to Section 164(2) of the Act, donot apply to Directors of Government Companies as per the notification.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure C.
- 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS Financial Statements (Refer Note to the INDAS Financial Statements).
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts required to be transferred to investor education and protection fund by the Company; and
- iv. The Company had provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during period from 8th November, 2016 to 30th December, 2016 and the Same are in accordance with the books of Accounts maintained by the Company and there are no violations in the directions given by the Government in this regard.

**For Sankaran & Krishnan**  
**Chartered Accountants**  
**FRN 003582S**

**M. Balachandran**  
**(Partner)**  
**Membership No. 016271**  
**Place of Signature : Chennai**  
**Date : 30-05-2017**

#### ANNEXURE - A

### KAMARAJAR PORT LIMITED

1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available	The Company is in possession of 2787.27 acres of land acquired from TNEB, TIDCO and Salt Department, Ministry of Commerce, GOI. Out of which, 715 acres of land has been registered in the name of Kamarajar Port Limited. For remaining lands, change of title deed are in process.
2.	Whether there are any cases of waiver / write off debts / loans / interest etc., if yes, the reasons therefore and the amount involved.	No
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant (s) from the Government or other authorities.	The Company does not have any inventory. The Company has not received any assets as gift, during the year, the Company received from Government of India for purchase of Oil spill booms, Skimmers etc., proper records have been maintained in respect of the above grant received.

**Place : Chennai**  
**Date : 30-05-2017**

**For Sankaran & Krishnan**  
**Chartered Accountants**  
**FRN 003582S**

**M. Balachandran**  
**(Partner)**  
**Membership No. 016271**

**Annexure to the Auditors' Report :**

The Annexure referred to in our report to the members of **KAMARAJAR PORT LTD.** for the year Ended on 31st March 2017, we report that:

Sl.No.	Particulars					
(I)	(a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.					
	(b) The management has physically verified the fixed assets of the company during the year. No material discrepancies were noticed on such verification.					
	(c) The Company is in possession of 2787.27 acres of land acquired from TNEB, TIDCO and Salt Department, Ministry of Commerce, Gol. Out of which 715.00 acres of land has been registered in the name of Kamarajar Port Limited and the balance of lands, the change of title deed are in process.					
(ii)	Since, the Company is engaged in the development and operation of port and does not maintain any inventory and hence this clause is not applicable.					
(iii)	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.					
(iv)	The Company has not given loan to directors and other body corporate, hence this clause is not applicable.					
(v)	According to the information and explanation given to us, the Company has not accepted any deposits from the Public.					
(vi)	According to 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.					
(vii)	(a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities to the extent applicable and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.					
	(b) According to the information and explanation given to us and as per the records of the Company examined by us, the Service Tax amount not paid/paid under protest on account of pending dispute is as below :					
	Sl.No.	Name of the Statute	Nature of dues	Amount involved (Rs. in crore)	Period	Forum where it is pending
	1.	Central Excise & Service Tax	Service Tax on upfront fee	1.85 (Out of this, 1.17 paid under protest on 30-09-2008)	2006-07 & 2007-08	Customs, Central Excise & Service Tax Appellate Tribunal
(viii)	The Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.					
(ix)	The Company has not raised money by way of initial Public Offer or further public offer (including debt instruments) and term loans during the year.					
(x)	DURING THE COURSE OF OUR EXAMINATION OF THE BOOKS AND RECORDS OF THE COMPANY, CARRIED OUT IN ACCORDANCE WITH THE GENERALLY ACCEPTED AUDITING PRACTICES IN INDIA, AND ACCORDING TO THE INFORMATION AND EXPLANATIONS GIVEN TO US, CBI HAS FILED AN FIR AGAINST TWO OF ITS SENIOR OFFICERS WITH REGARD TO FINANCIAL IRREGULARITIES IN THE TRANSACTIONS WITH CICTPL.					

(xi)	This being a Government companies the Notification no. GSR 463(E) dt. 05-06-2015, managerial remuneration u/s 197 read with Schedule V to the Act is not applicable.
(xii)	The Company is not a Nidhi Company and hence this clause is not applicable.
(xiii)	As per the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
(xiv)	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
(xv)	The Company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)	According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Sankaran & Krishnan**  
**Chartered Accountants**  
**FRN 003582S**

**M. Balachandran**  
**(Partner)**  
**Membership No:016271**

**Place: Chennai**  
**Date: 30-05-2017**

### **Annexure - C to the 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 **KAMARAJAR PORT LIMITED** ("the Company") as of 31 March 2017, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the institute of Chartered Accountants of India ("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 judgement, 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 IND AS 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 details, 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 authorization 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**

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 31-03-2017, 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 Sankaran & Krishnan**  
Chartered Accountants  
FRN 003582S

**M. Balachandran**  
(Partner)  
Membership No:016271

**Place of Signature Chennai**  
**Date: 30-05-2017**



**KAMARAJAR PORT LIMITED**  
**“Jawahar Buildings”, No.17, Rajaji salai, Chennai 600 001.**

**BALANCE SHEET AS AT MARCH 31, 2017**

(Rupees in lakhs)

Particulars	Note No	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	4	167290.59	161704.26	152661.54
(b) Capital work-in-progress	5	77065.99	30909.69	3793.66
(c) Other intangible assets	6	37.74	52.60	68.80
(d) Financial Assets				
(i) Investments	7	4121.00	7121.00	6401.00
(ii) Loans & Advances	8	329.46	323.13	237.75
(iii) Others	9	160.90	145.07	372.73
(e) Deferred Tax Assets	10	22557.96	12040.64	9333.74
(f) Other non-current Assets	11	7254.28	8557.05	5956.03
<b>Current Assets</b>				
(a) Financial Assets				
(i) Trade Receivables	12	2435.37	5919.94	4988.24
(ii) Cash & Cash Equivalents	13	670.65	24123.20	28761.31
(iii) Loans & Advances	8	376.85	172.29	123.29
(iv) Others	9	3.88	192.96	507.89
(b) Current Tax Assets	14	1832.72	1919.94	48.16
(c) Other Current Assets	11	720.85	1364.88	104.93
<b>Total Assets</b>		<b>284858.24</b>	<b>254546.65</b>	<b>213359.07</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	15	30000.00	30000.00	30000.00
(b) Other Equity		155148.01	117094.62	96458.02
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	66492.34	68775.16	71059.35
(ii) Other Financial Liabilities	17	137.24	565.15	85.05
(b) Provisions	18	-	-	-
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non-current liabilities	19	9752.80	10382.27	1132.17
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Trade payables	20	1284.81	758.29	113.13
(ii) Other Financial Liabilities	17	16264.95	17522.34	8633.71
(iii) Borrowings		-	-	-
(b) Other current liabilities	19	3648.21	7041.68	4989.84
(c) Provisions	18	2129.88	2407.14	887.80
<b>Total Equity and Liabilities</b>		<b>284858.24</b>	<b>254546.65</b>	<b>213359.07</b>

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

**For KAMARAJAR PORT LIMITED**

**M.A. BHASKARACHAR**  
Chairman cum Managing Director

**L. VICTORIA GOWRI**  
Director

**For SANKARAN & KRISHNAN,**  
Chartered Accountants,  
Firm Regn. No. 003582S

**M. GUNASEKARAN**  
Chief Financial Officer

**JAYALAKSHMI SRINIVASAN**  
Company Secretary

**M. BALACHANDRAN**  
Partner  
M. No. 016271

**Place:** Chennai

**Date :** 30<sup>th</sup> May, 2017

**KAMARAJAR PORT LIMITED**

“Jawahar Buildings”, No.17, Rajaji salai, Chennai 600 001.

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(Rupees in lakhs)

Particulars	Note No	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Income</b>			
i) Revenue From Operations	21	62013.72	61648.88
ii) Other Income	22	2036.44	2808.19
<b>Total Income</b>		<b>64050.16</b>	<b>64457.07</b>
<b>Expenses</b>			
i) Operating Cost	23	6527.60	6393.47
ii) Employee Benefits	24	1385.41	1244.06
iii) Finance Cost	25	7781.37	7575.40
iv) Depreciation & Amortization Expenses	26	2188.65	1908.12
v) Other Expenses	27	4818.02	2941.85
<b>Total expenses</b>		<b>22701.05</b>	<b>20062.90</b>
<b>Profit before exceptional items and tax</b>		<b>41349.11</b>	<b>44394.17</b>
Exceptional Items	28	(6660.20)	0.00
<b>Profit Before Tax</b>		<b>48009.31</b>	<b>44394.17</b>
Less : Tax expense	10	768.91	6813.59
<b>Profit for the period from continuing operations</b>		<b>47240.40</b>	<b>37580.58</b>
Profit/(loss) from discontinued operations		0.00	0.00
Tax expense of discontinued operations		0.00	0.00
<b>Profit from discontinued operations after tax</b>		<b>0.00</b>	<b>0.00</b>
<b>I Profit for the year</b>		<b>47240.40</b>	<b>37580.58</b>
<b>II Other Comprehensive Income</b>			
i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(5.77)	(12.96)
Less: Income Tax on Above	10	2.00	4.48
- Diminution in Value of Investments		(3000.00)	0.00
Less: Income Tax on Above	10	1038.24	0.00
ii) Items that will be reclassified to profit or loss			
- Remeasurements of the defined benefit plans			
Less: Income Tax on Above			
Other Comprehensive Income		<b>(1965.53)</b>	<b>(8.47)</b>
Total Comprehensive Income for the period		<b>45274.87</b>	<b>37572.11</b>
Earnings per equity share :			
(1) Basic	29	15.09	12.52
(2) Diluted		15.09	12.52

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

**For KAMARAJAR PORT LIMITED**
**M.A. BHASKARACHAR**  
Chairman cum Managing Director

**L. VICTORIA GOWRI**  
Director

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M. No. 016271

Place : Chennai

Date : 30<sup>th</sup> May, 2017

**KAMARAJAR PORT LIMITED**

“Jawahar Buildings”, No.17, Rajaji salai, Chennai 600 001.

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(Rupees in lakhs)

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss Before Tax	48009.31	44394.17
<b>Adjustment for:-</b>		
Loss / (Profit) on Sale of Fixed Assets	1.11	(2.00)
Depreciation	2188.65	1908.12
Deferred Tax Liability		
Interest & Finance Charges	6565.28	6882.47
Deferred Government Grant		
Short Term gain on Mutual Funds	(627.15)	(652.39)
Interest Income	(474.34)	(2073.45)
Exchange rate variation	0.24	146.53
<b>Operating Profit before Working Capital Changes</b>	<b>55663.11</b>	<b>50603.44</b>
<b>Adjustment for:-</b>		
Loans & Advances (Non-Current)	(6.33)	(85.38)
Other Assets (Non-Current)	(15.83)	227.65
Other non-current Assets	1302.77	(2601.01)
Trade Receivables	3484.57	(931.70)
Loans & Advances	(204.56)	(48.99)
Other Assets	189.08	314.93
Other Current Assets	644.03	(1259.96)
Other Financial Liabilities (Non-Current)	(427.92)	480.11
Other Non-current Liabilities	(629.47)	9250.11
Trade payables	526.52	645.16
Other Financial Liabilities	(1257.64)	8742.11
Other current liabilities	(3393.47)	2051.84
Provisions	(283.02)	1506.38
Current Tax Payments	(10158.78)	(11387.78)
<b>Net Cash From Operating Activities</b>	<b>45433.06</b>	<b>57506.90</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets	(53917.52)	(38048.65)
Capital Work In Progress		
Investments made during the Year	0.00	(720.00)
Short Term gain on Mutual Funds	627.15	652.39
Interest Income	474.34	2073.45
<b>Net Cash From Investing Activities</b>	<b>(52816.04)</b>	<b>(36042.81)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid during the Year	(7221.48)	(16935.52)
Grants received during the year		
Loans raised during the year		0.00
Loans repaid during the year	(2282.82)	(2284.19)
Interest & Finance Charges	(6565.28)	(6882.47)
<b>Net Cash From Financing Activities</b>	<b>(16069.58)</b>	<b>(26102.18)</b>
D. Net changes in Cash & Cash equivalents	(23452.56)	(4638.08)
E. Opening Cash & Cash Equivalents (Note No 13)	24123.22	28761.31
F. Closing Cash & Cash Equivalents (Note No 13)	670.64	24123.22

For KAMARAJAR PORT LIMITED

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Partner  
M. No. 016271

**Place:** Chennai  
**Date :** 30<sup>th</sup> May, 2017

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

### EQUITY SHARE CAPITAL

(Rupees in lakhs)

Balance as at April 1, 2016	Changes in share capital during the year	Balance as at March 31, 2017
30,000	0.00	30,000

Balance as at April 1, 2015	Changes in share capital during the year	Balance as at March 31, 2016
30,000	0.00	30,000

### OTHER EQUITY

For the year ended March 31, 2017

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	
Balance at the beginning of the reporting period	2815.65	7902.00	106385.44	(8.47)	0.00	117094.62
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	47240.40	0.00	0.00	47240.40
Other Comprehensive Income for the Year	0.00	0.00	0.00	(3.77)	(1961.76)	(1965.53)
Transfer to Debenture Redemption Reserve	862.93	0.00	(862.93)	0.00	0.00	0.00
Final Dividend (incl DDT) of F.Y. 2015-16	0.00	0.00	(7221.48)	0.00	0.00	(7221.48)
<b>Balance at the end of the reporting period</b>	<b>3678.58</b>	<b>7902.00</b>	<b>145541.43</b>	<b>(12.24)</b>	<b>(1961.76)</b>	<b>155148.01</b>

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/-).

For the year ended March 31, 2016

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	
Balance at the beginning of the reporting period	1952.72	6148.00	88357.30	0.00	0.00	96458.02
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	37580.58	0.00	0.00	37580.58
Other Comprehensive Income for the Year	0.00	0.00	0.00	(8.47)	0.00	(8.47)
Interim Dividend (incl DDT) of F.Y. 2015-16	0.00	0.00	(5416.09)	0.00	0.00	(5416.09)
Final Dividend (incl DDT) of F.Y. 2014-15	0.00	0.00	(11519.42)	0.00	0.00	(11519.42)
Transfer to Debenture Redemption Reserve	862.93	0.00	(862.93)	0.00	0.00	0.00
Transfer to General Reserve	0.00	1754.00	(1754.00)	0.00	0.00	0.00
<b>Balance at the end of the reporting period</b>	<b>2815.65</b>	<b>7902.00</b>	<b>106385.44</b>	<b>(8.47)</b>	<b>0.00</b>	<b>117094.62</b>

**KAMARAJAR PORT LIMITED**

(A Mini Ratna Govt. of India Undertaking)

CIN:U45203TN1999GOI043322

“Jawahar Buildings”, No.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. First time adoption of Indian Accounting Standards (Ind-AS):**

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.

**3. Significant Accounting Policies****3.1. Statement of Compliance and Basis of Preparation of Financial Statements:**

The stand-alone financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013.

The Financial Statements up to the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

**3.2. Application of Indian Accounting Standards (Ind-AS):**

All companies (listed or unlisted) having net worth of Rs 500 crores or more are required to adopt Ind AS for

Financial year starting from 01.04.16 with re-statement of previous year figures.

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

**3.3. 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**3.4. 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.

**3.5. 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.

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

### i) Vessel Related Income

Vessel related income consist 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 represents the amount receivables by the company 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 have been accounted as per terms of the contract.
- c) Income from other Operating Lease have been recognized on a straight-line basis over the term of lease.
- d) Contingent Rent shall be recognized as income in the period in which they accrue.

### iv) Composite Tariff

- 1 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 has been 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 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.

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

## 3.6. Property, Plant and Equipment:

All Property, Plant and Equipment (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to IndAS using the exemption granted under IndAS 101.

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.

The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates, Excise and Custom duty where CENVAT credit on 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 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. 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 recognized net within "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 are amortized over the remaining useful life of the repair/ overhaul.

### **3.7. Intangible Assets**

All Intangible Assets are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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.

### **3.8. 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.

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; such significant part is depreciated separately. Depreciation on all such items have been 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.

### **3.9. 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.

### **3.10. 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 overdue recoverable where realisability 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.

### **3.11. 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 and 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 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.

### 3.12. 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.

### 3.13. 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.

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 statements nor disclosed in Notes.

### 3.14. 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 obligations are measured on an undiscounted basis and are expenses as the related services 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.

### 3.15. 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 or loss and other comprehensive income/statement of profit or loss 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.

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 has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### ***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.

### **3.16. 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 profit or 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, but 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 profit or 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.

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, and whenever there is an indication that the asset may be impaired.

### **3.17. Earnings per share:**

Basic earnings per equity is 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.

### 3.18. Financial instruments:

#### i) Non-derivative financial instruments

Non-derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, employee advances and other advances and security deposits, investments in equity securities and other eligible current and non-current assets;
- Financial liabilities, which include long and short-term loans and borrowings, trade payables, security deposits, retention monies and other eligible current and 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 profit or 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) Cash and cash equivalents

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. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

- b) 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 equity into statement of income. When an available for sale financial asset is derecognized, the related

cumulative gain or loss recognised in equity is transferred to the statement of income.

#### c) 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, additional allowances may be required.

#### d) 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 approximate fair value due to the short term maturity of these instruments.

#### e) 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.

#### f) 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 expense 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;
- It becoming probable 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.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include company's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables. (Company operates on prepaid terms – no credit period).

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 profit or 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 profit or 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.

## 3.19. Segment Information

The Chairman cum Managing Director (CMD) of the Company has been 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 standard alone financial statements. The Management considers "Port Services" as single reportable segment. Hence only entity wide disclosures are given.

## 3.20. 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.

## 3.21. Leases

Lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to

ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### **i) As a lessee**

Finance leases are capitalised at the commencement of the lease. At the inception date leased property is recognised at lower of fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments have been structured to increase in line with expected general inflation. In accordance with the IND AS Standards, such increased rentals have not been straight-lined.

#### **ii) As a lessor**

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.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases are recognized in income on a straight-line basis over the lease term of relevant lease.

### **3.22. 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.

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.

### **3.23. Dividend distribution to shareholders**

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

### **3.24. Prepaid expenses**

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

### **3.25. Premia for foreclosure**

Premia for foreclosure of loans or any part thereof is charged to revenue in the year in which the foreclosure is effected.

### **3.26. Liquidated damages**

Liquidated damages recovered on certainty basis. In respect of Capital Projects, the same will be reduced from the Capitalisation of Asset and on all other cases, recognized as Other Income.

#### 4. PROPERTY, PLANT AND EQUIPMENT

(Rupees in lakhs)

Particulars	Gross carrying value as at April 1, 2016	Additions	Disposal/ adjustments	Gross carrying value as at March 31, 2017	Accumulated depreciation as at April 1, 2016	Additions	Disposal/ adjustments	Accumulated depreciation as at March 31, 2017	Carrying Value as at March 31, 2017
Land	58519.41	513.62	0.00	59033.03	0.00	0.00	0.00	0.00	59033.03
Buildings, Sheds & Other Structures	2259.56	1046.59	0.00	3306.16	180.70	98.00	0.00	278.70	3027.46
Wharves, Roads and Boundaries	14421.17	309.29	0.00	14730.45	4010.35	311.08	0.00	4321.43	10409.03
Railway and Rolling Stocks	3357.57	3890.13	0.00	7247.71	558.34	260.09	0.00	818.44	6429.27
Docks, Seawalls, Piers & Nav. Aids	50802.21	1048.88	0.00	51851.09	9329.22	656.12	0.00	9985.34	41865.75
Cranes & Vehicles	47.83	0.00	(6.20)	41.62	28.15	5.54	(3.98)	29.71	11.92
Installation of Water, Elec, Telecom & Fire	1363.05	422.63	0.00	1785.68	706.05	92.12	0.00	798.17	987.51
Other Assets	919.21	324.73	(106.67)	1137.28	520.31	96.26	(98.02)	518.55	618.72
Port Basin and Entrance Channel	47402.91	0.00	0.00	47402.91	2897.82	449.57	0.00	3347.38	44055.53
Plant & Machinery	893.00	206.46	0.00	1099.46	50.72	196.37	0.00	247.09	852.37
<b>Total</b>	<b>179985.92</b>	<b>7762.33</b>	<b>(112.87)</b>	<b>187635.39</b>	<b>18281.66</b>	<b>2165.15</b>	<b>(102.00)</b>	<b>20344.81</b>	<b>167290.59</b>

- Land represents the company is in possession of 2787.27 acres of land acquired from TNEB, TIDCO and Salt Department, Ministry of Commerce, GoI. Out of which, 715 acres of land was registered / patta available in the name of company.
- Includes land measuring in Sq.m. 134600, 542524, 472460, 219672, 171216, 520000 allotted to BOT operators viz. M/s. Ennore Tank Terminals Private Limited, M/s. Chettinad International Coal Terminal Private Limited and M/s. SICAL Iron Ore Terminals Limited, M/s. Adani Container Terminal Private Limited, M/s. Chettinad Bulk Terminal Private Limited and IOC LNG Private Ltd respectively.
- Includes land 1.84 acres was already leased by State Government before transferred to company. However, the company has taken the issue for cancellation of lease and restore the land to KPL.

(Rupees in lakhs)

Particulars	Gross carrying value as at April 1, 2015	Additions	Disposal/ adjustments	Gross carrying value as at March 31, 2016	Accumulated depreciation as at April 1, 2015	Additions	Disposal/ adjustments	Accumulated depreciation as at March 31, 2016	Carrying Value as at March 31, 2016	Carrying Value as at April 1, 2015
Land	54,649.01	3,870.40	0.00	58,519.41	0.00	0.00	0.00	0.00	58,519.41	54,649.01
Buildings, Sheds & Other Structures	773.50	1,486.07	0.00	2,259.56	159.52	21.18	0.00	180.70	2,078.86	613.98
Wharves, Roads and Boundaries	14,239.31	181.86	0.00	14,421.17	3,657.97	352.38	0.00	4,010.35	10,410.82	10,581.34
Railway and Rolling Stocks	3,125.77	231.80	0.00	3,357.57	336.38	221.96	0.00	558.34	2,799.23	2,789.39
Docks, Seawalls, Piers & Nav. Aids	50,456.33	345.87	0.00	50,802.21	8,688.12	641.10	0.00	9,329.22	41,472.99	41,768.22
Cranes & Vehicles	57.42	0.00	(9.59)	47.83	30.18	7.08	(9.11)	28.15	19.68	27.24
Installation of Water, Elec, Telecom & Fire	1,360.35	2.70	0.00	1,363.05	630.20	75.85	0.00	706.05	657.00	730.15
Other Assets	701.48	223.03	(5.30)	919.21	438.15	87.20	(5.04)	520.31	398.90	263.34
Port Basin and Entrance Channel	43,704.13	3,698.79	0.00	47,402.91	2,465.25	432.57	0.00	2,897.82	44,505.10	41,238.88
Plant & Machinery	0.00	893.00	0.00	893.00	0.00	50.72	0.00	50.72	842.28	0.00
<b>Total</b>	<b>169,067.30</b>	<b>10,933.52</b>	<b>(14.89)</b>	<b>179,985.92</b>	<b>16,405.77</b>	<b>1,890.05</b>	<b>(14.15)</b>	<b>18,281.66</b>	<b>161,704.26</b>	<b>152,661.54</b>

## 5. CAPITAL WORK- IN- PROGRESS

(Rupees in lakhs)

Particulars	Balance as at April 1, 2016	Additions/ Adjustments during the year	Capitalized during the year	Balance as at March 31, 2017	Balance as at April 1, 2015	Additions/ Adjustments during the year	Capitalized during the year	Balance as at March 31, 2016
Rail Connectivity	781.28	0.14	(16.20)	765.21	844.10	653.99	(716.81)	781.28
Interior	8.10	338.76	0.00	346.86	-	8.10	-	8.10
Solar Lighting	4.10	2.34	0.00	6.44	-	4.10	-	4.10
Container Terminal Rail Op	1,192.55	1,688.70	(2,565.13)	316.12	-	1,192.55	-	1,192.55
Rail Electrification (OHE) Works	0.00	5.55	0.00	5.55	87.57	140.96	(228.53)	-
Northern Rail Link	299.98	0.00	0.00	299.98	15.72	284.26	-	299.98
Coal Berth 3	13,244.42	9,080.25	(7.10)	22,317.56	126.64	13,117.78	-	13,244.42
GCB & MLT	43.07	32.05	(75.11)	0.00	-	43.07	-	43.07
Addl.Car Parking Yard	553.47	250.30	(191.02)	612.75	157.11	1,320.96	(924.60)	553.47
Coal Berth IV	28.00	21,179.21	0.00	21,207.21	14.00	14.00	-	28.00
V T M S	0.00	0.00	0.00	0.00	427.79	420.76	(848.55)	-
CD Deepen CB1,CB2,CICTPL BERTHS	0.00	0.00	0.00	0.00	910.84	2,395.35	(3,306.19)	-
Capital Dredging Phase III	12,149.74	17,935.59	(2,423.83)	27,661.50	11.00	12,138.74	-	12,149.74
Radiological Detection Equipment	0.00	0.00	0.00	0.00	189.80	19.85	(209.65)	-
Road Main Gate to West Gate	1,166.07	2.55	(9.52)	1,159.10	51.84	1,114.23	-	1,166.07
Lightining Arrestor	12.19	0.00	(12.19)	0.00	-	12.19	-	12.19
Canteen Building	0.00	0.00	0.00	0.00	-	105.13	(105.13)	-
Digital Maps of Land Mgt.	54.91	27.46	0.00	82.37	-	54.91	-	54.91
Fencing Land	74.03	175.60	0.00	249.63	-	74.03	-	74.03
RORO Cum GCB	24.15	0.00	0.00	24.15	-	24.15	-	24.15
Capital Dredging Phase IV	150.45	0.32	(6.19)	144.58	-	150.45	-	150.45
Leading Light Tower	32.14	160.34	(192.48)	0.00	-	32.14	-	32.14
I MW Solar Photovoltaic PP	5.95	0.00	0.00	5.95	-	5.95	-	5.95
Radiological Detection Equipment	8.29	0.00	0.00	8.29	-	8.29	-	8.29
Housing Board Flats at Maduravoyal	1,076.80	59.78	0.00	1,136.58	957.25	119.56	-	1,076.80
Boundary Wall	0.00	124.38	(124.38)	0.00	-	-	-	-
Buildings	0.00	40.91	0.00	40.91	-	-	-	-
Substation 11kv	0.00	192.55	(21.65)	170.90	-	-	-	-
Railway Holding Yard	0.00	30.14	0.00	30.14	-	-	-	-
Customs and Immigration Building	0.00	75.50	0.00	75.50	-	-	-	-
RFID	0.00	250.08	(250.08)	0.00	-	-	-	-
Material Advance - Interior	0.00	13.66	0.00	13.66	-	-	-	-
ERP Software	0.00	292.93	0.00	292.93	-	-	-	-
New Capital works	0.00	3.00	(3.00)	0.00	-	-	-	-
Common Truck Parking yard	0.00	969.54	(969.54)	0.00	-	-	-	-
Guest House building	0.00	71.29	0.00	71.29	-	-	-	-
Vehicle Parking Bays	0.00	20.83	0.00	20.83	-	-	-	-
<b>Total</b>	<b>30,909.69</b>	<b>53,023.75</b>	<b>(6,867.45)</b>	<b>77,065.99</b>	<b>3,793.66</b>	<b>33,455.50</b>	<b>(6,339.47)</b>	<b>30,909.69</b>

## 6. INTANGIBLE ASSETS

(Rupees in lakhs)

Particulars	Computer Software	ERP Software	Total
<b>Gross carrying value as at April 1, 2016</b>	<b>73.46</b>	<b>73.70</b>	<b>147.16</b>
Additions			0.00
Disposal/adjustments			0.00
<b>Gross carrying value as at March 31, 2017</b>	<b>73.46</b>	<b>73.70</b>	<b>147.16</b>
<b>Accumulated depreciation as at April 1, 2016</b>	<b>65.96</b>	<b>28.60</b>	<b>94.56</b>
For the Year	1.05	13.81	14.86
On Disposal/adjustments			0.00
<b>Accumulated depreciation as at March 31, 2017</b>	<b>67.01</b>	<b>42.41</b>	<b>109.42</b>
<b>Carrying Value as at March 31, 2017</b>	<b>6.45</b>	<b>31.29</b>	<b>37.74</b>

Particulars	Computer Software	ERP Software	Total
Gross carrying value as at April 1, 2015	71.60	73.70	145.30
Additions	1.86	0.00	1.86
Disposal/adjustments	0.00	0.00	0.00
<b>Gross carrying value as at March 31, 2016</b>	<b>73.46</b>	<b>73.70</b>	<b>147.16</b>
<b>Accumulated depreciation as at April 1, 2015</b>	<b>61.75</b>	<b>14.74</b>	<b>76.49</b>
For the Year	4.21	13.86	18.07
On Disposal/adjustments	0.00	0.00	0.00
<b>Accumulated depreciation as at March 31, 2016</b>	<b>65.96</b>	<b>28.60</b>	<b>94.56</b>
<b>Carrying Value as at March 31, 2016</b>	<b>7.50</b>	<b>45.10</b>	<b>52.60</b>
<b>Carrying Value as at April 1, 2015</b>	<b>9.84</b>	<b>58.96</b>	<b>68.80</b>

## 7. INVESTMENTS

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-Current</b>			
Equity Shares of Sethusamudram Corporation Ltd	3000.00	3000.00	3000.00
Less: Provision for Diminution in value of Investments	(3000.00)	0.00	0.00
Equity Shares of Chennai Ennore Port Road Company Ltd	3400.00	3400.00	3400.00
Investments in Renewable Energy Certificate	1.00	1.00	1.00
Advance for Equity - Indian Port Rail Corporation Limited	720.00	720.00	0.00
	0.00	0.00	0.00
<b>Total</b>	<b>4121.00</b>	<b>7121.00</b>	<b>6401.00</b>

As the dredging work is suspended upon the direction of the Hon'ble 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 & ADVANCES

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Long Term</b>			
Secured (considered good)			
Advances to Related Parties	0.00	0.00	0.00
Advances to Employees (House Building Advance)	315.45	308.34	230.95
Advances to Employees (Vehicle Advance)	14.01	14.79	6.80
<b>Total</b>	<b>329.46</b>	<b>323.13</b>	<b>237.75</b>
<b>Short Term</b>			
Secured (considered good)			
Advances to Related Parties	0.00	0.00	0.00
Advances to Employees (House Building Advance)	48.65	49.85	63.81
Advances to Employees (Vehicle Advance)	4.35	3.78	4.90
Advances to Employees (Others)	25.37	43.78	5.77
Advances to Supplier	298.48	74.88	48.81
<b>Total</b>	<b>376.85</b>	<b>172.29</b>	<b>123.29</b>

## 9. OTHER FINANCIAL ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Long Term</b>			
Deposits	160.90	145.07	372.73
Interest accrued on:	0.00	0.00	0.00
-Advances to Related Parties	0.00	0.00	0.00
<b>Total</b>	<b>160.90</b>	<b>145.07</b>	<b>372.73</b>
<b>Short Term</b>			
Interest accrued on:			
-Short Term Deposits	3.08	192.80	507.73
-Advances to Related Parties	0.00	0.00	0.00
Other Income Receivable	0.80	0.16	0.16
<b>Total</b>	<b>3.88</b>	<b>192.96</b>	<b>507.89</b>

## 10. TAX EXPENSE

## Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016
Current income tax		
Current year	10246.00	9516.00
Adjustments for prior years		
<b>Sub Total (A)</b>	<b>10246.00</b>	<b>9516.00</b>
Deferred tax expense		
Origination and reversal of temporary differences	-9477.09	-2702.41
Changes in tax rate		
Change in accounting policy		
<b>Sub Total (B)</b>	<b>-9477.09</b>	<b>-2702.41</b>
<b>Total (A+B)</b>	<b>768.91</b>	<b>683.59</b>

## Tax recognised in other comprehensive income

Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016
Defined benefit plan actuarial gains (losses)	2.00	4.48
Diminution in Value of Investments	1038.24	0.00
<b>Total</b>	<b>1040.24</b>	<b>4.48</b>

## Reconciliation of effective tax rates

Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016
Profit before tax	48009.31	44394.17
Enacted tax Rate (under Normal Provisions)	0.35	0.35
Effective Rate of Tax (under MAT)	0.21	0.21
Computed Expected Tax Expenses	0.00	0.00
Non-deductible expenses	0.00	0.00
Tax exempt income	0.00	0.00
Tax incentives	0.00	0.00
Current year losses for which no deferred tax asset recognised	0.00	0.00
Change in estimates related to prior years	0.00	0.00
<b>Tax Expenses for the year</b>	<b>0.00</b>	<b>0.00</b>

\* The company is claiming exemption U/s 80IA of the Income Tax Act, 1961. The Company is paying Tax under MAT Provisions of the Income Tax Act. Effective Tax rate of 21.342% is considered in reconciliation of Current Tax Expense.

## Recognised deferred tax assets and liabilities. Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Deferred Tax Liability</b>			
Property, Plant & Equipment	19493.93	18339.18	16808.77
<b>Sub Total</b>	<b>19493.93</b>	<b>18339.18</b>	<b>16808.77</b>
<b>Deferred tax Assets</b>			
Any Section 40a(ia) Disallowance	0.00	0.00	278.40
Any Section 43B Disallowance	0.00	54.78	58.88
Provision for Bad & Doubtful Debts	449.81	0.00	0.00
MAT Credit entitlement	40320.24	30074.24	25553.81
Movement in Defined Benefit Plan	6.48	4.48	0.00
Diminution in Investment	1038.24	0.00	0.00
Others	237.12	246.32	251.42
<b>Sub Total</b>	<b>42051.89</b>	<b>30379.82</b>	<b>26142.51</b>
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>22557.96</b>	<b>12040.64</b>	<b>9333.74</b>

**Movement in deferred tax balances during the year**

(Rupees in lakhs)

Particulars	Balance as at April 1, 2016	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2017
Property, plant and equipment	(18,339)	-1154.75	0.00	-19493.93
Employee benefits	59	-54.78	2.00	6.48
TDS Disallowance	-	0.00	0.00	0.00
Provisions	-	449.81	0.00	449.81
MAT Credit Entitlement	30,074	10246.00	0.00	40320.24
Others	246	-9.20	0.00	237.12
Dimunition in Investments	-	0.00	1038.24	1038.24
<b>Total</b>	<b>12,040</b>	<b>9477.08</b>	<b>1040.24</b>	<b>22557.96</b>

**Movement in deferred tax balances during the year**

Particulars	Balance as at April 1, 2015	Recognised in profit & loss	Recognised in OCI	Balance As at March 31, 2016
Property, plant and equipment	(16,809)	-1530.41	0.00	-18339.18
Employee benefits	59	-4.10	4.48	59.26
TDS Disallowance	278	-278.40	0.00	0.00
Provisions	-	0.00	0.00	0.00
MAT Credit Entitlement	25,554	4520.43		30074.24
Others	251	-5.10		246.32
Dimunition in Investments	-			0.00
<b>Total</b>	<b>9,333</b>	<b>2702.42</b>	<b>4.48</b>	<b>12040.64</b>

**Unrecognised Deferred tax assets****Deferred tax assets have not been recognised in respect of the following items**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deductible temporary differences	0.00	0.00	0.00
Tax losses	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**11. Other Assets**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-Current</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Advance to Contractors	0.00	0.00	0.00
Advance for Capital Expenditure	5246.19	6512.73	5745.07
Prepaid Lease Rental	1752.21	1802.95	0.00
Deferred Employee Cost	138.46	123.95	93.54
Amount Recoverable from Others	0.00	0.00	0.00
Balance with Government Authorities	117.42	117.42	117.42
<b>Total</b>	<b>7254.28</b>	<b>8557.05</b>	<b>5956.03</b>
<b>Current</b>			
Advance to Contractors	0.00	0.00	0.00
Prepaid Lease Rental	88.12	90.72	0.00
Prepaid Expenses	124.29	83.31	7.62
Service Tax Input Credit	502.28	1185.32	89.42
Deferred Employee Cost	6.16	5.53	4.91
Amount Recoverable from Others	0.00	0.00	2.98
<b>Total</b>	<b>720.85</b>	<b>1364.88</b>	<b>104.93</b>

Advance for Capital expenditure includes Rs.45,09,49,975/- being excess payment to Project contractors referred to Dispute Redressal Mechanism at the time of taken over the Assets and liabilities from Chennai Port Trust. Awaiting final outcome of the dispute, necessary accounting treatment will be made upon crystallisation of the same.

Includes Rs.1,17,42,000/- paid to Service Tax Department under protest and the related case is pending with Central Excise Service Tax Appellate Tribunal (CESTAT).

**12. Trade Receivables**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
<b>Debtors outstanding for a period exceeding six months from the date they become due for payment</b>			
- Unsecured - Considered good	1618.01	2996.19	2014.04
	0.00	0.00	0.00
<b>Other debtors (Less than six months)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
- Unsecured - Considered good	2117.10	2923.75	2974.20
	0.00	0.00	0.00
Less: Allowances for doubtful debts	-1299.74	0.00	0.00
<b>Total</b>	<b>2435.37</b>	<b>5919.94</b>	<b>4988.24</b>

Amount receivable from BOT operator has been provided for as per Ind As.

## 13. Cash &amp; Cash Equivalents

(Rupees in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash on hand	0.30	0.68	0.55
Cheques, Drafts on hand	0.00	0.00	0.00
Balances with Banks	612.90	24069.68	22281.19
<b>Sub-total (A)</b>	<b>613.20</b>	<b>24070.36</b>	<b>22281.74</b>
<b>Other Bank Balances</b>			
- Term Deposit	57.45	52.84	6479.57
(More than 3 months but less than 12 months)	0.00	0.00	0.00
<b>Sub-total (B)</b>	<b>57.45</b>	<b>52.84</b>	<b>6479.57</b>
<b>Total</b>	<b>670.65</b>	<b>24123.20</b>	<b>28761.31</b>

## 14. Current Tax Assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance Tax and Tax Deducted at Source	48141.72	37982.94	26595.16
Provision for Income Tax	-46309.00	-36063.00	-26547.00
	0.00	0.00	0.00
<b>Total</b>	<b>1832.72</b>	<b>1919.94</b>	<b>48.16</b>

## 15. Equity Share Capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorized			
Equity shares of Rs. 10/- each			
500,000,000 equity shares	5000000000	5000000000	5000000000
Issued, subscribed and fully paid			
Equity shares of Rs. 10/- each	0.00	0.00	0.00
300,000,000 equity shares	30000.00	30000.00	30000.00
	30000.00	30000.00	30000.00

## Reconciliation of share Capital:

Particulars	As at March 31, 2017	
	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 March 31, 2016	
	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

Particulars	As at March 31, 2017	As at March 31, 2016
Name of the Shareholder		
Government of India	0.67	20000
Chennai Port Trust	0.33	10000

## 16. Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>SECURED - LONG TERM</b>			
<b>Term Loan</b>			
Chennai Port Trust	20711.25	23012.50	25313.75
	0.00	0.00	0.00
<b>Tax Free Bonds</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
(i) Series 2012-13	9383.34	9373.64	9364.61
(ii) Series 2013-14	36397.75	36389.02	36380.99
	0.00	0.00	0.00
<b>Total</b>	<b>66492.34</b>	<b>68775.16</b>	<b>71059.35</b>
<b>SECURED - SHORT TERM</b>			
	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</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 1916630 Nos of 15 Year bonds of Face Value - Rs.1000/- each amounting to Rs.191,66,30,000/- 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%, 8.75% 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 Rs.345,18,74,941/- 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.

## 17. Other Financial Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Long Term</b>			
Security Deposits	131.79	123.30	29.65
Retention Money Payable	5.45	441.85	55.40
Other Liabilities	0.00	0.00	0.00
Creditors for Capital Expenditure	0.00	0.00	0.00
<b>Total</b>	<b>137.24</b>	<b>565.15</b>	<b>85.05</b>
<b>Short term</b>			
Current maturities of long term debt	2301.25	2301.25	2301.25
Security Deposits	178.23	92.28	87.28
Retention Money Payable	1600.31	621.82	337.15
Interest Payable	616.51	710.00	764.61
Amount Payable to Employees	7.44	11.60	21.58
Other Liabilities	7.11	5.88	0.00
ECPP Liabilities	0.00	0.00	2869.97
Creditors for Expenses	825.99	176.82	584.08
Creditors for Capital Expenditure	10728.10	13602.69	1667.79
<b>Total</b>	<b>16264.95</b>	<b>17522.34</b>	<b>8633.71</b>

## 18. Provisions

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<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>0.00</b>
<b>Current</b>			
<b>FOR EMPLOYEE BENEFITS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Leave Encashment	57.56	44.31	18.46
Gratuity	28.65	13.41	35.51
Performance Related Pay	234.90	234.66	228.56
	0.00	0.00	0.00
<b>Sub Total (A)</b>	<b>321.11</b>	<b>292.38</b>	<b>282.53</b>
<b>OTHER</b>			
Expenses	1808.77	2114.76	605.26
<b>Sub Total (B)</b>	<b>1808.77</b>	<b>2114.76</b>	<b>605.26</b>
<b>Total(A+B)</b>	<b>2129.88</b>	<b>2407.14</b>	<b>887.80</b>

## 19. Other Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-Current</b>			
Income Received in Advance	8163.35	8775.24	0.00
Advance Lease Charges	871.21	916.21	961.20
Other Liabilities	0.00	0.00	0.00
Deferred Fair Valuation Gain - Security Deposits	611.99	637.98	170.98
Government Grant	106.26	52.84	170.98
<b>Total</b>	<b>9752.80</b>	<b>10382.27</b>	<b>1132.17</b>
<b>Current</b>			
Income Received in Advance	662.91	732.56	476.86
Other Statutory Payables	617.92	629.24	177.67
Advance Received from Customers	2296.36	5581.88	4257.89
Advance Lease Charges	45.00	45.00	45.00
Other Liabilities	0.00	2.46	29.60
Deferred Fair Valuation Gain - Security Deposits	26.00	50.55	2.81
<b>Total</b>	<b>3648.21</b>	<b>7041.68</b>	<b>4989.84</b>

Income received in advance includes an amount from Indian Oil LNG Private Limited towards upfront licence fees for 30 years for 5,20,000 sq.m. Land allotted for the construction of LNG Terminal as per the Licence Agreement dated 31st July 2015.

## 20. Trade Payables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total outstanding dues of micro and small scale Industrial Undertaking(s). (Due over 30 days ' Nil/-)			
Total outstanding dues of Medium scale Industrial Undertaking(s). (Due over 30 days ' Nil/-)			
Others	1284.81	758.29	113.13
<b>Total</b>	<b>1284.81</b>	<b>758.29</b>	<b>113.13</b>

## 21. Revenue From Operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Lease Income</b>		
Composite Tariff on Coal	23633.42	23997.68
Estate Income	2765.95	2150.44
Revenue Share	16887.24	17129.81
<b>Marine Services</b>		
Vessel Related Income	14505.89	14262.61
<b>Cargo Related Services</b>		
Wharfage	4072.40	4049.71
<b>Other Operating Revenues</b>		
Other Services	148.82	58.63
<b>Total</b>	<b>62013.72</b>	<b>61648.88</b>

## 22. Other Income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest from Banks	251.92	2035.46
Interest on Staff Advances	42.35	31.12
Interest - Others	180.07	6.87
Short Term Gain from Mutual Fund	627.15	652.39
<b>Other non operating income</b>	<b>0.00</b>	<b>0.00</b>
Sale of Tender Documents	13.75	7.07
Personnel & Vehicle Entry Pass	72.58	65.95
Profit on sale of Fixed Assets	0.00	2.00
Other Income	68.72	7.33
Reversal of Maintenance Dredging	779.90	0.00
<b>TOTAL</b>	<b>2036.44</b>	<b>2808.19</b>

## 23. Operating Cost

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Time Charter Crafts	2137.48	2045.03
Consultancy Services - Operations	582.63	541.56
Power & Water charges	151.80	147.41
Environment	77.94	47.00
Research & Development Expenses	32.45	127.10
Fuel Expense	464.43	415.25
Manning Services	309.78	277.36
Survey & Maintenance Dredging	4.58	288.07
Pilotage Expense	155.16	141.60
Repairs and Maintenance	678.03	483.29
Incentive	1933.32	1879.80
<b>TOTAL</b>	<b>6527.60</b>	<b>6393.47</b>

## 24. Employee Benefits

(Rupees in lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Wages	935.67	811.06
Contribution to Employee Benefit Funds	84.79	73.20
Staff Welfare expenses	16.20	8.76
Superannuation - Contribution	66.34	67.13
Performance Related Pay	114.00	132.00
Employee Medical expenses	78.29	76.33
Terminal Benefits	31.63	24.00
Leave Encashment	58.49	51.58
<b>TOTAL</b>	<b>1385.41</b>	<b>1244.06</b>

## 25. Finance Cost

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expense :		
- From Banks	0.00	0.00
- Tax Free Bonds - 2012-13	684.35	685.68
- Tax Free Bonds - 2013-14	3233.19	3241.98
- Others	2647.74	2954.81
Other Borrowing Costs :	0.00	0.00
- ECPP Liabilities	1207.19	685.88
- Guarantee Fees	0.00	0.18
- Tax Free Bond Expenses	8.90	6.87
- Processing Charges	0.00	0.00
<b>TOTAL</b>	<b>7781.37</b>	<b>7575.40</b>

## 26. Depreciation And Amortization Expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation / Amortisation for the year		
Tangible Assets	2180.00	1890.05
Intangible Assets	0.00	18.07
Impairment Expenses	8.65	-
<b>TOTAL</b>	<b>2188.65</b>	<b>1908.12</b>

## 27. Other Expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
AMC - Software Expenses	53.19	68.76
Auditors' remuneration	0.00	0.00
Statutory audit	3.00	3.00
Tax Audit Fees	0.50	0.50
Payment for other Services	0.80	1.05
Reimbursement of expenses	0.30	0.30
Books and periodicals	1.23	1.17
Electricity & Water Charges	61.05	56.13
Insurance	92.76	46.04
Provision for Bad and Doubtful Debts	1299.74	0.00
Legal & Professional Charges	122.57	107.34
Miscellaneous Expense	95.53	85.70
Service Tax - Rev Charge & SBC	177.79	61.53
Printing and stationery	35.94	35.05
Rent, Rates & Taxes	161.17	112.53
Safety & security expenses	1045.46	807.36
Seminars & conference expenses	8.64	15.49
Corporate Social Responsibility Expenses	842.76	729.52
Subscription & Membership fees	176.78	52.45
Communication Expenses	40.82	39.49
Travelling and conveyance	43.30	44.46
Vehicle running expenses	224.52	192.71
Advertising and promotional expenses	114.22	196.04
Repairs and Maintenance	214.60	138.70
Loss on sale of Fixed Assets	1.11	0.00
Foreign Exchange Fluctuation - (Cr) / Dr.	0.24	146.53
<b>TOTAL</b>	<b>4818.02</b>	<b>2941.85</b>

**Corporate Social Responsibility Expenses**

(Rupees in lakhs)

- (a) Gross amount required to be spent by the company during the year  
 (b) Amount spent during the year on :

842.76

Sl. No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction / acquisition of any asset	588.10	0.00	588.10
(ii)	on purposes other than (i) above	254.66	0.00	254.66
		842.76	0.00	842.76

**28. Exceptional Items**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue share	(6660.20)	0.00
<b>TOTAL</b>	<b>(6660.20)</b>	<b>0.00</b>

Without prejudice, a sum of Rs.6660.21lakhs out of Rs.7656.56 received during the reported year, was recognised as Income under Exceptional Items. The amount was remitted by BOT operator as per the Arbitration award, although the BOT operator has challenged the Award before the High Court of Madras. However, interest amount disputed has not recognised as per the accounting policy of the company.

**29. Earnings per Share**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Total Comprehensive Income for the Year	4527487066	3757210962
Weighted average number of shares - Basic	300000000	300000000
Weighted average number of shares - Diluted	300000000	300000000
Earnings per Share - Basic	15.09	12.52
Earnings per Share - Diluted	15.09	12.52

**Note 31: Disclosure Notes****1. Transition from IGAAP to IND AS (Para 26 and 27AA Impact to be Inserted)**

These financial statements, for the year ended 31st March, 2017, are the first the Company has prepared in accordance with Ind AS. For years upto and including the year ended 31 March, 2016, the Company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Company has prepared IND AS compliant financial statements for year ending on 31st March, 2017. In preparing these financial statements, the Company has prepared opening IND AS balance sheet as at 1st April, 2015 the Company's date of transition to Ind-AS in accordance with requirement of IND AS 101, First time adoption of Indian Accounting Standards. The principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31 March 2016 are quantified and explained in detail as Appendix A & B to this Note. However the basic approach adopted is again summarized hereunder:

- i) All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.

- ii) All non-current financial assets/liabilities at below market rate of interest and outstanding as on 1st April, 2015 have been measured at fair value.
- a) Loans to employee such as house building advance and vehicle advance being at below market interest rate have been fair valued using discounted cash flow method. The interest rate used for valuing the above advances 9.48% (level 3 input) have been used as discount rate.
- b) Security deposit and retention payable of the non-current nature deducted from the bills of contractors being interest free financial liability have been fair valued using discounted cash flow method.
- c) Tax Free Bonds are measured at amortised cost using effective rate of interest.
- d) Investments in equity Instruments are measured at fair value.
- iii) In accordance with IND AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to IND AS.
- iv) The estimates as at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies).
- v) IND AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under IND AS. Accordingly,

the company has availed the following exemptions/mandatory exceptions as per INDAS 101:

- a) Deemed Cost for Property, Plant & Equipment: The Company has availed exemption under para D7AA of appendix D to IND AS 101 which permits a first time adopter to continue with the carrying values for its PPE as at date of transition to IND ASs measured as per previous GAAP.
- b) Classification & Fair value measurement of financial assets or financial liabilities at initial recognition: The financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to IND AS. In addition, the exemption permits prospective application of requirements of IND AS 109 to transactions entered into on or after date of transition.
- c) Impairment of financial assets: The Company has availed exemption under para B8D of appendix B which permits the first time adopter to apply the impairment requirement of Ind AS 109 prospectively.

## 2. Contingent Liabilities:

(Amount in Lakhs)

	Particulars	2016-17	2015-16
a)	Disputed Service Tax Demand but not acknowledged as debt	67.54	67.53
b)	Claims against the company not acknowledged as debt*		
	- ECPP Liabilities	19028.68	20711.38
	- Other Liabilities	9697.26	519.91
c)	Guarantees		
	<b>Total</b>	<b>28793.48</b>	<b>21298.82</b>

\*Claims includes Disputed Arbitration awards and others.  
(Note: Other Information regarding contingent liabilities may be provided below)

## 3. Commitments

### (a) Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Expenditure (net of advances) and not provided for is Rs. 63113.24 Lakhs (P.Y. Rs.51100.82 Lakhs).

### (b) Equity Commitments:

	Particulars	2016-17	2015-16
a)	Chennai Ennore Port Road Company Limited	2.00	2.00
b)	Sethusamudram Corporation Limited	-	2000.00

## 4. Payment to the Statutory Auditors

(Amount in Lakhs)

Particulars	2016-17	2015-16
Audit Fees	3.00	3.00
Tax Audit Fees	0.50	0.50
Certification fees	0.80	1.05
Reimbursements:		
- Travelling expenses	0.30	0.30
- Service Tax	0.69	0.14

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

(Amount in Lakhs as of March 31, 2017)

Sl.No.	Particulars	2016-17	2015-16
<b>A</b>	<b>Expenditure in Foreign currency on:</b>		
(i)	Professional and consultancy fee	-	-
(ii)	Tours and Travels	0.97	-
(iii)	Contracts	166.36	143.63
(iv)	Others	-	2.89
<b>B</b>	<b>Earnings in Foreign Exchange:</b>		
(I)	Consultancy	-	-
(ii)	Interest	-	-
(iii)	Others	-	-

## 6. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2017:

(In Rs. Lakhs)

Sl.No.	Particulars	2016-17	2015-16
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	Nil	Nil
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

## Disclosure requirements of Indian Accounting Standards

### 7. Disclosures in respect of Ind AS 107 - Financial Instruments

#### 7.1 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, 2017)

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)	-	-	4121.00	4121.00	4121.00
Cash & Cash Equivalents (Ref Note No.13)	670.65	-	-	670.65	670.65
Trade Receivable (Ref Note No. 12)	2435.37	-	-	2435.37	2435.37
Loans and Advances (Ref Note No. 8)	706.31	-	-	706.31	706.31
Other Financial Assets (Ref Note No. 9)	164.78	-	-	164.78	164.78
<b>Liabilities:</b>					
Term loan from Chennai Port Trust (Ref Note No. 16 & 17)	23012.50	-	-	23012.50	23012.50
Tax Free bonds (Ref Note No. 16)	45781.08	-	-	45781.08	45781.08
Trade Payables (Ref Note No. 21)	1284.81	-	-	1284.81	1284.81
Other Financial Liabilities (Ref Note No.17)	16402.18	-	-	16402.18	16402.18

(Amount in Lakhs as of March 31, 2016)

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)	-	-	7121.00	7121.00	7121.00
Cash & Cash Equivalents (Ref Note No. 13)	24123.21	-	-	24123.21	24123.21
Trade Receivable (Ref Note No. 12)	5919.95	-	-	5919.95	5919.95
Loans and Advances (Ref Note No. 8)	495.42	-	-	495.42	495.42
Other Financial Assets (Ref Note No. 9)	338.03	-	-	338.03	338.03
<b>Liabilities:</b>					
Term loan from Chennai Port Trust (Ref Note No. 16 & 17)	25313.75	-	-	25313.75	25313.75
Tax Free Bonds (Ref Note No. 16)	45762.66	-	-	45762.66	45762.66
Trade Payables (Ref Note No. 21)	758.29	-	-	758.29	758.29
Other Financial Liabilities (Ref Note No. 17)	15786.25	-	-	15786.25	15786.25

(Amount in Lakhs as of April 1, 2015)

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 Investments (Ref Note No. )	-	-	6401.01	6401.01	6401.01
Cash & Cash Equivalents (Ref Note No. 13)	28761.31	-	-	28761.31	28761.31
Trade Receivable (Ref Note No. 12)	4988.24	-	-	4988.24	4988.24
Loans and Advances (Ref Note No. 8)	361.04	-	-	361.04	361.04
Other Financial Assets (Ref Note No. 9)	880.61	-	-	880.61	880.61
<b>Liabilities:</b>					
Term loan from Chennai Port Trust (Ref Note No. 16 & 17)	27615.00	-	-	27615.00	27615.00
Tax Free Bonds (Ref Note No. 16)	45745.60	-	-	45745.60	45745.60
Trade Payable (Ref Note No. 21)	113.13	-	-	113.13	113.13
Other Financial Liabilities (Ref Note No. 17)	6417.50	-	-	6417.50	6417.50

## 7.2 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 31.03.2017				For the year 31.03.2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in unquoted equity instruments	-	-	4,121	4,121	-	-	7121	7121

## 7.3 Financial risk management

### Financial risk factors

The Company's activities expose 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 has interest rate risk since the loan from Chennai Port Trusts variable as in relation to MCLR rate of the interest. Also company does not have price risk since company does not 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.

At the reporting date the interest rate profile of the company's interest - bearing financial instruments as follows:

(Amount in Lakhs)

Particulars	As on Mar 2017	As on Mar 2016
Fixed Rate Instruments		-
Financial Asset		
- Fixed Deposit with Bank	57.45	20313.92
- Employee Advance	382.46	376.77
Financial Liabilities		
- Tax Free Bonds	45781.08	45762.66
Variable Rate Instruments		
- Loan from Chennai Port Trust	23012.50	25313.75

### Cash Flow sensitivity for variable rate of Instruments

An Increase of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables remain constant. The analysis has been performed on same basis for 2016.

(Amount in Lakhs)

Year	Equity and profit or (loss)
2016-17	(268.25)
2015-16	(245.95)

#### 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 adopts pre-payment / recovery of income for major port services, there is no credit to any one and hence, there is no credit policy exists. However, the company is rendering certain ancillary / support services for which the bills are raised, as and when the services are sought / and due to some disagreement on user charges, licence fee etc. which forms part of Trade Receivables.

#### Trade Receivables

The company has outstanding trade receivables amounting to 3735.06 Lakhs and 5919.95 Lakhs as of March 31, 2017 and March 31, 2016, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Substantially all dues are collected in advance and concentration of debts are insignificant. Provision for bad and doubtful debts arising on account of interpretation of certain clauses concession agreements, which are reviewed at each balance sheet date and provided for case to case basis.

#### Credit risk exposure

An analysis of age of trade receivables at each reporting date is summarized as follows:

(Amount in Lakhs)

Particulars	March 31, 2017		March 31, 2016	
	Gross	Impairment	Gross	Impairment
Not past due			-	
Past due less than three months	2097.59	-	2644.22	-
Past due more than three months but not more than six months	19.44	-	278.77	-
Past due more than six months but not more than one year	0.02	-	12.48	-
More than one year	1618.01	1299.74	2982.48	-
<b>Total</b>	<b>3735.06</b>	<b>1299.74</b>	<b>5917.95</b>	<b>-</b>

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables or based on the interpreting on certain clauses in the Concession Agreement. The company considers that all the above financial assets that 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 such banks that are majority owned by the Government of India and subject 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 against the title deed of the property for which loan is granted to the employees and further the company has appropriation right over terminal benefit due to the employee's. There are no impairment provisions as at each reporting date against 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, Term loan from Chennai Port trust, Tax Free Bonds, Contribution in the form of share capital and contribution in the form of grant from GOI, state governments & Government authorities.

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 requirements consists mainly of sundry creditors, expense payable, employee dues, repayment of Chennai Port trust loan and retention & deposits arising during the normal course of business as of each reporting date. We maintain a 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 Chennai Port trust Loan, Tax Free Bonds, Retentions & deposits.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table have 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 include both principal & interest cash flows.

(Amount in Lakhs as of March 31, 2017)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
ChPT Loan	1150.62	1150.62	4602.48	4602.48	11506.30	23012.50
Tax Free Bonds	-	-	-	-	45781.08	45781.08
Retention money	960.18	645.57	-	-	-	1605.76
Security Deposits	178.23	-	-	-	131.79	310.02
Trade Payables	1284.81	-	-	-	-	1284.81
Other Financial Liabilities	12185.16	-	-	-	-	12185.16
<b>Total</b>	<b>15759.00</b>	<b>1796.19</b>	<b>4602.48</b>	<b>4602.48</b>	<b>57419.17</b>	<b>84179.33</b>

(Amount in Lakhs as of March 31, 2016)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
ChPT Loan	1150.62	1150.62	4602.48	4602.48	13807.55	25313.75
Tax Free Bonds	-	-	-	-	45762.66	45762.66
Retention money	373.09	248.73	441.85	-	-	1063.67
Security Deposits	92.27	-	-	-	-	92.27
Trade Payables	-	-	-	-	-	758.28
Other Financial Liabilities	14507.00	-	-	-	-	14507.00
<b>Total</b>	<b>18309.17</b>	<b>1399.35</b>	<b>5044.33</b>	<b>4602.48</b>	<b>58093.28</b>	<b>87497.63</b>

### 8. 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/credited to the Statement of Profit & Loss Rs. 0.24 Lakhs (P.Y.Rs. 146.53 Lakhs)

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

During the year, the company has reviewed Fixed Assets as per AS-36 on "Impairment of Assets" and a provision of Rs.8.64 lacs has been recognised towards scrapped and unserviceable assets.

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

The break-up of total grant in aid received upto March 31, 2017 for various purposes is as under: -

(Amount in Lakhs)

Grant received for	2016-17	2015-16
Oil Spill Response Equipment	61.85	52.84
<b>Total Grants Received</b>	<b>61.85</b>	<b>52.84</b>

The company has recognised Rs. 8.44 Lakhs as income out of government grants in line with the accounting policies for the current year.

## 10. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 “Employee Benefits”

### 10.1. General description of various defined employee's benefits schemes are as under:

#### a) Provident Fund

The company's Provident Fund is managed by 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 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 liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

As per Actuarial Valuation company's best estimates for FY 2016-2017 towards the Gratuity Fund Contribution is Rs.28.64 Lakhs. However, the company is making contribution to the fund as per the demand made by Life Insurance Corporation of India.

#### c) Superannuation Scheme

Employee's Group Superannuation Pension Scheme is managed by LIC of India. This scheme is optional and company's obligation is limited to pay 12% of Basic Pay of the enrolled employee.

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

#### d) Post-Retirement Medical Facility

The company has Post-retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facility for treatment. Since there is no retired employee as of now, no liability is provided.

#### e) 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 en cashable once in a calendar year while in service for a period of maximum 30 days and on Superannuation, the maximum limited to 300 days.

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

### 10.2 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 (Non-Funded)
Defined Benefit Obligation	C.Y.	174.50	208.90
	P.Y.	145.03	174.62
Fair Value of Plan Assets	C.Y.	157.25	193.15
	P.Y.	144.92	156.15
Funded Status [Surplus/(Deficit)]	C.Y.	(17.24)	(15.75)
	P.Y.	(0.09)	(18.47)
Effect of asset ceiling	C.Y.	0	0
	P.Y.	0	0
Net Defined Benefit Assets/ (Liabilities)	C.Y.	(17.24)	(15.75)
	P.Y.	(0.09)	(18.47)

#### Movement in defined benefit obligation

(Amount in Lakhs)

Particulars		Gratuity (Funded)	Leave (Non-Funded)
Defined benefit obligation - Beginning of the year	C.Y.	145.01	174.63
	P.Y.	122.91	121.78
Current service cost	C.Y.	19.20	27.46
	P.Y.	20.80	23.07
Interest Cost	C.Y.	11.16	13.71
	P.Y.	9.80	9.68

(Amount in Lakhs)

Particulars		Gratuity (Funded)	Leave (Non-Funded)
Benefits Paid	C.Y.	(0.89)	(6.51)
	P.Y.	(11.06)	(1.55)
Re-measurements - actuarial loss/(gain)	C.Y.	8.57	(0.39)
	P.Y.	(6.02)	21.65
Defined benefit obligation – End of the year	C.Y.	174.50	208.90
	P.Y.	145.01	174.63

#### Movement in plan asset

(Amount in Lakhs)

Particulars		Gratuity (Funded)	Leave (Non-Funded)
Fair value of plan assets at beginning of year	C.Y.	144.92	156.15
	P.Y.	102.59	120.46
Interest income	C.Y.	11.15	12.23
	P.Y.	8.17	9.58
Employer contributions	C.Y.	11.62	29.59
	P.Y.	33.64	26.39
Benefits paid	C.Y.	(11.19)	(6.51)
	P.Y.	(0.89)	(1.55)
Re-measurements – Return on plan assets	C.Y.	0.74	1.68
	P.Y.	1.41	1.27
Fair value of plan assets at end of year	C.Y.	157.25	193.15
	P.Y.	144.93	156.15

### Amount Recognized in Statement of Profit and Loss

(Amount in Lakhs)

Particulars		Gratuity (Funded)	Leave (Non-Funded)
Current service cost	C.Y.	20.80	27.46
	P.Y.	19.21	23.07
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.	20.80	27.46
	P.Y.	19.21	23.07
Net Interest on Net Defined Benefit Liability/(assets) (B)	C.Y.	0.00	1.48
	P.Y.	1.63	0.1
<b>Cost Recognized in P&amp;L (A+B)</b>	<b>C.Y.</b>	<b>20.80</b>	<b>28.94</b>
	<b>P.Y.</b>	<b>20.83</b>	<b>23.17</b>

### Amount recognized in Other Comprehensive Income (OCI)

(Amount in Lakhs as of March 31, 2017)

Particulars		Gratuity (Funded)	Leave (Non-Funded)
Actuarial (gain)/loss due to DBO Experience	C.Y.	4.83	(4.96)
	P.Y.	(6.02)	21.65
Actuarial (gain)/loss due to assumption changes	C.Y.	3.74	4.57
	P.Y.	0	0
Actuarial (gain)/loss arising during the period (A)	C.Y.	8.57	(0.39)
	P.Y.	(6.02)	21.65
<b>Return on Plan assets (greater/less than discount rate) (B)</b>	<b>C.Y.</b>	<b>(0.74)</b>	<b>(1.68)</b>
	<b>P.Y.</b>	<b>(1.40)</b>	<b>(1.27)</b>
<b>Actuarial (gain)/loss recognized in OCI (A+B)</b>	<b>C.Y.</b>	<b>7.84</b>	<b>(2.07)</b>
	<b>P.Y.</b>	<b>(7.42)</b>	<b>20.38</b>

### Sensitivity Analysis

(Amount in Lakhs as of March 31, 2017)

Assumption	Change in Assumption	Gratuity (Funded)	Leave (Non-Funded)
Discount rate	+1.00%	160.33	191.64
	-1.00%	191.01	229.14
Salary growth rate	+1.00%	190.17	230.59
	-1.00%	160.33	190.15
Withdrawal rate	+1.00%	178.28	202.18
	-1.00%	170.21	216.89

(Amount in Lakhs as of March 31, 2016)

Assumption	Change in Assumption	Gratuity (Funded)	Leave (Non-Funded)
Discount rate	+1.00%	133.08	160.27
	-1.00%	158.93	191.47
Salary growth rate	+1.00%	158.46	192.72
	-1.00%	132.52	158.99
Withdrawal rate	+1.00%	148.38	169.31
	-1.00%	141.21	180.97

### Actuarial Assumption

(Amount in Lakhs as of March 31, 2017)

Particulars		Gratuity (Funded)	Leave (Non-Funded)
Method used	C.Y.	PUC	PUC
	P.Y.	PUC	PUC
Discount rate	C.Y.	7.75%	7.75%
	P.Y.	8%	8%
Rate of salary increase	C.Y.	5%	5%
	P.Y.	5%	5%
Rate of return of plan Asset	C.Y.	8%	8%
	P.Y.	8%	8%
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.	17.77	17.73
	P.Y.	17.41	17.41
Mortality rate	C.Y.	IALM	IALM
	P.Y.	(2006-08) Table	(2006-08) Table
Disability Rate	C.Y.	No explicit loading	No explicit loading
	P.Y.		

### Expected Benefit Payments

(Amount in Lakhs)

Sl. No.	Year of payment	Gratuity (Funded)	Leave (Non-Funded)
1	March 31, 2018	5.81	16.28
2	March 31, 2019	13.28	11.46
3	March 31, 2020	3.77	3.80
4	March 31, 2021	5.52	8.24
5	March 31, 2022	18.00	20.54
6	March 31, 2023 to March 31, 2027	128.11	148.58

### Category of investment in Plan assets

(Amount in Lakhs)

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

### 11. Disclosure in respect of Indian Accounting standard (Ind AS)-108: “Operating Segments”

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

The Company derives revenues from the following customer which amount to 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	For the year ended 31 March 2017	For the year ended 31 March 2016
TANGEDCO	23,633.42	23,997.68
Chettinad International Coal Terminal	18,758.8	17,129.8

### 12. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”

#### 12.1 Disclosures for Other than Govt. Related Entities

##### a. List of Related parties:

##### Key Managerial Persons:

Name	Designation
Shri M.A. Bhaskarachar	Chairman-cum-Managing Director
Shri Sanjay Kumar	Whole Time Director (Operations) (upto 08/06/2016)
Shri M. Gunasekaran,	General Manager (Finance) cum CFO
Smt. Jayalakshmi Srinivasan	Company Secretary

**Others:**

**The enterprise, which have significant influence on Kamarajar Port limited**

**a) Chennai Port trust**
**b) Compensation of key management personnel**

(Amount in Lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Remuneration and Short-term benefits	101.8	122.27
Post-employment benefits	13.08	14.58
Other long-term benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
Sitting fee	-	-
<b>Total</b>	<b>114.86</b>	<b>136.85</b>
Recovery of Loans & Advances during the year	9.25	2.68
Advances released during the year	4.98	0
Closing Balance of Loans & Advances	9.66	13.02

**Transaction with other related parties:**

(Amount in Lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest Paid	2592.03	2950.79
Loan Repaid	2301.25	2301.25
Lease Rent Expenses	95.51	93.40
Advance lease rent	152.80	21.31
Dividend paid	2000	4700
Others	225.98	134.43
Closing Balance of term loan	23012.50	25313.75

**13. Disclosure in respect of Indian Accounting standard (IndAS) 17 “Leases”**
**13.1 Operating lease**
**a) As a Lessee**

- Future minimum lease payments under non-cancellable operating leases\***

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Not later than 1 year	18.35	18.35
Later than 1 year and not later than 5 years	26.00	44.74
Later than 5 years	-	-

\* does not include upfront lease payments.

- Payments recognised as an expense

(Amount in Lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Minimum lease payments*	111.70	111.90

\*Includes portion of upfront lease payment charged off.

**Leasing arrangement:**

The Company has leased Motor Vehicles for the use of officials. The terms and conditions of the lease are as per the agreement. The company has leased office premises for 30 years from Chennai Port Trust on upfront premium lease payments.

**13.2 As a lessor**

- Future minimum lease receivables under non-cancellable operating lease**

(Amount in Lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Not later than 1 year	2091.47	1991.87
Later than 1 year and not later than 5 years	12134.50	11556.67
Later than 5 years	65344.23	68013.53

**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.

- Contingent rents recognized as an income in the period: The company recognized Rs.49856.81 lakhs during the year 2016-17.

**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 and Basic EPS is as follows:

(Amount in Lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit (loss) for the year, attributable to the owners of the company	45274.89	37572.11
<b>Earnings used in calculation of basic earnings per share(A)</b>	<b>45274.89</b>	<b>37572.11</b>
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	300000000	300000000
<b>Basic EPS(A/B) – R</b>	<b>15.09</b>	<b>12.52</b>

**b) Diluted EPS**

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

(Amount in Lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit (loss) for the year, attributable to the owners of the company	45274.89	37572.11
<b>Earnings used in calculation of basic earnings per share(A)</b>	<b>45274.89</b>	<b>37572.11</b>
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	300000000	300000000
<b>Basic EPS(A/B)</b>	<b>15.09</b>	<b>12.52</b>

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

Amount in Lakhs)

Particulars	Opening balance as on 01.04.16	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.17
Maintenance Dredging	779.90	-	-	-	779.90	-
Others	-	-	-	-	-	-
<b>Total</b>	<b>779.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>779.90</b>	<b>-</b>

**16. Details of Specified Bank Notes (SBN) held and transferred during the period 08.11.16 to 30.12.16**

(Amount in Lakhs)

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	0.83	0.001	0.84
Add : Permitted receipts	0.24	7.97	8.21
Less : Permitted payments	-	8.50	8.50
Less : Amount deposited in Banks	1.07	3.42	4.48
Closing cash in hand as on 30.12.16	-	0.55	0.55

**17. Confirmation of balances :**

Trade Receivables, Loans and Advances and Deposits are subject to confirmation.

**18. 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 light of the changes in economic and market conditions. The total capital as on March 31, 2016 is Rs. 1,81,469 (Previous Year: Rs. 1,14,279).

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 31st March, 2017	As at 31st March, 2016
Total Debt	68,794	71,076
Less : Cash and cash equivalent	(671)	(24,123)
Net Debt	68,123	46,953
Total Equity	1,81,469	1,14,279
Net debt to equity ratio	38%	43%

**19. Oil Spill :**

A collision of two vessels M.T. Dawn Kanchipuram and B.W. Maple occurred at the approach water of Kamarajar Port on 28.01.2017 around 03.45 Hrs. The vessels BW Maple and MT Dawn Kanchipuram are wholly responsible for the said collision. The port took all diligent steps to mitigate the damage due to the oil leak. In this regards, D G Shipping has initiated an enquiry to the incident and Meenavar Nala Sangam has filed an Application before the National Green Bench Tribunal for cleanup operation and to make compensation to the eco system, fisherman people forthwith.

All expenses pertains to recovery and disposal of oil recovered, fishermen livelihood, business loss, environmental damages and undoing the negative impact in the ecological system due to the oil spill are payable by P & I Club of the respective vessel owners. Accordingly, KPL has received an advance of \$100,000 from P & I Club of Dawn Kanchipuram from which all expenses are being met towards clean up operations.

**20. Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 30-05-2017.

**Appendix A**
**Reconciliation of equity as previously reported under IGAAP to Ind AS**

(Amount in lakhs)

	Particulars	Note	Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
			IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
<b>1</b>	<b>ASSETS</b>							
	<b>Non-current assets</b>							
	(a) Property, Plant and Equipment	4	152,661.54	-	152,661.54	1,61,704.26	-	1,61,704.26
	(b) Capital work-in-progress	5	3,793.65	-	3,793.65	30,909.69	-	30,909.69
	(c) Other Intangible assets	6	68.80	-	68.80	52.60	-	52.60
	(d) Financial Assets							
	(i) Investments	7	6,401.00	-	6401.00	7,121.00	-	7,121.00
	(ii) Trade Receivables		-	-	-	-	-	-
	(iii) Loans & Advances	8	336.20	(98.46)	237.74	452.61	(129.48)	323.13
	(iv) Others	9	372.72	-	372.72	145.07	-	145.07
	(e) Deferred Tax Assets	10	-	9,333.74	9333.74	-	12,040.63	12,040.63
	(f) Other non-current assets	11	5,862.49	93.54	5956.03	8,463.29	93.77	8557.06
			<b>169,496.40</b>	<b>9,328.82</b>	<b>178,825.22</b>	<b>208,848.52</b>	<b>12,004.92</b>	<b>220,853.44</b>
<b>2</b>	<b>Current assets</b>							
	(a) Financial Assets							
	(i) Trade receivables	12	4,988.24	-	4,988.24	5,919.95	-	5,919.95
	(ii) Cash and cash equivalents	13	28,761.31	-	28,761.31	24,123.21	-	24,123.21
	(iii) Loans & Advances	8	123.29	-	123.29	172.29	-	172.29
	(iv) Others	9	507.89	-	507.89	192.96	-	192.96
	(c) Current tax Assets	14	26,595.16	(26,547.00)	48.16	1,919.94	-	1,919.94
	(d) Other current assets	11	100.03	4.91	104.94	1,359.35	5.54	1,364.89
			<b>61,075.92</b>	<b>(26,542.09)</b>	<b>34,533.83</b>	<b>33,687.70</b>	<b>5.54</b>	<b>33,693.24</b>
	<b>Total</b>		<b>230,572.32</b>	<b>(17,213.27)</b>	<b>213,359.05</b>	<b>242,536.22</b>	<b>12,010.46</b>	<b>254,546.68</b>
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>							
<b>1</b>	<b>Equity</b>							
	(a) Equity Share capital	15	30,000.00	-	30,000.00	30,000.00	-	30,000.00
	(b) Other Equity	15	76,374.39	20,083.64	96,458.03	98,809.11	18,285.51	117,094.62
			<b>106,374.39</b>	<b>20,083.64</b>	<b>126,458.03</b>	<b>128,809.11</b>	<b>18,285.51</b>	<b>147,094.62</b>
<b>2</b>	<b>Non-current liabilities</b>							
	(a) Financial Liabilities							
	(i) Long term borrowings	16	71,325.88	(266.53)	71,059.35	69,024.63	(249.47)	68,775.16
	(iii) Other financial liabilities	17	258.84	(173.80)	85.04	1,201.58	(636.42)	565.16
	(b) Provisions	18	-	-	-	-	-	-
	(c) Deferred tax liabilities (Net)		-	-	-	-	-	-
	(d) Other non-current liabilities	19	-	1,132.19	1,132.19	8,647.64	1681.79	10,329.43
			<b>71,584.72</b>	<b>691.87</b>	<b>72,276.59</b>	<b>78,873.85</b>	<b>795.90</b>	<b>79,669.75</b>

(Amount in lakhs)

	Particulars	Note	Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
			IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
<b>3</b>	<b>Current liabilities</b>							
	(a) Financial Liabilities							
	(i) Trade Payables	20	113.13	-	113.13	683.03	75.26	758.29
	(ii) Other financial liabilities	17	8,603.85	29.84	8,633.69	17,573.32	(50.97)	17,522.35
	(b) Other current liabilities	19	4,942.01	47.80	4,989.81	6,998.99	95.55	7,094.54
	(c) Provisions	18	38,954.22	(38,066.42)	887.80	9,597.92	(7190.79)	2,407.13
			<b>52,613.21</b>	<b>(37,988.78)</b>	<b>14,624.43</b>	<b>34,853.26</b>	<b>(7,070.95)</b>	<b>27,782.31</b>
	<b>Total</b>		<b>230,572.32</b>	<b>(17,213.27)</b>	<b>213,359.05</b>	<b>242,536.22</b>	<b>12,010.46</b>	<b>254,546.68</b>

Note:

1. The Previous GAAP figures have been re-classified to conform to Ind AS presentation requirements, for the the purpose of this note.
2. Effect of Transition to Ind AS as given for the F.Y. 2015-16 refers cumulative adjustments made therein.

(Rs. in lakhs)

(Rs. in lakhs)

### Explanations for Reconciliation of Balance Sheet as previously reported under IGAAP to IND AS (Note provided for only Material items of reconciliation)

#### (i) Loans and Advances / Other Assets (Current & Non-Current):

The Company has given advances (House Building Advances & Vehicle) to its employees at a concessional rate. Under Ind AS, these advances being Financial Assets have been stated at Fair value on Initial Recognition prospectively and subsequently measured at Amortized Cost using Effective rate of Interest. Difference between transaction value and amortized cost has been adjusted in the carrying value of such advances. Amount of Rs.98.46 (FY 2014-15), R31.02 (FY 2015-16) adjusted against carrying value and shown under "Other Assets (Current & Non-Current)", which is unwound over the life-time of the financial assets.

Under IGAAP, the Company has accounted for Up-front Lease rental payments to Chennai Port Trust on straight-line basis. As these lease payments are already discounted for yearly increase, the rent for the respective year, as agreed in the contract has been accounted under IND AS. Additional rent accounted, during FY 2015-16 is Rs.30.19. This adjustment is further to adjustments stated in the para above.

#### (ii) Deferred Tax:

Under Ind AS, company has recognized Deferred Tax Assets/ Liability being the difference between tax base and carrying value. Further, based on the probable future Taxable Income, the Company has recognized MAT Credit entitlements, commencing from the Date of Transition. Net impact of Deferred Tax Assets for the F.Y.2014-15– Rs. 9,333.74 and F.Y.2015-16, Rs.2,706.89.

#### (iii) Current Tax Assets & Provisions:

Under previous GAAP, the Company had shown Provision for Income Tax and Prepaid Taxes separately under

Provisions and Current Assets respectively. Under Ind AS, the current tax provisions and prepaid taxes have been net-off and the resultant net assets have been grouped under Current Tax Assets. Cumulative Income Tax provisions set-off against Prepaid Taxes in F.Y. 2014-15 & F.Y. 2015-16, amounting to Rs.26,547.00 & Rs.36,063.00 respectively.

#### (iv) Other Equity:

##### Reversal of Proposed Dividend:

Under previous GAAP, proposed dividend is recognized as liability in the period to which it relates. Under Ind AS, Dividend is adjusted directly in equity in the period in which it is paid, irrespective of the period to which it relates. Accordingly, an amount of Rs.11,519.42 towards proposed dividend (including Dividend distribution tax) recognised as liability in F.Y. 2014-15 as per previous GAAP has been reversed & the same is adjusted in Equity in the F.Y. 2015-16, as paid. During the F.Y. 2015-16, Rs.7,221.48 recognized towards proposed dividend (including Dividend distribution tax) as per Previous GAAP has been reversed and the same is adjusted in Equity in F.Y.2016-17. Consequent reversals have been made in Provisions respectively.

Further to Dividend adjustments, note on other Ind AS Adjustments which impact the Equity, are provided separately under the respective heads.

#### (v) Long Term Borrowings:

Under previous GAAP, the Company recognized the expenditure incurred towards issue of bonds as an expense, in the respective Financial Years. Under Ind AS, the issue expenses have been net-off against the Loan proceeds and the Effective Interest rates (EIR) have been recomputed based on the cash flows. Interest has been recomputed in line with the Effective Interest rates and accounted under Ind AS. The issue expenses adjusted against Opening Reserves amount to Rs.267.53. Additional Interest expenses recognized under Ind AS, applying EIR for the F.Y. 2015-16 – Rs. 17.06.



(Rs. in lakhs)

**(vi) Other Financial Liabilities (Non-Current); Other Liabilities (Current & Non-Current):**

Long-term Security Deposits and Retention monies payable have been recognized at Fair value using the Effective Interest Rate, prospectively. The difference between the carrying value as on 31-03-2015 and the Fair value have been regrouped under Other Liabilities, as Deferred Fair Valuation Gain (Rs.1.74) and unwound over the period of such deposits/ retention monies. Fair value adjustment made for 31-03-2016, as Deferred Fair Valuation Gain Rs. 517.56.

During the F.Y. 2015-16, Rs. 2.81 has been unwound.

**(vii) Other Liabilities (Current & Non-Current):**

During the F.Y. 2006-07 & F.Y. 2007-08, the Company received from its BOT Operators a sum of Rs. 1350.00 towards Development charges as part of its BOT Agreement, which it reckoned as income in the Year of receipt. Under IND AS, such revenue has been deferred and reckoned over the balance period of lease. Rs.1006.21 has been reversed against Opening Reserves. During the F.Y. 2015-16, Rs. 45.00 has been reckoned as revenue. Current portion of such revenues to be reckoned is grouped under Other Liabilities (Current).

(Rs. in lakhs)

**(viii) Trade Payables & Other Financial Liabilities (Current):**

Under previous GAAP, the Company recognized Prior period expenses in the Statement of Profit & Loss in the Year in which such expenses materialized. Under Ind AS, prior period expenses shall be accounted in the earliest reporting period. Accordingly, such prior period expenses have been accounted in the F.Y. 2014-15 - Rs.29.84 & F.Y. 2015-16 - Rs. 76.40, crediting the respective Trade Creditors/ Creditors for Expenses (grouped under Other Financial Liabilities (Current)).

**(ix) Provisions:**

As per previous GAAP, gains and losses on re-measurement of net defined benefit liability/ asset are recognized in Statement of Profit & Loss, whereas as per Ind AS, the same shall be recognized in Other Comprehensive Income, by accumulating in a separate component of Equity. An amount of Rs. 8.47 has been recognized as loss on re-measurement of net defined benefit liability/ asset for the F.Y. 2015-16.

**Appendix B**

**Reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS**

(Rupees in lakhs)

Particulars	Note*	Year ended March 31, 2016		
		IGAAP	Effects of transition to Ind AS	Ind AS
<b>Income</b>				
i) Revenue from Operations	21	61,731.46	(82.58)	61,648.88
ii) Other Income	22	2,800.47	7.73	2,808.20
<b>Total Income</b>		<b>64,531.93</b>	<b>(74.85)</b>	<b>64,457.08</b>
<b>Expenses</b>				
i) Operating Expenses	23	6,363.81	29.65	6,393.46
ii) Employee Benefits	24	1,221.42	22.65	1,244.07
iii) Finance Cost	25	7,555.53	19.87	7,575.40
iv) Depreciation & Amortization Expenses	26	1,908.12	-	1,908.12
v) Other Expenses	27	2,864.91	76.94	2,941.85
<b>Total expenses</b>		<b>19,913.79</b>	<b>149.11</b>	<b>20,062.90</b>
<b>Profit before exceptional items and tax</b>		<b>44,618.14</b>	<b>(223.96)</b>	<b>44,394.18</b>
Exceptional Items		(29.85)	29.85	-
<b>Profit Before Tax</b>		<b>44,588.29</b>	<b>(194.11)</b>	<b>44,394.18</b>
Tax expense	10	(9,516.00)	2,702.41	(6,813.59)
<b>Profit for the period from continuing operations</b>		<b>35,072.29</b>	<b>2,508.30</b>	<b>37,580.59</b>
Profit/(loss) from discontinued operations		-	-	-
Tax expense of discontinued operations		-	-	-
<b>Profit from discontinued operations after tax</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>I Profit for the year</b>		<b>35,072.29</b>	<b>2,508.30</b>	<b>37,580.59</b>
<b>II Other Comprehensive Income</b>				
i) Items that will not be reclassified to profit or loss				
- Re-measurements of the defined benefit plans		-	(12.96)	(12.96)
Less: Income Tax on Above	10	-	4.48	4.48
<b>Other Comprehensive Income</b>		<b>-</b>	<b>(8.47)</b>	<b>(8.47)</b>
<b>Total Comprehensive Income for the period</b>		<b>35,072.29</b>	<b>2,499.83</b>	<b>37,572.12</b>

(Rs. in lakhs)

**Explanations for Reconciliation of Statement of Profit & Loss as previously reported under IGAAP to INDAS****(Note provided for only Material items of reconciliation)****Revenue from Operations:**

Under IGAAP, the Company has accounted for Up-front Lease rental from BOT Operators on straight-line basis. As these lease payments are already discounted for yearly increase, the rent for the respective year, as agreed in the contract has been accounted under IND AS. Additional rent accounted, during FY 2015-16 Rs. 82.58 has been adjusted under INDAS.

**Other Income:**

Under the IND AS, financial assets and financial liabilities are measured at fair value on transition date; subsequent measurement using effective interest rate were unwound, the impact of which is included under Other Income amounting to Rs.7.73

**Operating Expenses and Other Expenses:**

Under IND AS, prior period expenses shall be adjusted against earliest reporting period and accordingly, the prior period expenses for the FY 16-17 have been adjusted against the respective expenses for the FY 2015-16. The amount adjusted against respective expenses of FY 15-16 Rs.29.65.

**For KAMARAJAR PORT LIMITED**

**M.A. BHASKARACHAR**  
Chairman cum Managing Director

**M. GUNASEKARAN**  
Chief Financial Officer

**Place :** Chennai

**Date :** 30<sup>th</sup> May, 2017

**L. VICTORIA GOWRI**  
Director

**JAYALAKSHMI SRINIVASAN**  
Company Secretary

(Rs. in lakhs)

Impact on account of prior period adjustment under IND AS to Other Expense Rs.46.75 and on account of upfront license fee adjustment Rs.30.19

Prior period expenses of FY 14-15, grouped under exceptional items were adjusted against opening Reserve as at transition date as per INDAS requirements.

**Employee Benefits:**

Under the IND AS, financial assets (staff advances) were measured at fair value on transition date; subsequent measurement using effective interest rate were unwound for Rs.4.91. Further, retirement benefits obligations arising on account of IND AS requirement accounted were Rs.17.74. Re-measurement Gain/Loss (actuarial gain/loss) accounted through OCI as per IND AS requirement net of Deferred Tax.

**Finance Cost:**

Under the IND AS, financial assets and financial liabilities are measured at fair value on transition date; subsequent measurement using effective interest rate were unwound, the impact of which is included under Other Income amounting to Rs.19.86

**Tax Expense:**

Under previous IGAAP company did not recognize deferred tax and MAT credit entitlement. As per the IND AS deferred tax asset (including MAT credit entitlement) shall be recognized if there are probable future taxable income and accordingly Company has recognized Deferred Tax (Net of MAT Credit) Rs.2702.41 for the FY 15-16.

**For SANKARAN & KRISHNAN,**  
Chartered Accountants,  
Firm Regn. No. 003582S

**M. BALACHANDRAN**  
Partner  
M. No. 016271





## Proxy Form FORM MGT - 11

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN : U45203TN1999GOI043322  
 Name of the company : KAMARAJAR PORT LIMITED  
 Registered Office : 2<sup>nd</sup> Floor (North Wing) & 3<sup>rd</sup> Floor, Jawahar Building, 17, Rajaji Salai, Chennai - 600 001.

Name of the member(s):

Registered address:

E-mail Id:

Folio No./Client Id:

DP ID :

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

1. Name : .....  
 Address : .....  
 E-mail Id : .....  
 Signature : ....., or failing him
2. Name : .....  
 Address : .....  
 E-mail Id : .....  
 Signature : ....., or failing him
3. Name : .....  
 Address : .....  
 E-mail Id : .....  
 Signature : ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17<sup>th</sup> Annual general meeting of the company, to be held on Thursday the 21<sup>st</sup> day of September, 2017 at 11.30 a.m. at the Registered Office of the Company, Chennai and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
<b>Ordinary Business</b>	
1	To receive, consider and adopt the financial statements of the Company for the year ended 31 <sup>st</sup> March 2017, including the audited Balance Sheet as at 31 <sup>st</sup> March, 2017, the Statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors' and the Auditors' thereon.
2	To declare Dividend on equity shares for the financial year 2016-17.
<b>Special Business</b>	
3	To appoint Shri. P. Raveendran (DIN 07640613) as a Director of the Company, liable to retire by rotation.
4	To appoint Smt L. Victoria Gowri (DIN 07734561) as an Independent Director of the Company.
5	To appoint Shri Rinkesh Roy (DIN 07404080) as a Director and Chairman & Managing Director of the Company.

Signed this ..... day of ..... 2017

Signature of shareholder

Signature of Proxy holder(s)

**Revenue  
Stamp**

[Note: This form or proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.]





## KAMARAJAR PORT LIMITED

(CIN: U45203TN1999GOI043322)

(A Mini Ratna Government of India Undertaking)

Regd. Office: 2<sup>nd</sup> Floor (North wing) & 3<sup>rd</sup> 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@epl.gov.in](mailto:info@epl.gov.in)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of Shareholder	
Address	
Folio No.	
No. Shares	

I hereby record my presence at the **17<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on **Thursday, the 21<sup>st</sup> day of September, 2017** at **11.30 a.m. at the Registered Office of the Company, Chennai.**

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Signature of Shareholder / Proxy

