



# **KAMARAJAR PORT LIMITED**

(erstwhile Ennore Port Limited)  
(CIN:U45203TN1999GOI043322)

(A Mini Ratna Government of India Undertaking)

## **FOURTEENTH ANNUAL REPORT**

**2013-14**





# KAMARAJAR PORT LIMITED

(erstwhile Ennore Port Limited)  
(CIN:U45203TN1999GOI043322)

(A Mini Ratna Government of India Undertaking)

**Board of Directors** : Shri M.A. Bhaskarachar, Chairman-cum-Managing Director  
: Shri N. Muruganandam, I.A.S., Nominee Director, GoI  
: Shri Atulya Misra, I.A.S., Nominee Director, ChPT  
: Shri Sanjay Kumar, Whole Time Director (Operations)

**Key Officials** : Shri M. Gunasekaran, General Manager (Finance) cum CFO  
: Shri R. Senthil Kumar, General Manager (Operations)  
: Capt. A.K. Gupta, General Manager (Marine Services)  
: Shri V. Krishnasamy, General Manager (CS & BD)  
: Shri P. Radhakrishnan, Dy. General Manager (Civil)

**Company Secretary** : Shri Sudarsan Pahi

**Registered Office** : P.T. Lee Chengalvaraya Naicker Maaligai, 1st Floor  
No.23, Rajaji Salai,  
Chennai – 600 001.  
Ph: 044-25251666-70 Fax : 044-25251665

**Bankers** : Axis Bank  
Andhra Bank  
State Bank of India  
Indian Bank

**Statutory Auditors** : M/s. Sankaran & Krishnan  
Chartered Accountants, Chennai

**Internal Auditors** : M/s. G.C. Daga & Co.  
Chartered Accountants, Chennai

**Registrar & Share Transfer Agent** : LINK INTIME INDIA PRIVATE LIMITED  
C-13, Pannalal Silk Mills Compound  
L.B.S Marg, Bhandup (w), Mumbai - 400 078.

**Depositories** : National Securities Depository Limited  
Central Depositories Services (India) Limited



**KAMARAJAR PORT LIMITED**

**BOARD OF DIRECTORS**



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



**Shri N. Muruganandam, IAS**  
Nominee Director, Gol



**Shri Atulya Misra, IAS**  
Nominee Director, ChPT



**Shri Sanjay Kumar**  
Whole Time Director (Operations)



**KAMARAJAR PORT LIMITED**

**2013-14**

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# Vision & Mission

## ***Our Vision***

***To develop Kamarajar Port as a Mega Port with  
World class facilities to become the Eastern Gateway Port of India***

## ***Our Mission***

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



## **Chairman's Speech**

### **Dear Esteemed Members,**

*It gives me immense pleasure to welcome you all to the 14<sup>th</sup> Annual General Meeting of your Company. The Annual Report for the year ended 31<sup>st</sup> March 2014 has already been circulated to all the shareholders and with your permission, I shall take it as read. I take this opportunity to highlight the performance of your Company during the year under review.*

### **Physical Performance of the Company**

*In terms of cargo composition, thermal coal handled by TNEB continues to be dominant cargo which accounted for 56.51% of the total cargo in 2013-14. Non- TNEB Coal handled during the year 2013-14 was*

*also prevalent which accounted for 25.75%. POL/Chemicals & LPG were the next largest cargo in the mix, accounting for 8.89%, closely followed by Cars at 8.85%.*

### **Highlights of physical performance during 2013-14:**

- A total number of 689 vessels were handled in the year under report which is the highest ever since inception of the Port in 2001.*
- Average pre-berthing detention on port account was 0.023 hrs as against MOU target of 0.42 hrs.*
- Capital Dredging Phase-II works to provide a depth of -18.5 m CD in Port Basin and -20m CD in the channel was*

awarded to M/s.Dredging Corporation of India Limited. The dredging work was completed on 20.04.2014.

### Financial Performance

During the year under review, your Company registered a total income of Rs.520.66 crores as against Rs.325.71 crores reported during the previous year reflecting an increase of Rs.194.95 Crores ( 59.85%). The operating expenditure incurred during the year under review is Rs.57.10 crores as against Rs.44.96 crores during the previous year reflecting an increase of Rs.12.14 crores (27.0%). Profit After Tax (PAT) for the financial year is Rs.316.31 Crores as against Rs.173.37 Crores during the previous year reflecting an increase of Rs.142.94 crores (83.45%).

It gives me great pleasure to mention that your Company has recorded the following milestones:

a. As per the MOU performance appraisal based on audited figures, the rating shows 'Excellent'.

b. The Company has recommended a dividend of 32% on paid up equity share capital. (Rs.3.20 per equity share)

### Finance

During the year under review, your Company has repaid installments of term loans availed from Chennai Port Trust amounting to Rs.23.01 crores as per the terms of Term Loan taken from them. Your Company also made payment of Rs.14,11,45,852/- to Chennai Port Trust towards settlement of interest on amount paid towards construction of Ennore Port Project on 7.5.2014.

Your Company has availed Short-term (30 days) unsecured loan of Rs.200 Crores from Axis Bank as a bridge loan to meet capital expenditure identified under Plan Schemes and the same has been repaid during the year.

In terms of Notification No. 61/2013.F.No. 178/37/2013-(ITA.I) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India ("CBDT Notification"), by virtue of powers conferred on it under Section 10(15)(iv)(h) of the Income Tax Act, 1961 and prospectus dated 13<sup>th</sup> February, 2014, your Company raised funds through public issue of Tax Free Secured, Redeemable, Non-Convertible Bonds of face value of Rs.1,000/- each, in the nature of debentures aggregating of Rs.365,47,23,000.00 as per the following details:

Particulars of Bonds	No. of Bonds	Value Per Bond (Rs.)	Total Value (Rs.)
Series 1A	3,50,550	1000	35,05,50,000
Series 2A	7,24,144	1000	72,41,44,000
Series 3A	1,87,080	1000	18,70,80,000
Series 1B	4,44,401	1000	44,44,01,000
Series 2B	11,92,486	1000	119,24,86,000
Series 3B	7,56,062	1000	75,60,62,000
	<b>36,54,723</b>		<b>365,47,23,000</b>

Series 1A, 2A and 3A bonds for category I, II and III bear coupon rate of Rs.8.36%, 8.75% and 8.75% respectively and series 1B, 2B and 3B bonds for category IV bear coupon rate of 8.61%, 9.00% and 9.00% for tenure of 10 years, 15 years and 20 years respectively.

These bonds are listed on BSE Limited (BSE) on 26<sup>th</sup> March, 2014. The funds raised from the above said issues will be utilized towards the object as specified in the Prospectus.

### Development Plans

Your Company has a total capacity of 30.0 million tonnes per annum. Since the construction works of new power plants of TNEB and NTECL (JV of TNEB and NTPC) are in advanced stage of completion, TNEB/

NTPC will augment the handling capacity of CB2 to 8 million tonnes from the present 4 million tonnes capacity by the year 2014-15. Taking this into account, the cargo handling capacity of your Port will rise to 34 million tonnes by 2014-15.

In addition to the above, your Port has stepped in to implement a few new projects by attracting private investment of Rs.6300 crores as outlined below:

• **Concession Agreements were signed with:**

(1) M/s. Adani Ports & Special Economic Zone Pvt. Ltd for Development of Container Terminal of 1.40 Million TEUs per annum capacity on Design-Build-Finance-Operate and Transfer (DBFOT) basis at an estimated cost of Rs.1270 crores.

(2) M/s. Chettinad International Bulk Terminal Pvt. Ltd., Chennai for Development of Multi Cargo Terminal of 2 MTPA capacity on DBFOT basis at an estimated cost of Rs.151 crores.

- Memorandum of Understanding was signed with Indian Oil Corporation Limited for development of LNG Terminal at an estimated cost of Rs.4512 crores with 5 MTPA capacity.
- Contract was awarded for construction of Additional Coal Berth (CB-3) at a cost of Rs.199 crore to meet the demand of TNEB.

Your Port also has planned to deepen the channel and basin area to call on capesize vessels in your Port. Steps are being taken to convert the Port into a “Green Port” in order to protect environment and giving importance for sustainable development.

## **Corporate Governance**

I am pleased to inform you that your Company has complied with the Corporate Governance norms as stipulated by the Central Government through the guidelines issued by Department of Public Enterprises and your Company is taking all efforts to adopt the best Corporate Governance practices. Your Company’s Directors’ report contains a separate section on Corporate Governance. Your Company is regularly obtaining a certificate on compliance of Corporate Governance from independent agency.

## **Corporate Social Responsibility (CSR)**

Your Company has Corporate Social Responsibility high on its agenda and is carrying out various activities which are aimed at improving the quality of life of the peripheral area and neighbourhood community. Your Company has set up a dedicated CSR department, which enables the Company to have a focused approach to this aspect of operations. During the year 2013-14, Rs. 4.07 Crores (4.20% PAT of previous year) was spent in supporting various activities, such as development of roads in the neighbourhood areas, providing basic civic amenities to public as well as to schools, sponsoring computers and furniture to schools, vocational and skill development training programmes to educated youths and to the wards of fishermen, drinking water facility, construction of bus shelter, etc.

Apart from the above, your Port has carried out various programmes under sustainable development and research & development.

## **Women Empowerment**

Your Company takes pride in the fact that because of its conscientious efforts, the

women employees constitute 15 % of KPL's work force.

The women employees are facilitated to perform and display their efficiencies to the betterment of the organization as well as self improvement. 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. Various cultural, social, educative and community activities, such as adult education, 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 under Self Help Group from surrounding villages.

### **Awards**

- Your Port was awarded the Major Port of the Year 2014 in a function "6<sup>th</sup> South East CEO Conclave and Awards 2014" organised by EXIM (India) Shipping Times on 27<sup>th</sup> June 2014 at Chennai.

- Your Company was also awarded Fastest Growing Miniratna Company by "Dallal Street Investors Journal" in Delhi during the year.

### **Conclusion**

Before concluding I wish to place on record our deep sense of appreciation of the sincere efforts put in by our employees at all levels which enabled your Company to record improved performance during the year. I would also like to thank my colleagues on the Board, who spared considerable time and participated actively in the deliberations of the Board with their in depth knowledge and guidance on various issues which greatly contributed in taking appropriate decisions. I gratefully acknowledge the guidance and support extended by Ministry of Shipping for continued growth and expansion of your Company. I wish to convey my sincere thanks to our valued Port Users, particularly-TNEB & BOT Licensees/Concessionaires for their continued support and cooperation. I also thank the Government of Tamil Nadu, Railways, Chennai Port Trust, IPA, and Banks for their continued support and cooperation.

Sd/-

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

# KAMARAJAR PORT LIMITED

(erstwhile Ennore Port Limited)

(CIN:U45203TN1999GOI043322)

(A Miniratna Government of India Undertaking)

Regd. Office: P.T. Lee Chengalvaraya Naicker Maaligai, 1st Floor,  
23, Rajaji Salai, Chennai - 600 001.

## NOTICE

NOTICE IS HEREBY GIVEN THAT the 14th Annual General Meeting of Members of Kamarajar Port Ltd. (Erstwhile known as Ennore Port Limited) will be held on Monday, the 29<sup>th</sup> day of September 2014 at 12.00 Noon at the Regd. Office of the Company at P.T. Lee Chengalvaraya Naicker Maaligai, 1st Floor, 23, Rajaji Salai, Chennai - 600 001 to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the financial year ended on that date together with the Report of Board of Directors' and the Auditors' Report thereon.
2. To declare dividend for the year 2013-14.
3. To appoint a Director in place of Shri N.Muruganandam (DIN No. 00540135), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:  
"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting of the Company held on August 29, 2011 and pursuant to Section 180(1)(c ) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time which together with the monies already borrowed by the Company (apart from the temporary loans obtained from

the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount that may be so borrowed by the Board and outstanding at any one time shall not exceed Rs.1,500 crores (Rupees One thousand and Five hundred crores only) at its discretion from the Government of India, the Chennai Port Trust, any bank, financial institution or other lending institution or persons on such terms and conditions as may be considered suitable by the Board of Directors"

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting of the Company held on August 29, 2011 and pursuant to Section 180(1)(a ) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company, of such mortgage/ charges/hypothecation and floating charge (in addition to the existing mortgages/ charges/ hypothecation created by the Company in favours of Lenders) in such form and in such manner as may be agreed between the Company and Lenders, on all or any of present and future immovable and/ or movable properties of the company wherever situated, of every nature and kind whatsoever to secure any Indian rupee or foreign currency loans, debentures, bonds, any other securities, advances and all other moneys payable by the Company to the lenders concerned, subject, however, to an overall limit of Rs. 1500 crs (Rupees One Thousand Five Hundred Crores)

of Loans or Advances already obtained or to be obtained from, in any form including by way of subscription to debentures, bonds or any other securities issued or to be issued by the company to, any Financial institution, Government of India, the Chennai Port Trust, Banks, Body Corporate, Insurance Companies, Investment Institutions, Company or to the general public.”

**6. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of shareholders of the company be and is hereby accorded for entering into an agreement with Chennai Port Trust to avail technical services of Chennai Port Trust for civil works of the Company as per the main terms and conditions set out under Item no. 6 of Explanatory statement annexed to this Notice”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

By Order of the Board of Directors

Sd/-

**(Sudarsan Pahi)**  
**Company Secretary**

Place : Chennai

Date : 19th August 2014

**Registered Office:**

P.T. Lee Chengalvaraya Naicker Maaligai,  
1st Floor, 23, Rajaji Salai,  
Chennai- 600 001.

**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 accompanying Notice and Explanatory Statement 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 No.4 , 5 and 6 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 forming part of the notice.

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

### Item No.4

The members of the Company at Annual General Meeting held on August 29, 2011 had approved by way of an Ordinary Resolution under Section 293(1) (d) of the Companies Act, 1956 for borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.1500 Crores (Rupees One Thousand Five Hundred Crores). Consequent to the enforcement of the Companies Act 2013, the provision of Section 180(1)(c) which deals with borrowing in excess paid up capital and free reserves of the Company provides that such borrowing needs approval of the shareholders through the Special Resolution. In order to remove the immediate difficulties, the MCA vide circular no. 4/2014 dtd 25<sup>th</sup> March 2014 clarified that resolution under section 293 (1)(d) of the Companies Act, 1956, i.e for borrowing in excess of the paid up capital and free reserves, will be valid for a period of one year from the date of enforcement of the Section 180 of the Companies Act, 2013 i.e one year from 12<sup>th</sup> Sept 2013. Thus, the approval granted by members is valid upto 11th September, 2014. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of the Notice. The Board recommend this Special resolution for approval by the members of the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

### Item No.5

The members of the Company at Annual General Meeting held on August 29, 2011 had approved by way of an Ordinary Resolution under Section 293 (1) (a) of the Companies Act, 1956 for creation of mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part

of the undertaking (s) { pursuant to the provision of section 293(1)(d) creation of mortgage/charge may be regarded as disposal of asset in event of default which may occur during the course of business} of the Company in favour of the lender(s) upto a overall limit of Rs.1500 Crores (Rupees One Thousand Five Hundred Crores). Consequent to the enforcement of the Companies Act 2013, the provision of Section 180(1)(a) which deals with sell lease, disposal of asset or undertaking etc. provides that such transaction needs approval of the shareholders through the Special Resolution. In order to remove the immediate difficulties, the MCA vide circular no. 4/2014 dtd 25<sup>th</sup> March 2014 clarified that resolution under section 293 (1)(a) of the Companies Act, 1956, will be valid for a period of one year from the date of enforcement of the Section 180 of the Companies Act, 2013 i.e one year from 12<sup>th</sup> Sept 2013. Thus, the approval granted by members is valid upto 11th September, 2014. It is, therefore, necessary for the members to pass a Special Resolution under Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No.5 of the Notice. The Board recommends the Special resolution for approval by the members of the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

### Item No.6

Board of Directors in its meeting dated 19.8.2014 considered and approved, subject to the approval of shareholders through special resolution, the proposal for entering into an agreement with Chennai Port Trust to avail technical services from Chennai Port Trust for civil works of the Company, in order to execute various ongoing projects and road and rail connectivity and other developmental works of the Company. Being the present technical personnel of the company are limited in no. and the Company does not have separate Division/ Cell for taking up the civil works of planning, designing, preparation of drawing, estimate, specifications, tender document

and working drawings etc, further in order to speed up the projects and also to put the land newly acquired to optimum use, it is proposed to hire the services for technical manpower from Chennai Port Trust for an initial period of 6 (six) months to prepare plan, design, estimates and tendering, considering rich experience, domain knowledge in port functioning/services of Chennai Port Trust (Ch.PT) and its employees, which shall be extendable for a further period of two years by mutual consent of the parties. The main terms of the agreement for availing the services from Ch.PT are as under:

Chennai Port Trust, being a related party as per definition of Section 2 (76) of the Companies Act, 2013, pursuant to provision of section 188 of the Companies Act, 2013 read with Rule 15 (3) of Companies (Meetings of Board and its Powers) Rules, 2014 the Board recommends for approval of the Shareholders of the Company through special resolution.

Pursuant to provision of Rule 15 (3) of Companies (Meetings of Board and its Powers) Rules, 2014, following facts of agreement are placed before the shareholders for the information.

Name of related party	Chennai Port Trust.
Nature of Relationship	Shareholder of the Company having 33% holding in the company.
Name of the director or key managerial personnel who is related, if any;	Shri Atulya Misra, Director of the Company is also the Chairman of Chennai Port Trust.
Nature, material terms, monetary value and particulars of the contract or arrangement	<p>a) Nature – Technical service agreement for Civil works of Planning, Design, Preparation of Drawing, Estimate, specifications, Tender documents and Working Drawing.</p> <p>b) Material terms- Availing of services on the payment of consultancy fees as per the following rates:</p> <p>i) Work Costing upto Rs.2 crores - 8% of cost estimate ii) Work Costing above Rs.2 crores and upto Rs.5 crores-7% of cost estimate iii) Work Costing above Rs.5 crores.- 6% of cost estimate</p> <p>In addition to the above cost, any service to be procured from specialized agencies, KPL has to bear the actual cost plus 5% overhead charges on the cost of services.</p> <p>c) Payment All the fee mentioned above are excluding service tax and shall be paid as per the stages mentioned below:</p> <p>i) On submission of preliminary drawing and estimate for civil works-50% of the total fee. ii) On submission of tender document for civil works-25% of the total fee. iii) On submission of the execution drawing for civil works- Balance fees.</p>
Any Other information	Chennai Port Trust (Ch.PT) and its employees have rich experience and have expert knowledge in the field of port functioning/services.

Draft agreement for availing services, is also available for inspection by the members on any working day of the Company at its Registered Office between 10 a.m. to 5 p.m.

Except Shri Atulya Misra (Nominee Director) none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

By Order of the Board of Directors

Sd/-

(Sudarsan Pahi)

Company Secretary

Place : Chennai

Date : 19<sup>th</sup> August 2014

## BRIEF RESUME OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 14TH ANNUAL GENERAL MEETING.

### Item No.3

Shri N. Muruganandam, IAS, 46 yrs, DIN no. 00540135, is an Ex-Officio Government Nominee Director of the Company since July 13, 2012. He holds a Bachelor's degree in Engineering (Computer Science) from the College of Engineering, Guindy and also a Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Ahmedabad. He joined the administrative service in 1991, Tamil Nadu cadre. During his 22 years as a Civil Servant, he held various positions at the Centre and the State. He served as Managing Director of Poompuhar Shipping Corporation Limited from 1996 to 1998. He also served as Director in the Ministry of Environment and Forests and Joint Secretary in the Ministry of Rural Development of the GoI. At present, he is working as Joint Secretary (Ports) in MoS since June 2012. He is also a Government Nominee Director of Sethusamudram Corporation Limited.

## DIRECTORS' REPORT

To  
The Members,  
Kamarajar Port Limited  
(Erstwhile Ennore Port Limited)

Your Directors have the pleasure of presenting the 14th Annual Report on the performance of your Company for the financial year ended 31st March 2014 along with Audited Statements of Accounts, Auditor's Report & review of accounts by the Comptroller and Auditor General of India.

### 1.0 FINANCIAL HIGHLIGHTS

Particulars	Current Financial year 2013-14 (Rs. in crores)	Previous Financial year 2012-13 (Rs. in crores)
Income from services	501.93	320.21
Other Income	18.73	5.50
<b>Total Income</b>	<b>520.66</b>	<b>325.71</b>
Operating Expenses	57.10	44.96
Finance costs	46.63	44.32
Depreciation	14.29	13.76
<b>Total Expenses</b>	<b>118.02</b>	<b>103.04</b>
<b>Profit Before Extra Ordinary &amp; Exceptional Items</b>	<b>402.64</b>	<b>222.67</b>
Exceptional Items (-)	2.45	5.93
Extra ordinary items	-	-
<b>Profit Before Tax</b>	<b>400.19</b>	<b>216.74</b>
Taxes	83.88	43.37
<b>Profit After Tax</b>	<b>316.31</b>	<b>173.37</b>
<b>Appropriation</b>		
Proposed Dividend	96.00	60.00
Tax on Dividend	16.31	10.20
Transferred to General Reserve	31.64	13.01
Transfer to Debenture /Bond Redemption Reserve	8.63	2.27

### 2.0 FINANCIAL PERFORMANCE

During the year under review, your Company registered a total income of Rs.520.66 crores as against Rs.325.71 crores reported during the previous year reflecting an increase of Rs.194.95 Crores (59.85%). The operating expenditure incurred is Rs. 57.10 crores as against Rs.44.96 crores during the previous year reflecting an increase of Rs.12.14 crores (27.00%). The Profit after Tax (PAT) is Rs.316.31 Crores as against Rs.173.37 Crores during the previous year reflecting an increase of Rs.142.94 crores (82.45%).

### 3.0 DIVIDEND

The Board of Directors in their meeting held on 23<sup>rd</sup> May 2014, has recommended dividend @ 32% on paid up equity share capital absorbing an amount of Rs.96.00 crore (Rs.3.20 per equity share). The distribution of dividend along with dividend distribution tax and surcharge thereon will absorb an amount of Rs.112.32 crores.

### 4.0 FINANCE

#### 4.1 Payment to Chennai Port Trust

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

Your Company also made payment of Rs.14,11,45,852/- to Chennai Port Trust towards settlement of interest on amount paid towards construction of Ennore Port Project on 7.5.2014.

### 5.0 BORROWINGS:

#### 5.1 Short Term Loan from Axis bank

During the year under review, your Company has availed Short-term (30 days) unsecured loan of Rs.200 Crores from Axis Bank as a bridge loan to meet a capital expenditure identified under Plan Schemes and the same has been repaid during the year.

#### 5.2 Issue of Tax Free Bonds

In terms of Notification No. 61/2013.F.No.178/37/2013-(ITA.I) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India ("CBDT

Notification”), by virtue of powers conferred on it under Section 10(15)(iv)(h) of the Income Tax Act, 1961 and prospectus dated 13th February, 2014, your Company raised funds through public issue of Tax Free Secured, Redeemable, Non-Convertible Bonds of face value of Rs.1,000/- each, in the nature of debentures aggregating of Rs.365,47,23,000.00 as per the following details:

Particulars of Bonds	No. of Bonds	Value Per Bond (Rs.)	Total Value (Rs.)
Series 1A	3,50,550	1000	35,05,50,000
Series 2A	7,24,144	1000	72,41,44,000
Series 3A	1,87,080	1000	18,70,80,000
Series 1B	4,44,401	1000	44,44,01,000
Series 2B	11,92,486	1000	119,24,86,000
Series 3B	7,56,062	1000	75,60,62,000
	<b>36,54,723</b>		<b>365,47,23,000</b>

Series 1A, 2A and 3A bonds for category I, II and III bear coupon rate of Rs.8.36%, 8.75% and 8.75% respectively and series 1B, 2B and 3B bonds for category IV bear coupon rate of 8.61%, 9.00% and 9.00% for tenure of 10 years, 15 years and 20 years respectively.

These bonds are listed on BSE Limited (BSE) on 26th March, 2014. The funds raised from the above said issues will be utilized towards the object as specified in the Prospectus.

## 6.0 INVESTMENTS

### 6.1 Equity Contribution:

#### Chennai - Ennore Port Road Company Ltd. (CEPRCL)

CEPRCL, a special purpose vehicle was formed in participation with NHAI, Chennai Port Trust and Government of Tamil Nadu. During the year under review, your Company has contributed Rs.4 crores towards equity contribution and as on 31<sup>st</sup> March 2014, the total amount contributed towards equity is Rs.34 crores (being 10.09 % of paid up equity of CEPRCL upto 31<sup>st</sup> March 2013). The project is in advanced stage of completion.

## 6.2 Acquisition of Salt Land

For development and growth of the Port both for present and future purposes, your Company has acquired approximately 648 acres of salt land at a cost of Rs.483.80 crores from DIPP, Ministry of Commerce and Industry.

## 6.3 Plan Expenditure

Your company has spent Rs.586.77 crore as against the provision made for original plan scheme of Rs.600 crores during the financial year 2013-14.

## 7.0 CREDIT RATING

During the FY 2013-14, your Company’s Tax Free Infrastructure Bond was awarded rating of “CARE AA” & “[ICRA] AA with stable outlook” by CARE and ICRA respectively. The tax free bonds of the financial year 2013-14 has been rated by Brickwork Ratings India Private Limited, India Ratings & Research and CRISIL Limited as “BWR AA”, “IND AA” and “CRISIL AA-” respectively.

## 8.0 UTILISATION OF BOND PROCEEDS

During the year under review, your company has fully utilized Rs.94.65 crores as per the Objectives of the Issue for the Tax Free Bonds issued in the year 2012-13. Your company has mobilized Rs.365.4723 crores for the Tax Free Bonds issued in the year 2013-14 and intermittently utilised Rs.200 Crores for closure of Short Term loan availed from Axis Bank. The Balance Rs.165.4723 crores kept as Fixed Deposits in various banks as on 31st March 2014.

## 9.0 CHANGE OF NAME OF THE COMPANY

Pursuant to the representations from various associations, the Ministry of Shipping, Government of India directed for change of name of your Company from Ennore Port Limited to **Kamarajar Port Limited**. Accordingly, the name of your company was changed from Ennore Port Limited to **Kamarajar Port Limited** pursuant to the fresh Certificate of Incorporation received from the Registrar of Companies, Chennai, Tamil Nadu on 25.2.2014 after necessary approval from the Board of Directors and Shareholders.

## 10.0 MOU WITH MINISTRY OF SHIPPING, GOVT. OF INDIA

Memorandum of Understanding (MoU) was signed between Ministry of Shipping and Kamarajar Port Limited (Erstwhile Ennore Port Limited) for the year 2014-15 on 26<sup>th</sup> February 2014 at New Delhi.



*A Memorandum of Understanding (MoU) was signed between Ministry of Shipping (MoS) and Kamarajar Port Limited for the year 2014-15 at New Delhi on 26/02/2014. Dr. Vishwapati Trivedi, IAS., Secretary, Ministry of Shipping and Shri M.A. Bhaskarachar, CMD, KPL are seen exchanging the MoU.*

### 10.1 MOU Performance for 2013-14

Your Company has been consistently accorded 'Excellent' rating by Government of India since FY 2007-08. Your Company has achieved all the MoU targets for the FY 2013-14 and is likely to be accorded 'Excellent' rating.

### 11.0 OPERATIONS

Your Port has 6 berths as of now capable of serving the varied needs of the maritime industry.

#### 11.1 Cargo Throughput

During the year under review, the cargo throughput of your Port went up by 52.82 per cent at 27.34 million tonnes compared to 17.89 million tonnes in previous year (2012-13), mainly on account of increase in handling liquid cargo, common user coal and automobile units.

#### 11.2 Existing Operational Facilities

Under the first stage of development, your Company has developed two Coal berths on captive basis which have been dedicated to TANGEDCO/ Tamil Nadu Electricity Board (TNEB) for handling its coal requirement and it continues to be the prime cargo at your Port. Your Company has a total capacity of 30 million tonnes per annum. Since the construction works of new power plants of TNEB and NTECL (JV of TNEB and NTPC) are in advanced stage of completion, TNEB/NTPC will augment the handling capacity of CB-2 to 8 million tonnes from the present 4 million

tonnes capacity by the year 2014-15. Taking this into account, the cargo handling capacity of your Port will raise to 34 million tonnes per annum. Your Port will continue to augment the capacity as per its business strategy which inter-alia includes capacity addition through expansion of capacity of green field PPP-BOT projects and captive projects for encouraging the use of captive of facilities.

#### 11.3 Marine Liquid Terminal

Marine Liquid Terminal with cargo handling capacity of 3 MMTPA was developed under BOT basis by Ennore Tank Terminals Private Limited 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 is 21.678%. Total cargo handled by ETTPL during this financial year 2013-14 is 2.43 million tonnes which is 99.18% higher than the last fiscal year.

#### 11.4 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. The commercial operations began from 11<sup>th</sup> March 2011. The revenue share is 52.524%. During the year under review, CICTPL handled 8.42million tonnes of coal which is 66.37% higher than the last financial year. CICTPL has also handled about 1.33 MT of Coal of TANGEDCO at their jetty during the year.

#### 11.5 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 1,41,000 sq.m with an expansive car parking yard for 10000 cars which is the largest facility in any Indian Port. During the year under review, your Company exported 2,01,981 automobile units which is 39.08% higher than the last financial year.

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

Your Company had signed an agreement for an Iron Ore terminal on a 30 years BOT basis on 23rd September 2006 with the project company 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 is 51.60%. The commissioning activities depend on the permits on the movement of export of Iron Ore by State Government of Karnataka and the Hon'ble Supreme Court. Your company in consultation with the licensee has been exploring the possibility of handling alternative cargo at the Iron Ore berth. Alternate use of the terminal is still under process.

### **11.7 Capital Dredging-Phase-II**

This project envisages deepening of the Port Channel from the existing 16m to 20m and the Basin to 18.5m from the existing depths 15.5m to call on capesize vessels. The dredging work was carried out by M/s.Dredging Corporation of India Limited (DCI) at a value of Rs.171 crs.

## **12.0 BUSINESS DEVELOPMENT**

To cater the growing demand in the hinterland and trade, your Company has initiated action for developing the terminals through BOT/Captive basis. During the year under review, your Company has entered into agreement/MoU for development of the following terminal/berth at a total investment of about Rs.6300 Crores.

### **12.1 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), an SPV of Adani Ports and Special Economic Zone Ltd.

### **12.2 Development of Multi Cargo Terminal (2 MTPA)**

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 Mutli 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 (CIBTPL), an SPV of Consortium of Chettinad Builders Pvt. Ltd & South India Corporation Pvt. Ltd.

### **12.3 Coal Berth - III for TNEB of 9 MTPA**

To meet the requirements of Coal by North Chennai Thermal Power Station (NCTPS)/Mettur Thermal Power Station (MTPS)/Ennore Thermal Power Station (ETPS) for their upcoming Thermal Power Stations, your company has accorded approval in its meeting held on 30<sup>th</sup> December, 2013 for developing the third coal berth with a capacity of 9 MTPA and awarded the work to L1 bidder M/s. ITD Cementation India Limited for the value of Rs.198,94,30,690/- for construction of CB-3 and Earth Retaining structure at Kamarajar Port. Environmental Clearance for this project is awaited. Your Company is in the process of preparation of EIA reports. The project will be put into operation within 24 months from the date of commencement of work.

### **12.4 LNG Terminal (5 MTPA)**

Indian Oil Corporation Limited (IOCL) had identified Ennore as a possible location for setting up its LNG Terminal with regassification facilities. Your Company also obtained "in principle" approval of the Government in July 2005, for IOCL to set up this LNG terminal.

On 17.5.2013, Ministry has conveyed the approval of the Government for leasing of land measuring 5,20,000 sq.mtr to the Joint Venture led by Indian Oil Corporation Limited for a period of 30 years for setting up of LNG Storage and Re-gasification Terminal of 5 MMTPA capacity. Subsequently, your company has signed MOU with IOCL on 1<sup>st</sup> March 2014 for setting up of the LNG Terminal.

## **13.0 BUSINESS STRATEGY**

As a part of business strategy to compete with other neighbouring ports, your company has signed agreements with the following automobile manufacturers for export of their cars through your company

- An agreement with NISSAN MOTORS INDIA PRIVATE LIMITED for the export of Cars through KPL on 20.7.2013.

- An agreement with FORD INDIA PRIVATE LIMITED for the export of Cars through KPL on 21.01.2014.

#### 14.0 INFRASTRUCTURE DEVELOPMENT

##### 14.1 Capital Dredging-Phase-III

Capital dredging Phase-III involves creating a water depth of (-) 16m CD for the upcoming terminal berths such as Container, Multi cargo and Coal Berth III and involves dredging of about 8.50 million cubic meters at an estimated cost of Rs.220 crores. Your company will take up dredging work in synchronization with berth construction.

##### 14.2 Road Connectivity

Your Company is also drawing up and crystallizing plans for improving the Road connectivity to the Port. The SPV namely Chennai Ennore Port Road Company Limited (CEPRCL) promoted by Kamarajar Port Ltd, Government of Tamil Nadu, Chennai Port Trust and NHAI has already taken up four laning of TPP road for which the Company has committed to contribute Rs.34.02 crores, out of which Rs.34.00 crores has already been paid. The project works were awarded by the SPV Company and the construction work is in progress and is expected to be completed shortly. Northern Port Access Road also being taken up by State Government for which alignment has been finalized.

##### 14.3 Rail Connectivity

Your Company is connected to the Southern Railway network at Attipattu and Attipattu Pudhunagar Railway Stations, at about 6km from the Port, on the Chennai-Gudur section of Southern Railways. 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.

Further your company is planning to provide rail connectivity to the proposed Container Terminal from the Indian Railways mainline for rail movement of container traffic.

Considering the future traffic demand, your company has initiated action for development of new BG line between Kamarajar Port at Nandiambakkam and Nemilicherry through the Outer Ring Road

(phase II). Your Company has made a presentation to the Chief Secretary, Government of Tamil Nadu in a meeting held on 12.2.2013. Response from State Government is awaited.

#### 15.0 INDUSTRIAL RELATIONS

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

#### 16.0 HRD INITIATIVES

##### 16.1 New HR Policy/Manuals

Your company constantly reviews and revises its HR policies to suitably align these with present requirements as also with its strategic HR objectives. During the year, your Company has appointed M/s. Deloitte Touche Tohmatsu India Private Limited for preparation of new HR Manual at a cost of Rs.13.48 lakhs.

##### 16.2 Manpower

The manpower as on 31.03.2014 of your Company is given below:

Class/ Group	SC	ST	OBC	Others	Total
Class I	4	-	11	24	39
Class II	4	-	2	14	20
Class III	7	-	15	11	33
Class IV	3	1	1	5	10
<b>Total</b>	<b>18</b>	<b>1</b>	<b>29</b>	<b>54</b>	<b>102</b>
<b>Total %</b>	<b>17.5</b>	<b>1</b>	<b>28.5</b>	<b>53</b>	

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

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. continued to be adhered to by your Company during the year.

##### 16.4 Training Programme

During the year 2013-14, your Company imparted various training programmes to its employees conducted by different institution to upgrade competency of employees and to equip them to keep abreast of latest developments in the sector.

## 16.5 Grievance Redressal Mechanism

Employees grievances – KPL 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 rules.

## 16.6 Women Empowerment

Your Company has 15 women employees including 9 officers and 6 supporting staff. The total women employees constitute approximate 15% of its total workforce of 102 as on 31.03.2014.

The women employees are facilitated to perform and display their efficiencies to the betterment of the organization as well as self improvement. 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. 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 8th 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.

## 17.0 CORPORATE SOCIAL RESPONSIBILITY, SUSTAINABLE DEVELOPMENT & RESEARCH DEVELOPMENT

### 17.1 Corporate Social Responsibility

It has been your Company's conscious and continuous endeavour to contribute to the community development and services. Towards its commitment to the society, during the year under review, your Company has taken up various CSR activities, such as development of roads in the neighbourhood areas, providing basic civic amenities to public as well as to schools, sponsoring computers and furniture to schools, vocational and skill development training programmes to educated youths and to the wards of

fishermen, drinking water facility, construction of bus shelter, etc. at a cost of Rs.4.07 crores which is 4.20% of PAT of previous financial year.

## 17.2 Sustainable Development and Research & Development

Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprises, Government of India, vide its OM No.3(9)/2010-DPE (MoU) dated 23rd September 2011 has mandated the inclusion of Sustainable Development and Research & Development as an item in the MoU to be signed between CPSEs. Accordingly, your Company has taken up the following projects:

### (a) Sustainable Development

Sl. No.	Description of Project	Project Cost Rs.
1.	Monitoring of Environmental parameters like ambient air quality in various locations	38,00,000.00
2.	Installation of continuous ambient air quality monitoring stations at two locations inside the port	90,00,000.00
3.	Training of Employees in SD	1,50,000.00
	<b>TOTAL</b>	<b>1,29,50,000.00</b>

During the year under review, all the identified Sustainable Development projects were completed at a cost of Rs. 66,50,000/-.

### (b) Research and Development

Sl. No.	Description of Project	Project Cost Rs.
1.	The study on integrated morphological changes between Ennore Creek and North of Northern Breakwater	15,00,000.00
2.	Mathematical Model Study of Ship Manoeuvring	35,00,000.00
	<b>Total</b>	<b>50,00,000.00</b>

During the year under review, all the identified Research and Development projects were completed at a cost of Rs.44,66,760/-.

## 18.0 RIGHT TO INFORMATION ACT, 2005 (RTI ACT)

Your Company has implemented the Right to Information Act, 2005 to provide information to the citizens of India and also to maintain accountability and transparency in the working of the Company. The Company has designated a Public Information Officer and a Transparency Officer to look after the compliances of RTI Act, 2005. Director (Operations) has been appointed/designated as Appellate Authority under the Act.

During the year under report, all 26 applications received under RTI Act were duly processed and replied to and one appeal accepted under RTI and the same had been disposed off during the period.

## 19.0 INFORMATION TECHNOLOGY

Your Company has implemented with an investment of Rs.92 Lakhs on Port Operation Management System (POMS) developed by National Informatics Centre (NIC), Government of India. POMS is an internal application of KPL primarily for planning, recording and monitoring of entire marine and cargo activities. Your Company is exchanging messages with Port Users like Shipping Agents for Registration of Ships Certificates, Voyage Registration, Berth Request, etc., through Port Community System (PCS) developed by Indian Ports Association (IPA). The messages received from Port Users are integrated with POMS and confirmation messages are generated and sent to the Port Users through PCS. Your Port has also started exchange of EDI messages with Customs Department since September 2012. POMS is also integrated with e-payment module of PCS, which will enable your Port to collect Port Charges through e-payment. To facilitate the Port Users, your Company has already signed agreements with commercial banks like Axis Bank, Andhra Bank, Corporation Bank, ICICI, & IDBI for receiving e-payments through PCS and is also planning to sign agreements with other banks.

Phase-II of ERP System covering other activities like Accounts, Finance, Human Resource Management, Payroll, Procurement & Maintenance, Project & Contract Management, Estate Management, etc., in a phased manner at an investment of Rs.81.29 lakhs is in various stage of implementation. As per

directives of the Govt. of India, your Company has started utilization of e-publishing and e-procurement modules of Central Public Procurement Portal (CPPP) developed & maintained by NIC for tendering activities.

Your Company is in process of implementing internal proposal clearance system to enable paperless transaction between departments which will bring seamless workflow, file/data management and storage/retrieval process.

This entire exercise will ensure standardization of business transactions and documentation and efficient Procedure & Process along with more transparency.

## 20.0 IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company has made focused efforts for the propagation and implementation of the official language policy of the Government of India.

## 21.0 BOARD OF DIRECTORS

Following are the changes in the Board of Directors of your Company since 1st April 2013:

Shri S. Manoharan, Dr. S. Ram Mohan and Shri A.R. Rao, Non-Official Part Time (Independent) Directors ceased to be the Directors of the Company consequent upon completion of their tenure with effect from 25<sup>th</sup> February 2014. The Board placed on record its deep appreciation for their commendable contributions made during their tenure of independent directors.

Pursuant to the provisions of Sections 152 of the Companies Act, 2013 and in accordance with the provisions of Articles 140(a) of the Articles of Association of the Company, Shri N. Muruganandam, Government Nominee Director shall retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer himself for re-appointment.

## 22.0 AUDIT COMMITTEE

As on 25th February, 2014 the Audit Committee of the Company comprised of the following members:

Dr. S. Ram Mohan	Chairman, Independent Director
Shri S. Manoharan	Independent Director
Shri A. R. Rao	Independent Director
Shri Sanjay Kumar	Director (Operations)

The Audit Committee has overseen the Company's financial reporting process and disclosure of financial information, internal control systems and accounting policies. There were five meetings of the Audit Committee held during the financial year ended 31st March 2014.

Due to expiry of the tenure of all independent directors on 25<sup>th</sup> February, 2014, the Audit Committee of the Company was reconstituted with the following directors in the Board Meeting of the Company held on 11<sup>th</sup> April, 2014

Shri Atulya Misra, Nominee Director - Chairman  
Shri N. Muruganandam, Nominee Director - Member  
Shri Sanjay Kumar, Director (Operations) - 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.

### **23.0 VIGILANCE**

The Vigilance Division in Kamarjar Port Limited is headed by Shri R.Ramakrishnan, IAS, Chief Vigilance Officer, V.O. Chidambaranar Port Trust, Tuticorin who is holding additional charge of CVO, KPL from 21.06.2012. He is assisted by a Deputy Manager.

The Vigilance Division scrutinizes the work orders/ contracts agreements issued by the departments. Procedural lapses, deviations from tendering norms and shortcomings in contract works are pointed out to the concerned departments. Corrective actions and recovery of money are also advised in fitting cases.

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

#### **23.1 Vigilance Awareness Week, 2013**

As directed by the Central Vigilance Commission, Vigilance Awareness Week, 2013 was observed in KPL from 28.10.2013 to 02.11.2013. Essay and Slogan writing competitions were held with the active participation from KPL staff. Lectures were organized

on vigilance related topics to create more awareness on Vigilance.

### **24.0 PARTICULARS OF THE EMPLOYEES**

None of the employees of the Company received remuneration in excess of the limits prescribed under section 217 (2A) read with Companies (Particular of Employees) Amendment Rules, 2011 of the Companies Act, 1956. No employee of the Company is a relative of any Director or Manager of the Company.

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

As required under Section 217 (2AA) of the Companies Act 1956, your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) 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 2013-14 and of the profit of the Company for that period.
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors had prepared the Annual Accounts on a going concern basis.

### **26.0 FIXED DEPOSITS**

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

### **27.0 AUDITORS**

Pursuant to the provisions of Section 619 (2) of the Companies Act, 1956, 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 31st March 2014.

## 28.0 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 2013-14.

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

Under Section 619 (4) of the Companies Act, 1956, the Comptroller and Auditor General of India, vide letter dated 01.07.2014, has mentioned that on the basis of audit, nothing significant has come to their knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report. A copy of the report of C&AG is annexed herewith.

## 30.0 DEBENTURE TRUSTEE

Your Company has appointed M/s SBICAP Trustees Company Ltd. having its Office at 8 Khetan Bhawan, 5<sup>th</sup> Floor, 198 J. Tata Road Church Gate, Mumbai-20 and GDA TRUSTEES LTD. Office at GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune-411038 as Debenture Trustees for Tax Free bonds issued during the Financial Year 2012-13 and 2013-14 respectively.

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

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given at **Annexure - I** to this report.

## 32.0 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 2014 forms part of this Report as **Annexure – II** to this report.

## 33.0 REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

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

## 34.0 ACKNOWLEDGEMENT

Your Directors acknowledge gratefully the support and guidance received from the Ministry of Shipping, Government of India and Chennai Port Trust and appreciate co-operations 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 Railways.

Your Directors take this opportunity to thank the Port Users, BOT concessionaires, Contractors and Bankers for their continued support during the year. The Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels. The Directors also place on record their gratitude to the shareholders for their continued support and confidence.

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

**Sd/-**

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

**Place :** Chennai

**Date :** 18<sup>th</sup> July 2014

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT 1956

The other information in accordance with the Companies Act, 1956 is given under:-

**A) Conservation of Energy:**

**(a) Energy Conservation measures taken:**

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 – 05Nos. & 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, installation and commissioning work is in process.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**

Nil

**(c) Impact of the measures at (a) and (b) above of reduction of energy consumption and consequent impact on the cost on the cost of production of goods:**

Nil

**(d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto:**

Enclosed in Form A

**B) Technology absorption:**

**(e) Efforts made in technology absorption as per Form B of the Annexure:**

Enclosed in Form B

**ANNEXURE TO DIRECTORS' REPORT ON ENERGY CONSERVATION**

**Form A**

**Form for disclosure of particulars with respect to Conservation of Energy**

A.	<b>Power and Fuel Consumption</b>	<b>2013-14</b>
	<b>1. Electricity</b>	
	a) Purchased	
	Unit (in Kw Hr.)	12,04,600
	Total Amount (in Rs./-) (excluding demand and other charges)	84,32,200
	Demand and other charges (in Rs.)	29,50,081
	Rate/ Unit (average) (Rs./ Kw Hr.) (excluding demand and other charges)	7.00
	b) Own generation	
	Through Diesel Generator	
	Unit (in Kw Hr.)	100320
	Units per litre of diesel (53,600ltrs)	3.30
	Diesel Cost / Unit (Rs.) (Rs.18,54,400/-)	18.5
	Through Solar Power	
	Unit in KW Hr per day	79.2
	Unit in KW Hr per Year	28908
	<b>2. Coal</b>	Not Applicable
	<b>3. Furnace Oil</b>	Not Applicable
	<b>4. Others/ Internal generation Fuel gas</b>	Not Applicable
<b>B.</b>	<b>Consumption Per Unit of Production</b>	Not Applicable

**Form B**

**RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES**

<b>1</b>	<b>Specific areas in which R&amp;D was carried out by the company</b>	Not Applicable
<b>2</b>	<b>Benefits derived as a result of above R&amp;D</b>	Not Applicable
<b>3</b>	<b>Future plan of action</b>	Not Applicable
<b>4</b>	<b>Expenditure on R&amp;D</b>	Not Applicable
<b>5</b>	<b>Technology Absorption, Adaptation and Innovation</b>	Not Applicable
<b>Annexure to Form B</b>		
<b>1</b>	<b>Benefits derived as a result of R&amp;D activities</b>	Not Applicable

## REPORT ON CORPORATE GOVERNANCE

Your Company believes that the spirit of Corporate Governance lies in adherence of highest standards of transparency, trust & integrity, performance orientation, responsibility & accountability, professionalism, social responsiveness, ethical business practices and commitment to the organization for sustainable enrichment of value for stakeholders.

Your Company has always endeavored to promote, implement and maintain highest standards of Corporate Governance norms and has been practicing the principles of good Corporate Governance. Your Company is committed to achieve the best standards of Corporate Governance which emphasizes on authority and freedom of the management coupled with transparency, accountability and professionalism in their working with the aim of enhancing long term economic value of all stakeholders and society at large.

A report in line with the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) is given below as a part of the Directors' Report along with the Certificate issued by a Statutory Auditor of the Company regarding compliance with the provisions of Corporate Governance:

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

Company's Corporate Governance initiative is based on two core principles. These are:

- (i) Management must have the executive freedom to drive the enterprise forward for sustainable growth without undue restraints; and
- (ii) This freedom of management should be exercised within a framework of effective accountability

Our corporate structure, conduct of business and disclosure practices have been aligned to our Corporate Governance Philosophy.

### 2.0 BOARD OF DIRECTORS

#### 2.1 Composition and category of the Board of Directors as on 31.03.2014

##### Whole-time Directors/ Executive Directors

- (i) Shri M. A. Bhaskarachar,  
*Chairman-cum-Managing Director*
- (ii) Shri Sanjay Kumar, *Director (Operations)*

##### Nominee Directors

- (iii) Shri N. Muruganandam, IAS,  
*Nominee Director of Govt. of India*
- (iv) Shri Atulya Misra, IAS,  
*Nominee Director of Chennai Port Trust*

##### Non-official Part time (Independent) Directors\*

- (v) Shri S. Manoharan
- (vi) Dr. S. Ram Mohan
- (vii) Shri A.R. Rao

### 2.2 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 Meetings held	No. of Board Meetings attended	Last AGM attended	Other Directorship	Committee Membership/ Chairmanship
<b>Whole-time Directors</b>					
Shri M. A. Bhaskarachar, Chairman-cum-Managing Director	12	12	Yes	1	4
Shri Sanjay Kumar, Director (Operations)	12	12	Yes	1	8
<b>Government Nominee Directors</b>					
Shri N. Muruganandam, Nominee Director of Govt. of India	12	11	No	1	1
Shri Atulya Misra, Nominee Director of Chennai Port Trust	12	10	No	1	1
<b>Independent Directors</b>					
Shri S. Manoharan, Independent Director	12	8	Yes	-	-
Dr. S. Ram Mohan, Independent Director	12	11	Yes	-	-
Shri A.R. Rao, Independent Director	12	11	Yes	-	-

**\*Note:** *All the Non-Official Part Time (Independent) Directors ceased to be the Directors of the Company consequent upon completion of their tenure with effect from 25th February 2014 pursuant to the appointment order of MOS No.EPL/2/2006-DO(PO) dtd 18/02/2011.*

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

During the year 2013-14, 12 (Twelve) Nos. of Board meetings were held on 13.05.2013, 29.05.2013, 8.7.2013, 03.08.2013, 23.08.2013, 11.10.2013, 18.11.2013, 13.12.2013, 30.12.2013, 01.02.2014, 14.02.2014 and 24.02.2014.

### 3.0 COMMITTEE OF BOARD OF DIRECTORS

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

#### 3.1 Audit Committee

The role and terms of reference of the Audit Committee is in accordance with Section 292A of the Companies Act, 1956 and Guideline on Corporate Governance for CPSEs issued by DPE. 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.

#### A. Composition of the Audit Committee

As on 25th February, 2014 the Audit Committee of the Company comprised of the following members:

1. Dr. S. Ram Mohan, Chairman, Independent Director
2. Shri. S. Manoharan, Independent Director
3. Shri A.R. Rao, Independent Director
4. Shri Sanjay Kumar, Director (Operations)

Due to expiry of tenure of all independent directors of the company on 25<sup>th</sup> February, 2014 the Audit Committee of the Company was reconstituted by the Board of Directors of the Company in its meeting held on 11<sup>th</sup> April, 2014 with following directors as members of the committee:

Shri Atulya Misra , Nominee Director - Chairman

Shri N. Muruganandam, Nominee Director- Member

Shri Sanjay Kumar, Director (Operations) - Member

The Company Secretary acts as Secretary to the Audit Committee

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

The role of Audit Committee includes:

- a. 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.
- b. Recommending the appointment and removal of auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with the management the half-yearly and annual financial statements before submission to the Board, focusing primarily on:
  - ❖ Any changes in accounting policies and practices.
  - ❖ Major accounting entries based on exercise of judgement by management.
  - ❖ Qualification in draft audit report.
  - ❖ Significant adjustments arising out of audit.
  - ❖ The going concern assumption.
  - ❖ Compliance with accounting standards.
  - ❖ Compliance with legal requirements concerning financial statements.
  - ❖ 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 company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors on any significant findings and follow up thereon.
- g. 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.

- h. Discussion with external auditors before the audit commences on nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i. Reviewing the company's financial and risk management policies.
- j. 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.
- k. Scrutiny of inter-corporate loans and investments.
- l. Review of the functioning of the Whistle Blower Mechanism.
- m. Monitoring the end use of funds raised through public offers and related matters.

### C. Meetings and Attendance during the year

During the year 2013-14, five Audit Committee meetings were held on 20.04.2013, 29.05.2013, 22.08.2013, 06.11.2013 and 26.11.2013.

Attendance:

Members	No. of meetings	Meetings attended
Dr. S. Ram Mohan	5	5
Shri S. Manoharan	5	4
Shri A.R. Rao	5	5
Shri Sanjay Kumar	5	5

### 3.2 Remuneration Committee

Kamarajar Port Limited (erstwhile Ennore Port Limited), being a Government Company, appointment and terms and conditions of remuneration of Whole-time Directors are determined by Government of India through the Administrative Ministry, namely, the Ministry of Shipping. The pay scales of the other employees are fixed in line with guidelines issued by the Department of Public Enterprises (DPE).

Kamarajar Port Limited has constituted a Remuneration Committee, headed by an Independent Director of the Company, for the purpose of determining the Performance Related Pay (PRP) for its executives, in line with DPE Guideline.

#### A. The Composition of Remuneration Committee:

Till 25th February, 2014 the composition of the Remuneration Committee of the Company was as per the following:

1. Shri A R Rao, Independent Director as Chairman of the Committee
2. Dr. S. Ram Mohan, Member (Independent Director)
3. Shri. S. Manoharan, Member (Independent Director)
4. Shri Sanjay Kumar, Member (Director Operations)

Since, the tenure of all independent directors expired on 25th February, 2014 the Remuneration Committee will be reconstituted on appointment of independent directors in your company.

#### B. Terms of Reference:

As per the recommendation of Second Pay Revision Committee the Remuneration Committee was constituted inter-alia to determine the annual bonus / variable pay pool and policy for its distribution across the executives and Non Unionised Supervisors, within the prescribed limits.

### C. Meetings and Attendance during the year

During the year 2013-14, Two (2) nos. of Remuneration Committee Meeting was held on 12.04.2013 and 06.05.2013.

#### D. Remuneration received by Functional Directors

Details of remuneration of functional directors of the Company paid for the financial year 2013-14

Name of the Directors	Salary & Other Allowances (Rs.)	Bonus/ Commission/ PRP (Rs.)	Total (Rs.)
Shri. M. A. Bhaskarachar, Chairman-cum-Managing Director	29,78,739/-	-	29,78,739/-
Shri Sanjay Kumar, Director (Operations)	25,34,020/-	15,24,467/-*	40,58,487/-

\* Performance related Pay for the financial year 2010-11 and 2011-12.

### 3.3 Tax Free Bonds Issue Committee

The Tax Free Bonds Issue Committee was constituted by the Board of Directors in its Meeting held on 23rd August, 2013. The Bond Committee was authorized by the Board to take various decisions with respect to issue of Tax Free Secured Redeemable Non-convertible Bonds during the financial year 2013-14.

The current composition of the Bond Committee of the Board of Directors is as under:

Sl. No.	Name of the Committee	Designation	Position in the Committee
1.	Shri M. A. Bhaskarachar	Chairman - cum- Managing Director	Member
2.	Shri Sanjay Kumar	Director (Operations)	Member

During the year under review, Six (6) Meetings of the Bond Issue Committee of the Board of Directors were held on 21.01.2014, 23.01.2014, 03.02.2014, 12.02.2014, 14.03.2014 and 25.03.2014.

### 3.4 Organizational Restructuring Committee

The Organizational Restructuring Committee was constituted by the Board of Directors in its meeting held on March 1, 2013. The Organizational Restructuring Committee comprised of the following members:

1. Mr. A. R. Rao, Member
2. Mr. S. Manoharan, Member
3. Dr. S. Ram Mohan, Member

The Organizational Restructuring Committee was constituted to study the functioning of vertical divisions of the Company and to suggest the restructuring of the functional vertical divisions and the Committee submitted its final report on 18.2.2014.

During the financial year, seven (7) Organisational Restructuring Committee meetings were held on 12.4.2013, 13.4.2013, 29.05.2013, 08.07.2013, 22.08.2013, 27.12.2013, and 18.02.2014

### 3.5 Risk Management Committee

The Risk Management Committee was constituted by the Board of Directors in its meeting held on November 18, 2013. The composition of Risk Management Committee comprises of the following members:

1. Mr. M. A. Bhaskarachar, Chairman
2. Dr. S. Ram Mohan, Member
3. Mr. Sanjay Kumar, Member

#### Terms of reference

1. To identify the risk being faced by the Company under its own projects, captive projects and PPP-BOT projects:
  - a. Project Risk
  - b. Operational Risk
  - c. Marketing Risk

- d. Security Risk
- e. Safety and Environmental Risk

2. To identify the financial risk being faced by the Company, mainly on the following:
  - a. Interest rate risk
  - b. Currency fluctuations
  - c. Market Risk(Capital and Money Market)
3. Risk determination and Ranking
4. Risk mitigation measures

### 3.6 Share Allotment and Share Transfer Committee

The Share Allotment and Share Transfer Committee was reconstituted by the Board of Directors in its meeting held on 29th May 2013. As on date, the Share Allotment and Share Transfer Committee comprises of the following members:

1. Mr. M. A. Bhaskarachar, Member
2. Mr. N. Muruganandam, Member
3. Mr. Sanjay Kumar, Member

During the year under review, one (1) Meeting of the Share Allotment and Share Transfer Committee was held on 20.07.2013.

### 3.7 Bond Transfer and Bondholders' Grievance Committee

The Bond Transfer and Bondholder's Grievance Committee was constituted by the Board of Directors through circular resolution on September 26, 2013. As on date, the Bond Transfer and Bondholder's Grievance Committee comprises of the following members:

1. Mr. M. A. Bhaskarachar, Member
2. Mr. Sanjay Kumar, Member

During the year under review, one (1) Meeting of the Bond Transfer and Bondholders' Grievance Committee was held on 27.09.2013.

### 3.8 Board Level Committee on CSR and Sustainability

The Board level Committee on CSR and Sustainability was constituted by the Board of Directors on May 29, 2013. As on 25.2.2014, the Board Level Committee on CSR and Sustainability comprises of the following members:

1. Shri S Manoharan, Chairman
2. Shri A.R.Rao, Member
3. Shri Sanjay Kumar, Member

During the year under review, three (3) Meetings of

the Board Level Committee on CSR & Sustainability were held on 26.08.2013, 27.12.2013 and 27.1.2014.

### 3.9 Board Level Committee on Research and Development

The Board level Committee on Research & Development was constituted by the Board of Directors on December 13, 2013. As on 25.2.2014, the Board Level Committee on Research & Development comprises of the following members:

1. Shri A. R. Rao, Chairman
2. Shri S. Manoharan, Member
3. Shri Sanjay Kumar, Member

During the year under review, three (3) Meetings of the Board Level Committee on Research & Development were held on 26.08.2013, 27.12.2013 and 27.1.2014.

### 4.0 GENERAL BODY MEETING

#### 4.1 The venue, date and time of the AGMs held during the preceding three years is as under:

Year	Venue	Date	Time
2012-13	Registered Office:	21.08.2013	10.30 hours
2011-12	P.T. Lee Chengalvaraya Naicker Maaligai, 1st floor	29.08.2012	11.00 hours
2010-11	23 Rajaji Salai, Chennai – 600 001.	29.08.2011	11.00 hours

4.2 During the period, one (1) Extraordinary General Body Meeting was held on 14.02.2014 at 10.00 a.m. at the Regd. Office of the Company at No. 23, Rajaji Salai, Chennai – 600 001 and a special resolution was passed for change of name of the Company.

### 5.0 DISCLOSURES

- (i) Related Party Transaction as per note No.33(B) to the notes forming part of the financial statement for the year ended 31st March 2014 in the Annual Report.
- (ii) The Company has not received any Presidential directives during the FY 2013-14.
- (iii) There was no case of non-compliance of provisions of Companies Act, 1956 or any other statutory laws. 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 Governances.

### 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 2013-14.

#### Declaration

As provided under the Guideline 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 31st March 2014.

for Kamarajar Port Limited

Sd/-

(M. A. Bhaskarachar)  
Chairman-Cum-Managing Director

Place: Chennai

Date: 7th May 2014

### 7.0 TRAINING OF BOARD MEMBERS

No specific training programmes were arranged for Board Members. However, at the Board/Committee Meetings, detailed presentations are made by senior executives/professionals/consultants on business related issues, risk assessment, etc. The company also nominates its directors for various seminars and training programmes conducted by various outside institutions/agencies. During the year, Shri M.A. Bhaskarachar, Chairman-cum-Managing Director, Shri Sanjay Kumar, Director (Operations), Shri S. Ram Mohan and Shri A.R. Rao, Independent Directors

have attended training programme on **2nd Directors' Conclave: "Towards Value Adding Board"** conducted by International Management Institute from 27th June 2013 to 29th June 2013 at Bangalore.

### **8.0 REVIEW OF COMPLIANCE OF APPLICABLE LAWS**

The Board has periodically reviewed the compliance reports of all applicable laws 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 2013-14 to the Stock Exchange immediately after being taken on record and approved by the Board. These financial results were published in the leading English daily newspaper circulating 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.ennoreport.gov.in](http://www.ennoreport.gov.in). Annual Report and Audited Financial statements including Directors' Report

and Auditors' Report are also available on the website.

- **Annual Report:** Annual Report containing inter-alia, Audited Accounts, Directors' Report, Auditors' Report, 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 email id [mguna@epl.gov.in](mailto:mguna@epl.gov.in) has been created for addressing the queries of Bond holders.

**Registrar and Transfer Agent** for Tax Free Bonds U/S 10(15)(iv)(h) for the financial year 2012-13 & 2013-14.

LINK INTIME INDIA PRIVATE LIMITED  
C-13 PANNALAL SILK MILLS COMPOUND  
L.B.S MARG, BHANDUP(W), MUMBAI - 400 078.  
Tel : 2596 7878, Fax: 25960329,  
E-mail: [ennore.ncd@linkintime.co.in](mailto:ennore.ncd@linkintime.co.in)

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNENCE**

To

**The Shareholders**

**Kamarajar Port Limited**

We have examined the compliance of conditions of Corporate Governance by Kamarajar Port Limited, Chennai, for the year ended March 31,2014 as per the guidelines issued by Department of public Enterprises (DPE) vide reference No.18(8)/2005-GM dated 14th May 2010.

The Compliance of 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 of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as per the guidelines issued by Department of Public Enterprises (DPE) vide reference No.18(8)/2005-GM dated 14th May 2010.

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

**for SANKARAN & KRISHNAN**

**Chartered Accountants**

**FRN 003582S**

**Sd/-**

**M. BALACHANDRAN**

**(Partner)**

**M.No : 016271**

**Place: Chennai**

**Date: 18/06/2014**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2013-14

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

### ❖ Industry Structure and Market Scenario:

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 the terminals are entrusted to private operators. All the future terminal developments are proposed through private sector participation. Many of the services are carried out by outsourcing.

### ❖ Strength and Weakness

#### Strength:

- 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 model.

### ❖ Opportunities and Threats

#### Opportunities:

- Market demand for Coal to feed Thermal Power Stations and Industries.
- Still a potential market for Iron Ore export.
- Market demand for Containerized traffic.
- Port is surrounded by a member of Container Freight Stations and Industries.
- Least populated neighbourhood area and availability of large tracts of land to trigger further port based developments.

#### Threats:

- Emergence of non major ports like L&T at Kattupalli, Krishnapatnam and Karaikal Ports competing to KPL's hinterland.
- No clear-cut policy on development of non-major ports particularly licensing of non-major port in the vicinity of major ports.
- Movement of Iron ore from Bellary-Hospet region was banned by the Government of Karnataka and the Hon'ble Supreme Court. Consequently export from this region is affected.

### ❖ Outlook

The traffic at major ports of India is likely to grow to 1215 million tonnes by 2020 from the present level of 561 million tonnes whereas the traffic at non-major ports is expected to grow 1280 million tonnes in the same period from the present level of 289 million tonnes. Thus the anticipated traffic at Indian Ports would grow to 2494 million tonnes by 2020 from the present level of 850 million tonnes at CAGR of 11.37%. 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 comprise of Coal (for TNEB and non-TNEB), Iron Ore, POL & bulk liquids and Containers.

For the financial year 2014-15, KPL has projected the cargo throughput of 28.00 MMT which is 40% higher than the cargo throughput projected in 2013-14. 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 various cargo terminals.

B. Segment wise or Product wise Performance

#### ❖ **Sales Performance**

The sale turnover during the year 2013-14 was Rs.501.93 crores as against Rs.320.21 crores during the same period in previous year.

#### ❖ **Quantity**

During the year 2013-14, a quantity of 27.34 million tonnes of cargo was handled as against 17.89 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.

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

**The Directors' Report 2013-14 may kindly be referred as it contains the details in respect of items ie.. D, E, F and G.**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER  
SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF  
KAMARAJAR PORT LIMITED, CHENNAI FOR THE YEAR ENDED  
31<sup>st</sup> MARCH 2014**

The preparation of financial statements of **Kamarajar port Limited, Chennai** for the year ended 31 March 2014, in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the standards on auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 23 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956, of the financial statements of **Kamarajar Port Limited, Chennai** for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

Sd/-

**(G.SUDHARMINI)**

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

Place: Chennai  
Dated: 01.07.2014

## **INDEPENDENT AUDITORS’ REPORT**

*To the Members of Kamarajar Port Limited*

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Kamarajar Port Limited (“the company”)**, which comprise the Balance Sheet as at 31st March 2014 and also the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. The Balance Sheet as at 31st March 2014 and also the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that

we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing our opinion on the effectiveness of the Entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with the notes thereon 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- (b) In the case of the Statement of Profit and Loss, of the **PROFIT** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to the following note to the financial statements of the Company, which describes the uncertainty related to the outcome of the law suit filed against the Company.

- a. Note No.8.1,
  - (i) Regarding Rs.1,23,68,478/- received from BOT Operator under protest pending finalization of the dispute and
  - (ii) Regarding Rs.6,00,00,000/- deposit received from BOT operators in accordance with an interim award pending final order.
- b. Note no.14.2,
 

Regarding Rs.45,09,49,975/- being excess payments made to project contractors, pending finalization of Dispute Redressal Mechanism.
- c. An amount of Rs.1.85 crores 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.14.4)

In our opinion these matters do not require qualification by us.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For SANKARAN & KRISHNAN**  
**Chartered Accountants**  
**FRN 003582S**  
**Sd/-**  
**M. BALACHANDRAN**  
**(Partner)**  
**M.NO. 016271**

Place: Chennai  
 Date: 23/05/2014

## Annexure to Independent Auditors' Report

*Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our audit report of even date to the Members of Kamarajar Port Limited.*

- (i) In respect of its fixed assets:
  - (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 has not disposed off substantial part of the fixed assets during the year.
- (ii) In respect of its inventories:

The Company is engaged in the development and operation of port and does not maintain any inventory. Therefore the provisions of clause 4(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

In view of (iii) (a) above, the clauses (iii) (b), (c) and (d) are not applicable.
- (e) The Company has taken Rs.345,18,74,941/- secured loan from Chennai Port Trust (Promoter) covered in the register maintained under section 301 of the companies act, 1956, the rate of interest and other terms and conditions of the above loan are not prima facie prejudicial to the interest of the Company and payment of principal and interest are also regular. The amount outstanding at the year end is Rs 299,16,24,950/-
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system of the Company
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the Public to which the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under are applicable.
- (vii) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records for the Company under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) In respect of statutory dues
  - a) The company is generally regular in depositing undisputed statutory dues including Provident fund, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty 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 more than six months from the date they became payable.

- b) According to the information and explanations given to us and records of the company examined by us the service tax amount not paid/paid under protest on account of dispute pending as under

Sl. No	Name of the Statute	Nature of the Dues	Amount (in Crore)	Period	Forum where it is pending
1	Central Excise & Service Tax	Service tax on Upfront fee	*1.85	2006-07 & 2007-08	Customs, excise & Service tax Appellate Tribunal, Chennai

\* Includes Rs.1.17 Crore paid under protest on 30.09.2008

- (x) The company does not have any accumulated losses at the end of the financial year and the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to Banks and financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained, other than temporary deployment pending application.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination the Balance Sheet of the company, we report that funds raised on short term basis have not been used during the year for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has issued debentures / bonds to the public, secured and charge created as per Debenture Trust Deed during the year as per point No.(xx).
- (xx) The Company has made a public issue of Tax Free Secured, Redeemable Non-Convertible Debentures / Bonds of face value of Rs.1000/- each aggregating to Rs.365,47,23,000/- during the financial year. The Bonds have been allotted on 25.03.2014. Pending utilisation the proceeds are parked temporarily in Fixed Deposits with Banks.
- (xxi) During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

**For SANKARAN & KRISHNAN**

**Chartered Accountants**

**FRN 003582S**

**Sd/-**

**M. BALACHANDRAN**

**(Partner)**

**M.NO. 016271**

Place: Chennai

Date: 23/05/2014

# KAMARAJAR PORT LIMITED

23, Rajaji Salai, Chennai - 600 001.

## Balance Sheet as at 31<sup>st</sup> March 2014

PARTICULARS	NOTE NO.	As at 31st March 2014		As at 31st March 2013	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	4	3,00,00,00,000		3,00,00,00,000	
Reserves and Surplus	5	5,45,21,89,318	8,45,21,89,318	3,41,22,21,325	6,41,22,21,325
<b>Non-Current Liabilities</b>					
Long Term Borrowings	6	7,36,27,12,953		3,93,81,14,949	
Other Long Term Liabilities	7	2,58,65,406	7,38,85,78,359	2,44,87,875	3,96,26,02,824
<b>Current Liabilities</b>					
Trade Payables	8	16,11,71,030		5,07,87,648	
Other Current Liabilities	9	1,75,42,15,739		1,93,82,05,624	
Short Term Provisions	10	2,99,77,37,077	4,91,31,23,846	1,69,14,15,553	3,68,04,08,824
<b>Total</b>			<b>20,75,38,91,523</b>		<b>14,05,52,32,974</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets					
Tangible Assets					
Capital Work-in-Progress	11	13,88,60,40,834		8,66,23,52,801	
		15,26,342		25,76,689	
		1,51,47,55,089		1,28,52,72,860	
		15,40,23,22,265		9,95,02,02,350	
Non Current Investments	12	64,03,50,320		60,03,50,320	
Deferred Tax Assets (Net)	13	-		-	
Long Term Loans and Advances	14	73,88,65,657		51,41,83,129	
Other Non Current Assets		-	16,78,15,38,242	-	11,06,47,35,799
<b>Current Assets</b>					
Trade Receivables	15	36,62,72,614		22,28,27,906	
Cash and Cash Equivalents	16	1,88,99,68,161		1,80,38,14,383	
Short Term Loans and Advances	17	1,70,65,81,492		94,81,71,281	
Other Current Assets	18	95,31,014	3,97,23,53,281	1,56,83,605	2,99,04,97,175
<b>Total</b>			<b>20,75,38,91,523</b>		<b>14,05,52,32,974</b>
Significant Accounting Policies	3				

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

### For KAMARAJAR PORT LIMITED

Sd/-  
**M.A. BHASKARACHAR**  
Chairman cum Managing Director

Sd/-  
**SANJAY KUMAR**  
Director (Operations)

Sd/-  
**M. GUNASEKARAN**  
Chief Financial Officer

Sd/-  
**SUDARSAN PAHI**  
Company Secretary

As per report of even date

**For SANKARAN & KRISHNAN**  
Chartered Accountants,  
FRN 003582S

Sd/-  
**M. BALACHANDRAN**  
Partner  
M. No. 016271

Place : Chennai  
Date : 23.05.2014

## KAMARAJAR PORT LIMITED

23, Rajaji Salai, Chennai - 600 001.

### Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2014

PARTICULARS	NOTE NO.	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>CONTINUING OPERATIONS</b>		₹	₹
<b>Income</b>			
Revenue from Operations	19	5,01,93,35,672	3,20,21,21,232
Other Income	20	18,72,50,630	5,49,70,164
Total Revenue		<b>5,20,65,86,302</b>	<b>3,25,70,91,396</b>
<b>Expenses</b>			
Employee Benefit Expenses	21	9,64,87,600	8,82,27,011
Finance Costs	22	46,63,09,182	44,32,12,473
Depreciation and Amortization	23	14,29,06,350	13,76,06,435
Other Expenses	24	47,44,77,649	36,13,59,181
Total Expenses		<b>1,18,01,80,781</b>	<b>1,03,04,05,100</b>
Profit / (Loss) before exceptional and extraordinary items and tax		4,02,64,05,521	2,22,66,86,296
Add / (Less) : Exceptional Items	25	(2,44,85,529)	5,92,70,124
Profit / (Loss) before extraordinary items and tax		4,00,19,19,992	2,16,74,16,172
Add / (Less) : Extraordinary Items		-	-
Profit Before Tax		<b>4,00,19,19,992</b>	<b>2,16,74,16,172</b>
Add / (Less) : Tax Expense			
(a) Current Tax		83,88,00,000	43,37,00,000
(b) Deferred Tax		-	-
(d) Tax - Earlier Years		-	-
Profit / (Loss) for the year from continuing operations		<b>3,16,31,19,992</b>	<b>1,73,37,16,172</b>
<b>EARNINGS PER EQUITY SHARE</b>			
Nominal value of share Rs. 10 (PY : Rs. 10 per share )			
<b>Basic</b>			
Computed on the basis of profit from continuing operations	26	10.54	5.78
Computed on the basis of total profit for the year	26	10.54	5.78
<b>Diluted</b>			
Computed on the basis of profit from continuing operations	26	10.54	5.78
Computed on the basis of total profit for the year	26	10.54	5.78
Significant Accounting Policies	3		

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

#### For KAMARAJAR PORT LIMITED

Sd/-  
**M.A. BHASKARACHAR**  
Chairman cum Managing Director

Sd/-  
**SANJAY KUMAR**  
Director (Operations)

Sd/-  
**M. GUNASEKARAN**  
Chief Financial Officer

Sd/-  
**SUDARSAN PAHI**  
Company Secretary

As per report of even date

**For SANKARAN & KRISHNAN**  
Chartered Accountants,  
FRN 003582S

Sd/-  
**M. BALACHANDRAN**  
Partner  
M. No. 016271

Place : Chennai  
Date : 23.05.2014

## KAMARAJAR PORT LIMITED

23, Rajaji Salai, Chennai - 600 001.

### Cash Flow Statement for the year ended - 31<sup>st</sup> March 2014

Sl.No	Particulars	31.3.2014	31.3.2013
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	₹	₹
	Net Profit / (Loss) after tax	3,16,31,19,992	1,73,37,16,172
	<b>Adjustment for:</b>		
	a) Depreciation	14,29,06,350	13,81,97,390
	b) Interest Income	(16,16,35,720)	(4,06,55,201)
	c) Interest Expense	46,63,09,182	44,32,12,473
	d) Dividend and Dividend Tax	(1,12,31,52,000)	(70,19,70,000)
	<b>Operating Profit before working capital changes</b>	<b>2,48,75,47,804</b>	<b>1,57,25,00,834</b>
	<b>Adjustment for:</b>		
	(Increase)/Decrease Current Assets	(89,57,02,327)	(48,10,15,103)
	(Increase)/Decrease Non Current Assets	(22,46,82,528)	(1,33,72,908)
	Increase/(Decrease) Other long Term Current Liabilities	13,77,531	(4,70,44,714)
	Increase/(Decrease) Current Liabilities	1,23,27,15,022	1,11,48,42,747
	<b>Cash Generated From Operations</b>	<b>2,60,12,55,502</b>	<b>2,14,59,10,856</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets & WIP	(5,59,54,63,659)	(60,73,39,669)
	Sale of Fixed Assets	4,37,393	5,05,16,583
	Non Current Investment	(4,00,00,000)	(12,51,00,320)
	Interest Received	16,16,35,720	4,06,55,201
	<b>Net Cash used in Investing Activities</b>	<b>(5,47,33,90,546)</b>	<b>(64,12,68,205)</b>
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue of Tax Free Bonds	3,65,47,23,000	94,64,90,000
	Availment / (Repayment) of Loans	(23,01,24,996)	(70,88,03,571)
	Interest Paid	(46,63,09,182)	(44,32,12,473)
	<b>Net Cash Generated from Financing Activities</b>	<b>2,95,82,88,822</b>	<b>(20,55,26,044)</b>
	<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>8,61,53,778</b>	<b>1,29,91,16,607</b>
	Cash and Cash equivalents as at (OB)	1,80,38,14,383	50,46,97,776
	Cash and Cash equivalents as at (CB)	1,88,99,68,161	1,80,38,14,383
		<b>8,61,53,778</b>	<b>1,29,91,16,607</b>

For KAMARAJAR PORT LIMITED

Sd/-  
**M.A. BHASKARACHAR**  
Chairman cum Managing Director

Sd/-  
**SANJAY KUMAR**  
Director (Operations)

Sd/-  
**M. GUNASEKARAN**  
Chief Financial Officer

Sd/-  
**SUDARSAN PAHI**  
Company Secretary

As per report of even date

**for SANKARAN & KRISHNAN**  
Chartered Accountants,  
FRN 003582S

Sd/-  
**M. BALACHANDRAN**  
Partner  
M. No. 016271

Place : Chennai  
Date : 23.05.2014

# Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March 2014

## 1. CORPORATE INFORMATION

Kamarajar Port Limited, formerly known as Ennore Port Limited (the Company) is a public 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.

### Applicability of Companies Act

Since it is notified as per General Circular No. 8 / 2014 dated 04.04.2014 issued by Ministry of Corporate Affairs that the financial statements as per Companies Act, 2013 is applicable with effect from Financial Year commencing from 01.04.2014, reference is made for Companies Act, 1956 wherever applicable.

## 2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on mercantile basis and under the historical cost convention.

## 3. SIGNIFICANT ACCOUNTING POLICIES:

### a. GENERAL :

The financial statements are prepared on historical cost convention and on mercantile system of accounting in accordance with generally accepted accounting principles.

### b. REVENUE RECOGNITION :

Income is recognized upon completion of services rendered and no significant uncertainty exists regarding the amount of consideration that would be derived after rendering the service. Upfront fee received from the BOT operator is treated as Revenue in the year in which zero date of the Project is fixed. Interest income on the disputed revenue will be recognised on realisation basis.

### c. FIXED ASSETS :

#### (i) TANGIBLE ASSETS :

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation. Expenses capitalised also include applicable borrowing costs. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. All upgradation/enhancements are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

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

#### (ii) INTANGIBLE ASSETS :

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any cost attributable for bringing the assets to its working condition for its intended use.

Amortisation is provided on Straight Line Method (SLM), which reflect the management's estimate of the useful life of the intangible assets.

#### **d. DEPRECIATION :**

Depreciation is provided on Straight Line Method at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956. Assets costing individually Rs.5000/- and below are fully depreciated in the year of addition. Where no rates are specified for any port specific asset, 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 awards 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.

#### **e. INVESTMENTS :**

Long Term Investments are stated at cost except where there is a diminution in value other than temporary, in which case the carrying value is reduced to recognize the decline. Current investments are stated at lower of cost or fair market value.

#### **f. DEFERRED REVENUE EXPENDITURE**

Preliminary Expenses and Deferred Revenue Expenses are written off over a period of five years equally.

#### **g. ACCOUNTING FOR TAXES ON INCOME**

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not determined on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### **h. RETIREMENT BENEFITS :**

Provisions for gratuity, pension and leave salary have been made as per the service conditions and on the basis of actuarial valuation and for those employees who are on deputation from other

organizations as per the advice received from the respective organizations.

#### **i. FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are recorded in Indian currency at the exchange rates prevailing on the respective dates of transactions. Monetary items are denominated in foreign currencies at the year-end and restated at year-end rates. Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

#### **j. PREPAID EXPENSES :**

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

#### **k. 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.

#### **l. BORROWING COST :**

Borrowing Cost are capitalised as part of the cost of a qualifying asset when it will result in future economic benefits to the company. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **m. MAINTENANCE DREDGING :**

Expenditure for the maintenance dredging is provided every year based on the estimated quantity as assessed from the Hydrographic Survey Report and as per market rate based cost of such maintenance dredging. The adjustment entries will be made in the year in which actual maintenance dredging expenditure was incurred.

#### **n. 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.

## Notes forming part of the Financial Statements for the Year ended 31<sup>st</sup> March 2014

### 4. SHARE CAPITAL

#### Authorised Shares

500,000,000 Equity Shares of Rs. 10 each  
(Previous year : 500,000,000 equity shares of Rs. 10 each)

#### Issued, subscribed and fully paid up shares

300,000,000 equity shares of Rs.10/- each fully paid up.  
(Previous year: 300,000,000 equity shares of Rs. 10 each fully paid up)

#### Total

As at 31 <sup>st</sup> March 2014 ₹	As at 31 <sup>st</sup> March 2013 ₹
5,00,00,00,000	5,00,00,00,000
3,00,00,00,000	3,00,00,00,000
<b>3,00,00,00,000</b>	<b>3,00,00,00,000</b>

#### a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

##### Equity shares

Outstanding at the beginning of the year  
Add : Shares Issued during the year  
Less : Shares bought Back during the year  
Outstanding at the end of the year

31 <sup>st</sup> March 2014	
Nos.	₹
30,00,00,000	3,00,00,00,000
-	-
-	-
<b>30,00,00,000</b>	<b>3,00,00,00,000</b>

#### b. Details of shareholders holding more than 5% of shares in the company:

Government of India (66.67%)  
Chennai Port Trust (33.33%)

31 <sup>st</sup> March 2014	
Nos.	Value
20,00,00,000	2,00,00,00,000
10,00,00,000	1,00,00,00,000
<b>30,00,00,000</b>	<b>3,00,00,00,000</b>

### 5. RESERVES AND SURPLUS

#### 5.1 General Reserve

Balance at the beginning of the year  
Transferred from surplus account during this year

#### 5.2 Debenture / Bond Redemption Reserve

Balance at the beginning of the year  
Transferred from surplus account during this year

#### 5.3 Profit and Loss Account

Balance at the beginning of the year  
Profit for the year ended

#### Less : Appropriations

Transferred to General Reserve  
Transferred to Debenture / Bond Redemption Reserve

#### Dividend

Proposed equity dividend  
Dividend distribution tax on equity shares  
Total appropriations  
Balance at the end of the year

#### TOTAL

31 <sup>st</sup> March 2014 ₹	31 <sup>st</sup> March 2013 ₹
13,01,00,000	
31,64,00,000	13,01,00,000
<b>44,65,00,000</b>	<b>13,01,00,000</b>
2,26,85,950	-
8,62,93,133	2,26,85,950
<b>10,89,79,083</b>	<b>2,26,85,950</b>
3,25,94,35,375	2,38,04,75,152
3,16,31,19,992	1,73,37,16,172
6,42,25,55,368	4,11,41,91,325
31,64,00,000	13,01,00,000
8,62,93,133	2,26,85,950
96,00,00,000	60,00,00,000
16,31,52,000	10,19,70,000
1,52,58,45,133	85,47,55,950
4,89,67,10,235	3,25,94,35,375
<b>5,45,21,89,318</b>	<b>3,41,22,21,325</b>



8.1 Includes Rs. 1,23,68,748/- paid under protest by the BOT Operator and Rs.6,00,00,000/- deposit received from the BOT operator as per the Interim award, suitable accounting treatment will be made on finalising the dispute.

## 9. OTHER CURRENT LIABILITIES

	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	₹	₹
9.1 Current maturities of long term debt		
Others - Chennai Port Trust (Related Party)	23,01,24,996	23,01,24,996
9.2 Income billed but not accrued	1,50,83,174	37,63,396
9.3 ECPP Liabilities	62,43,34,705	96,22,73,754
9.4 Creditors for Expenses	26,10,27,226	26,91,78,682
9.5 Creditors for Contract Liabilities	42,72,84,396	13,33,79,324
9.6 Statutory dues payable	4,58,18,661	1,16,32,896
9.7 Other Payables	15,05,42,581	16,99,332
9.8 Other Payables - Book Overdraft	-	32,61,53,243
	<b>1,75,42,15,738</b>	<b>1,93,82,05,624</b>

9.3 Includes Rs.5,22,00,543/- interest and Forex fluctuation provided for the year on the basis of Award / Agreement & Rs.27,27,21,338/- paid during the year as per the directions of Madras High Court.

9.4 Includes Rs.14,11,45,852/- payable to Chennai Port Trust as per Mediation Report on Interest towards IDC on monthly cumulative basis. (Refer Note 25.2)

9.7 Includes Rs.14,97,28,186/- being 50% share of composite tariff payable to TANGECO handled above 10 MT as per Minutes of Meetings dated 10th December, 2001 for the period from 01.04.2013 to 30.06.2013 and 01.07.2013 to 31.03.2014. (Refer Note 19.1)

## 10. SHORT TERM PROVISIONS

	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	₹	₹
Provisions		
10.1 Terminal Benefits	21,71,547	15,13,315
10.2 Income Tax	1,76,22,00,000	92,34,00,000
10.3 Proposed Dividend	96,00,00,000	60,00,00,000
10.4 Tax on Dividend	16,31,52,000	10,19,70,000
10.5 Performance Related Pay	2,20,70,373	3,16,80,110
10.6 Maintenance Dredging	2,97,00,000	1,00,00,000
10.7 Expenses	3,39,64,853	33,73,824
10.8 Common Road Maintenance	2,44,78,304	1,94,78,304
	<b>2,99,77,37,077</b>	<b>1,69,14,15,553</b>

10.1 Provision for Terminal Benefits includes amount payable to Life Insurance Corporation of India towards Gratuity and Leave Encashment as per Actuarial valuation and the Terminal Benefits payable for employees on deputation.

10.5 Payment of Bonus Act, 1965 is not applicable. However, Performance Related Pay provided on estimate basis for the year 2013-14 as per DPE Guidelines.

10.7 Includes Rs.11,09,649/- interest accrued on Secured Redemable Tax Free Bonds issued for the year 2012-13 and Rs.61,88,198/- for the Tax Free Bonds issued during the year 2013-14, allotted on 25.03.2014.

## 11. FIXED ASSETS (Refer Fixed Assets schedule given separately)

### 12. NON CURRENT INVESTMENTS

	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	₹	₹
<b>Long Term - Other investments (valued at cost unless stated otherwise)</b>		
12.1 Equity Shares of Sethusamudram Corporation Limited	30,00,00,000	30,00,00,000
12.2 Equity Shares of Chennai Ennore Port Road Company Limited	13,75,00,000	13,75,00,000
12.3 Investments in Renewable Energy Certificate	1,00,320	1,00,320

Other non-current investments			
12.4	Advance given to Ennore SEZ Company Limited for Equity Contribution	2,50,000	2,50,000
12.5	Advance given to Chennai Ennore Port Road Company Limited for equity contribution	20,25,00,000	16,25,00,000
		<b>64,03,50,320</b>	<b>60,03,50,320</b>
Aggregate amount of quoted investments		-	-
Aggregate amount of unquoted investments		43,76,00,320	43,76,00,320
Aggregate provision for diminution in value of investments		-	-
12.1	The Project is still under construction stage and also the matter is under subjudice, hence, no provision is made in respect of the investments for permanent dimunition, if any.		
12.4	The Company has paid advance of Rs.2,50,000/- towards Share Application Money to M/s. Ennore SEZ Company Limited, a Special Purpose entity as equity contribution on 01.02.2005 is pending for allotment of shares.		
12.5	The Company has paid advance as Equity contribution to M/s. Chennai Ennore Port Road Company Limited, controlled special purpose entity for Rs. 20,25,00,000/- on various dates since 2011, are pending for allotment of shares.		

### 13. DEFERRED TAX ASSET :

Deferred Tax has not been recognised since the company is having exemption under Sec. 80 IA till the Financial Year 2016-17 as per explanations under clause 13 of AS-22 issued by ICAI in addition to MAT Credit availability.

<b>LONG TERM LOANS AND ADVANCES</b>		<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
		₹	₹
14.	<b>Capital Advances:</b>		
14.1	Secured, considered good	-	-
14.2	Unsecured, considered good	66,62,13,157	46,63,12,217
14.3	Doubtful	-	-
		<b>66,62,13,157</b>	<b>46,63,12,217</b>
Provision for bad and doubtful advances		-	-
		<b>66,62,13,157</b>	<b>46,63,12,217</b>

14.2 Capital advance includes Rs.45,09,49,975/- represents 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 cristalisation of the same.

<b>Security Deposits:</b>		<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
		₹	₹
Secured, considered good		-	-
14.4	Unsecured, considered good	4,88,73,649	3,06,16,178
14.5	Doubtful	-	-
		<b>4,88,73,649</b>	<b>3,06,16,178</b>
Provision for bad and doubtful advances		-	-
		<b>4,88,73,649</b>	<b>3,06,16,178</b>

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

<b>Other loans and advances (specify nature)</b>			
14.6	Secured, considered good	-	-
	Staff Advance (HBA & Vehicle)	2,37,78,851	1,72,54,734
14.7	Unsecured, considered good	-	-
14.8	Doubtful	-	-
		<b>2,37,78,851</b>	<b>1,72,54,734</b>
Provision for bad and doubtful advances		-	-
		<b>2,37,78,851</b>	<b>1,72,54,734</b>
		<b>73,88,65,657</b>	<b>51,41,83,129</b>

14.6 Secured by hypothecation of vehicles for Vehicle Advance and deposit of title deeds in respect of House Building Advance.

## 15 TRADE RECEIVABLES

### (i) Receivables outstanding for a period exceeding six months from the due date for payment

15.1	Secured, considered good	-	-
15.2	Unsecured, considered good	16,39,63,466	16,29,11,888
15.3	Doubtful	-	-
		16,39,63,466	16,29,11,888
	Provision for doubtful receivables	-	-
		<b>16,39,63,466</b>	<b>16,29,11,888</b>

15.2 Includes Rs.14,16,79,103/- referred under dispute under various redressal forums.

### (ii) Other receivables

15.4	Secured, considered good	-	-
15.5	Unsecured, considered good	20,23,09,148	5,99,16,018
15.6	Doubtful	-	-
		20,23,09,148	5,99,16,018
	Provision for doubtful receivables	-	-
		20,23,09,148	5,99,16,018
		<b>36,62,72,614</b>	<b>22,28,27,906</b>

## 16. CASH AND CASH EQUIVALENTS

16.1	Balances with banks	1,88,99,37,280	1,80,37,84,363
16.2	Cash on hand	30,881	30,020
		<b>1,88,99,68,161</b>	<b>1,80,38,14,383</b>

### 16.1 Balances with banks include :

Earmarked balances with banks:

Tax Free Bonds Public Issue Account

- 94,64,90,000

### Held as Margin Money

Guarantee - BSE Limited

2,31,00,000 48,00,000

## 17. SHORT TERM LOANS AND ADVANCES

### Secured considered good

17.1	Current maturities of Staff Advance	36,32,893	32,45,498
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### Unsecured considered good

17.2	Other Advances	51,11,336	48,10,480
17.3	Service Tax Credit	82,09,503	46,30,118
17.4	Income Tax Paid	1,68,96,27,760	93,54,85,185
		<b>1,70,65,81,492</b>	<b>94,81,71,281</b>

17.1 Secured by hypothecation of vehicles for Vehicle Advance and deposit of title deeds in respect of House Building Advance.

## 18 OTHER CURRENT ASSETS

	Interest accrued on Bank Deposits	17,91,938	1,26,01,664
	Interest accrued on Staff Advances	46,19,581	30,81,941
	Income accrued but not received	31,19,495	-
		<b>95,31,014</b>	<b>1,56,83,605</b>

## 11. FIXED ASSETS

Sl. No.	Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK AS AT		
		As at 01.04.2013	Additions	Deletions / Adjustments	As at 31.03.2014	Rate in %	As at 01.04.2013	For the Opening Balance	Additions/ Adjustments	Depreciation for the Year	Impairment Loss	Deletions	As at 31.03.2014	31.03.2013
<b>A. TANGIBLE ASSETS</b>														
1	Land	54,23,66,052	4,90,01,58,674	-	5,44,25,24,726	-	-	-	-	-	-	-	-	54,23,66,052
2	<b>Buildings, Sheds &amp; Other Structures</b>													
	Administrative Building	5,46,40,895	-	-	5,46,40,895	1.63	1,04,87,590	8,90,647	-	-	-	-	-	4,41,53,305
	Security Cabins	1,15,125	-	-	1,15,125	100.00	1,15,125	-	8,90,647	-	-	-	-	4,32,62,658
	Rest House	8,78,229	-	-	8,78,229	1.63	1,43,150	14,315	14,315	-	-	-	-	7,20,764
	Electrical Substation	23,15,345	-	-	23,15,345	1.63	4,32,174	37,740	37,740	-	-	-	-	18,45,431
	Substation Building - GCB & Parking Yard	81,19,490	81,19,490	-	81,19,490	1.63	15,592	15,592	15,592	-	-	-	-	81,03,898
	Security Watch Tower	91,303	-	-	91,303	1.63	11,390	1,488	1,488	-	-	-	-	79,913
	Security Watch Towers	37,20,862	-	3,84,661	33,36,201	1.63	15,121	54,380	54,380	-	1,563	-	-	37,05,741
	Tide Gauge	7,45,870	-	-	7,45,870	1.63	80,476	12,158	12,158	-	-	-	-	6,65,394
	Fire Station Building	17,01,443	-	-	17,01,443	1.63	1,71,619	27,734	27,734	-	-	-	-	15,29,824
	Temporary Shed	3,41,260	-	-	3,41,260	100.00	10,28,742	-	-	-	-	-	-	-
	Temporary Vehicle Shed	10,28,742	-	-	10,28,742	100.00	10,28,742	-	-	-	-	-	-	-
	Toilet Block	8,49,452	-	-	8,49,452	1.63	23,899	13,846	13,846	-	-	-	-	8,25,553
	Switch Room - RMG Unit	3,76,080	-	-	3,76,080	1.63	26,989	6,130	6,130	-	-	-	-	3,49,091
	Pre-fabricated Pass section Building	8,38,220	-	-	8,38,220	100.00	8,38,220	-	-	-	-	-	-	-
	Parking Yard including Buildings	18,92,81,499	-	-	18,92,81,499	1.63	62,37,071	30,85,288	30,85,288	-	-	-	-	17,99,59,140
3	<b>Wharves, Roads and Boundaries</b>													
	Port Access Roads	22,03,88,719	-	-	22,03,88,719	1.63	4,16,55,399	35,92,336	35,92,336	-	-	-	-	17,87,33,320
	Port Access Roads	68,59,698	-	-	68,59,698	2.94	12,10,050	2,01,675	2,01,675	-	-	-	-	56,49,648
	Road - South to North & West Gate	8,41,85,646	-	-	8,41,85,646	1.63	57,14,475	13,72,226	13,72,226	-	-	-	-	7,70,98,945
	Road - Extn of Tank farm & Security Road	7,80,52,735	-	-	7,80,52,735	1.63	33,95,017	12,72,260	12,72,260	-	-	-	-	7,46,57,718
	Coal Wharves	78,72,96,264	-	-	78,72,96,264	2.50	23,17,67,080	1,96,82,407	1,96,82,407	-	-	-	-	55,55,29,184
	Coal Wharves	91,98,612	-	-	91,98,612	2.56	25,90,971	2,35,484	2,35,484	-	-	-	-	63,72,157
	Coal Wharves	53,00,304	-	-	53,00,304	2.94	18,33,332	1,55,829	1,55,829	-	-	-	-	33,11,143
	Coal Wharves	20,18,946	-	-	20,18,946	3.13	2,52,772	63,193	63,193	-	-	-	-	17,02,981
	Boundary Walls	3,29,86,171	-	-	3,29,86,171	1.63	59,56,816	5,37,675	5,37,675	-	-	-	-	2,64,94,680
	R.R. Masonary Wall & Widening of West Gate	83,62,419	-	-	83,62,419	1.63	3,05,528	1,36,307	1,36,307	-	-	-	-	79,20,584
4	<b>Railway and Rolling Stocks</b>													
	Rail Connectivity - 2.3 Km	6,70,91,272	-	-	6,70,91,272	4.75	75,69,825	31,86,835	31,86,835	-	-	-	-	5,95,21,447
	Rail Connectivity - 6.56 Km	24,54,86,061	-	-	24,54,86,061	4.75	-	27,15,479	27,15,479	-	-	-	-	24,27,70,582
5	<b>Docks, Seawalls, Piers &amp; Nav. Aids</b>													
	Breakwater & Coastal Protection	4,41,73,03,763	-	-	4,41,73,03,763	1.33	69,10,52,721	5,87,50,140	5,87,50,140	-	-	-	-	3,72,62,51,042
	Breakwater & Coastal Protection	77,62,824	-	-	77,62,824	1.39	9,71,128	1,07,903	1,07,903	-	-	-	-	66,83,793
	Breakwater & Coastal Protection	31,38,331	-	-	31,38,331	1.41	3,54,000	44,250	44,250	-	-	-	-	27,84,331
	Breakwater & Coastal Protection	3,05,51,583	-	-	3,05,51,583	1.47	22,45,592	4,49,108	4,49,108	-	-	-	-	2,78,56,883
	Breakwater & Coastal Protection	1,11,72,435	-	-	1,11,72,435	1.49	4,99,407	1,66,469	1,66,469	-	-	-	-	1,06,73,028
	Breakwater & Coastal Protection	1,82,78,416	-	-	1,82,78,416	1.54	5,63,465	2,81,488	2,81,488	-	-	-	-	1,77,14,951
	Breakwater & Coastal Protection	3,67,90,748	-	-	3,67,90,748	-	-	5,83,980	5,83,980	-	-	-	-	3,62,06,768
	Navigation Aids	2,77,27,162	-	-	2,77,27,162	10.00	2,77,27,162	-	-	-	-	-	-	2,77,27,162
	Channel Buoys	49,29,001	-	-	49,29,001	6.67	4,96,468	3,28,764	3,28,764	-	-	-	-	44,32,533
	General Cargo Berth	48,79,79,229	-	-	48,79,79,229	1.33	1,42,76,827	64,90,124	64,90,124	-	-	-	-	46,73,12,278
6	<b>Cranes &amp; Vehicles</b>													
	Vehicles - Motor Cars	62,26,080	11,00,150	7,34,262	65,91,968	9.50	30,73,491	5,59,372	5,59,372	-	6,79,967	-	-	31,52,590
	Vehicles - Two wheelers	3,33,324	-	-	3,33,324	9.50	1,52,217	31,666	31,666	-	-	-	-	1,83,883
	Bicycles	23,244	-	-	23,244	100.00	23,244	-	-	-	-	-	-	23,244
7	<b>Installation of Water, Elec, Telecom &amp; Fire</b>													
	Water & Communication Facilities	1,17,12,370	-	-	1,17,12,370	4.75	53,08,328	5,56,338	5,56,338	-	-	-	-	64,04,042
	Internal Electrical Facilities	2,80,85,664	-	-	2,80,85,664	4.75	1,53,26,281	13,34,069	13,34,069	-	-	-	-	1,27,59,383
	Internal Electrical - Street Lights	99,64,172	-	-	99,64,172	4.75	12,78,553	4,73,298	4,73,298	-	-	-	-	86,85,619
	Lighting - GCB & Parking Yard	1,43,38,262	-	-	1,43,38,262	4.75	12,61,374	6,81,067	6,81,067	-	-	-	-	1,30,76,888
	Solar Lighting - 1000 Nos	15,73,440	-	-	15,73,440	4.75	85,386	74,738	74,738	-	-	-	-	14,88,054
	Solar Lighting	46,20,000	-	-	46,20,000	4.75	4,810	2,19,450	2,19,450	-	-	-	-	46,15,190
	External Electrical Facilities	1,70,04,396	-	-	1,70,04,396	4.75	91,35,421	8,07,709	8,07,709	-	-	-	-	78,68,975

## 11. FIXED ASSETS

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK AS AT			
		As at 01.04.2013	Additions	Deletions / Adjustments	As at 31.03.2014	Rate in %	As at 01.04.2013	For the Opening Balance	Additions/ Adjustments	Depreciation for the Year	Impairment/Loss	Deletions	As at 31.03.2014	31.03.2014	31.03.2013
8	<b>Other Assets</b>														
	Electrical Appliances	1,25,98,637	11,28,768	-	1,37,27,405	4.75	25,02,845	5,90,738	22,770	6,13,508	-	-	31,16,053	1,06,11,352	1,00,96,092
	Office Equipments	1,37,96,050	43,74,968	-	1,81,71,018	4.75	35,58,140	6,43,114	80,948	7,24,062	-	-	42,82,202	1,38,88,816	1,02,37,910
	Furniture & Fittings	2,33,12,761	4,77,113	-	2,37,89,874	6.33	1,00,86,593	13,48,499	1,32,633	14,81,132	-	-	1,15,67,725	1,22,22,149	1,32,26,168
	Computers	80,87,864	18,42,396	-	99,30,260	16.21	54,33,404	9,57,698	1,22,216	10,79,914	-	-	65,13,318	34,16,942	26,54,460
9	<b>Port Basin and Entrance Channel</b>														
	Port Basin and Entrance Channel	1,04,03,99,618	-	-	1,04,03,99,618	1.00	12,20,23,160	1,04,03,996	-	1,04,03,996	-	-	13,24,27,156	90,79,72,462	91,83,76,458
	Port Basin and Entrance Channel	8,42,71,396	-	-	8,42,71,396	1.04	70,11,384	8,76,423	-	8,76,423	-	-	78,87,807	7,63,83,589	7,72,60,012
	Port Basin and Entrance Channel	28,31,957	-	-	28,31,957	1.09	1,23,472	30,888	-	30,888	-	-	1,54,340	26,77,617	27,08,485
	Capital Dredging - Stage I	92,01,62,758	-	-	92,01,62,758	1.00	3,83,19,108	92,01,628	-	92,01,628	-	-	4,75,20,736	87,26,42,022	88,18,43,650
	Capital Dredging - General Cargo Berth	64,53,60,157	16,83,63,542	-	81,37,23,699	1.00	71,25,484	64,53,602	35,42,553	99,96,155	-	-	1,71,21,639	79,66,02,060	63,82,34,673
	<b>Total (A)</b>	<b>9,95,45,76,056</b>	<b>5,36,78,41,910</b>	<b>11,18,923</b>	<b>15,32,12,99,043</b>		<b>1,29,22,23,255</b>	<b>13,64,42,472</b>	<b>72,74,012</b>	<b>14,37,16,484</b>	<b>-</b>	<b>6,81,530</b>	<b>1,43,52,58,209</b>	<b>13,88,60,40,834</b>	<b>8,66,23,52,801</b>
10	<b>B. INTANGIBLE ASSETS</b>														
	Computers Software	67,88,331	-	-	67,88,331		42,11,642	10,50,347	-	10,50,347	-	-	52,61,989	15,26,342	25,76,689
	<b>Total (B)</b>	<b>67,88,331</b>	<b>-</b>	<b>-</b>	<b>67,88,331</b>		<b>42,11,642</b>	<b>10,50,347</b>	<b>-</b>	<b>10,50,347</b>	<b>-</b>	<b>-</b>	<b>52,61,989</b>	<b>15,26,342</b>	<b>25,76,689</b>
	<b>Total (A + B)</b>	<b>9,95,13,64,387</b>	<b>5,36,78,41,910</b>	<b>11,18,923</b>	<b>15,32,80,87,374</b>		<b>1,29,64,34,897</b>	<b>13,74,92,819</b>	<b>72,74,012</b>	<b>14,47,66,831</b>	<b>-</b>	<b>6,81,530</b>	<b>1,44,05,20,198</b>	<b>13,88,75,67,176</b>	<b>8,66,49,29,490</b>
11	C. Capital Work in Progress	1,28,52,72,860	82,50,23,737	59,55,41,508	1,51,47,55,089									1,51,47,55,089	1,28,52,72,860

11.1 Land: (a) Land represents the company is in possession of 2118.74 acres of land acquired from TNEB, TIDCO and Salt Department, Ministry of Commerce, GoI . pending transfer of title deeds in the name of the company. Out of which, 11.78 acres of patta land retained by TANGEDCO and 35 acres of Salt land and 34.06 acres of patta land is not yet handed over by TIDCO.

(b) Includes leased land measuring about 33 acres, 128 acres and 116 acres to BOT operators viz., M/s. Enmore Tank Terminals Private Limited, M/s. Chettinad International Coal Terminal Private Limited and M/s. Sical Iron ore Terminals Limited respectively. The company would be signing the required land lease agreement, wherever applicable, with BOT operators on receipt of title transfer in favour of the company from the competent authority.

(c) Addition includes Rs.483,79,97,624/- paid to Department of Industrial Policy & Promotion, Ministry of Commerce towards transfer of 647.330 acres of Salt land pending transfer of title deeds.

11.5 Breakwater : Includes Rs.6,26,66,744/- capitalized as per Mediation Report on Interest towards IDC on monthly cumulative basis payable for the period upto 22.06.2001 (Refer Note 25.2) & reversed Rs.2,58,75,996/- as per the High Court order on the certified bills payable to HCC (C4) during the year.

## Notes forming part of the Financial Statements for the Year ended 31<sup>st</sup> March 2014

	For the year ended 31 <sup>st</sup> March 2014	For the year ended 31 <sup>st</sup> March 2013
	₹	₹
<b>REVENUE FROM OPERATIONS (Net of Service Tax)</b>		
19.1 Composite Tariff on Coal	2,04,90,29,418	1,34,67,38,941
19.2 Estate Income	6,71,14,160	6,38,94,725
19.3 Revenue Share	1,30,51,19,804	68,99,67,114
19.4 Vessel Related Income	1,21,56,01,954	79,33,24,096
19.5 Wharfage	37,39,36,598	30,28,41,645
19.6 Demurrage	51,67,056	44,130
Other operating revenue		
19.7 Other Services	33,66,682	53,10,581
<b>Revenue from operations (Net)</b>	<b>5,01,93,35,672</b>	<b>3,20,21,21,232</b>
19.3 In view of the uncertainty of the revenue receipt, Augumentation charges amounting to Rs.21,80,68,268/- for the year 2013-14 (Previous Year - Rs.13,38,06,082/-) not recognized as Income as per the accounting policy of the company.		
<b>20. OTHER INCOME</b>		
	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
	₹	₹
Interest from Banks	16,16,35,720	4,06,55,201
Other Interest	98,91,447	54,18,010
Dividend income from Mutual Fund	-	45,29,540
<b>Other non operating income</b>		
Sale of Tender Documents	43,62,871	1,16,355
Personnel & Vehicle Entry Pass	27,55,574	25,96,385
Profit on sale of Fixed Assets	76,817	-
Others	85,28,202	16,54,673
	<b>18,72,50,630</b>	<b>5,49,70,164</b>
<b>21. EMPLOYEE BENEFITS EXPENSE</b>		
	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
	₹	₹
Salaries and Wages	6,65,49,140	5,93,15,619
Staff welfare expenses	1,85,893	14,35,219
Superannuation	53,99,430	44,22,154
Performance Related Pay	1,10,00,000	1,10,00,000
EDLI & GSLI	39,977	41,428
Employee medical and Hospitalisation expenses	18,52,892	16,91,407
Gratuity	27,85,199	16,98,681
Leave encashment expenses	27,05,136	21,20,519
Leased Accomodation	10,167	59,814
Other Terminal Benefits	2,30,853	14,69,638
Pension schemes	6,42,708	6,26,668
Provident fund	50,86,205	43,45,864
	<b>9,64,87,600</b>	<b>8,82,27,011</b>
<b>22. FINANCE COSTS</b>		
	<b>31<sup>st</sup> March 2014 ₹</b>	<b>31<sup>st</sup> March 2013 ₹</b>
Interest Expense :		
22.1 From Banks	1,62,73,973	2,90,96,566
22.2 Tax Free Bonds - 2012-13	6,75,19,525	10,93,749

22.3	Tax Free Bonds - 2013-14	61,88,198	-
<b>22.4</b>	<b>Others</b>	34,02,22,312	37,16,38,270
	Other Borrowing Costs :		
22.5	- ECPP Liabilities	(5,40,16,332)	2,39,94,543
22.6	- Guarantee Fees	10,510	10,913
22.7	- Guarantee Fees	10,79,887	-
22.8	- Tax Free Bonds Expenses	2,40,124	-
<b>22.9</b>	<b>Public Issue Expenses</b>		
	- Bond handling charges	4,88,000	58,632
	- Bond brokerage	2,49,08,150	14,80,075
	- Printing Charges	50,85,960	59,16,194
	- Lead Managers Fees	8,13,075	-
	- Stamp Duty on Bonds	50,170	50,100
	- Other Expenses	2,29,90,687	61,11,723
	Net Loss / (Gain) on Forex transactions		
	- Capital	2,08,50,970	23,62,262
	- Revenue	1,36,03,973	13,99,446
		<b>46,63,09,182</b>	<b>44,32,12,473</b>

22.3 Interest accrued on Secured Redemmmable Tax Free Bonds allotted on 25.03.2014 provided.

22.4 Paid to Chennai Port Trust (Related party) paid for Secured borrowings (Refer Note No. 6.3)

22.5 Includes Rs. 7,17,61,932/- provided in earlier years, reversed during the year as per the High court Order and accordingly the payment partly made during the year.

22.6 Public Issue expenses considered as Other Borrowing Costs and fully charged to Revenue as per Accounting Policy.

### 23. DEPRECIATION AND AMORTIZATION EXPENSE

	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	₹	₹
Depreciation		
- Tangible Assets	14,18,56,003	13,65,56,088
- Intangible Assets	10,50,347	10,50,347
	<b>14,29,06,350</b>	<b>13,76,06,435</b>

### 24. OTHER EXPENSES

	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	₹	₹
<b>Port Operating Expenses</b>		
Time Charter Crafts	7,72,46,415	12,04,54,380
Bathymetry Survey	-	77,379
Consultancy Services - Operations	1,65,85,211	28,85,838
Power & Water charges	95,41,985	67,61,359
Environment	38,99,364	33,90,570
Research & Development Expenses	1,37,78,790	61,14,623
Fuel Expense	4,25,47,826	2,84,90,829
Manning Services	2,09,69,905	1,57,90,453
Maintenance Dredging	1,97,00,000	-
Pilotage Expense	1,06,34,528	95,25,800
Repairs and Maintenance	5,89,09,309	4,14,61,057
<b>Administration Expenses</b>		
AMC - Software Expenses	-	3,95,500

Auditors' remuneration		
Statutory audit	2,00,000	3,00,000
Tax Audit Fees	50,000	75,000
Payment for other Services	2,54,720	2,60,000
Reimbursement of expenses	20,000	50,000
Bank charges	4,497	22,800
Books and periodicals	1,06,665	77,134
Directors sitting fees	8,98,000	2,20,000
Electricity & Water Charges	19,76,495	15,15,419
Hospitality	67,51,694	34,83,298
Honorarium	51,000	14,000
Insurance	93,595	1,01,803
Legal & professional charges	1,11,36,595	39,95,029
Miscellaneous Expense	9,74,811	5,79,094
Printing and stationery	24,39,567	20,11,122
Rent, Rates & Taxes	83,64,510	36,15,757
Repairs and maintenance - Office	21,75,601	16,94,230
Safety & security expenses	6,40,45,340	5,71,83,004
Seminars & conference expenses	5,86,797	8,25,395
Service Charges	89,075	97,386
Corporate Social Welfare Expenses	4,65,76,843	1,72,54,457
Subscription & Membership fees	40,65,095	33,23,265
Communication Expenses	24,62,250	27,27,293
Travelling and conveyance	63,55,332	58,03,962
Vehicle running expenses	1,50,31,891	1,19,33,734
Loss on Fixed Assets written off	-	91,937
Donations & Contributions	-	2,65,000
<b>Selling and distribution expenses</b>		
Advertising and promotional expenses	2,59,53,942	84,91,274
	<b>47,44,77,649</b>	<b>36,13,59,180</b>

Corporate Social Welfare Expenses incurred as per DPE Guidelines and Company's CSR Policy.

## 25. EXCEPTIONAL ITEMS

	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	₹	₹
Expenses		
25.1 Prior Period Expense / (Income)	(5,39,93,579)	1,80,23,531
25.2 Interest on IDC - ChPT	7,84,79,108	-
25.3 Asset written off	-	5,04,24,646
25.4 Compensation payable to ChPT	-	13,08,21,947
Income		
25.5 Encashment of Bid Security	-	(14,00,00,000)
	<b>2,44,85,529</b>	<b>5,92,70,124</b>

- 25.1 Includes Demurrage charges Rs.5,78,43,729/- raised during the year for the period from January 2012 to March 2013. - Prior period Income - Rs.5,86,52,557/- & Net of Expenses - Rs.46,58,978/-
- 25.2 Includes Rs.14,11,45,852/- payable to Chennai Port Trust as per Mediation Report on Interest towards IDC on monthly cumulative basis. Of which Rs.6,26,66,744/- for the period upto 22.06.2001 has been capitalised under Breakwater and Rs. 7,84,79,108/- has been considered as Revenue for the period from 22.06.2001. (Refer Note 9.4)

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March 2014

### 26. Basic & Diluted Earnings Per Share :

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Nominal value of Equity Shares	10/-	10/-
Profit After Tax	316,31,19,992	1,73,37,16,172
Profit attributable to Equity Shareholders	3,16,31,19,992	1,73,37,16,172
Weighted average number of Equity Shares outstanding during the year	30,00,00,000	30,00,00,000
Basic Earnings Per Share	10.54	5.78
Diluted Earnings Per Share	10.54	5.78

### 27. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

#### CONTINGENT LIABILITIES

	31 <sup>st</sup> March 2014 ₹	31 <sup>st</sup> March 2013 ₹
27.1 Service tax dues not acknowledged as debt	67,52,975	68,00,000
27.2 Claims against the company not acknowledged as debt	2,48,45,87,631	2,37,64,00,000
27.3 Guarantees	2,31,00,000	48,00,000
	<b>2,51,44,40,606</b>	<b>2,38,80,00,000</b>
27.2. Claims includes Disputed Arbitration awards and others.		

#### CAPITAL COMMITMENTS

	31 <sup>st</sup> March 2014 ₹	31 <sup>st</sup> March 2013 ₹
27.4 Estimated amount of contracts remaining to be executed on Capital Expenditure (net of advances) and not provided for	2,74,32,64,720	1,13,11,34,878
27.5 Equity Commitments		
Chennai Ennore Port Road Company Limited	2,00,000	4,02,00,000
Sethusamudram Corporation Limited	20,00,00,000	20,00,00,000
	<b>2,94,34,64,720</b>	<b>1,37,13,34,878</b>

### 28. Expenditure in Foreign Currency (in Accrual basis)

Travelling Expenses	6,29,097	1,78,100
Navigational Aids	10,82,676	-
Exchange Rate difference		
- On Contract Liabilities	3,44,54,943	37,61,729

### 29. Earnings in Foreign Currency (on receipt basis)

	Nil	Nil
--	-----	-----

**30. As per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, the following information are disclosed**

The principal amount remaining unpaid to supplier as at the end of the year	Nil	Nil
The interest due thereon remaining unpaid to supplier as at the end of the year	Nil	Nil
The amount of interest paid in terms of Sections 16, along with the amount of payment made to the supplier beyond the appointment day during the year.	Nil	Nil
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
The amount of interest accrued during the year and remaining unpaid at the end of the year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding year, 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 Enterprise Development Act, 2006.	Nil	Nil

**31. EMPLOYEE BENEFITS**

Disclosures required under Accounting Standard 15 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006, are given below :

**1. Defined Contribution Schemes :**

Contributions to Defined Contribution Schemes charged off for the year are as under :

	31 <sup>st</sup> March 2014 ₹	31 <sup>st</sup> March 2013 ₹
Employer's Contribution to Provident Fund	46,05,152	39,28,234
Employer's Contribution to Family Pension Fund	6,42,708	6,26,668

**2. Defined Benefit Plans :**

The present value of obligation in respect of Provision for Payment of Gratuity and Leave encashment is determined, based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation, recognized and charged off during the year as under :

	2013-14 ₹	2012-13 Gratuity (Unfunded) ₹
<b>Reconciliation of opening and closing Balance of Defined Benefits</b>		
Defined Benefit Obligation at the beginning	61,36,193	42,48,332
Current Service Cost	11,64,513	10,03,186
Interest Cost	4,90,895	3,39,867
Actuarial gain / Loss	5,19,344	7,20,497
Defined Benefit Obligation at the end	83,10,945	61,36,193
<b>i) Expenses recognized during the year</b>		
Current Service Cost	11,64,513	10,03,186
Interest Cost on benefit obligation	4,90,895	3,39,867

Expected return on plan assets	-5,32,688	-3,97,437
Actuarial gain / Loss recognized in the year	5,19,344	7,20,497
Net Benefit Expenses	16,42,064	16,66,113
<b>ii) Actuarial assumptions :</b>		
Mortality Table (L.I.C)		
Discount Rate (per annum)	8%	8%
Attrition Rate (per annum)	1-3%	1-3%
Rate of escalation in salary (per annum)	5%	5%
<b>Reconciliation of opening and closing balances of defined benefit</b>		
Defined Benefit Obligation at the beginning	73,79,776	56,60,693
Current Service Cost	12,11,884	8,92,015
Interest Cost	5,90,382	4,52,855
Actuarial gain / Loss	8,83,718	6,47,042
Defined Benefit Obligation at the end	1,00,65,760	73,79,776
<b>Leave encashment (Unfunded)</b>		
Defined Benefit Obligation at the beginning	73,79,776	56,60,693
Current Service Cost	12,11,884	8,92,015
Interest Cost	5,90,382	4,52,855
Actuarial gain / Loss	8,83,718	6,47,042
Defined Benefit Obligation at the end	1,00,65,760	73,79,776
<b>i) Expenses recognized during the year</b>		
Current Service Cost	5,90,382	4,52,855
Interest Cost on benefit obligation	12,11,884	8,92,015
Expected return on plan assets	-6,69,852	5,26,619
Actuarial gain / Loss recognized in the year	8,83,718	6,47,042
Net Benefit Expenses	20,16,132	14,65,293
<b>ii) Actuarial assumptions :</b>		
Mortality Table (L.I.C)		
Discount Rate (per annum)	8%	8%
Attrition Rate (per annum)	1-3%	1-3%
Rate of escalation in salary (per annum)	5%	5%

### 32. SEGMENT REPORTING

Since the Company primarily operates in one segment - Port Services, Segment reporting as required under Accounting Standard 17 on Segment Reporting issued by Institute of Chartered Accountants of India is not applicable. There is no reportable Geographical Segment either.

### 33. RELATED PARTY DISCLOSURE

As per Accounting Standard - 18 on 'Related Party Disclosure' related parties of the Company are disclosed below:

#### A. List of related parties :

##### Key Management Personnel (KMP)

Mr. M.A. Bhaskarachar - Chairman Cum Managing Director

Mr. Sanjay Kumar - Director (Operations)

##### Joint Ventures (JVs)

M/s. Sethusamudram Corporation Limited

M/s. Chennai Ennore Port Road Company Limited

#### B. Transaction with related parties (Previous figures are in brackets) :

S. No.	Nature of Transactions	Joint Venture	Key Managerial Personnel	Total
	Transactions with JV			
1	Investments - Sethusamudram Corporation Limited	30,00,00,000		30,00,00,000
		(300000000)		(300000000)
2	Investments - Chennai Ennore Port Road Company Limited	13,75,00,000		13,75,00,000
		(137500000)		(137500000)
3	Equity Advance - Chennai Ennore Port Road Company Limited	4,00,00,000		4,00,00,000
		(162500000)		(162500000)
	Transactions with KMP			
	Payment to Key Management Personnel		70,37,226	70,37,226
			(7561707)	(7561707)

### 34. A. Operating Lease : As a Lessee

The company has entered into operating lease for Motor Cars ranging from

Particulars	Not later than one year	Later than one year but not later than five years	Later than five years
	₹	₹	₹
Minimum Lease payments	26,08,848	21,74,040	-

Lease payments amounting to Rs.26,36,413/- (Previous Year - Rs.28,72,623/-) are included in Vehicle Running Expenses in the Statement of Profit and Loss during the year.

### 35. Impairment of Assets

During the year the company has reviewed its assets as per As-28 on 'Impairment of Assets', no provision for impairment is required to be recognised during the year.

### 36. Confirmation of balances :

Trade Receivables, Loans & Advances and Deposits are subject to confirmation. The management, however, does not expect any material change.

#### For KAMARAJAR PORT LIMITED

Sd/-  
**M.A. BHASKARACHAR**  
Chairman cum Managing Director

Sd/-  
**SANJAY KUMAR**  
Director (Operations)

Sd/-  
**M. GUNASEKARAN**  
Chief Financial Officer

Sd/-  
**SUDARSAN PAHI**  
Company Secretary

Place : Chennai  
Date : 23.05.2014

As per report of even date

For **SANKARAN & KRISHNAN**  
Chartered Accountants,  
FRN 003582S

Sd/-  
**M. BALACHANDRAN**  
(Partner)  
M. No. 016271

Place : Chennai  
Date : 23.05.2014



## Proxy Form

[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 : P.T. LEE CHENGALVARAYA NAICKER MAALIGAI,  
No.23, 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 : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual general meeting of the company, to be held on the 29th day of September 2014 at 12.00 noon at the Regd. Office of the Company at P.T. Lee Chengalvaraya Naicker Maaligai, 1st Floor, 23, Rajaji Salai, Chennai - 600 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
<b>Ordinary Business</b>	
1	Adoption of Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the financial year ended on that date together with the Report of Board of Directors' and the Auditors' Report thereon.
2	Declaration of dividend for the year 2013-14.
3	Appoint a Director in place of Shri N.Murganandam (DIN No. 00540135), who retires by rotation and being eligible, offers himself for re-appointment.
<b>Special Business</b>	
4	Authorisation to Board of Director for borrowing to an amount not exceeding Rs.1500 crores.
5	Authorisation to Board of Director to create mortgage/charges/hypothecation in favour of lenders up to an amount not exceeding Rs.1500 crores.
6	Authorisation to Board of Directors for entering into an agreement with Chennai Port Trust to avail technical services of Chennai Port Trust for civil works.

Signed this ..... day of ..... 2014

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.