

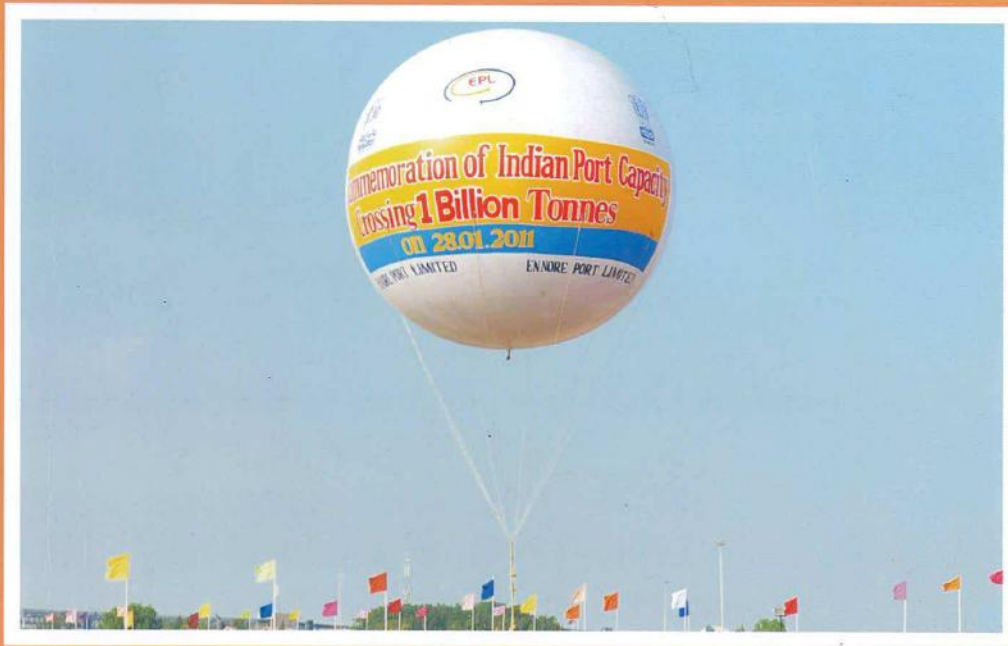
# Ennore Port Limited

(A MINI RATNA GOVERNMENT OF INDIA UNDERTAKING)

एन्नोर पोर्ट लिमिटेड

ELEVENTH ANNUAL REPORT 2010 - 2011

ग्यारहवॉ वार्षिक रिपोर्ट 2010 - 2011



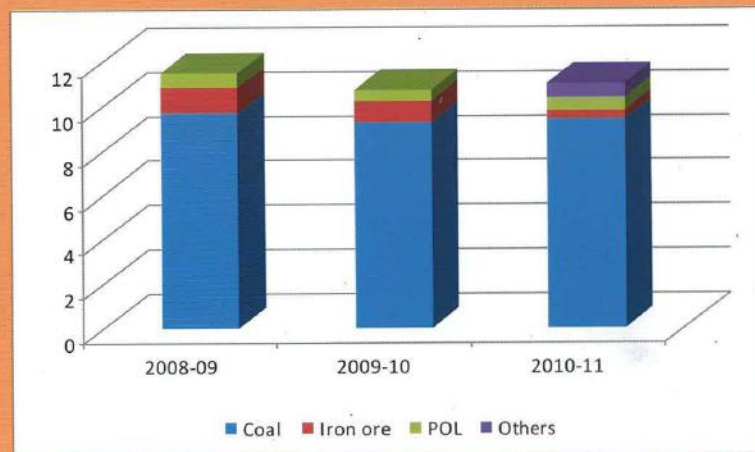
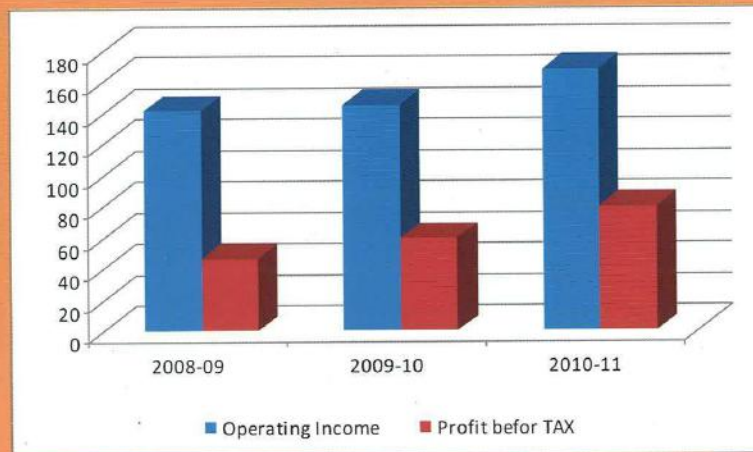
*Commemoration Of Indian Port Capacity  
Crossing 1 Billion Tonnes at Ennore Port*



*India's Port of the Millennium...*

इस मिलिनियम का भारतीय पोर्ट...

### Marching Ahead in Profitability...





# **ENNORE PORT LIMITED**

**(A MINI RATNA GOVERNMENT OF INDIA UNDERTAKING)**

## **ELEVENTH ANNUAL REPORT**

**2010 - 11**

# ENNORE PORT LIMITED

(A MINI RATNA GOVERNMENT OF INDIA UNDERTAKING)

## BOARD OF DIRECTORS

### **Shri S. Velumani**

Chairman cum Managing Director

### **Shri Rakesh Srivastava, I.A.S.**

Government Nominee Director

### **Shri Atulya Misra, I.A.S.**

Government Nominee Director

### **Capt. D.K. Mohanty**

Whole time Director (Marine Services)

### **Shri Sanjay Kumar**

Whole time Director (Operations)

### **Shri S. Manoharan, I.A.S. (Retd.)**

Independent Director

### **Dr. S. Ram Mohan**

Independent Director

### **Shri A.R. Rao**

Independent Director

GM (F) & Secretary

**Shri M. Gunasekaran**

## **Auditors**

### **M/s. Padmanabhan Prakash & Co.**

Chartered Accountants

## **PRINCIPAL BANKERS**

Axis Bank

Canara Bank

Union Bank of India

HDFC Bank

Indian Bank

Andhra Bank

### **Regd. & Corporate Office**

: 23, Rajaji Salai, Chennai - 600 001.

### **Port Office**

: Vallur Post, Chennai 600 120.



## BOARD OF DIRECTORS



**Shri S. Velumani**  
Chairman Cum Managing Director



**Shri Rakesh Srivastava**  
GOI Director



**Shri Atulya Misra**  
Govt. Nominee Director, Chennai Port Trust



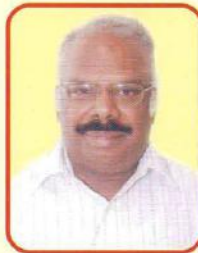
**Capt. D.K. Mohanty**  
Whole Time Director (Marine Services)



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



**Dr. S. Ram Mohan**  
Independent Director



**Shri S. Manoharan**  
Independent Director



**Shri A.R. Rao**  
Independent Director

## KEY OFFICIALS



**Shri M. Gunasekaran**  
Genl. Manager (Fin) & Secretary



**Shri R. Senthil Kumar**  
General Manager (Operations)



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



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# Vision & Mission

## Our Vision

*To develop Ennore 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 MESSAGE

Dear Shareholders,

Despite signs of recovery of global economy from recession, the aggregate cargo traffic in Major Ports of India registered a marginal growth of 1.57 per cent only during 2010-11. However cargo throughput of your Port went up by 2.86 per cent - 11.01 million tonnes compared to 10.71 million tonnes in 2009-10. The Directors' Report and the Audited Financial Statements of the Company along with the Auditors' Report for the period ended 31<sup>st</sup> March 2011 have already been circulated to all the Shareholders.

### Physical Performance of the Company

In terms of cargo composition, thermal coal handled by TNEB continues to be dominant cargo which accounted for 85.10% of the total cargo in 2010-11. Car was the next largest cargo in the mix, accounting for 5.91%, closely followed by POL at 5.35%. The productivity in terms of average Turn round time and average ship Berth output has improved during the year. The pre-berthing detention on port account showed substantial improvement and reduced to 0.54 minutes in 2010-11 as compared to 25.14 minutes during the last year.

### Highlights of physical performance during 2010-11:

- 294 vessels were handled in the year under report which is the highest ever since inception of the Port in 2001.
- The Average pre-berthing detention on port account was 0.60 minutes as against the MoU target of 50 minutes.
- The quality of harbour water was as per the prescribed environment norms throughout the year which led to achieve 'Excellent' score in the MoU.
- There was no loss of operational days due to lack of navigational safety for vessels as



against the MoU target limit of 60 hours resulting in achieving 'Excellent' score in MoU.

- The first pure car carrier, m.v. primrose Ace (GRT 59952) was berthed at Ennore Port on 13.04.2010 for trial shipment of cars by M/s Nissan Motors for export.
- A Coal Terminal of 8MTPA capacity, a Iron Ore Terminal of 6 MTPA capacity and a General Cargo -cum- Car Terminal of .50 MTPA + 2,00,000 cars capacity were inaugurated on 28-01-2011.
- 5,01,911 Tonnes of Coal was handled by M/s Chettinad International Coal Terminal (P) Ltd, the Licensee of Common user Coal Terminal.

### Financial Performance

During the year ended 31<sup>st</sup> March 2011 your Company registered a total income of ₹ 168.11 crore as against ₹ 145.53 crore reported during the previous year reflecting an increase of 15.52%. The operating expenditure during the year 2010-11 was ₹ 32.35 crore as against ₹ 30.84 crore during the previous year. Profit After Tax (PAT) grew by about 14.24% at ₹ 55.58 crore as against ₹ 48.65 crore reported during the previous year.

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 20% on post tax profit.

c) ICRA has re-assigned 'LA' rating which means the outlook on the rating is stable for the term loan of ₹ 165.59 crore availed by the Company.

#### Development Plans

The Port has taken up implementation of Projects identified in NMDP as Phase II development and has been successful in attracting an investment of ₹ 2600 crore on development of various cargo terminals i.e. - liquid bulk (₹ 250 Crore), Common user coal - (₹ 400 Crore) and Iron Ore - (₹ 480 Crore) and 1.5 MTEU Container Terminal (₹ 1400 Crore) on PPP-BOT model. EPL has also developed a General Cargo Terminal at an estimated investment of ₹ 110 crore. EPL has also planned an ambitious Capex programme of ₹ 1852 crore during the next five years under NMDP/12<sup>th</sup> Five Year Plan on account of common infrastructure facilities to facilitate the commissioning of PPP projects and for other capacity expansion projects mainly Coal Berths for handling TNEB coal. The projects also include deepening of the Port's approach channel to 20 meters for handling cape size bulk carriers and augmenting Rail/Road connectivity. Recently Government of Tamil Nadu has signed MoU with IOCL for setting up a LNG Terminal of 5 MTPA at Ennore Port.

#### Corporate Governance

I may inform that a separate section on Corporate Governance forms part of the Directors' Report. Your Company has complied with the Corporate Governance norms as stipulated by the Central Government through the guidelines issued by Department of Public Enterprises.

#### Corporate Social Responsibility

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. During the year 2010-11, about ₹ 37 lakhs was spent in supporting various activities, such as providing livelihood opportunities to rural women in the neighbourhood through Self Help Group, construction of additional building for the primary school at Attipattu Village, medical camp, cash award to poor meritorious school students, etc.

#### Women Empowerment

Your Company takes pride in the fact that because of its conscientious efforts, the women employees constitute 17.04% of EPL's work force.

#### 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 indepth 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, MMTC & BOT Licencees for their continued support and cooperation. I also thank the Government of Tamil Nadu, Chennai Port Trust, IPA, TIDCO and Banks for their continued support and cooperation.

**S. Velumani**  
Chairman cum Managing Director



## ENNORE PORT LIMITED

(A Mini Ratna Government of India Undertaking)

Regd. & Corporate Office: No.23, Rajaji Salai, Chennai - 600 001.

### NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the 11<sup>th</sup> Annual General Meeting of the Company will be held at 11.00 a.m. on Monday the 29<sup>th</sup> day of August 2011 at the Regd. & Corporate Office of the Company at No.23, Rajaji Salai, Chennai - 600 001 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the period from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011 and the Audited Balance Sheet as at 31<sup>st</sup> March 2011 together with the Directors' Report and the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Rakesh Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESSES:

4. APPOINTMENT OF SHRI ATULYA MISRA AS A DIRECTOR

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

"RESOLVED THAT Shri Atulya Misra be and is hereby appointed as a Director of the Company, liable to retire by rotation".

5. APPOINTMENT OF SHRI S. MANOHARAN AS A DIRECTOR

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

"RESOLVED THAT Shri S. Manoharan be

and is hereby appointed as a Director of the Company, liable to retire by rotation".

6. APPOINTMENT OF DR. S. RAM MOHAN AS A DIRECTOR

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

"RESOLVED THAT Dr. S. Ram Mohan be and is hereby appointed as a Director of the Company, liable to retire by rotation".

7. APPOINTMENT OF SHRI A.R. RAO AS A DIRECTOR

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

"RESOLVED THAT Shri A.R. Rao be and is hereby appointed as a Director of the Company, liable to retire by rotation".

8. APPOINTMENT OF SHRI SANJAY KUMAR AS A DIRECTOR

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

"RESOLVED THAT Shri Sanjay Kumar be and is hereby appointed as a Director of the Company, liable to retire by rotation".

### Item No.9

To consider pass with or without modification the following resolution as an Ordinary resolution:

"RESOLVED that the consent of the company be and is hereby accorded in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any

statutory modifications or enactments thereof for the time being in force and as may be enacted from time to time) and subject to such other consents and approvals as may be necessary, to the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include any committee of the Board) to borrow any sum or sums of money from time to time 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 ₹ 1,500 crore (Rupees One thousand and Five hundred crore 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".

#### Item No.10

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

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) to mortgaging and / or charging by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include any committee of the Board) of all or any of the immovable and / or movable properties of the Company, wheresoever

situated, present and future, and the whole or substantially the whole of the undertaking or undertakings of the Company on such terms, at such time, in such form and in such manner as the Board may think fit, together with power to take over the management of the business and concern of the Company in certain events, to or in favour of all or any of the following, namely, the Government of India, the Chennai Port Trust, Financial Institutions, Banks, Insurance Companies, Investment Institutions, and Bodies Corporate incorporated under any statute including, Agents and Trustees for holders of Debentures and / or Secured Premium Notes and other secured Lenders, (hereinafter referred to as 'lenders') to secure repayment of any loans (both Rupee Loans as well as Foreign Currency Loans) and / or any other financial assistance and / or guarantee facilities already obtained or that may hereafter be obtained from any of the lenders by the Company and / or to secure the redemption of Debentures (Convertible or Non-Convertible) or Secured Premium Notes or other securities or debit instruments already issued or that may be issued to the public or by way of rights or privately placed by the Company, together with all interest, compound / additional interest, commitment charge, liquidated damages, premium or prepayment or on redemption, trustees' remuneration, costs, charges, expenses and all other monies including revaluation / devaluation / fluctuation in the rates of foreign currencies involved, payable by the Company to the lenders concerned, and / or Agents and Trustees for the holders of Debentures / Secured Premium Notes / other securities / debt instruments in terms of their respective Loan Agreements / Heads of Agreements / Hypothecation Agreements / Trustees Agreements / Letter of Sanction / Memorandum of terms and conditions / Debenture Certificates entered into / to be

entered into / issued / to be issued by the Company, provided that the total borrowings of the Company (exclusive of interest) whether by way of loans and / or any other financial assistance and / or guarantee facilities and / or issue of Debentures or Secured Premium Notes / other securities / debt instruments to be secured as aforesaid shall not at any time exceed the limit of ₹ 1,500 crore (Rupees One thousand and Five hundred crore only)."

"FURTHER RESOLVED that the Board be and is hereby authorized to finalize and execute with any of the lenders jointly or severally, the documents for creating the aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the aforesaid Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise be considered by the Board to be in the best interest of the Company".

By Order of the Board  
General Manager (Fin) & Secretary

Place : Chennai  
Dated : 18-08-2011

**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 the 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) An Explanatory Statement to the items of Special Business specified above is annexed.
- d) A brief Resume of the Directors of the Company, seeking appointment / re-appointment at this Annual General Meeting is given as part of the Explanatory Statement.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### Item No.4

Shri Atulya Misra was appointed as a Nominee Director with effect from 23-9-2010. As per the provisions of Section 260 of the Companies Act, 1956, Shri Atulya Misra will hold office only upto the date of the eleventh Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956 has been received proposing the appointment of Shri Atulya Misra as a Director. Hence, this resolution is proposed.

#### Memorandum of Interest:

None of the Directors is interested in the resolution except Shri Atulya Misra.

### Item No.5

Shri S. Manoharan was appointed as a Director with effect from 26-2-2011. As per the provisions of Section 260 of the Companies Act, 1956, Shri S. Manoharan will hold office only upto the date of the eleventh Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956 has been received proposing the appointment of Shri S. Manoharan as a Director. Hence, this resolution is proposed.

#### Memorandum of Interest:

None of the Directors is interested in the resolution except Shri S. Manoharan.

### Item No.6

Dr. S. Ram Mohan was appointed as a Director with effect from 26-2-2011. As per the provisions of Section 260 of the Companies Act, 1956, Dr. S. Ram Mohan will hold office only upto the date of the eleventh Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956 has been received proposing the appointment of Dr. S. Ram Mohan as a Director. Hence, this resolution is proposed.

#### Memorandum of Interest:

None of the Directors is interested in the resolution except Dr. S. Ram Mohan.

### Item No.7

Shri A.R. Rao was appointed as a Director with effect from 26-2-2011. As per the provisions of Section 260 of the Companies Act, 1956, Shri A.R. Rao will hold office only upto the date of the eleventh Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956 has been received proposing the appointment of Shri A.R. Rao as a Director. Hence, this resolution is proposed.

#### Memorandum of Interest:

None of the Directors is interested in the resolution except Shri A.R. Rao.

### Item No.8

Shri Sanjay Kumar was appointed as a Director (Operations) with effect from 8-6-2011. As per the provisions of Section 260 of the Companies Act, 1956, Shri Sanjay Kumar will hold office only upto the date of the eleventh Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956 has been received proposing the appointment of Shri Sanjay Kumar as a Director. Hence, this resolution is proposed.

#### Memorandum of Interest:

None of the Directors is interested in the resolution except Shri Sanjay Kumar.

### Item No.9

The Finance Minister in his Budget Speech for 2011-12 has announced that NHAI (₹ 10,000 crore), IRFC (₹ 10,000 crore), HUDCO (₹ 5,000 crore) and Ports (₹ 5,000 crore) would be allowed to issue tax free bonds. Accordingly, Ministry of Shipping vide its letter No. PD-24015/1/11-PD-III dated 04.05.2011 has sought

the requirement of funds of individual Port for granting permission to issue Tax Free Bonds to meet the capital expenditure programmes. Ennore Port has assessed its requirement of funds to be raised by way of Tax Free Bonds to the extent of ₹ 1,100 crore with reference to the projects to be implemented under NMDP and during the 12<sup>th</sup> Five Year Plan and also considering the present financial position of EPL. Sanction of the Members is sought pursuant to Section 293 (1) (d) of the Companies Act, 1956 and Article 160 of the Articles of Association of the Company, to enable the Board of Directors to borrow monies in excess 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 shall not at any time exceed the sum of ₹ 1500 crore as set out in the Resolution at Item 9 of the Notice.

None of the Directors of the Company is concerned or interested in the Resolution.

#### **Item No. 10**

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender (s).

The 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) of the Company in favour of the lender(s) with power to take over the management of the business and concern of the Company in certain events of default by the Company may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956. Hence, it

is necessary for the members to pass a resolution under the said Section.

None of the Directors of the Company is concerned or interested in the Resolution.

### **BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 11<sup>TH</sup> ANNUAL GENERAL MEETING.**

#### **Item No.3**

Shri Rakesh Srivastava was appointed as a Director of the Company effective 29-6-2007 as a Government Nominee. He belongs to the 1981 batch of Indian Administrative Service (IAS). Shri Rakesh Srivastava is presently the Joint Secretary (Ports), Ministry of Shipping. He is also a Director of Mumbai Port Trust and Sethusamudram Corporation Limited.

#### **Item No.4**

Shri Atulya Misra was appointed as a Director of the Company effective 23-9-2010. He belongs to the 1988 batch of Indian Administrative Service (IAS). Shri Atulya Misra is presently the Chairman of Chennai Port Trust. He is also a Director on the Board of Sethusamudram Corporation Limited.

#### **Item No.5**

Shri S. Manoharan was appointed as a Director of the Company effective 26.2.2011. Shri S. Manoharan, an Officer belongs to 1975 batch of Indian Administrative Service (IAS). Shri S. Manoharan holds three post graduate qualifications in different discipline. He held several assignments under the Government of Assam and Government of India. He lastly served as Additional Secretary & Special Secretary in the Union Ministry of Water Resources.

#### **Item No.6**

Dr. S. Ram Mohan was appointed as a Director of the Company effective 26.2.2011. He belongs

to the 1973 batch of Indian Railway Accounts Service (IRAS). He has more than three decades of experience in Ministry of Railways Government in various capacities/departments in Finance, Metro Rail Projects, Accounting Reforms and Research work. He lastly served as Additional Member / Finance in Railway Board.

**Item No.7**

Shri A.R. Rao was appointed as a Director of the Company effective 26.2.2011. He holds Bachelor of Science (Engineering) in Civil Engineering. He has more than three decades of experience in water transport sector including Ports, Harbours and Inland Water Transport.

Place : Chennai  
Dated : 18-08-2011

He lastly served as Development Advisor (Ports) in Ministry of Shipping, Government of India.

**Item No.8**

Shri Sanjay Kumar was appointed as a Director of the Company effective 8.6.2011. He belongs to 1987 batch of Group A - Services and was allotted to CISF. He has rich experience of working in various Ports like JNPT & Chennai Port and Airports like Chennai & Ahmedabad before joining Ennore Port in 2005. He has lastly served as DIG in CISF. Prior to his appointment as Director (Operations) he was General Manager (CP&HR) in Ennore Port.

By Order of the Board  
**General Manager (Fin) & Secretary**



## DIRECTORS' REPORT

Dear Shareholders

On behalf of the Board of Directors of your Company, I have great pleasure in presenting the Eleventh Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March 2011.

### FINANCIAL PERFORMANCE

During the year under review your Company registered a total income of ₹ 168.11 crore as against ₹ 145.53 crore reported during the previous year reflecting a growth of 15.51%. The operating expenditure incurred during the year under review is ₹ 32.35 crore as against ₹ 30.84 crore during the previous year reflecting an increase of ₹ 1.51 crore (4.89%). Profit After Tax (PAT) grew by about 14.24% to ₹ 55.58 crore as against ₹ 48.65 crore reported during the previous year.

## FINANCIAL RESULTS

Particulars	Current Financial Year 2010 - 11 (₹ in crore)	Previous Financial Year 2009 - 10 (₹ in crore)
Income from services	167.29	142.06
Other Income	0.82	3.47
<b>Total Income</b>	<b>168.11</b>	<b>145.53</b>
Operating Expenses	32.35	30.84
Interest	42.64	43.12
Depreciation	12.94	12.64
Prior Period Expenses/Incomes	0.40	(0.53)
<b>Total expenses &amp; provision</b>	<b>88.33</b>	<b>86.07</b>
Extra ordinary items	9.92	—
<b>Profit before Tax (PBT)</b>	<b>69.86</b>	<b>59.46</b>
Tax / Deferred tax provision	14.28	10.81
<b>Profit after Tax (PAT)</b>	<b>55.58</b>	<b>48.65</b>
<b>Appropriation</b>		
Proposed Dividend	11.11	9.73
Tax on Dividend	1.85	1.65
Transfer to General Reserve	42.62	37.27

## MoU SIGNING FOR THE YEAR 2011 - 2012



The Memorandum of Understanding (MoU) was signed between Ministry of Shipping (MoS) and Ennore Port Limited for the year 2011-12 on 14.3.2011 at New Delhi. Shri.K.Mohandas, Secretary, MoS and Shri.S.Velumani, CMD, EPL are seen exchanging the MoU.

### MOU PERFORMANCE

Your Company signed Memorandum of Understanding with Government of India, Department of Shipping for the fiscal 2010-11 and excelled in performance in various parameters covered under the MOU. As per the provisional assessment, the rating is **"Excellent", for the fourth time in succession.**

### FINANCE

During the year under review, your Company has repaid installments of term loans amounting to ₹ 18.21 crore which had become due during the current year. Your Company has also made fresh borrowings of ₹ 28.50 crore to finance capital expenditure requirements and swapping the existing term loan of ₹ 26.00 crore from Andhra Bank.

### DIVIDEND

The Board of Directors has recommended a dividend of 20% on post tax profits which is equivalent to ₹ 0.37 per share keeping in mind the need to conserve resources. The dividend will absorb a sum of ₹ 12.96 crore including dividend distribution tax and surcharge thereon.

### OPERATIONS



*A Panamax Vessel M.V. MASS PROSPERITY at the New Non-TNEB Common user Coal Berth, unloading Coal.*

Despite signs of recovery of global economy from recession, the aggregate cargo traffic in Major Ports of India registered a marginal

growth of 1.57 per cent only during 2010-11. Cargo throughput of your Port went up by 2.86 per cent - 11.01 million tonnes compared to 10.71 million tonnes in 2009-10.



*New Rail Connectivity to Coal & Iron Ore Stackyards*

Handling of coal continued to remain prime cargo at your Port but performed at the same level of previous year, as the captive user – Tamil Nadu Electricity Board (TNEB) faced severe constraints in the operation and maintenance of their coal handling systems installed by them at CB1 & CB2, resulted reduced throughput in the first half of 2010-11. TNEB, however, stepped up the throughput in the later part of the year. Karnataka Government's ban on movement of Iron Ore from July 2010 onwards resulted in the delay in commissioning of the State-of-the Art new Iron Ore Terminal in your Port.

### DEVELOPMENT PLANS

Your Company has added capacity extend of 14.5 million tonnes during the year under review, thereby taking total capacity of the Port to 29.5 million tonnes. 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 of capacity of CB2 to 8 million tonnes from the present 4 million tonnes capacity by the year 2011-12. Taking in this account, the cargo handling capacity of Port



will raise to 33.5 million tonnes by the year 2011-12 as stated in the last year Director's Report. Further, the Ennore Port will continue to augment capacity as per its strategy which inter-alia includes capacity addition through expansion of capacity of existing berths, green field PPP-BOT projects and own projects and encouraging of captive use of facilities.

**Coal Terminal (8 MTPA for common users):**



*New non TNEB Common User Coal Terminal*

The Licence Agreement was signed with M/s. Chettinad International Coal Terminal Private Limited on 14<sup>th</sup> September 2006 for the development of Coal Terminal with an approved project cost of ₹ 399.13 crore. The DPR was approved on 29<sup>th</sup> December 2006. The project was completed in all respects as per the approved DPR and the Completion Certificate was issued by the Independent Engineer on 11.03.2011. However trial operations commenced in July/August 2010.

**Iron Ore Terminal (12 MTPA):**



*New Iron Ore Terminal*

The Licence Agreement was signed with M/s. SICAL Iron Ore Terminals Limited on 23<sup>rd</sup> September 2006 for the development of Iron Ore Terminal with an approved project cost of ₹ 480 crore in two phases of 6 million tonnes each. The DPR was approved on 19<sup>th</sup> June 2007. The project was completed in all respects as per the approved DPR. However, the commercial operations are awaited due to ban on movement of iron ore by Government of Karnataka which is expected to be lifted soon.

**Container Terminal (1.5 MTEUs / 18 MTPA):**

The Concession Agreement for development of Container Terminal at Ennore Port was signed with the Concessionaire, M/s Bay of Bengal Gateway Terminal Pvt. Ltd. on 13.8.2010 at an estimated cost of ₹ 1407 crore. The Concessionaire is in the process of achieving Financing Closure (FC). The project is expected to be commissioned within 36 months from the date of award of Concession.

**LNG Terminal (5 MTPA):**

The project is assigned to Indian Oil Corporation Limited (IOC). The IOC is in the process of finalizing DFR, sourcing the LNG and some pre-project activities.

**Capital Dredging-Phase-II:**



*Dredge XVII of DCI's Trailing Suction Hopper Dredger*

The work has been awarded to M/s Dredging Corporation of India (DCI) at a value of ₹ 171 crore. and commenced on 26.2.2011. The Project envisages deepening of Ennore Port

channel from the existing 16m to 20m and the Basin to 18.5m from the existing depths 15.5m and the Iron Ore berth area to 18m from the existing 15m. After deepening, Ennore Port would be able to handle Cape size vessels of 1,50,000 DWT at iron ore berth.

**Capital Dredging-Phase-III:** Capital dredging Phase-III involves dredging of about 10 million cubic meters for providing -16 meters alongside depth at Container Terminal at an estimated cost of ₹ 220 crore. The project is expected to be commenced during financial year 2011-12.

#### **Multi-purpose General Cargo Berth:**



*Nissan (Micra) Cars parked in the apron of newly constructed General Cargo Berth*

Your Company has obtained the approval of the Government to develop a car-cum-general cargo berth as Port's own project at an estimated cost of ₹ 110 crore. The berth construction has been completed. Dredging in the berth approach in the basin and parking yard are nearing completion.

**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 Ennore 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 ₹ 34.02 crore, out of which ₹ 13.75 crore has already been paid. The project works were awarded by the SPV Company and construction commenced.

A new Northern Port Access Road from Port's North Gate to Tachur on NH5 was proposed by the Company and it was taken up by NHAI under the 'Port Connectivity to the Golden Quadrilateral or North-South & East-West Corridors' programme. The estimated cost of the project is ₹ 452 crore out of which EPL share is ₹ 78.08 crore towards land acquisition, etc. Feasibility Report was sent to Ministry of Road Transport and Highways by NHAI for approval. The project works will be taken up by NHAI after approval of PPPAC/Government.

**Rail Connectivity** Your Company has obtained in-principle approval from Southern Railways and Government of India for Rail Connectivity between Ennore Port and Main Lines of Indian Railways (Ennore Port to Attipattu Railway station) for servicing Coal, Iron Ore and the necessary rail connectivity to the coal and iron ore stackyards and Container Terminal. The rail link was operationlised in August 2010. The remaining works are expected to be completed by December 2011.

Your Company is also drawing up and crystallizing plans for New alignment of Rail Connectivity between Attipattu and Puttur in association with Southern Railway. The Traffic cum engineering study report for a new line Attipattu – Puttur was made by Southern Railway Construction Organization at the request of EPL in August 2006 and same being updated. The original project cost for single line is ₹ 446.87 crore (under revision) and the project distance is 88.37 km. The Company is in discussion with Railway Ministry the methodology of implementing the project.



## INDUSTRIAL RELATIONS



*Celebration of National Safety Week at Ennore Port  
From 26th Feb to 4th Mar 2011*

During the year cordial and harmonious Industrial Relations were maintained in the Company and no man day was lost.

### 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 EPL during the year. The total man power as on 31.3.2011 was 88. Percentage SC was 19.32%, ST 1.14%, OBC 32.95%, Minorities 7.95%.

### WOMEN EMPOWERMENT

Your Company takes pride in the fact that because of its conscientious efforts, the women employees constitute 17.04% of EPL's work force and the women employees are facilitated to perform and display their efficiencies to the betterment of the organization as well as self improvement.

### CORPORATE SOCIAL RESPONSIBILITY

It has been your Company's constant endeavour as a corporate citizen to contribute to the community development. Towards its commitment to the society, your Company has taken up various activities as detailed below:

- ❖ Constructed a school building at Athipattu village at a cost of ₹ 12,60,000/-
- ❖ Donated sports kits to the school children of the neighbouring villages.
- ❖ Sponsored a sum of ₹ 3,00,000/- towards the sports activities.
- ❖ Provided a Public Address System for the nearby school at Kattupalli village at a cost of ₹ 20,000/-
- ❖ Providing financial support to Self Help Women's Group in the vicinity of Ennore Port.
- ❖ Conducted medical camp in neighbouring villages to the Port.

In the year under review a total sum of ₹ 37 lakhs was spent by EPL on account of Corporate Social Responsibility activities.

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

An effective mechanism has been set up in the organization to deal with the requests received under the RTI Act, 2005. There was one application pending as on 31<sup>st</sup> March 2011 and 9 applications were received during the year. Out of the above, information was provided to 8 applicants and 1 request has been rejected.

### INFORMATION TECHNOLOGY

Your Company has implemented with an investment of ₹ 92 Lakhs on Port Operation Management System (POMS) developed by National Informatics Centre (NIC), Government of India and started exchanging messages with Port Users like Shipping Agents for Registration Ships Certificates, Voyage Registration, Berth Request, etc., through Port Community System (PCS) developed by Indian Ports Association (IPA). The implementation of Phase-II and Phase-III are in final stage. After implementation, Your Port will start collecting Port Charges through e-payment of PCS, start

exchange of messages with Customs and start issuing Port Clearance for vessels through PCS.

Your Company is also planning to implement ERP System covering all business activities like Accounts, Finance, Human Resource Management, Payroll, Procurement & Maintenance, Project & Contract Management, Estate Management, etc., in a phased manner. Preparation of 'To-be Report' is in underway and the implementation of Phase-I of ERP System, along with necessary Training to Employees will be completed by March 2012.

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

#### IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company has made focused efforts for the propagation and implementation of the official language policy of the GOI. All important

circulars and correspondences were issued in Hindi. Advertisements were also released in Hindi Dailies. Employees are encouraged to undergo Hindi courses conducted by Central Hindi Directorate.

#### DIRECTORS

Subsequent to the last Directors' Report, the following changes were effected in the Board of Directors:

Shri Atulya Misra, Chairman of Chennai Port Trust was appointed as a Government Nominee Director on 23-9-2010 in place of Capt. Subhash Kumar, Deputy Chairman, Chennai Port Trust.

Shri S. Manoharan was appointed as Non-official Part-time Director of the Company effective 26-02-2011 in place of Shri U. Sundararajan.

Dr. S. Ram Mohan was appointed as Non-official Part-time Director of the Company effective 26-02-2011.

#### CORPORATE SOCIAL RESPONSIBILITY



(i) From left to right: (i) Flagging Off of 100th year of Sailing  
(ii) Conduction of All India Major Ports Chess Championship (iii) Coastal Cleanupday Celebration



Shri A.R. Rao was appointed as Non-official Part-time Director of the Company effective 26-02-2011 in place of Shri S. Gopalan.

Shri Sanjay Kumar was appointed as Director (Operations) of the Company effective 8-6-2011 in place of Shri C. Damodaran who superannuated on 30-04-2011.

Your Directors place on record their appreciation of the valuable contributions made by Capt. Subhash Kumar, Shri S. Gopalan, Shri U. Sundararajan and Shri C. Damodaran during their tenure.

Pursuant to the provisions of Section 255 & 256 of the Companies Act, 1956 and in accordance with clause 140 (a) of Articles of Association of the Company Shri Rakesh Srivastava will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

#### **AUDIT COMMITTEE**

The Audit Committee of the Company comprised of four Directors, three of which were Independent Directors and one Whole-time Director. As on 31<sup>st</sup> March 2011 the Audit Committee comprised the following members:

1. Dr. S. Ram Mohan  
Independent Director
2. Shri S. Manoharan  
Independent Director
3. Shri A. R. Rao  
Independent Director
4. Capt. D.K. Mohanty  
Whole-time Director

The Audit Committee has overseen the company's financial reporting process and disclosure of financial information, internal control systems and accounting policies. Two

meetings of the Audit Committee were held during the financial year ended 31<sup>st</sup> March 2011.

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.

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

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

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

Pursuant to Section 217 (2AA) of the Companies Act 1956, the Directors of the Company confirm:

- 1) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 2) Appropriate accounting policies have been selected so as to give a true and fair view of the state of affairs of the Company at the end of the accounting period under consideration.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) The Annual Accounts have been prepared on going concern basis.



## REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.



Opening of Automatic Weather Station (AWS) of India Meteorological Department (IMD) by CMD, EPL on 19.10.2010.

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.

## 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 31-03-2011 forms part of this Report as Annexure - II to this report.

## AUDITORS

M/s. Padmanabhan Prakash & Co, Chartered Accountants were appointed as Statutory Auditors of the Company by the Comptroller & Auditor General, New Delhi for the period ended 31<sup>st</sup> March 2011. Your Company is yet to

receive the appointment advice for the Financial Year 2011-12 from the Comptroller & Auditor General of India, New Delhi.

## AUDITORS REPORT

The report submitted by the Statutory Auditors of the Company M/s. Padmanabhan Prakash & Co, for the financial year ended 31<sup>st</sup> March 2011, is circulated along with the Annual Financial Statements. In their report M/s Padmanabhan Prakash & Co, the Statutory Auditor of the Company have drawn specific reference to Note No. 4. The said note is self-explanatory. Upon receipt of opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India, relevant treatment will be made in the books of accounts.

## ACKNOWLEDGEMENT

Directors wish to 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 TNEB, TNPSB, GoTN and GOI, particularly the Ministry of Environment & Forests, Planning Commission, Department of Public Enterprises, Ministry of Finance and Indian Railways.

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

Sd/-

S. Velumani

Chairman cum Managing Director

Place : Chennai  
Dated : 11-07-2011

## ANNEXURE-I

### 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 utilisation 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 in the process and expected to complete by the end of December 2011.

(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 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 DIRECTOR'S REPORT ON ENERGY CONSERVATION

### Form A

#### Form for disclosure of particulars with respect to conservation of Energy

<b>A. Power and Fuel Consumption</b>	<b>2010-11</b>
<b>1. Electricity</b>	
a) Purchased	
Unit (in Kw Hr.)	11,80,800
Total Amount (in ₹) (excluding demand and other charges)	65,48,883
Demand and other charges (in ₹)	24,30,000
Rate/Unite (average) (₹/Kw Hr.) (excluding demand and other charges)	5.50
b) Own generation	
Through Diesel Generator	
Unit (in Kw Hr.)	47604
Units per litre of diesel (17.631 Lts.)	2.70
Diesel Cost/Unit ₹ (5,13,260)	10.78
<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. Consumption Per Unit of Production</b>	Not applicable

### Form B

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

1. Specific areas in which R & D was carried out by the company	Not applicable
2. Benefits derived as a result of above R & D	Not applicable
3. Future plan of action	Not applicable
4. Expenditure on R & D	Not applicable
5. Technology Absorption, Adaptation and Innovation	Not applicable

#### Annexure to Form B

1. Benefits derived as a result of R & D activities	Not applicable
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## REPORT ON CORPORATE GOVERNANCE

**Company's Philosophy**

The Department of Public Enterprises (DPE) had issued Guidelines on Corporate Governance for listed and unlisted Central Public Sector Enterprises (CPSEs). The Board of Directors of your Company strongly supports the principles of Corporate Governance which involves Board, employees, shareholders and other stakeholders. The management and employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability. The

following are the detailed practices on Corporate Governance in your Company:

**Board of Directors****Composition**

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman cum Managing Director (CMD) and two Whole-time Directors viz. Director (Marine Services), Director (Operations) manage the business of the Company under the overall supervision, control and guidance of the Board.

Names & Designation	No. of Board Meetings held during the year	Board Meetings attended	Whether attended last AGM	No. of other Directorships	No. of Board Committees of other Companies as Chairman	No. of Board Committee of other Companies as Member
<b>a) Executive Directors</b>						
Shri S. Velumani Chairman cum Managing Director	6	6	Yes	1	-	-
Capt. D.K. Mohanty Director (Marine Services)	6	6	Yes	-	-	-
Shri C. Damodaran Director (Operations)	6	6	Yes	1	-	-
<b>b) Nominee Directors</b>						
Shri Rakesh Srivastava, IAS Jt. Secretary (Ports), MOS	6	4	Yes	2	-	-
Capt. Subhash Kumar Chairman, ChPT (upto 23.9.2010)	3	2	N.A.	1	-	-
Shri Atulya Misra Chairman, ChPT (w.e.f. 23.9.2010)	3	3	No	1	-	-
<b>c) Independent Director</b>						
Shri U. Sundararajan (Upto 23.9.10)	4	3	Yes	4	1	-
Shri S. Gopalan (Upto 23.9.10)	4	4	Yes	-	-	-
Shri S. Manoharan (w.e.f. 26.2.11)	1	1	N.A.	-	-	-
Dr. S. Ram Mohan (w.e.f. 26.2.11)	1	1	N.A.	-	-	-
Shri A.R. Rao (w.e.f. 26.2.11)	1	1	N.A.	-	-	-



The Board of Directors has an adequate combination of Whole-time Directors, Nominee Directors and Independent Directors. As on 31<sup>st</sup> March 2011, the Board had 8 members, comprising of 3 Whole-time Directors (including the Chairman cum Managing Director), 2 Nominee Directors (nominated by Government of India & Chennai Port Trust) and 3 Independent Directors.

#### Meetings

During the year 2010-11, six Board meetings were held on June 1 & 26, July 9, September 23, December 4, 2010 and February 26, 2011.

#### Audit Committee

An Audit Committee was constituted in the Board Meeting held on 5<sup>th</sup> September 2002 and the terms of reference of the Audit Committee is in accordance with Section 292A of the Companies Act, 1956.

#### Composition

The Audit Committee comprised three Directors viz., Shri U. Sundararajan, Independent Director as Chairman, Shri S. Gopalan, Independent Director and D.K. Mohanty, Director (Marine Services) were the Members upto 28<sup>th</sup> September 2010. Thereafter it was reconstituted with four Members, viz Dr. S. Ram Mohan, Independent Director, Shri S. Manoharan, Independent Director, Shri A.R. Rao, Independent Director and Capt. D.K. Mohanty, Director (Marine Services) w.e.f. 26<sup>th</sup> February 2011. The Audit Committee is currently chaired by Dr. S. Ram Mohan.

Representatives of Statutory Auditors and Internal Auditors are invited to attend and participate in the meetings. Whole-time Directors, Head of Finance and other departments are invited on need basis.

#### Terms of Reference:

- 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 external 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.

#### Meetings

During the year 2010-11, two Audit Committee meetings were held on July 8 and September 23, 2010.

Members	No. of meetings held during the year 2010-11	Meetings attended
Shri U. Sundararajan (upto 23.09.2010)	2	1
Shri S. Gopalan (upto 23.09.2010)	2	2
Capt. D.K. Mohanty	2	2
Shri S. Manoharan (w.e.f. 26.06.2011)	-	-
Dr. S. Ram Mohan (w.e.f. 26.02.2011)	-	-
Shri A.R. Rao (w.e.f. 26.02.2011)	-	-

#### Remuneration Committee

Ennore Port being a Government Company, appointment and terms and conditions of remuneration of Whole-time Directors are determined by the Government through the Administrative Ministry, namely, the Ministry of Shipping. Nominee Directors do not draw any remuneration. Independent Directors received sitting fees of ₹ 3,000/- for each

Board/Committee meeting attended by them.

#### Composition

The Remuneration Committee of the Board comprised four Directors viz., Shri U. Sundararajan, Independent Director as Chairman, Shri S. Gopalan, Independent Director, D.K.Mohanty, Director (Marine Services) and Shri C. Damodaran, Director (Operations) were the Members upto 28<sup>th</sup> September 2010. Thereafter it was reconstituted with three Members viz., Shri S. Manoharan, Independent Director, Shri A. R. Rao, Independent Director and Capt. D.K. Mohanty, Director (Marine Services) w.e.f. 26<sup>th</sup> February 2011.

#### 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.

#### Meetings

During the year 2010-11, three Remuneration Committee Meetings were held on May 4, June 17, August 30, 2010.

Members	No. of meetings held during the year 2010-11	Meetings attended
Shri U. Sundararajan (upto 23.09.2010)	3	3
Shri S. Gopalan (upto 23.09.2010)	3	3
Capt. D.K. Mohanty	3	3
Shri C. Damodaran (upto 23.09.2010)	3	2
Shri S. Manoharan (w.e.f. 26.02.2011)	-	-
Shri A.R. Rao (w.e.f. 26.02.2011)	-	-

### Annual General Meeting

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

Year	Location	Date	Time
2009-10	EPL Board Room, Ennore Port Limited, No. 23, Rajaji Salai, Chennai - 600 001.	30.08.2010	16.00 hours
2008-09	EPL Board Room, Ennore Port Limited, No. 23, Rajaji Salai, Chennai - 600 001.	04.09.2009	10.15 hours
2007-08	EPL Board Room, Ennore Port Limited, No. 23, Rajaji Salai, Chennai - 600 001.	29.08.2008	10.15 hours

### Disclosures

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, Generally Accepted Accounting Principles (GAAP) in India and as per the guidelines on the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI). The management accepts responsibility for the integrity and objectivity of these financial statements as well

as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the statements reflect, in a true and fair manner, the state of affairs and profits for the year.

The Company does not have any related party transactions which may have potential conflict with the interest of the Company. Other related party transactions are disclosed in note No. 19 of Schedule 16 to the Accounts.

During the year under review, the Company has not raised any funds from Public issue, rights issue or preferential issue.

The Company has no specific Whistle Blower Policy. However, the Company recognizes the importance of such information and free access is available for employees at any level to report to the Management about the unethical behaviour or suspected fraud by staff / officers / suppliers / customers in violation of the Company's code of conduct or any other matter of concern.







**PADMANABHAN PRAKASH & CO**  
**CHARTERED ACCOUNTANTS**

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E-mail : padmanabb@vsnl.net  
padmanabhan\_prakash@yahoo.com

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Shareholders of  
Ennore Port Limited

We have examined the compliance of condition of corporate governance by Ennore Port Limited for the year ended March 31, 2011 as per the guidelines Issued by Department of Public Enterprises (DPE) vide reference No.18(8)/2005-GM dt.14<sup>th</sup> May 2010.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a 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 explanation 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 dt.14<sup>th</sup> May 2010.

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

For PADMANABHAN PRAKASH & CO.  
Chartered Accountants

Place : Chennai  
Date : 11.07.2011

E. PRAKASH  
Partner  
M. No.019388

## Management Discussion and Analysis

(Form part of Director's Report)

### Business

Ennore 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.

### Industry, Scenario Risks & Outlook

Growth in world trade volume is expected to moderate at 7% in 2011-12 and with respect to developing economies, it is expected to be i.e. at 9% more robust than that in the advanced economies, as per IMF projections.

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).

Due to encouraging changes in the opportunity landscape, the Company has formulated a Perspective Plan till 2026-27 with the help of HPC Hamburg Consulting GmbH together with Consulting Engineering Services (India)

Private Limited. This exercise is critical since it will align the Company's investments to the long-term trends, while addressing emerging opportunities and unseen challenges.

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 Ennore Port comprise of Coal (for TNEB and non-TNEB), Iron Ore, POL & bulk liquids and Containers.

With the infrastructure in position, the Company is in a good competitive position to develop deep-drafted dry-bulk, liquid-bulk, car and container terminals through private sector participation and provide better facilities and services.

The level of investment and capacity addition made during the last five years indicate an optimistic outlook for Ennore Port with the healthy growth of the Indian Economy and positive introductions of tax free bonds, Ennore Port is well positioned to continue its growth in future also by adding capacity in time bound manner.

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

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

### Safety & Environment

The Company ensures a firm commitment to safety and environmental management by making it integral Port of the day to day affairs.

The Company is committed to conduct its business with a strong desire for environment preservation and sustainable development. A safe and healthy working environment is maintained including control of pollution, dust, etc.

#### **Internal Control Systems**

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.

#### **Industrial Relations & Human Resource Development**

Your Company continues to enjoy cordial relations with employees at all levels. With the

introduction of Performance Related Pay (PRP) preceded by Performance Management System (PMS) as per the recommendation of the 2<sup>nd</sup> Pay Revision Committee, the Company ensures that the organization goals, resources and programmes are aligned with its employees' aspirations and vice versa.

#### **Cautionary Statement**

Statement in the Management Discussion and Analysis describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF ENNORE PORT LIMITED, CHENAI FOR THE YEAR ENDED 31 MARCH 2011**

The preparation of financial statements of **Ennore Port Limited** for the year ended 31 March 2011 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 the Auditor General of India under Section 619(2) of the companies Act, 1956 is responsible for expressing opinion on these financial statement under section 227 of the companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards 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 11 July 2011.

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 statement of **Ennore Port Limited** for the year ended 31 March 2011. 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/-

(A.ROYCHOUDHURY)

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

Place : Chennai  
Date : 10.08.2011



**PADMANABHAN PRAKASH & CO**

**CHARTERED ACCOUNTANTS**

5, Smith Road, Second Floor, Chennai - 2.

Phone : 28523905 / 28410458

E-mail : padmanabb@vsnl.net

padmanabhan\_prakash@yahoo.com

**AUDITORS' REPORT**

**To the Members of Ennore Port Limited**

1. We have audited the attached Balance Sheet of Ennore Port Limited as at 31<sup>st</sup> March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We draw attention to  
*Note No.1a of Schedule XVI, in respect of seeking opinion from Expert Advisory Committee of the Institute of Chartered Accountants of India regarding the treatment in the books of accounts towards the payment to of ₹ 31.40 crore made to Chennai Port Trust (inclusive of interest) towards the cost of land acquisition as per the directions from the Ministry of Shipping which is included in Other Advances.*
5. Further to our comments in the Annexure referred to Para 3 and also Para 4, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) 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;
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) As per the Notification No.GSR 829 (E) dated 21.10.2003, issued under section 620 of the Companies Act, 1956 (1 of 1956), Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not applicable to the company;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together

with the notes on accounts thereon and give the information required by the Companies Act 1956, 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 31<sup>st</sup> March 2011;
- (b) in the case of the Profit and Loss Account, 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.

For PADMANABHAN PRAKASH & CO.  
Chartered Accountants  
FRN. No. 002509S

Place: Chennai  
Date: 11.07.2011

E. PRAKASH  
Partner  
M. No. 019388



**Annexure referred to in our audit report of even date to the members of Ennore Port Limited.**

- |   |   |
|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.</p> <p>(b) The management has physically verified the fixed assets of the company during the year. No material discrepancies were noticed on such verification.</p> <p>(c) The Company has not disposed off substantial part of fixed assets during the year.</p>   | <p>(b) As 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.</p> <p>In view of (iii) (e) above, the clauses (iii) (f) and (iii) (g) are not applicable.</p>  |
| <p>(ii) (a) The inventory of unutilized quarried stones has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.</p> <p>(b) The procedures of physical verification of inventory of unutilized quarried stones followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company is maintaining proper record of inventory of unutilized quarried stones. No material discrepancies were noticed on physical verification.</p> | <p>(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 inventory, fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.</p> <p>(v) (a) In our opinion and according to the information and explanations given to us, there are no transactions which need to be entered into the register maintained under section 301 of the Companies Act, 1956.</p> <p>In view of (v) (a) above, the clause (v) (b) is not applicable.</p> |
| <p>(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.</p> <p>In view of (iii) (a) above, the clauses (iii) (b), (c) and (d) are not applicable.</p>  | <p>(vi) The Company has not accepted any deposit from the Public within the meaning of section 58A of the Companies Act, 1956 and the Rules framed there under.</p> <p>(vii) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of its business.</p> <p>(viii) According to the information and explanations given to us the Central Government has not prescribed the</p>   |

maintenance of cost records for the Company under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

- (ix) (a) The company is generally regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, 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 ₹ 1.17 crore paid under protest on 30.09.2008

- (c) Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we were not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (x) The company does not have any accumulated losses as at March 31, 2011 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

- (xi) In our opinion and according to the information and explanations given to us, the Company availed loans from Banks and has not defaulted in repayment of dues to Banks.
- (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) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's report) Order, 2003 are not applicable to the Company.
- (xv) The Company has not given guarantee for loans taken by others from banks or financial institutions.

- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) On an overall examination the Balance Sheet of the company, we report that no fund raised on short term basis have been used for long term investment.
- (xviii) During the year, the company has not made any preferential allotment of shares.
- (xix) The company has not issued any debentures during the year.

(xx) The Company has not raised any money by way of public issue during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Chennai  
Date : 11.07.2011

**For PADMANABHAN PRAKASH & CO.**  
**Chartered Accountants**  
**FRN. No. 002509S**

**E. PRAKASH**  
**Partner**  
**M. No. 019388**



BALANCE SHEET AS AT 31ST MARCH 2011				(in Rupees)	
PARTICULARS	Sch. No.	AS AT 31.03.2011		AS AT 31.03.2010	
<b>SOURCES OF FUNDS</b>		₹	₹	₹	₹
(1) Shareholders' Funds					
a) Capital	I	3,00,00,00,000		3,00,00,00,000	
b) Reserves & Surplus	II	1,63,80,89,813	4,63,80,89,813	1,21,18,94,867	4,21,18,94,867
(2) Loan Funds					
a) Secured Loans	III	4,26,21,96,373		3,99,42,67,801	
b) Unsecured Loans	IV	—	4,26,21,96,373	17,50,00,000	4,16,92,67,801
<b>Total</b>			<b>8,90,02,86,186</b>		<b>8,38,11,62,668</b>
<b>APPLICATION OF FUNDS</b>					
(1) Fixed Assets	V				
a) Gross Block		8,63,88,68,393		8,07,43,25,815	
b) Less : Depreciation		1,02,86,83,989		99,06,55,406	
c) Net Block		7,61,01,84,404		7,08,36,70,409	
d) Add : Capital WIP		99,93,80,355		95,07,80,944	
			8,60,95,64,759		8,03,44,51,353
(2) Investments	VI		38,75,00,000		30,00,00,000
(3) Current Assets, Loans and Advances	VII				
a) Inventories		4,79,00,000		4,79,00,000	
b) Sundry Debtors		9,93,80,056		3,88,62,830	
c) Cash and Bank balances		5,30,69,901		14,55,90,526	
d) Other current assets		11,01,452		5,79,338	
e) Loans and Advances		1,42,58,53,768		1,19,31,10,182	
		1,62,73,05,177		1,42,60,42,876	
Less : Current Liabilities and Provisions	VIII				
a) Liabilities		1,24,37,47,486		1,05,90,49,755	
b) Provisions		48,03,36,264		32,02,81,806	
		1,72,40,83,750		1,37,93,31,561	
Net Current Assets			(9,67,78,573)		4,67,11,315
<b>Accounting Policies and Notes on Accounts</b>	XVI				
<b>Total</b>			<b>8,90,02,86,186</b>		<b>8,38,11,62,668</b>

Schedules referred to above form an integral part of the Accounts

As per our report of even date

For ENNORE PORT LIMITED

S. VELUMANI  
Chairman cum Managing Director

Capt. D.K. MOHANTY  
Director (Marine Services)

For Padmanabhan Prakash & Co.

E. PRAKASH  
Partner  
M. No. 019388

M. GUNASEKARAN  
G M (Fin) & Secretary

Place : Chennai

Date : 11.07.2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2 011** (in Rupees)

PARTICULARS	Sch. No.	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>INCOME</b>		₹	₹
Income from Services	IX	1,67,28,69,433	1,42,05,88,600
Other Income	X	82,16,258	3,47,26,327
<b>Total</b>		<b>1,68,10,85,691</b>	<b>1,45,53,14,927</b>
<b>EXPENDITURE</b>			
Port Operating Expenses	XI	17,05,97,057	17,21,22,567
Establishment Charges	XII	5,97,01,656	7,73,37,053
Administrative Expenses	XIII	9,31,77,318	5,89,30,934
<b>Total</b>		<b>32,34,76,031</b>	<b>30,83,90,554</b>
Profit Before Depreciation, Interest & Tax (PBDIT)		1,35,76,09,660	1,14,69,24,373
Interest and Finance Charges	XIV	42,64,40,866	43,12,83,548
Depreciation and Impairment	V	12,93,48,974	12,62,96,143
<b>Profit/(Loss) Before Tax and Prior Period Adjustments</b>		80,18,19,820	58,93,44,682
Prior Period Income / expenditure (net)	XV	40,08,624	(52,93,874)
		79,78,11,196	59,46,38,556
<b>Extra Ordinary Item</b>			
Loss on sale of Fixed Assets		9,91,88,361	—
<b>Profit / (Loss) Before Tax</b>		69,86,22,835	59,46,38,556
Provision for Taxation - Current Tax		14,28,00,000	10,52,00,000
- Earlier Years		—	28,74,167
- Deferred Tax		—	—
<b>Profit / (Loss) After Tax</b>		55,58,22,835	48,65,64,389
Proposed Dividend		11,11,64,567	9,73,12,878
Tax on Proposed Dividend		1,84,63,323	1,65,38,324
		42,61,94,945	37,27,13,188
Profit / (Loss) brought forward from Previous year		1,21,18,94,867	83,91,81,679
<b>Balance carried forward to Balance Sheet</b>		1,63,80,89,813	1,21,18,94,867
<b>Earnings Per Share - Basic &amp; Diluted - Rs.</b>		1.85	1.62
<b>Accounting Policies and Notes on Accounts</b>	XVI		
Schedules referred to above form an integral part of the Accounts		As per our report of even date	
<b>For ENNORE PORT LIMITED</b>		<b>For Padmanabhan Prakash &amp; Co.</b>	
<b>S. VELUMANI</b>		<b>Chartered Accountants</b>	
Chairman cum Managing Director		<b>E. PRAKASH</b>	
<b>Capt. D.K. MOHANTY</b>		Partner	
Director (Marine Services)		M. No. 019388	
<b>M. GUNASEKARAN</b>			
G M (Fin) & Secretary			
Place : Chennai			
Date : 11.07.2011			

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2011			(in Rupees)	
Sch. No.	PARTICULARS	AS AT		
		31.03.2011	31.03.2010	
I	<b>SHAREHOLDERS' FUNDS</b>	₹	₹	
	<b>Share Capital :</b>			
	<b>Authorised :</b>			
	500,000,000 equity shares of ₹ 10/- each (Previous year : 500,000,000 equity shares of ₹ 10 each)	5,00,00,00,000	5,00,00,00,000	
	<b>Issued, Subscribed and Paid up :</b>			
II	300,000,000 equity shares of ₹ 10/- each fully paid up. (Previous year:300,000,000 equity shares of ₹ 10 each fully paid up)	3,00,00,00,000	3,00,00,00,000	
		<b>3,00,00,00,000</b>	<b>3,00,00,00,000</b>	
	<b>Reserves &amp; Surplus</b>			
	Profit & Loss Account	—	—	
	Opening Balance	1,21,18,94,867	83,91,81,678	
III	Add: Transfer from Profit & Loss Account	42,61,94,945	37,27,13,188	
		<b>1,63,80,89,811</b>	<b>1,21,18,94,866</b>	
	<b>LOAN FUNDS</b>			
	<b>Secured Loans</b>			
	<b>Term Loan</b>			
IV	- Chennai Port Trust	3,45,18,74,942	3,20,18,74,942	
	- Banks	81,03,21,431	79,23,92,859	
	(Secured by hypothecation of specific assets of the Company ranking pari passu with Chennai Port Trust and Canara & Union Bank, TNEB receivables to Axis Bank & General Cargo Berth receivables to HDFC Bank)			
		<b>4,26,21,96,373</b>	<b>3,99,42,67,801</b>	
	<b>Unsecured Loans</b>			
V	<b>Term Loan</b>			
	- Banks	—	17,50,00,000	
		<b>—</b>	<b>17,50,00,000</b>	
	<b>INVESTMENTS</b>			
	<b>UNQUOTED - LONG TERM (AT COST)</b>			
VI	Sethusamudram Corporation Limited			
	30,000,000 Equity shares of ₹ 10/- each (Previous year:30,000,000 equity shares of ₹ 10 each/-)	30,00,00,000	30,00,00,000	
	Chennai Ennore Port Road Company Ltd. (87,500,000 Equity shares of ₹ 10/- each)	8,75,00,000	—	
		<b>38,75,00,000</b>	<b>30,00,00,000</b>	
VII	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
	<b>a) INVENTORIES</b>			
	(As taken, valued and certified by the management)			
	Stock - Quarried Rock	4,79,00,000	4,79,00,000	
		<b>4,79,00,000</b>	<b>4,79,00,000</b>	



SCHEDULE - V FIXED ASSETS										(In ₹)			
Sl. No.	Particulars	GROSS BLOCK			Rate in %	DEPRECIATION				NET BLOCK AS AT			
		As at 01.04.2010	Additions	Deletions / Adjustments		As at 31.03.2011	For the Opening Balance	Additions / Adjustments	Depreciation for the Year	Impairment Loss	Deletions	As at 31.03.2011	31.03.2010
1	<b>Port Basin and Entrance Channel</b>	1,040,399,618			1.00	98,811,172	10,403,996	-	10,403,996	-	-	939,184,450	949,388,446
	Port Basin and Entrance Channel	84,271,396			1.04	4,382,115	870,423	-	870,423	-	-	79,012,858	79,889,281
	Port Basin and Entrance Channel	2,831,957			1.09	30,868	30,868	-	-	-	-	2,801,609	2,801,609
	Capital Dredging - Stage I	920,162,758			1.00	10,714,224	9,201,628	-	9,201,628	-	-	909,448,534	909,448,534
2	<b>Buildings, Sheds &amp; Other Structures</b>	54,640,895			1.63	7,815,649	890,647	-	890,647	-	-	46,825,246	46,825,246
	Administrative Building	115,125			100.00	115,125	-	-	-	-	-	-	-
	Rest House	878,229			1.63	100,205	14,315	-	14,315	-	-	768,024	778,024
	Electrical Substation	2,315,345			1.63	316,994	37,740	-	37,740	-	-	1,958,651	1,958,651
	Security Watch Tower	91,303			1.63	6,526	1,488	-	1,488	-	-	84,775	84,377
	Tide Gauge	745,870			1.63	44,002	12,138	-	12,138	-	-	701,660	701,660
	Fire Station Building	1,701,443			1.63	88,417	27,734	-	27,734	-	-	1,613,026	1,613,026
	Temporary Shed	41,500			1.63	41,500	-	-	-	-	-	-	-
	Temporary vehicle Shed	1,028,742			1.63	1,028,742	-	-	-	-	-	-	-
	Toilet Block	849,452			1.63	10,053	6,130	-	6,130	-	-	839,399	839,399
	Switch Room - 40KV Unit	376,080			1.63	4,939	-	-	-	-	-	367,141	367,141
	Pre-fabricated Pass section Building	838,220			100.00	838,220	-	-	-	-	-	-	-
	Parking Yard including Buildings	115,687,425			1.63	661,357	-	-	661,357	-	-	115,026,068	115,026,068
3	<b>Wharves, Roads and Boundaries</b>	220,386,719			1.63	30,878,391	3,592,336	-	3,592,336	-	-	189,508,328	189,508,328
	Port Access Roads	6,859,698			2.94	605,025	201,275	-	201,275	-	-	6,254,673	6,254,673
	Road - South to North & West Gate	84,185,646			1.63	1,592,797	1,372,226	-	-	-	-	82,587,849	82,587,849
	Road - East of Tank Farm & Security Road	78,052,735			1.63	850,497	-	-	850,497	-	-	77,202,238	77,202,238
	Road - South of Ore / Coal Stackyard to ICTPS	51,830,787			1.63	1,38,878	-	-	1,38,878	-	-	50,451,909	50,451,909
	Coal Wharves	787,296,264			2.51	172,710,859	19,682,407	-	-	-	-	614,576,005	614,576,005
	Coal Wharves	9,198,612			2.51	1,884,519	235,484	-	-	-	-	7,314,093	7,314,093
	Coal Wharves	5,300,304			2.94	1,865,845	155,820	-	-	-	-	3,434,459	3,434,459
	Coal Wharves	2,018,946			3.13	63,193	-	-	63,193	-	-	1,955,753	1,955,753
	Boundary Walls	32,986,171			1.63	4,343,791	537,675	-	-	-	-	28,642,380	28,642,380
	R.R. Masonary Wall & Widening of West Gate	8,375,240			1.63	32,914	-	-	32,914	-	-	8,342,326	8,342,326
4	<b>Railway and Rolling Stocks</b>	295,659,841			4.75	83,776,666	7,360,087	-	7,360,087	-	91,086,753	121,933,175	121,933,175
	Railway Sidings	67,091,272			4.75	1,196,155	-	-	1,196,155	-	-	65,895,117	65,895,117
	Rail Connectivity - 2.3 Km	4,417,303,763			1.33	514,802,301	58,750,140	-	-	-	-	3,902,553,441	3,902,553,441
5	<b>Docks, Seawalls, Piers &amp; Nav. Aids</b>	7,762,824			1.39	647,419	107,903	-	107,903	-	-	7,115,405	7,115,405
	Breakwater & Coastal Protection	3,138,331			1.41	221,250	44,250	-	-	-	-	2,917,081	2,917,081
	Breakwater & Coastal Protection	30,551,583			1.47	888,268	440,108	-	-	-	-	29,663,315	29,663,315
	Breakwater & Coastal Protection	11,172,435			1.48	166,469	-	-	-	-	-	11,005,966	11,005,966
	Navigation Aids	27,727,162			10.00	22,559,399	2,772,716	-	-	-	-	25,332,115	25,332,115
	General Cargo Berth	435,144,095			1.33	435,144,095	1,522,170	-	-	-	-	433,621,925	433,621,925
6	<b>Cranes &amp; Vehicles</b>	300,000			11.31	297,747	2,253	-	2,253	-	-	295,494	295,494
	Diesel Lifting Truck	4,311,195			9.50	6,226,080	373,377	-	-	-	-	3,684,818	3,684,818
	Vehicles - Motor Cars	232,074			9.50	58,721	22,047	-	-	-	-	173,353	173,353
	Bicycles - Two wheelers	9,100			100.00	9,100	-	-	-	-	-	-	-
7	<b>Installation of Water, Elec. Telecom &amp; Fire</b>	11,712,370			4.75	3,029,314	556,338	-	-	-	-	8,683,056	8,683,056
	Water & Communication Facilities	28,085,664			4.75	11,324,074	1,134,069	-	-	-	-	16,761,590	16,761,590
	Internal Electrical Facilities	9,964,172			4.75	807,709	331,957	-	-	-	-	9,156,215	9,156,215
	External Electrical Facilities	17,004,396			4.75	6,712,294	807,709	-	-	-	-	10,292,102	10,292,102
8	<b>Other Assets</b>	6,272,679			4.75	1,380,480	283,518	-	-	-	-	4,892,199	4,892,199
	Electrical Appliances	14,005,357			4.75	2,035,222	653,066	-	-	-	-	11,970,131	11,970,131
	Furniture & Fittings	16,066,831			6.33	6,283,009	882,431	-	-	-	-	9,783,822	9,783,822
	Computers & Software	13,367,210			16.21	4,532,359	1,852,658	-	-	-	-	8,834,851	8,834,851
	<b>Total</b>	<b>8,074,325,815</b>	<b>206,262,796</b>	<b>1,409,931</b>		<b>990,555,406</b>	<b>122,595,622</b>	<b>1,834,507</b>	<b>129,346,974</b>	<b>240,441</b>	<b>1,099,236</b>	<b>7,083,970,409</b>	<b>7,083,970,409</b>
	<b>Previous Year</b>	<b>8,022,314,840</b>	<b>53,220,906</b>	<b>1,409,931</b>		<b>805,692,942</b>	<b>124,461,838</b>	<b>1,834,507</b>	<b>129,346,974</b>	<b>240,441</b>	<b>1,099,236</b>	<b>7,083,970,409</b>	<b>7,083,970,409</b>

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2011				(in Rupees)
Sch. No.	PARTICULARS	AS AT		
		31.03.2011	31.03.2010	
VIII	<b>b) SUNDRY DEBTORS</b>	₹	₹	
	(Unsecured and considered good)			
	Debts Outstanding over six months	1,15,41,281	2,28,59,694	
	Other Debts	8,78,38,775	1,60,03,136	
		<b>9,93,80,056</b>	<b>3,88,62,830</b>	
	<b>c) CASH AND BANK BALANCES</b>			
	Cash on hand	50,312	48,412	
	Balances with Scheduled Banks			
	in Current Accounts	4,29,37,883	2,58,99,376	
	in Deposit Accounts	1,00,81,706	11,96,42,738	
		<b>5,30,69,901</b>	<b>14,55,90,526</b>	
	<b>d) OTHER CURRENT ASSETS</b>			
	Other Current Assets	11,01,452	5,79,338	
		<b>11,01,452</b>	<b>5,79,338</b>	
	<b>e) LOANS &amp; ADVANCES</b>			
	(Advance recoverable in cash or in kind or for value to be received - Unsecured, considered good)			
	Deposits	2,53,68,455	5,28,75,089	
	Advance for capital works	45,09,49,975	45,09,49,975	
	Advance towards Equity Contribution	5,02,50,000	8,77,50,000	
	Income Tax	33,62,55,361	17,14,13,476	
	Fringe Benefit Tax	23,77,830	23,77,830	
	Prepaid Expenses	4,31,662	5,88,903	
	Other Advances	55,76,74,674	42,52,38,347	
	Service Tax Credit	25,45,811	19,16,561	
		<b>1,42,58,53,768</b>	<b>1,19,31,10,181</b>	
	<b>CURRENT LIABILITIES AND PROVISIONS</b>			
	<b>a) CURRENT LIABILITIES</b>			
	Sundry Creditors	—	2,53,43,541	
	Contract Liabilities	82,24,97,272	77,23,60,696	
	Other Liabilities	42,12,50,214	26,13,45,518	
		<b>1,24,37,47,486</b>	<b>1,05,90,49,755</b>	
	<b>b) PROVISIONS</b>			
	Provision for Terminal Benefits	28,30,174	13,52,404	
	Provision for Taxation	34,78,78,200	20,50,78,200	
	Proposed Dividend	11,11,64,567	9,73,12,878	
	Tax on Proposed Dividend	1,84,63,323	1,65,38,324	
		<b>48,03,36,264</b>	<b>32,02,81,806</b>	

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011			
(in Rupees)			
Sch. No.	PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>IX</b>	<b>INCOME FROM SERVICES</b>	₹	₹
	(Net of Service Tax)		
	Composite Tariff on Coal	1,19,12,44,075	1,08,02,66,019
	Wharfage	1,40,37,520	3,64,17,865
	Vessel Related Income	26,00,91,078	18,74,75,843
	Revenue Share	17,08,85,062	5,96,87,972
	Estate Income	4,47,21,980	5,53,97,129
	Other Services	(81,10,282)	13,43,772
		<b>1,67,28,69,433</b>	<b>1,42,05,88,600</b>
<b>X</b>	<b>OTHER INCOME</b>		
	Interest on Bank Deposits	2,79,623	1,00,18,057
	(including Tax deducted at source of ₹ 25,958/-; Previous Year ₹ 17,60,268/-)		
	Dividend	23,57,795	8,64,770
	Personnel & Vehicle Entry Fees	32,72,768	28,02,470
	Miscellaneous Income	23,06,072	2,10,41,030
		<b>82,16,258</b>	<b>3,47,26,327</b>
<b>XI</b>	<b>PORT OPERATING &amp; MAINTENANCE EXPENDITURE</b>		
	Power, Fuel & Water Charges	1,92,12,763	1,88,92,191
	Manning Expenditure	1,03,57,834	76,53,552
	Time Charter Payments	12,04,54,380	12,04,41,100
	Maintenance Dredging	(87,50,000)	7,57,280
	Repairs and Maintenance : Machinery	14,92,557	16,06,795
	Others	2,78,29,523	2,27,71,649
		<b>17,05,97,057</b>	<b>17,21,22,567</b>
<b>XII</b>	<b>ESTABLISHMENT CHARGES</b>		
	Salaries and Allowances	4,53,80,097	6,48,00,539
	Staff Welfare Expenses	30,51,215	43,70,593
	Contribution to Provident Fund	39,85,194	31,97,402
	Terminal Benefits	72,85,150	49,68,519
		<b>5,97,01,656</b>	<b>7,73,37,053</b>



SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011			
(in Rupees)			
Sch. No.	PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>XIII</b>	<b>ADMINISTRATIVE EXPENSES</b>	₹	₹
	Rent, Rates & Taxes	27,89,198	21,39,185
	Electricity & Water Charges	8,78,228	11,32,382
	Postage, Telephone & Fax Charges	17,28,383	13,52,190
	Printing and Stationery	17,43,635	15,75,201
	Insurance	61,035	85,638
	Office Maintenance	24,37,052	23,69,652
	Security & Safety Expenses	4,11,83,589	1,73,81,016
	Entertainment Expenses	38,51,185	15,65,177
	Membership Fees & Subscription	1,63,067	24,95,790
	Seminar Fees & Exhibition	9,50,600	8,86,610
	Travelling and Conveyance	28,75,426	33,84,190
	Vehicle Fuel and Maintenance	97,52,638	92,02,820
	Advertisement and Publicity	65,76,601	37,75,397
	Legal & Arbitration Expenses	58,23,253	53,93,508
	Professional Charges	22,65,882	38,89,031
	Social Welfare Expenses	37,00,775	12,75,629
	Foreign Exch Fluctuation	59,17,153	—
	Sitting Fees	57,000	32,000
	Audit Fees	1,00,000	1,00,000
	Bank Charges	9,020	7,34,779
	Sundry Expenses	3,13,598	1,60,739
		<b>9,31,77,318</b>	<b>5,89,30,934</b>
<b>XIV</b>	<b>INTEREST AND FINANCE CHARGES</b>		
	Term Loans	38,22,21,443	38,93,88,462
	Others	4,42,19,423	4,18,95,086
		<b>42,64,40,866</b>	<b>43,12,83,548</b>
<b>XV</b>	<b>PRIOR PERIOD INCOME / EXPENDITURE (NET)</b>		
	Interest - Term Loan	—	(47,61,801)
	Interest - Others	—	27,53,951
	Repairs and Maintenance - Others	57,096	18,54,661
	Security & Safety Expenses	—	19,07,970
	Professional Charges	—	4,31,650
	Lease rental income	—	(74,80,305)
	Arbitration Expenses	7,55,708	—
	Rates & Taxes	26,92,380	—
	Manning Expenditure	5,03,440	—
		<b>40,08,624</b>	<b>52,93,874</b>

## **SCHEDULE XVI**

### **ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

#### **I. 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.

**c. FIXED 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.

**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 ₹ 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:**

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

- ii. 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 are 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 ₹.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 COSTS:**

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.

**II. NOTES ON ACCOUNTS**

- 1. a. The Company is in possession of 2,083.74 acres of lands acquired from ChPT & TNEB towards development of Port. However the title of the lands in the possession of the company is under the process of transfer in the name of the company. As per direction of the Ministry of Shipping, Road, Transports & Highways in July 2007, the company has paid ₹31.40 Crore (inclusive of ₹16.51 Crore towards interest) to ChPT towards amount invested by ChPT for land acquisition included under Other Advances. The company has sought the opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of



India (ICAI) about the accounting treatment to be made in the Books of the Accounts with reference to the interest element paid to Chennai Port Trust. On receipt of opinion from ICAI, suitable adjustment will be made in the Books of Accounts.

b. Similarly an amount of Rs.10 Crore paid to TNEB as against their claims of ₹15.14 Crore in earlier year towards cost of land is shown under Other Advances. The balance claim of ₹5.14 Crore made by TNEB is included in Contingent Liabilities pending the receipt of final statement of claims from TNEB.

c. During the year, the company has paid an amount of ₹12.84 Crore to Department of Industrial Promotion & Policy towards advance for purchase of salt department land at Ennore of about 35 Acres included in Other Advances as the title of the lands in the possession of the company is under the process of transfer in favour of the company.

2. Stock represents the unutilized quarried stones of ₹4.79 Crore having the utility value for construction / maintenance of Breakwater. These stocks have been valued at Cost or Net realizable value whichever is lower.
3. Term deposits with banks include interest accrued but not due amounting to ₹ Nil (Previous Year ₹2.47 Lakh).
4. Deposits under 'Loans and Advances' schedule includes remittance of Service Tax paid under protest amounting to ₹1.17 Crore as against the Department's claim of ₹1.40 Crore payable on Upfront Fees received from the developers of Iron Ore and Coal Terminal during the year 2008-09. Since the appeal made by the company to the Commissioner of Service Tax (Appeals) was rejected, the company has filed an Appeal & Stay petition with Customs, Excise and Service Tax Appellate Tribunal, Chennai. The balance claim including interest and penalty amounting to ₹0.68 Crore included under Contingent Liabilities.
5. Other Income includes ₹1.04 Crore reversed as per the Single Expert Opinion on the claims raised for the delay in achieving 'Completion Certificate' of Marine Liquid Terminal.
6. Managerial Remuneration:

	2010-11	2009-10
	₹	₹
a. Salaries and Allowances	56,80,642	50,50,312
b. Contribution to PF & Pension Fund	5,26,068	6,59,867
c. Sitting Fees	57,000	32,000
d. Contribution towards leave salary	6,27,907	2,64,304

7. Payment to Statutory Auditors  
(Excluding Service tax)  
- Statutory Audit

	2010-11	2009-10
	₹	₹
	1,00,000	1,00,000

8. Transactions in Foreign Currency

	2010-11	2009-10
	₹	₹
Earnings in foreign currency	Nil	Nil
Outgo in foreign currency towards capital expenditure	Nil	Nil
Outgo in foreign currency towards revenue expenditure	Nil	Nil

9. Information on Quantity, Cargo and No. of Vessels:

	2010-11	2009-10
Quantity (Million Tonnes)	11.01	10.71
Cargo	Coal, Iron	Coal, Iron
	Ore & POL	Ore & POL
	Other Cargo	
No. of Vessels	294	273

10. Loan dues from directors: ₹ Nil (Previous Year: ₹ Nil); Maximum amount outstanding from them at any time during the year is ₹ Nil. (Previous Year: ₹ Nil).

11. Details of claims for income not recognized in the Books of Accounts: (₹ in crore)

S. No	Nature of Income	Claims made	Transferred to Income	Income not recognized
1.	Revenue Share / Others	6.45	1.80	4.65

12. Contingent Liabilities (as certified by the Management):

Claims against the Company not acknowledged as debt: ₹ 211.55 Crore (Previous Year: ₹ 193.89 Crore).

13. Capital commitments (net of advances) not provided for:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹ 203.83 Crore (Previous Year: ₹ 78.58 Crore)

Amount remaining to be paid consequent to the commitment made by the Company towards equity participation in the following company:

Chennai Ennore Port Road Ltd - ₹ 20.27 Crore (Previous Year: ₹ 25.27 Crore)

14. Employee Benefits:

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

I. Defined Contribution Schemes:

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

	(₹ in Lakh)
Employer's Contribution to Provident Fund	30.17
Employer's Contribution to Family Pension Fund	5.26

II. 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 are as under:

Particulars	(₹ in Lakh)	
	2010-2011	2009-10
	Gratuity (Unfunded)	
Reconciliation of opening and closing balances		
Of Defined Benefit Obligation:		
Defined Benefit obligation at the beginning	15.52	9.29
Current Service Cost	5.15	3.97
Interest Cost	1.24	0.74
Actuarial gain/loss	(0.62)	1.52
Defined Benefit obligation at the end	21.29	15.52
	Gratuity (Unfunded)	
i) Expenses recognized during the year		
Current Service Cost	5.15	3.97
Interest Cost on benefit obligation	1.24	0.74
Expected return on plan assets	(1.56)	(0.90)
Actuarial gain/loss recognized in the year	(0.62)	1.52
Net benefit expenses	4.21	5.33
ii) Actuarial assumptions:		
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%
	Leave encashment (Unfunded)	
ii) Reconciliation of opening and closing balances		
Of Defined Benefit Obligation:		
Defined Benefit obligation at the beginning	26.05	14.38
Current Service Cost	4.99	7.43
Interest Cost	2.09	1.15
Actuarial loss	8.61	3.09
Defined Benefit obligation at the end	41.74	26.05
iii) Expenses recognized during the year		
Current Service Cost	4.99	7.43
Interest Cost on benefit obligation	2.08	1.15
Expected return on plan assets	(2.36)	(1.57)
Actuarial gain/loss recognized in the year	8.61	3.09
Net benefit expenses	13.32	10.10



iv) Actuarial assumptions:

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%

15. 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.

16. Related Party Disclosure: Key Management Personnel

- a. Shri S. Velumani - Chairman cum Managing Director
- b. Capt. D.K. Mohanty - Director (Marine Services)
- c. Shri C. Damodaran - Director (Operations)

Details of transaction :

Remuneration to Directors

2010-11	2009-10
₹	₹
68,91,617	59,74,483

17. a) As Lessee:

Assets taken on operating lease:

(₹ in lakh)

Particulars	Total	Not later than one year	Later than one year and not later than five years	Later than five year
Future lease rentals payable	28.38	20.99	7.39	—

b) As Lessor:

The company has allotted land measuring about 33 acres, 128 acres and 116 acres to BOT operators viz., M/s. Ennore Tank Terminal 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 with BOT operators on receipt of title transfer in favour of the company from the competent authority.

18. Earnings per share (EPS) as per Accounting Standard - 20

	2010-11	2009-10
Profit after tax	₹ 55,58,22,835	₹ 48,65,64,389
No. of shares outstanding of ₹ 10/- each	30,00,00,000	30,00,00,000
Earnings Per Share (₹) - Basic & Diluted	1.85	1.62

19. During the year the company has reviewed its fixed assets as per AS-28 on 'Impairment of Assets', no provision for impairment is required to be recognised for the year.
20. During the year, the company dismantled the Railway Sidings (constructed during the initial stages of port development) by e-auction through MSTC Ltd, (a Government of India Enterprise). The book loss of ₹ 9.90 Crore after considering net realizable value and terminal depreciation on disposal of railway sidings was debited to Profit & Loss account.
21. Sundry Debtors, Loans & Advances and Deposits are subject to confirmation. The management, however, does not expect any material change.
22. As a matter of prudence, Deferred Tax Assets (net) is not recognised in the financial statements.
23. Loans and advances includes the following advance payments made towards equity contribution pending allotment:
  - a. Chennai-Ennore Ports Road Company Limited - ₹ 5.000 Crore
  - b. Ennore SEZ Company Limited - ₹ 0.025 Crore
24. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006
  - (a) An amount of ₹ Nil (Previous Year Nil) and ₹ Nil (Previous Year Nil) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and interest respectively.
  - (b) No interest was paid during the year.
  - (c) No interest payable at the end of the year under Micro, Small and Medium Enterprises Development Act, 2006.
  - (d) No amount of interest was accrued and unpaid at the end of the accounting year.
25. Previous year's figures have been regrouped, wherever necessary, to conform to the current year's classification.

**For ENNORE PORT LIMITED**

**S. VELUMANI**

Chairman cum Managing Director

**Capt. D.K. MOHANTY**

Director (Marine Services)

**M. GUNASEKARAN**

G M (Fin) & Secretary

**For Padmanabhan Prakash & Co.**

**Chartered Accountants**

**E. PRAKASH**

Partner

M. No. 019388

Place : Chennai

Date : 11.07.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011				
		2010-2011	Rs.	2009-10
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	₹	₹	₹	₹
Net Profit after tax and extraordinary items		55,58,22,835		48,65,64,389
Adjustment for:				
Depreciation		12,93,48,974		12,62,96,143
Impairment of Assets		—		2,40,441
Interest charges		42,64,40,866		43,12,83,548
Loss on Sale of Fixed Assets		9,91,88,361		—
Provision for PRP		—		2,38,00,000
Income Tax		16,12,63,323		10,80,74,167
Operating Profit before working capital changes		<b>1,37,20,64,359</b>		<b>1,17,62,58,688</b>
Adjustment for:				
(Increase) / Decrease Current Assets		(29,37,82,926)		10,05,88,150
Increase /(Decrease) Current Liabilities		(17,04,05,816)		(34,88,35,126)
<b>Net Cash Generated From Operating Activities</b>		<b>90,78,75,617</b>		<b>92,80,11,712</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale of Fixed Assets		11,49,42,396		3,16,695
Purchase of Fixed Assets		(81,94,04,776)		(57,00,84,677)
Investments		(8,75,00,000)		(5,50,00,000)
<b>Net Cash generated from Investing Activities</b>		<b>79,19,62,380</b>		<b>(62,47,67,982)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Borrowings		25,00,00,000		25,00,00,000
Repayment of Loans		(15,70,71,428)		(16,15,71,429)
Interest Paid		(30,13,62,434)		(30,95,37,712)
<b>Net Cash Used in Financing Activities</b>		<b>(20,84,33,862)</b>		<b>(22,11,09,141)</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>		<b>(9,25,20,625)</b>		<b>8,21,34,589</b>
Cash and Cash equivalents as at (OB)	14,55,90,526		6,34,55,937	
Cash and Cash equivalents as at (CB)	5,30,69,901	<b>(9,25,20,625)</b>	14,55,90,526	<b>8,21,34,589</b>
As per our report of even date				
<b>For ENNORE PORT LIMITED</b>		<b>For Padmanabhan Prakash &amp; Co.</b>		
<b>S. VELUMANI</b>		<b>Chartered Accountants</b>		
Chairman cum Managing Director		<b>E. PRAKASH</b>		
<b>Capt. D.K. MOHANTY</b>		Partner		
Director (Marine Services)		M. No. 019388		
<b>M. GUNASEKARAN</b>				
G M (Fin) & Secretary				
Place : Chennai				
Date : 11.07.2011				



## PART IV - BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### i) REGISTRATION DETAILS

Registration No.       State Code   (Refer Code List)

Balance Sheet Date        
Date Month Year

### ii) CAPITAL RAISED DURING THE YEAR (Amount in ₹ Thousands)

Public Issue <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>	Rights Issue <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>
Bonus Issue <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>	Private Issue <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>

### iii) POSITION OF MOBILIZATION & DEPLOYMENT OF FUNDS (Amount in ₹ Thousands)

<p>Total Liabilities <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="6"/></p> <p><b>SOURCES OF FUNDS</b></p> <p>Paid-up Capital <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/></p> <p>Secured Loans <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="6"/></p> <p><b>APPLICATION OF FUNDS</b></p> <p>Net Fixed Assets <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="6"/></p> <p>Net Current Assets <input type="text" value="-"/> <input type="text" value="-"/> <input "="" type="text" value="("/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value=")"/></p> <p>Accumulated Losses <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/></p>	<p>Total Assets <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="6"/></p> <p>Reserves &amp; Surplus <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/></p> <p>Unsecured Loans <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/></p> <p>Investments <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/></p> <p>Misc. Expenditure <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/></p>
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### iv) PERFORMANCE OF COMPANY (Amount in ₹ Thousands)

<p>Turnover <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="9"/></p> <p>Profit / Loss before Tax + - <input type="text" value="✓"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="3"/> + - <input type="text" value="✓"/> <input type="text" value="-"/></p> <p>(Please tick (✓) Appropriate box + for Profit - for Loss)</p> <p>Earning per Share in Rs. <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="5"/></p>	<p>Total Expenditure <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="4"/></p> <p>Profit / Loss after Tax <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="3"/></p> <p>Dividend Rate % <input type="text" value="0"/> <input type="text" value="4"/></p>
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**V) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS : SERVICES OF COMPANY**

(as per monetary terms)

Item Code No.  
(ITC Code)

[illegible]

### Product Description

[illegible]

Item Code No.  
(ITC Code)

[illegible]

### Product Description

[illegible]

Item Code No.  
(ITC Code)

[illegible]

### Product Description

[illegible]

**For ENNORE PORT LIMITED**

**S. VELUMANI**

Chairman cum Managing Director

**Capt. D.K. MOHANTY**  
Director (Marine Services)

Place : Chennai  
Date : 11.07.2011

**For Padmanabhan Prakash & Co.  
Chartered Accountants**

E. PRAKASH

Partner

M. No. 019388

**M. GUNASEKARAN**  
G M (Fin) & Secretar

