



Ennore Port Limited

(A MINI RATNA GOVERNMENT OF INDIA UNDERTAKING)

एण्णूर पोर्ट लिमिटेड

NINTH ANNUAL REPORT 2008 - 09

नौवाँ वार्षिक रिपोर्ट 2008 - 09



M.T NEW ACTIVITY

The largest vessel to call at Ennore Port

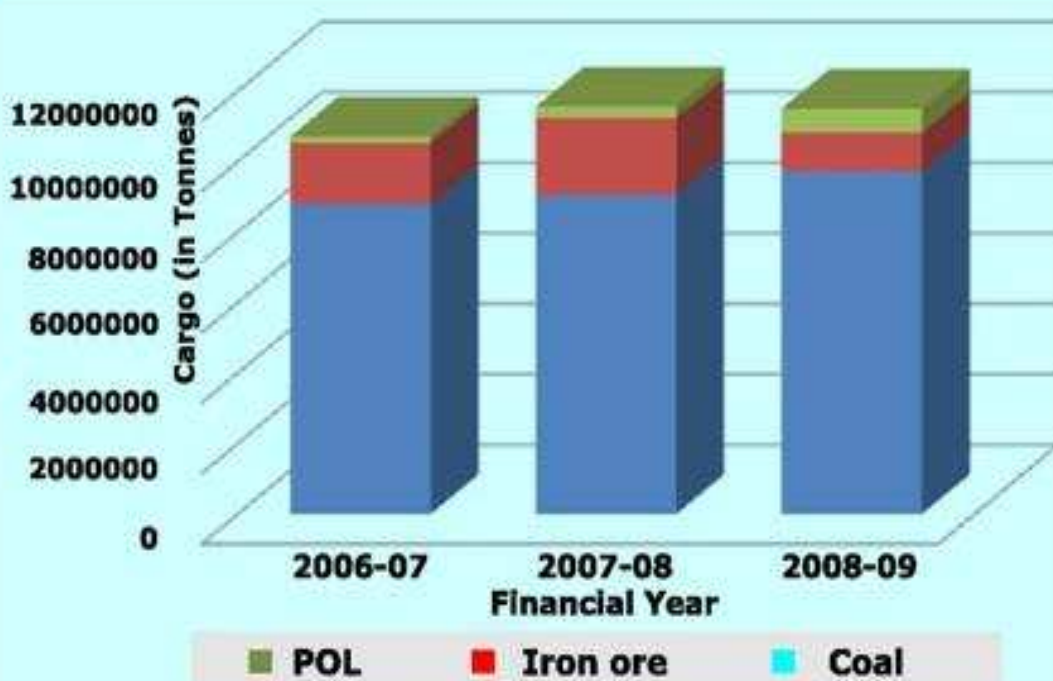
India's Port of the Millennium...

इस मिलेनियम का भारतीय पोर्ट...

Continuing Betterment in Profitability



Sustaining Business Performance



ENNORE PORT LIMITED

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2008 - 09

ENNORE PORT LIMITED

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BOARD OF DIRECTORS

Shri S. Velumani

Chairman cum Managing Director

Shri Rakesh Srivastava

GOI Director

Capt. D.K. Mohanty

Whole Time Director (Marine Services)

Shri C. Damodaran

Whole Time Director (Operations)

Shri U. Sundararajan

Independent Director

Shri S. Gopalan

Independent Director

DY. GM (F) & SECRETARY

Shri M. Gunasekaran

AUDITORS

M/s Padmanabhan Prakash & Co.

Chartered Accountants

PRINCIPAL BANKERS

Andhra Bank

Canara Bank

Union Bank of India

Regd. & Corporate Office

: No.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 U. Sundararajan
Independent Director



Shri S. Gopalan
Independent Director



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



Shri C. Damodaran
Whole Time Director (Operations)

KEY OFFICIALS



Shri Sanjay Kumar
General Manager (CP & HR)



Capt. Prasad Rebala
General Manager (Marine Services)



Shri R. Senthil Kumar
General Manager (Operations)



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

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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 9th Annual General Meeting of the Company will be held at 10.15 hours on Friday the 4th day of September 2009 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 year ended 31st March 2009, the Balance Sheet as at that date and Directors' and Auditors' Reports thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in the place of Shri Rakesh Srivastava, who retires by rotation and is eligible for reappointment.

By Order of the Board

Chairman cum Managing Director

Place : Chennai

Dated : 10.08.2009

NOTE:

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.

DIRECTORS' REPORT

Dear Members

The Directors have pleasure in presenting the Ninth Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March 2009 together with the Auditors' Report and comments on the Accounts by the Comptroller and Auditor General of India.

FINANCIAL PERFORMANCE

Particulars	2008-09	2007-08
	(Rs. In Crores)	
Income from services	137.76	128.02
Other Income	4.24	15.70
Total Income	142.00	143.72
Operating Expenses	35.33	37.88
Interest	42.61	53.68
Depreciation	11.82	12.73
Prior Period Expenses	5.33	-
Total expenses & provision	95.09	104.29
Profit before Tax (PBT)	46.91	39.43
Tax / Deferred tax provision	5.45	4.55
Profit after Tax (PAT)	41.46	34.88
Appropriation		
Proposed Dividend	6.22	-
Tax on Dividend	1.06	-
Transfer to General Reserve	34.18	-

Although total income of the Company for the financial year 2008-09 marginally reduced by 1.20% to Rs.142.00 crores from 143.72 crores in 2007-08, the income from services registered an increase of 9.74% to Rs.137.76 crores from Rs.128.02 crores during the previous year whereas the 'Other Income' was reduced by Rs.11.46 crs. mainly on account of reporting of Rs.9.5 crs. of one time receipt from BOT Licences of Coal and Iron Ore projects as 'upfront fees' in the previous year and fall in the interest income earned on short term bank deposits. Profit after tax increased by 18.87% to Rs.41.46 crores from Rs.34.88 crores during the previous year.

The Company signed Memorandum of Understanding with Government of India, Department of Shipping for the fiscal 2008-09 and achieved the performance rating of "Excellent", (provisional) second time in succession.

FINANCE

During the year, the Company has repaid the installments of term loans amounting to Rs.14.45 crores falling due during the current year. The Company has also made fresh borrowings of Rs.18.50 crores for funding capital expenditure requirements.

DIVIDEND

The Board of Directors has recommended a maiden dividend of 15% on post tax profits which is equivalent to Rs.0.21 per share keeping in mind the need to conserve resources. The dividend will absorb Rs.6.22 crores besides Rs. 1.06 crores as tax on dividend.

OPERATIONS



Ship to Ship (STS) Operation carried out for the first time in ennore port

In spite of the recession worldwide the company has handled 11.50 million tonnes (MT) as compared to 11.56 MT handled during the previous year, marginally lower due to the slump in Iron Ore Exports. The quantum of Thermal Coal handled for the Tamil Nadu Electricity Board (TNEB) was higher at 9.71 MT compared to 9.05 MT handled during the previous year. During the year under review, the POL handled increased from 0.32 MT to 0.68 MT and the iron ore had a sharp fall to 1.11 MT from the previous year 2.19 MT. The company, however, surpassed the MoU target of 10.55 MT fixed for the year 2008-09.

The summary of the cargo handled during the year under review is furnished below:

Cargo handled in million tonnes

Commodity	2008-09	2007-08
Thermal Coal	9.71	9.05
Iron Ore	1.11	2.19
POL (including STS)	0.68	0.32
Total	11.50	11.56

Highlights of physical performance during 2008-09:



His Excellency Governor of Tamil Nadu Thiru. Surjit Singh Barnala, Presenting the 'Exim Achievement Award' for exceeding the Ministry's target on Cargo handling to Shri. S. Velumani, CMD, EPL at a function

- ❖ 11.50 million tonnes of cargo handled, 10.9% above the MOU target of 10.55 million tonnes fixed for the year 2008-09.
- ❖ 250 vessels were handled at the Port as against 213 vessels in the previous year.
- ❖ Highest quantity of 9708392 tonnes of Coal handled as against the previous best of 9276704 tonnes in 2003-04.
- ❖ Highest quantity of 1174331 of Steam Coal handled as against the previous best of 1066041 tonnes in 2005-06.
- ❖ Highest quantity of 95025 tonnes of Coal discharged in one day (30-4-2008).
- ❖ Highest quantity of 15812 tonnes of Iron Ore Loaded in one day (17-4-2008).
- ❖ First Tanker handled on 18th January 2009 at newly built MLT Berth.
- ❖ First STS Operation carried out at Ennore Port on 20.06.2008.

DEVELOPMENT PLANS

The Company has adopted aggressive growth strategy to become 50 million tonnes plus company by the year 2011-12 (end of 11th Five Year Plan), 75 million tonnes plus by the year 2016-17 (end of 12th Five Year Plan) and to have 100 million tonnes plus installed capacity by 2021-22 (end of 13th Five Year Plan). This is the huge capacity addition programme undertaken by the Company since its inception. The strategy inter-alia includes capacity addition through expansion of existing berths, green field PPP-BOT projects and own projects and encouraging of captive use facilities.

Marine Liquid Terminal (3 MTPA) :



Berthing of the 1st Vessel "M.T. King Darius" at the MLT Berth

During the year, the first PPP-BOT project of 3MT Marine Liquid Terminal has commenced commercial operations on 15th January 2009 and thereby the installed capacity of the Port increased from 12 million tonnes to 15 million tonnes. The project has been certified to have completed on 16.03.09.

Coal Terminal (8 MTPA for Non TNEB users) :



Iron ore Terminal and 2nd Coal Terminal Construction in progress

The Licence Agreement was signed with M/s. Chettinad International Coal Terminal Private Limited on 14th September 2006 for the development of Coal Terminal with an approved project cost of Rs.399.13 crores. The DPR was approved on 29th December 2006. The Financial closure of the project was achieved on 29th September 2007. The Zero Date of the project was declared on 6th February 2008, when the first required part of the Licensed premises i.e. Water front area was allotted to the Licensee on 6th February 2008. The project has a construction period of 30 months from the Zero Date. The construction activities of Approach Bridge, Main Jetty works, and conveyor corridor are in progress. The project is expected to be commissioned in August 2010.

Iron Ore Terminal (12 MTPA) : The Licence Agreement was signed with M/s. SICAL Iron Ore Terminals Limited on 23rd September 2006 for the development of Iron Ore Terminal with an approved project cost of Rs.480 crores in two phases of 6 million tonnes each. The DPR was approved on 19th June 2007. The Financial Closure of the project was achieved on 29th September 2007. The Zero Date of the project was declared on 6th February 2008, when the first required part of the Licensed premises i.e., Water front area was allotted to the Licensee on 6th February 2008. The project has a construction period of 30 months from the Zero Date. The construction activities of Approach Bridge, Main Jetty works, and conveyor corridor are in progress. The project is expected to be commissioned in August 2010.

Container Terminal (1.5 MTEUs / 18 MTPA) : Public Private Partnership Appraisal Committee (PPPAC) accorded in-principle approval on 23rd October 2007 for the development of Container Terminal. After approval, the NIT was published on 7th March 2008 for selection of bidders. 22 Applicants have submitted their RFQ Applications for short-listing. 6 applicants were short-listed and the same was approved by the Board of Directors of EPL on 27.06.2008. EPL obtained PPPAC / OCEA approval and security clearance for the six short-listed bidders from the Government.

Meanwhile 9 writ petitions were filed at the High Court of Madras by the non-shortlisted applicants questioning the short-listing of the bidders. High Court dismissed three writ petitions which challenged the Government guidelines and allowed six writ petitions with a direction to EPL to seek clarification from the petitioners and to re-evaluate their application. EPL has taken up necessary action in pursuance of the orders of the Court.

LNG Terminal (5 MTPA) : The Company has obtained in-principle approval of the Government for pursuing the development of a LNG Terminal at Ennore Port in association with IOC in July 2005. It was informed in the previous report that the implementation of the project depends on IOC's final decisions and programme. IOC informed that due to difficulties in sourcing of gas, they could not take up the project so far. Further, they will be pursuing the project and are updating their market surveys and development plans accordingly. In the meantime, the Company issued an Expression of Interest (EOI) calling offers from potential developer for development through PPP-BOT model. The responses to the EOI, that have been received are under consideration.

Capital Dredging-Phase-I : The project involves dredging of 4.12 million cubic meters to provide -15 meters depth at the Marine liquid, Coal and Iron ore berths and approaches and to raise the land for coal and iron ore stackyards by using the dredge material. The Dredging contractor M/s Hyundai Engineering and Construction Co. Ltd., Korea commenced the work in October, 2007 and completed the work in January, 2009 with completed cost of Rs.91.78 crs.

Capital Dredging-Phase-I(A) cum Beach Nourishment:



Dredging work by Dharti Dredging & Infrastructure Ltd for Beach Nourishment for protection of the Shore Line.

The project involves dredging of 2.20 million cu.m. from the harbour basin and dumping the same through pipeline on the northern shore and removal of stone and top soil up to 1 mtr. from the location (a) Stone 15,000 cu.m. (b) Top soil 1,50,000 cu.m. Contract was awarded to M/s Dharti Dredging and Infrastructure Ltd. at estimated cost of Rs.36.85 crores on 11.02.2008. The Dredging work commenced on 12.02.2008. Variation order was issued for additional work at revised estimated cost of Rs.47.815 crores on 27.01.2009. The work is expected to be completed during December 2009.

Capital Dredging-Phase-II: Capital dredging Phase-II Involves dredging of 20 million cubic meters for providing -20 meters depth at the approach channel, -18.5 meters at the turning circle and -18 meters at the iron ore berth and -16 meters at the container berth. National Maritime Academy has prepared Detailed Project Report. The Company has requested for one time grant from Ministry of Shipping to implement the project. The project is expected to commence during financial year 2010-11.

Multi-purpose General Cargo Berth: The Company has obtained the approval of the Government to develop a multi-purpose general cargo berth as Port's own project at an estimated cost of Rs. 110 crores. The berth will be utilized for handling of cars, project cargoes and other general cargoes and to meet the berthing requirements of vessels of Defense and Government Agencies. The main tender for construction of jetty was awarded in June 2009. The project is expected to be commissioned in December 2010.

Road Connectivity:



EPL has invested Rs. 6.50 crores for development of existing 3.6 km road from North gate to south gate to a 2 lane road for the use of port users and near by villages

The Company is also drawing up and crystallizing plans for improving the Road connectivity to the Port. The SPV promoted by Chennai Port Trust and NHA has already taken up four laning of TPP road for which the company has committed to contribute Rs.34.02 crores, out of which Rs.8.75 crores has already been paid. The project is expected to be commissioned in December 2010.

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 NHA under the 'Port Connectivity to the Golden Quadrilateral or North-South & East-West Corridors' program. The estimated cost of the project is Rs.452 crores out of which EPL share is Rs.78.08 crores. Feasibility Report was sent to Ministry by NHA for approval. The project is expected to be commissioned in 2013-14.

Rail Connectivity: The 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 Container Terminal. The work is in progress and expected to be commissioned in June 2010.

The 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 Rs.446.87 crores (under revision) and the project distance is 88.37 km. In principle approval of Board was obtained for 50:50 cost sharing between EPL and Railways. This project has been announced in the Railway budget for the year 2008-09. EPL has obtained in principle concurrence from Bankers for funding the project. MOU between EPL and Southern Railway will be finalized shortly.

INDUSTRIAL RELATIONS

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

COMMUNITY SERVICES



CMD, EPL and Shri.R.Natraj Director General of Prisons, Tamil Nadu and other officials of Central Prison at the Plantation Ceremony at puzhal, on 20.05.09.

Ennore Port has Corporate Social Responsibility high on its agenda and carrying out various activities which improve the quality of life of the community.

- ❖ Donated sports kits to school children of the neighbouring villages.
- ❖ Providing employment opportunities through self help group women in the local Panchayat area.
- ❖ As part of Community Development Programme of EPL, a sum of Rs.50,000/- was donated in sponsoring 'Arivukkalanjam Awards Competitions 2008' conducted for the benefit of children studying in I to IX std, which was organized by M.T.S. Academy, Mylapore.

- ❖ Sponsored the construction of Children Park in Chennai Suburban Police Office Campus at an estimated cost of Rs.7,50,000/-.

IMPLEMENTATION OF OFFICIAL LANGUAGE

The Company has made serious efforts for the propagation and implementation of the official language policy of the GoI. All important circulars/ advertisement and correspondences were issued in Hindi. 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 K. Suresh, Director, had vacated office on 30th June 2009 consequent to his transfer from the post of Chairman, Chennai Port Trust.

Directors place on record the appreciation of the valuable contributions made by Shri K.Suresh during his tenure.

In accordance with provisions 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 three Directors, two of which were Independent Directors and one Director nominee of the Chennai Port Trust / Government of India. As on 31st March 2009 the Audit Committee comprised the following members:

- | | | |
|----|----------------------|----------------------|
| 1. | Shri K. Suresh | Government Nominee |
| 2. | Shri U. Sunderarajan | Independent Director |
| 3. | Shri S. Gopalan | Independent 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 31st March 2009. Shri K. Suresh, Part-time non-official Government nominee chaired all the meetings during the year 2008-09.

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.

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.

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 31st March 2009. The Company is yet to receive the appointment advice for the Financial Year 2009-10 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 31st March 2009, 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. 1.a. of Schedule XVI. 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. The comments of the C&AG at Annexure-II forms part of this report.

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 : 10th July 2009

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

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

A) Conservation of Energy:

(a) Energy conservation measures taken:

To ensure effective utilization of electrical energy, the lighting and other electrical systems is being regulated and managed within the Port premises based on the suggestion and recommendations of the last Energy audit report by M/s Dynaspede Integrated System received in April 2007. The recommendations of the Energy Audit report are being implemented in a phased manner.

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

No additional investments incurred for implementing the energy audit recommendations. Energy savers were installed at five places inside the port previous year for energy saving.

(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:

Your Company has achieved an average energy saving of 25% and the performance of the electrical system also improved.

(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:

Not applicable.

B) Technology absorption:

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

The operation of your Company during the year under review has not warranted any technology absorption.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT 1956 ON THE ACCOUNTS OF ENNORE PORT LTD. FOR THE YEAR ENDED 31 MARCH 2009

The preparation of financial statements of **ENNORE PORT LIMITED, CHENNAI** for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements 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 10 July 2009.

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act 1956 of the financial statements of **Ennore Port Limited, Chennai** for the year ended 31 March, 2009. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. 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 Auditors' report under Section 619(4) of the Companies Act, 1956.

Sd/-

(LATA MALLIKARJUNA)

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

Place : Chennai.
Date : 07.08.2009



AUDITORS' REPORT

To the Members of Ennore Port Limited

1. We have audited the attached Balance Sheet of Ennore Port Limited as at 31st March 2009 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 Rs.31.40 Crores 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 31st March 2009;
 - (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

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The management has physically verified the fixed assets of the company during the year. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of fixed assets during the year.
- (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.
- (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.
- (c) The Company is maintaining proper record of inventory of unutilized quarried stones. No material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
In view of (iii) (a) above, the clauses (iii) (b), (c) and (d) are not applicable.
- (e) 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.
In view of (iii) (e) above, the clauses (iii) (f) and (iii) (g) are not applicable.
- (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.
- (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.
In view of (v) (a) above, the clause (v) (b) is not applicable.
- (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.
- (vii) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records for the Company under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (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) 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.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs, duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company does not have any accumulated losses as at March 31, 2009 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) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds 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.

**For PADMANABHAN PRAKASH & CO.
Chartered Accountants**

Place : Chennai
Date : 10.07.2009

**G. PADMANABHAN
Partner
M. No.018700**

BALANCE SHEET AS AT 31ST MARCH 2009

(in Rupees)

PARTICULARS	Sch. No.	AS AT 31.03.2009		AS AT 31.03.2008	
SOURCES OF FUNDS					
(1) Shareholders' Funds					
a) Capital	I	3,000,000,000		3,000,000,000	
b) Reserves & Surplus	II	839,181,679	3,839,181,679	497,309,779	3,497,309,779
(2) Loan Funds					
a) Secured Loans	III	3,895,839,229		4,040,410,657	
b) Unsecured Loans	IV	185,000,000	4,080,839,229	-	4,040,410,657
Total			7,920,020,908		7,537,720,436
APPLICATION OF FUNDS					
(1) Fixed Assets	V				
a) Gross Block		8,022,514,840		7,002,577,781	
b) Less : Depreciation		865,692,942		747,553,783	
c) Net Block		7,156,821,898		6,255,023,998	
d) Add : Captial WIP		434,157,616		310,802,327	
			7,590,979,514		6,565,826,325
(2) Investments	VI		245,000,000		190,000,000
(3) Current Assets, Loans and Advances	VII				
a) Inventories		47,900,000		47,900,000	
b) Sundry Debtors		28,010,520		10,912,820	
c) Cash and Bank balances		63,455,937		655,234,024	
d) Other current assets		860,108		7,284,428	
e) Loans and Advances		1,304,269,872		1,191,922,469	
		1,444,496,437		1,913,253,741	
Less : Current Liabilities and Provisions	VIII				
a) Liabilities		1,142,621,434		1,039,458,115	
b) Provisions		217,833,609		91,901,515	
		1,360,455,043		1,131,359,630	
Net Current Assets			84,041,394		781,894,111
Accounting Policies and Notes on Accounts	XVI				
Total			7,920,020,908		7,537,720,436

Schedules referred to above form an integral part of the Accounts

 As per our report of even date
For Padmanabhan Prakash & Co.
 Chartered Accountants

For ENNORE PORT LIMITED
S. VELUMANI

Chairman cum Managing Director

G. PADMANABHAN

Partner

M. No. 018700

Capt. D.K. MOHANTY

Director

C. DAMODARAN

Director

M. GUNASEKARAN

Dy G M (Fin) & Secretary

Place : Chennai

Date : 10.07.2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

(In Rupees)

PARTICULARS	Sch. No.	Year Ended 31.03.2009	Year Ended 31.03.2008
INCOME			
Income from Services	IX	1,377,623,010	1,280,228,782
Other Income	X	42,405,914	156,976,024
Total		1,420,028,924	1,437,204,806
EXPENDITURE			
Port Operating Expenses	XI	248,603,858	299,558,450
Establishment Charges	XII	36,142,258	24,239,587
Administrative Expenses	XIII	68,529,376	54,986,176
Total		353,275,492	378,784,213
Profit Before Interest and Depreciation		1,066,753,432	1,058,420,593
Interest and Finance Charges	XIV	426,107,810	536,805,297
Depreciation		118,216,579	127,359,487
Profit / (Loss) Before Tax and Prior Period Adjustments		522,429,043	394,255,809
Prior Period Income / expenditure (net)	XV	53,344,135	-
Profit / (Loss) Before Tax		469,084,908	394,255,809
Provision for Taxation - Current Tax		53,100,000	44,500,000
- Deferred Tax		-	-
- Fringe Benefit Tax		1,347,200	931,000
Profit / (Loss) After Tax		414,637,708	348,824,809
Proposed Dividend		62,195,656	-
Tax on Proposed Dividend		10,570,152	-
		341,871,899	348,824,809
Profit / (Loss) brought forward from Previous year		497,309,779	148,484,970
Balance carried forward to Balance Sheet		839,181,679	497,309,779
Earnings Per Share - Basic & Diluted		1.38	1.16
Accounting Policies and Notes on Accounts	XVI		

Schedules referred to above form an integral part of the Accounts

As per our report of even date
For Padmanabhan Prakash & Co.
Chartered Accountants

For ENNORE PORT LIMITED
S. VELUMANI
Chairman cum Managing Director

G. PADMANABHAN
Partner
M. No. 018700

Capt. D.K. MOHANTY
Director

C. DAMODARAN
Director

M. GUNASEKARAN
Dy G M (Fin) & Secretary

Place : Chennai
Date : 10.07.2009

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2009

(in Rupees)

Sch. No.	PARTICULARS	AS AT	
		31.03.2009	31.03.2008
I	SHAREHOLDERS' FUNDS		
	Share Capital :		
	Authorised :		
	500,000,000 equity shares of Rs.10/- each (Previous year : 500,000,000 equity shares of Rs.10 each)	5,000,000,000	5,000,000,000
II	Issued, Subscribed and Paid up :		
	300,000,000 equity shares of Rs.10/- each fully paid up. (Previous year:300,000,000 equity shares of Rs.10 each fully paid up)	3,000,000,000	3,000,000,000
		3,000,000,000	3,000,000,000
	Reserves & Surplus		
III	Profit & Loss Account	-	-
	Opening Balance	497,309,779	148,484,970
	Add: Transfer from Profit & Loss Account	341,871,899	348,824,809
		839,181,678	497,309,779
IV	LOAN FUNDS		
	Secured Loans		
	Term Loan		
	- Chennai Port Trust	2,951,874,942	2,951,874,942
V	- Banks	943,964,287	1,088,535,715
	(Secured by hypothecation of specific assets of the Company ranking pari passu with other term loan lender(s)).		
		3,895,839,229	4,040,410,657
	Unsecured Loans		
VI	Term Loan		
	- Banks	185,000,000	-
		185,000,000	-
	INVESTMENTS		
VII	UNQUOTED - LONG TERM (AT COST) - TRADE		
	Sethusamudram Corporation Limited	245,000,000	190,000,000
	24,500,000 Equity shares of Rs.10/- each (Previous year:19,000,000 equity shares of Rs.10 each/-)		
		245,000,000	190,000,000
VIII	CURRENT ASSETS, LOANS & ADVANCES		
	a) INVENTORIES		
	(As taken, valued and certified by the management)		
	Stock - Quarried Rock	47,900,000	47,900,000
		47,900,000	47,900,000

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK AS AT	
		As at 01.04.2008	Additions	Deletions / Adjustments	As at 31.03.2009	Ratio in %	As at 01.04.2008	For the Opening Balance	Additions / Adjustments	Deletions	As at 31.03.2009	31.03.2009
1	Port Basin and Entrance Channel	1,040,399,618	-	-	1,040,399,618	1.00	70,003,180	10,403,996	-	-	80,407,176	959,992,442
	Port Basin and Entrance Channel	84,271,396	-	-	84,271,396	1.04	2,629,269	876,423	-	-	3,505,692	80,765,704
	Capital Dredging - Stage I	917,794,758	917,794,758	-	917,794,758	1.00	-	-	1,508,687	-	1,508,687	916,276,071
2	Buildings, Sheds & Other Structures	54,640,875	-	-	54,640,875	1.63	6,034,355	890,647	-	-	6,925,002	47,715,893
	Administrative building	115,125	-	-	115,125	100.00	-	-	-	-	115,125	-
	Security Cabins	878,229	-	-	878,229	1.63	71,575	14,315	-	-	892,544	806,684
	Rail House	2,315,345	-	-	2,315,345	1.63	243,474	37,740	-	-	281,214	2,034,131
	Electrical Substation	91,303	-	-	91,303	1.63	3,950	1,488	-	-	5,438	85,865
	Security Watch Tower	745,870	-	-	745,870	1.63	19,686	12,158	-	-	31,844	714,026
	Tide Gauge	1,701,443	-	-	1,701,443	1.63	32,949	27,734	-	-	60,683	1,640,760
	Fire Station Building	41,500	-	-	41,500	1.63	-	-	1,028,742	-	1,028,742	-
	Temporary Shed	1,028,742	-	-	1,028,742	1.63	-	-	10,053	-	10,053	-
	Temporary Vehicle Shed	849,452	-	-	849,452	1.63	-	-	2,469	-	2,469	-
	Toilet Block	376,080	-	-	376,080	1.63	-	-	838,220	-	838,220	-
	Switch Room - RMG Unit	838,220	-	-	838,220	100.00	-	-	-	-	-	-
	Pre-fabricated Pass section Building	-	-	-	-	-	-	-	-	-	-	-
3	Wharves, Roads and Boundaries	220,388,719	-	-	220,388,719	1.63	23,693,719	3,592,336	-	-	27,286,055	196,695,000
	Port Access Roads	6,859,698	-	-	6,859,698	2.94	201,675	201,675	-	-	403,350	6,456,348
	Port Access Roads	84,185,646	-	-	84,185,646	1.63	-	-	225,571	-	225,571	83,960,075
	Road - South to North & West Gate	787,296,264	-	-	787,296,264	2.50	133,355,045	19,682,407	-	-	153,037,452	634,258,812
	Coal Wharves	9,198,612	-	-	9,198,612	2.56	1,413,551	235,484	-	-	1,649,035	7,549,577
	Coal Wharves	5,300,304	-	-	5,300,304	2.94	1,054,187	155,829	-	-	1,210,016	4,090,288
	Coal Wharves	32,886,173	-	-	32,886,173	1.63	3,268,442	536,257	-	-	3,717,279	28,568,431
	Boundary Walls	-	-	700,463	-	-	-	-	-	77,420	-	-
4	Railway and Rolling Stocks	205,659,841	-	-	205,659,841	4.75	64,188,982	9,768,842	-	-	73,957,824	131,702,017
	Railway Sidings	4,412,303,763	-	-	4,412,303,763	1.33	397,302,021	58,750,140	-	-	456,052,161	3,961,251,602
	Docks, Seawalls, Piers & Nav. Aids	7,762,824	-	-	7,762,824	1.39	431,613	107,903	-	-	539,516	7,223,308
	Breakwater & Coastal Protection	3,138,331	-	-	3,138,331	1.41	132,750	44,250	-	-	177,000	2,961,331
	Breakwater & Coastal Protection	8,766,725	-	-	8,766,725	1.47	-	-	128,922	-	128,922	8,637,803
	Breakwater & Coastal Protection	27,727,162	-	-	27,727,162	10.00	17,013,967	2,772,716	-	-	19,786,683	7,940,479
	Navigation Aids	300,000	-	-	300,000	11.31	229,887	33,930	-	-	263,817	36,183
	Cranes & Vehicles	3,811,195	-	-	3,811,195	9.50	995,822	362,064	-	-	1,357,886	2,453,309
	Diesel Lifting Truck	-	-	-	-	-	-	-	10	-	10	-
	Vehicles - Motor Cars	-	-	-	-	-	-	-	-	-	-	-
	Vehicles - Mini Bus	-	-	-	-	-	-	-	-	-	-	-
	Vehicles - Two wheelers	232,074	9,100	-	232,074	9.50	14,627	22,047	-	-	36,674	195,400
	Bicycles	-	-	-	-	100.00	-	-	9,100	-	9,100	-
7	Installation of Water, Elec, Telecom & Fire	11,712,370	-	-	11,712,370	4.75	2,526,638	556,338	-	-	3,082,976	8,629,394
	Water & Communication Facilities	27,172,564	913,100	-	28,085,664	4.75	8,676,841	1,200,697	32,467	-	9,990,005	18,095,659
	Internal Electrical Facilities	17,004,396	-	-	17,004,396	4.75	5,096,876	807,709	-	-	5,904,585	11,099,811
8	Other Assets	4,159,722	1,479,282	-	5,639,004	4.75	869,493	193,809	51,391	-	1,114,693	4,524,311
	Electrical Appliances	9,511,041	151,037	-	9,662,078	4.75	1,346,232	434,931	24,057	-	1,805,220	7,856,858
	Office Equipments	13,392,958	2,540,095	-	15,933,053	6.31	4,292,528	717,868	370,936	-	5,401,352	10,531,701
	Furniture & Fixings	6,459,047	1,715,285	-	8,174,332	16.21	2,253,634	1,025,870	428,331	-	3,708,035	4,466,297
	Computers	-	-	-	-	-	-	-	-	-	-	-
	Total	7,002,877,781	1,020,637,832	790,463	8,022,514,840	-	747,553,783	113,567,633	6,448,996	77,420	865,692,942	7,156,831,898
	Previous Year	6,826,293,922	178,863,294	2,579,435	7,002,577,781	-	621,029,407	-	-	835,111	747,553,783	6,255,023,998
												6,205,264,516

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2009

(in Rupees)

Sch. No.	PARTICULARS	AS AT	
		31.03.2009	31.03.2008
	b) SUNDRY DEBTORS		
	(Unsecured and considered good)		
	Debts Outstanding over six months	-	211,540
	Other Debts	28,010,520	10,701,280
		28,010,520	10,912,820
	c) CASH AND BANK BALANCES		
	Cash on hand	26,237	50,367
	Balances with Scheduled Banks		
	in Current Accounts	17,484,189	7,800,524
	in Deposit Accounts	45,945,511	647,383,133
		63,455,937	655,234,024
	d) LOANS & ADVANCES		
	(Advance recoverable in cash or in kind or for value to be received - Unsecured, considered good)		
	Deposits	93,216,875	30,023,242
	Advance for capital works	450,949,975	450,949,975
	Advance towards Equity Contribution	142,750,000	142,750,000
	Income Tax	166,987,477	109,403,855
	Fringe Benefit Tax	2,807,436	1,320,238
	Prepaid Expenses	179,121	102,507
	Other Advances	426,010,147	420,830,960
	Service Tax Credit	21,368,841	36,541,692
		1,304,269,872	1,191,922,469
VIII	CURRENT LIABILITIES AND PROVISIONS		
	a) CURRENT LIABILITIES		
	Sundry Creditors	-	154,567,469
	Contract Liabilities	714,500,903	638,892,757
	Other Liabilities	428,120,531	245,997,889
		1,142,621,434	1,039,458,115
	b) PROVISIONS		
	Provision for Terminal Benefits	905,182	2,186,096
	Provision for Taxation	144,162,619	89,715,419
	Proposed Dividend	62,195,656	-
	Tax on Proposed Dividend	10,570,152	-
		217,833,609	91,901,515

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

(in Rupees)

Sch. No.	PARTICULARS	AS AT	
		31.03.2009	31.03.2008
IX	INCOME FROM SERVICES		
	(Net of Service Tax)		
	Composite Tariff on Coal	1,124,507,516	1,010,784,546
	Wharfage - Iron Ore	38,872,995	73,008,341
	Wharfage - POL & Chemicals	18,125,355	17,133,774
	Port Dues	44,627,637	35,226,918
	Berth Hire Charges	30,038,658	33,024,057
	Anchorage Charges	26,534,028	25,131,536
	Pilotage Charges	72,219,857	70,997,488
	Way Leave Charges	2,019,810	1,843,940
	Lease rental income	7,462,690	10,515,122
	Revenue Share	9,738,264	-
	Other Services	3,476,200	2,563,060
		1,377,623,010	1,280,228,782
X	OTHER INCOME		
	Interest on Bank Deposits (including Tax deducted at source of Rs.3752558/-; Previous Year Rs.1,22,21,500/-)	17,894,554	58,134,515
	Other Income	24,511,360	98,841,509
		42,405,914	156,976,024
XI	PORT OPERATING & MAINTENANCE EXPENDITURE		
	Power, Fuel & Water Charges	15,191,859	13,938,545
	Manning Expenditure	7,300,747	6,779,045
	Time Charter Payments	126,755,100	197,653,176
	Repairs and Maintenance: Machinery	1,381,929	1,067,284
	Others	97,974,223	80,120,400
		248,603,858	299,558,450
XII	ESTABLISHMENT CHARGES		
	Salaries and Allowances	28,503,202	18,704,087
	Staff Welfare Expenses	2,418,980	2,505,344
	Contribution to Provident Fund	1,614,170	985,755
	Terminal Benefits	3,605,906	2,044,401
		36,142,258	24,239,587

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

(in Rupees)

Sch. No.	PARTICULARS	AS AT	
		31.03.2009	31.03.2008
XIII	ADMINISTRATIVE EXPENSES		
	Rent, Rates & Taxes	2,177,292	2,056,771
	Electricity & Water Charges	895,367	572,609
	Postage, Telephone & Fax Charges	1,117,421	1,426,164
	Printing and Stationery	1,421,807	1,124,231
	Insurance	110,371	46,621
	Office Maintenance	1,254,726	2,087,163
	Security & Safety Expenses	17,314,947	8,646,482
	Entertainment Expenses	2,054,364	1,945,824
	Membership Fees & Subscription	7,226,369	3,269,325
	Seminar Fees & Exhibition	725,000	292,451
	Travelling and Conveyance	3,336,037	2,784,440
	Vehicle Fuel and Maintenance	9,866,524	6,878,558
	Advertisement and Publicity	7,201,890	2,713,671
	Legal & Arbitration Expenses	6,753,951	4,552,449
	Professional Charges	3,632,228	10,635,521
	Loss on Fixed Assets	-	499,358
	Social Welfare Expenses	2,462,942	1,526,500
	Business Promotion	291,644	164,550
	Sitting Fees	18,000	14,000
	Audit Fees	100,000	95,000
	Bank Charges	206,403	944,285
	Sundry Expenses	362,093	2,710,203
		68,529,376	54,986,176
XIV	INTEREST AND FINANCE CHARGES		
	Term Loans	385,415,326	370,394,884
	Others	40,692,484	166,410,413
		426,107,810	536,805,297
XV	PRIOR PERIOD INCOME / EXPENDITURE (NET)		
	Terminal Benefits	1,708,676	-
	Salaries and Allowances	115,028	-
	Interest on Awards	51,197,150	-
	Staff Welfare Expenses	-28,671	-
	Rent, Rates & Taxes	3,157	-
	Printing and Stationery	1,714	-
	Legal & Arbitration Expenses	379,896	-
	Depreciation	-77,420	-
	Social Welfare Expenses	44,603	-
		53,344,135	

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 contractors 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 Rs.5000/- and below are fully depreciated in the year of addition. Where no rates are specified for any port specific asset, the depreciation is charged at the rate as determined in accordance with the life of those assets as per the practice prevailing in Major Ports in India. Depreciation on addition in value of assets due to arbitral awards is claimed over the remaining useful life of the assets from the start of the financial year in which such award is passed and accepted.

e. INVESTMENTS:

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

f. DEFERRED REVENUE EXPENDITURE:

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

g. ACCOUNTING FOR TAXES ON INCOME:

- 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 Rs.20,000/-.

i. 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.

ii. 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.

iii. 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 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, Transport & Highways in July 2007, the company has paid Rs.31.40 Crores (inclusive of interest) to ChPT towards amount invested by ChPT for land acquisition included in Other Advances. The company has referred this matter to Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI) for their opinion. On receipt of opinion from ICAI, suitable treatment will be made in the books of accounts.
b. Similarly an amount of Rs.10 Crores paid to TNEB in earlier year towards cost of land is shown under other advances. The balance claim of Rs.5.14 Crores made by TNEB is included in Contingent Liabilities.
2. The Company has withheld certified bills of a contractor Haskoning (CO) of Ennore Coal Port Project on account of counter claims made against it. Based on the outcome of arbitral award received during the year, Interest liability due on the above certified bills amounting to Rs.5.99 Crs (Rs.5.12 Crs related to previous years) is now provided and the same is shown under Interest and Finance charges.
3. Stock represents the unutilized quarried stones of Rs.4.79 Crores having the utility value for construction / maintenance of Breakwater. These stocks have been valued at Cost or Net realizable value whichever is lower.
4. Term deposits with banks include interest accrued but not due amounting to Rs.0.95 Lakhs. (Previous Year Rs.133.25 Lakhs).

5. Managerial Remuneration :

- a. Salaries and Allowances
- b. Contribution to PF & Pension Fund
- c. Sitting Fees
- d. Contribution towards leave salary

* Includes previous years - Rs.19,81,477/-

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

7. Transactions in Foreign Currency

Earnings in foreign currency
Outgo in foreign currency towards capital expenditure
Outgo in foreign currency towards revenue expenditure

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

Quantity (Million Tons)

Cargo

No. of Vessels

2008-09	2007-08
(In Rupees)	
47,92,772*	20,80,726
2,78,728	1,78,509
18,000	14,000
2,07,175	2,65,750

2008-09	2007-08
(In Rupees)	
1,00,000	75,000

2008-09	2007-08
(Rupees in lakhs)	

Nil	Nil
Nil	Nil
Nil	1.36
2008-09	2007-08
11.50	11.56
Coal, Iron	Coal, Iron
Ore & POL	Ore & POL
250	213

9. Loan dues from directors: Rs. Nil (Previous Year: Rs. Nil); Maximum amount outstanding from them at any time during the year is Rs. Nil. (Previous Year: Rs. Nil).
10. Contingent Liabilities (as certified by the Management)
Claims against the Company not acknowledged as debts: Rs. 211.63 Crores (Previous Year: Rs. 183.24 Crores).
11. 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)
Rs. 67.24 Crores (Previous Year: 108.58 Crores)
Amount remaining to be paid consequent to the commitment made by the Company towards equity participation in the following companies:

Name of the Company	(Rupees in Crores)	
Chennai Ennore Port Road Ltd	8.75	(Previous Year: Rs. 8.75 Crores)

12. 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:

(Rs. in Lakhs)

Employer's Contribution to Provident Fund	10.00
Employer's Contribution to Family Pension Fund	2.95

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	(Rs. in Lakhs) 2008-09	
	Gratuity (Unfunded)	Leave encashment (Unfunded)
i) Reconciliation of opening and closing balances Of Defined Benefit Obligation:		
Defined Benefit obligation at the beginning	5.35	9.61
Current Service Cost	2.14	8.43
Interest Cost	0.43	0.77
Actuarial loss	1.37	(4.43)
Defined Benefit obligation at the end	9.29	14.38
Particulars	(Rs. in Lakhs) 2008-09	
	Gratuity (Unfunded)	Leave encashment (Unfunded)
ii) Expenses recognized during the year		
Current Service Cost	2.14	8.43
Interest Cost on benefit obligation	0.43	0.77
Expected return on plan assets	0.31	0.48
Actuarial gain/loss recognized in the year	1.30	4.54
Net benefit expenses	3.56	4.17
iii) 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%

This being the first year of implementation, previous year figures have not been given.

13. 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.

14. Related Party Disclosure:

Key Management Personnel

- | | |
|-----------------------|-------------------------------------------|
| a. Shri S. Velumani | - Chairman cum Managing Director |
| b. Capt. D.K. Mohanty | - Director (Marine Services) |
| c. Dr. A. Rajagopalan | - Director (Operations) (upto 02.04.2008) |
| d. Shri C. Damodaran | - Director (Operations) (from 09.05.2008) |

Details of transaction :

2008-09 2007-08
(In Rupees)

Remuneration to Directors

52,78,675* 25,46,831

* Includes previous years - Rs.19,81,477/-

15. Assets taken on operating leases

(Rs. In lakhs)

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	70.37	20.99	49.38	—

16. Earnings per share (EPS) as per Accounting Standard 20

Profit after tax

2008-09	2007-08
41,46,37,708	34,88,24,809

No. of shares outstanding of Rs.10/- each

30,00,00,000 30,00,00,000

Earnings Per Share (Rs.) - Basic & Diluted

1.38 1.16

17. As a matter of prudence, Deferred Tax Assets (net) is not recognised in the financial statements.

18. Loans and advances includes the following advance payments made towards equity contribution pending allotment :

- | | | |
|--------------------------------------|---|----------------|
| a. Sethusamudram Corporation Limited | - | Rs.5.50 Crores |
| b. Chennai-Ennore Ports Road Limited | - | Rs.8.75 Crores |
| c. Ennore SEZ Company Limited | - | Rs.2.50 Lakhs |

19. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

- (a) An amount of Rs. Nil (Previous Year Nil) and Rs.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.

20. Previous year's figures have been regrouped, wherever necessary, to conform to the current year's classification.

For ENNORE PORT LIMITED

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

S. VELUMANI

Chairman cum Managing Director

G. PADMANABHAN

Partner

M. No. 016700

Capt. D.K. MOHANTY

Director

C. DAMODARAN

Director

M. GUNASEKARAN

Dy G M (Fin) & Secretary

Place : Chennai

Date : 10.07.2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

	Rs.	2008-09	Rs.	2007-08
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after tax and extraordinary items		414,637,708		348,824,809
Adjustment for:				
Depreciation		118,216,579		127,359,487
Interest charges		426,107,810		536,805,297
Loss/ (-) Profit on Sale of Fixed assets				(499,358)
Income Tax		54,447,200		45,431,000
Operating Profit before working capital changes		1,013,409,297		1,057,921,235
Adjustment for:				
(Increase) / Decrease Current Assets		(123,020,783)		(356,139,637)
Increase /(Decrease) Current Liabilities		(60,837,176)		205,922,472
Net Cash Generated From Operating Activities		829,551,338		907,704,070
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Fixed Assets		623,043		2,243,682
Purchase of Fixed Assets		(1,143,992,810)		(489,665,621)
Investments		(55,000,000)		(90,000,000)
Net Cash generated from Investing Activities		(1,198,369,767)		(577,421,939)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings		185,000,000		-
Repayment of Loans		(144,571,428)		(146,656,729)
Interest Paid		(263,388,229)		(305,545,348)
Net Cash Used in Financing Activities		(222,959,657)		(452,202,077)
Net Increase in cash and cash equivalents (A+B+C)		(591,778,087)		(121,919,946)
Cash and Cash equivalents as at (08)	655,234,024		777,153,970	
Cash and Cash equivalents as at (09)	63,455,937	(591,778,087)	655,234,024	(121,919,946)

For ENNORE PORT LIMITED
S. VELUMANI
Chairman cum Managing Director

Capt. D.K. MOHANTY
Director

C. DAMODARAN
Director

M. GUNASEKARAN
Dy G M (Fin) & Secretary

Place : Chennai
Date : 10.07.2009

As per our report of even date
For Padmanabhan Prakash & Co.
Chartered Accountants

G. PADMANABHAM
Partner
M. No. 018700

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

1. REGISTRATION DETAILS

Registration No. - 4 3 3 2 2

State Code 1 8 (Refer Code List)

Balance Sheet Date 3 1 0 3 0 9
Date Month Year

2. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue

- - - - - - - - -

Rights Issue

- - - - - - - - -

Bonus Issue

- - - - - - - - -

Private Issue

- - - - - - - - -

3. POSITION OF MOBILIZATION & DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities

- - 7 9 2 0 0 2 1

Total Assets

- - 7 9 2 0 0 2 1

SOURCES OF FUNDS

Paid-up Capital

- - 3 0 0 0 0 0 0

Reserves & Surplus

- - - 8 3 9 1 8 2

Secured Loans

- - 3 8 9 5 8 3 9

Unsecured Loans

- - - 1 8 5 0 0 0

APPLICATION OF FUNDS

Net Fixed Assets

- - 7 5 9 0 9 8 0

Investments

- - - 2 4 5 0 0 0

Net Current Assets

- - - - 8 4 0 4 1

Misc. Expenditure

- - - - - - - - -

Accumulated Losses

- - - - - - - - -

4. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover

- - 1 3 7 7 6 2 3

Total Expenditure

- - - 8 9 7 6 0 0

+ -
☒ ☐

Profit / Loss before Tax

- - - 4 6 9 0 8 5

+ -
☒ ☐

Profit / Loss before Tax

- - - 4 1 4 6 3 8

(Please tick (✓) Appropriate box + for Profit - for Loss)

Earning per Share in Rs.

- - - 1 . 3 8

Dividend Rate %

0 2

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS : SERVICES OF COMPANY

(as per monetary terms)

Item Code No.

--	--	--	--	--	--	--	--	--	--

(ITC Code)

Product Description

P	O	R	T		S	E	R	V	I	C	E	S							

Item Code No.

--	--	--	--	--	--	--	--	--	--

(ITC Code)

Product Description

L	E	A	S	E		R	E	N	T	A	L		I	N	C	O	M	E

Item Code No.

--	--	--	--	--	--	--	--	--	--

(ITC Code)

Product Description

For ENNORE PORT LIMITED

As per our report of even date
For Padmanabhan Prakash & Co.
Chartered Accountants

S. VELUMANI

Chairman cum Managing Director

G. PADMANABHAN

Partner

M. No. 018700

Capt. D.K. MOHANTY

Director

C. DAMODARAN

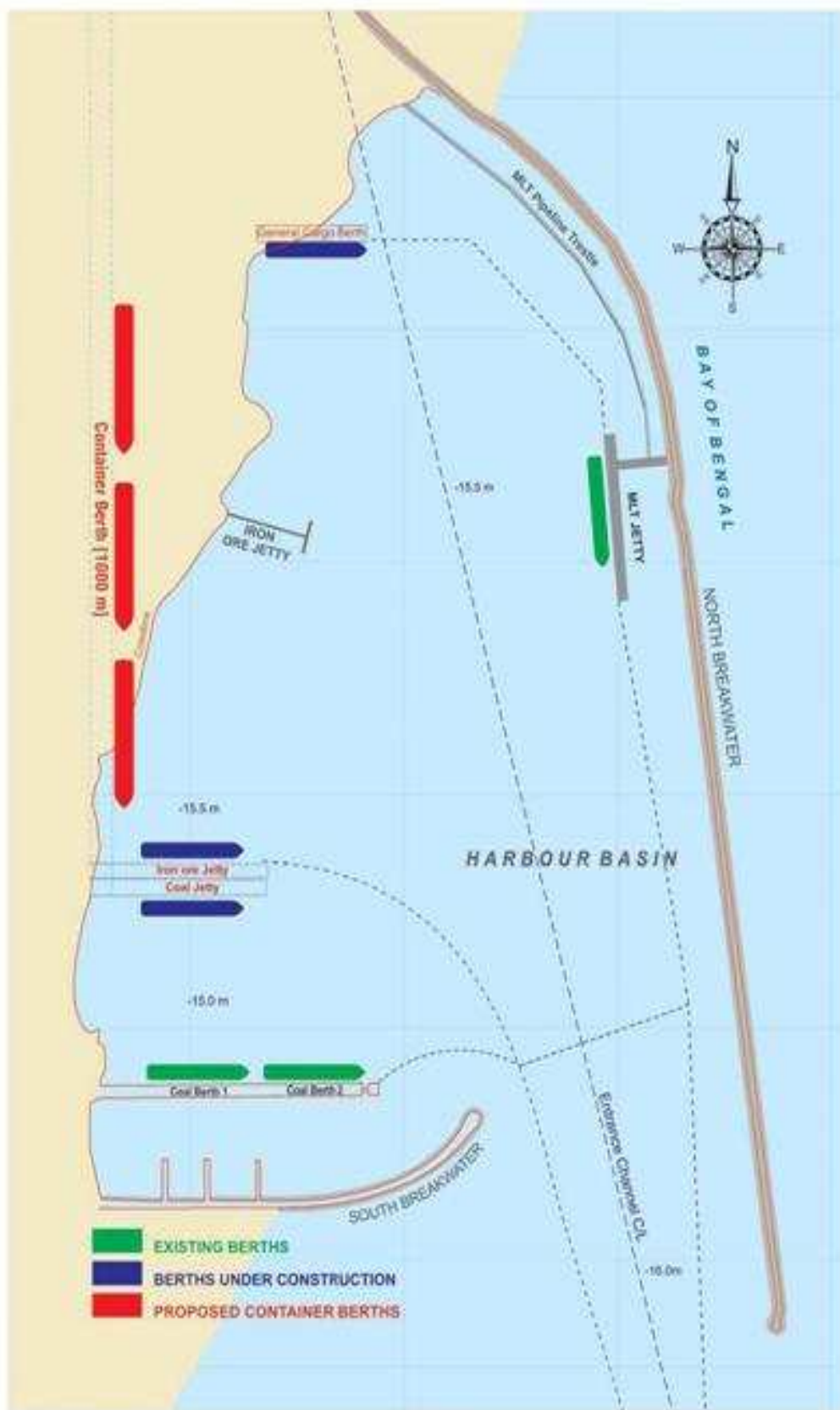
Director

M. GUNASEKARAN

Dy G M (Fin) & Secretary

Place : Chennai

Date : 10.07.2009



PORT OF ENNORE

EMERALD GREEN ENNORE PORT ENVIRONS



Ennore Port Limited

(A MINISTRY OF INDIA UNDERTAKING)

Regd. & Corporate Office :

PT. San Chemburam, Indira Nagar (1st Floor)

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Email : info@epil.gov.in

Port Office :

Vellore Port, Near SCTPS, Chennai - 600 198

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Fax : 044 - 2795 8882

Website : www.ennoreport.gov.in

