

# **First Annual Report**

For the Period 11<sup>th</sup> October 1999 to 31<sup>st</sup> March 2001

**ENNORE PORT LIMITED**

## ENNORE PORT LIMITED

Regd. Office : 15, Kasturirangan Road, Alwarpet, Chennai - 600 018

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the First Annual General Meeting of the Company will be held on Saturday the 23<sup>rd</sup> day of March 2002 at 3.00 p.m. at the registered office of the Company at No. 15, Kasturirangan Road, Alwarpet, Chennai - 600 018 to transact the following business :

#### ORDINARY BUSINESS

##### Item No.1

To receive, consider and adopt the audited accounts of the Company for the period from 11<sup>th</sup> October 1999 to 31<sup>st</sup> March 2001 together with the Reports of the Directors and Auditors.

##### Item No. 2

To fix the remuneration payable to Statutory Auditors of the Company for the financial period ending 31<sup>st</sup> March 2001

The Comptroller and Auditor General of India has appointed M/s. Vaithisvaran & Co., Chartered Accountants as the Statutory Auditors of the Company. To consider and pass with or without modification, the following resolution as an ordinary resolution :

"RESOLVED that the remuneration of M/s. Vaithisvaran & Co., Statutory Auditors for the Financial period ending 31<sup>st</sup> March 2001 be fixed as Rs. 5,000/- inclusive of all out of pocket expenses".

#### SPECIAL BUSINESS

##### Item No.3

To appoint director on the Board of the Company.

To consider and pass with or without modification, the following resolution as an ordinary resolution :

RESOLVED to appoint Shri P. Baskaradoss I A S Chairman, Chennai Port Trust as a Director, liable to retire by rotation, on the Board of Directors of the company.

##### Item No.4

To appoint director on the Board of the Company.

To consider and pass with or without modification, the following resolution as an ordinary resolution :

RESOLVED to appoint Shri R K Jain I A S, Joint secretary (Ports), Ministry of Shipping, Government of India, as a Director, liable to retire by rotation, on the Board of Directors of the company.

Item No.5.

To fix the remuneration payable to Statutory Auditors of the Company for the financial year 2001 - 2002 and authorise the Board of Directors to fix the remuneration of the Statutory Auditors in the future.

The Comptroller and Auditor General of India has appointed M/s. Sundaram & Narayanan, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2001 - 2002. To consider and pass, with or without modification, the following resolutions as Ordinary resolutions:

“RESOLVED that the remuneration of M/S. Sundaram & Narayanan, Statutory Auditors of the company, for the financial year 2001-02 be fixed as Rs.50000/- (Fifty Thousand only) inclusive of out of pocket expenses.

FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorised to fix the remuneration of Statutory Auditors appointed by the Comptroller and Auditor General of India in the coming years.”

Item No.6

To consider and 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 deemed to include any committee of the Board) to borrow any sum or sums of money from time to time which together with the monies already borrowed by the company (apart from the temporary loans obtained from the company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount that may be so borrowed by the Board and outstanding at any one time shall not exceed Rs. 650 crores ( Rupees Six hundred fifty crores only) at its discretion from the Government of India, the Chennai Port Trust, any bank, financial institution or other lending institution or persons on such terms and conditions as may be considered suitable by the Board of Directors.

Item No. 7

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

"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 debt 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/Letters 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 Rs 650 Crores (Rupees Six hundred fifty crores only).

FURTHER RESOLVED that the Board be and is hereby authorised to finalise 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".

Item No. 8

To consider and pass with or without modification the following resolutions as special resolutions

RESOLVED that in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Articles of association of the company, and such other approvals sanctions and permissions as may be necessary and subject to such conditions and modifications as may be prescribed in granting such approvals,

permissions and sanctions which may be agreed to by the Board of Directors of the Company ( hereinafter referred to as the "Board" which term shall be deemed to include any committee of the Board), at its sole discretion, the consent of the company be and is hereby accorded to the Board, to create, offer and issue to such persons as are set out hereunder, such number of equity shares of the company of the face value of Rs. 10/- each not exceeding 30,00,00,000 in number for subscription against money spent by them on the Ennore Port project as detailed hereunder :

1. Not exceeding 20,00,00,000 equity shares of Rs. 10/- each at par in favour of the President of India
2. Not exceeding 10,00,00,000 equity shares of Rs. 10/- each at par in favour of the Board of Trustees of Chennai Port trust.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board of Directors of the company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things and accept any modification or alterations as they may deem fit and proper in such a manner as may appear to the Board to be most beneficial to the company.

By Order of the Board

**M. Raman**  
Chairman cum Managing Director

Place : Chennai  
Date : 21/03/2002

**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.

EXPLANATORY STATEMENT pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 2

Pursuant to Section 619 of the Companies Act, 1956 the Comptroller and Auditor General of India has appointed M/s. Vaithisvaran & Co., Chartered Accountants as the Statutory Auditors of the company for the Financial Year ending 31<sup>st</sup> March 2001. As per the requirements of Section 224(8)(aa) of the Companies Act, 1956, in the case of Government companies, effective from 13<sup>th</sup> December 2000, the remuneration of the Statutory Auditors appointed by the Comptroller and Auditor General of India should be fixed in a General Meeting of the company. Accordingly, approval of the Shareholders is sought for the remuneration to be paid to the Statutory Auditors.

The Directors recommend the Resolutions for approval of the Shareholders. None of the Directors of the company is concerned or interested in the Resolution.

Item No. 3 & 4

Government of India (GOI), vide Memorandum No.9 (24)/2000-GM, Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprises dated 7-3-2001 have inter alia directed that the composition of Board of Directors shall include one representative from Government of India and one from Chennai Port Trust as ex-officio Directors.

Shri P. Baskaradoss I.A.S. Chairman, Chennai port Trust was appointed by the Board of Directors as a Director representing Chennai Port Trust, with effect from 4-7-2001 and Shri R.K. Jain, Joint Secretary (Ports), Ministry of Shipping was appointed as a Director in the place Shri K.V. Rao, by the Board with effect from 15.12.2001. Shri R.K. Jain will be a director representing the Government of India.

Under Section 255 of the Companies Act 1956, unless the Articles of Association, provides for retirement of all the Directors, not less than two thirds of the total number of Directors are to be appointed in the General Meeting. In the case of EPL, no Director has been appointed in a General Meeting, so far, as required by section 255 of the Act.

As per Article 139 of the Article of Association Ennore Port Limited two thirds of the total number of Directors shall be the persons liable to retire by rotation and save as otherwise provided in the Act and Articles be appointed in the General Meeting. The remaining one third shall be appointed in accordance with the provisions of the Articles of Association.

In order to comply with the requirements of section 255 of the Act and Articles of Association of the Company, it is proposed to appoint Shri P. Baskaradoss I A S Chairman, Chennai Port Trust and Shri.R.K. Jain I A S, Joint Secretary (Ports), Ministry of Shipping, Government of India, as Directors of the company at this the Annual General Meeting

Shri P.Baskaradoss I A S and Shri.R.K.Jain I A S are interested in the resolutions. No other Director is concerned or interested in the resolutions

Item No. 5

Pursuant to Section 619 of the Companies Act, 1956, the Comptroller and Auditor General of India has appointed M/s. Sundaram & Narayanan, Chartered Accounts as Statutory Auditors of the company for the financial year 2001-02 dated 11<sup>th</sup> February 2002.

As per the requirements of Section 224(8)(aa) of the Companies Act, 1956, in the case of Government companies, effective from 13<sup>th</sup> December 2000, the remuneration of the Statutory Auditors appointed by the Comptroller and Auditor General of India should be fixed in a General Meeting of the company. Accordingly, approval of the Shareholders is sought for the remuneration to be paid to the Statutory Auditors for the financial year 2001 - 2002

Further Section 224(8)(aa) of the Companies Act 1956, also provides that in the case of an auditor appointed under section 619 by the Comptroller and Auditor General of India, the remuneration of the auditors of the company shall be fixed by the company in general meeting or in such manner as the company in general meeting may determine. It is proposed that the general meeting may authorize the Board of directors to fix the remuneration of the statutory Auditors in future.

The Directors recommend the Resolutions for approval of the Shareholders. None of the Directors of the company is concerned or interested in the Resolution.

Item No. 6

Government of India (GOI) had entrusted the execution of the Ennore Port Project with the Chennai Port Trust (ChPT). The project was funded by the GOI and the ChPT. The Revised Cost Estimate of the Ennore Port Project has been approved by the Government of India as Rs. 1058.52 crores. The provisional expenditure incurred upto 22.6.2001 was around Rs. 885 crores including Interest During Construction (IDC). GOI has designated the Ennore Port as the first Corporate Port in the country. GOI and the ChPT promoted Ennore Port Limited (EPL) to act as the Port Company. The assets and facilities of the Ennore Port Project are being transferred / vested by the promoters in favour of EPL. Against the monies already invested by the GOI and the ChPT on the Ennore Port Project, which is being vested by the promoters in EPL, the GOI have directed that Rs. 200 Crores may be treated as equity of GOI and Rs. 100 Crores as equity of ChPT and the balance amounts as loans from GOI and ChPT. To give effect to the above directions the company will have to execute loan agreements in favour of the Government of India and Chennai Port Trust and also create charge on the assets that will be acquired by the company in favour of the Government of India and the Chennai Port Trust.

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 Rs 650 Crores as set out in the Resolution at Item 6 of the Notice.

The Directors recommend the Resolution for approval of the shareholders.

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



Item No. 7.

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.

The Directors recommend the Resolution for approval of the shareholders.

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

Item No 8

Government of India (GOI) had entrusted the execution of the Ennore Port Project with the Chennai Port Trust (ChPT). The project was funded by the GOI and the ChPT. The Revised Cost Estimate of the Ennore Port Project has been approved by the Government of India as Rs. 1058.52 crores. The provisional expenditure incurred upto 22.6.2001 was around Rs. 885 crores including Interest During Construction (IDC). GOI has designated the Ennore Port as the first Corporate Port in the country. GOI and the ChPT promoted Ennore Port Limited (EPL) to act as the Port Company. The assets and facilities of the Ennore Port Project are being transferred / vested by the promoters in favour of EPL. Against the monies already invested by the GOI and the ChPT on the Ennore Port Project which is being vested by the promoters in EPL, the GOI have directed that Rs. 200 Crores may be treated as equity of GOI and Rs. 100 Crores as equity of ChPT and the balance amounts as loans from GOI and ChPT. To give effect to the above directions it is proposed to issue and allot shares to GOI and the ChPT as indicated in the Resolution at Item No. 8 of the Notice.

The Directors recommend the Resolution for approval of the shareholders.

None of the Directors of the company is concerned or interested in the Resolution



## DIRECTORS' REPORT

To

The Shareholders

Your Directors have pleasure in presenting the First Annual Report of the Company together with the audited Statements of Accounts for the period 11<sup>th</sup> October 1999 to 31<sup>st</sup> March 2001

### ENNORE PORT - THE FIRST CORPORATE PORT

Your company is the First Corporatised Port in the Country. The Ennore Port Limited was registered under the Companies Act 1956 on 11<sup>th</sup> October 1999. It is the 12<sup>th</sup> Major Port in India.

Ennore Port was originally planned as a satellite port to Chennai Port, to handle Thermal Coal required for TNEB. However considering the port's potential, the Government of India decided that the Port should be developed as an independent major port. Accordingly the Government of India directed the Chennai Port Trust to execute the construction of the Ennore Port Project.

The first stage of the Ennore Port, comprising of the South Break Water (1070 M), North Break Water (3080M) and a Coal Wharf of 560 M to accommodate two vessels of 240 M length each, has been successfully completed. The Coal Wharf is dedicated to bulk coal handling for the Tamil Nadu Electricity Board (TNEB). Necessary shore based equipment to unload and transfer the coal from the vessel to the stock yard of the power station have been provided by TNEB. The shore based unloading system comprises of two grab unloaders of 2000 tonnes per hour capacity each to discharge coal from gearless vessels, a hopper to receive coal from crane grab self - unloading ships and two streams of conveyors to connect the coal wharf to the North Chennai Thermal Power Station. Each conveyor stream has the capacity to move 4,000 tonnes per hour.

Lands to the extent of 2100 acres are available with the port for future development. The port is well connected with hinterland by road and rail network. The port is designed to develop around 22 berths for handling a variety of dry bulk / liquid bulk cargo and containers and has a potential to handle over 50 million tonnes of cargo by 2011 - 12.

The Revised Cost Estimate (RCE) of the Ennore Port Project has been approved by the Government of India as Rs. 1058.52 crores. The provisional expenditure incurred upto 22.6.2001 was around Rs. 885 crores including Interest During Construction (IDC), which was funded by Rs. 200 crores equity from Government of India and Rs. 100 crores equity from Chennai Port Trust and Rs. 585 crores in the form of loans from the Government of India and Chennai Port Trust.

Ennore Port was dedicated to the nation by the Honourable Prime Minister of India Shri A.B. Vajpayee on 1<sup>st</sup> February 2001.

### OPERATIONS

The company commenced commercial operations from 22<sup>nd</sup> June 2001. Full fledged operations with deployment of self unloading/gear less vessels of 65,000 / 77,000 DWT and shore based mechanical unloaders are expected to commence shortly. A Self Unloading ship has called on Ennore Port on 28.2.2002 for trial operations. Since June 2001, around 63 vessels have used the port facilities. During the period from 1<sup>st</sup> July 2001 to 31<sup>st</sup> Jan 2002, the port handled 2.452 Million Tonnes of thermal coal, resulting in revenues to the tune of Rs. 843.93 lakhs from cargo and vessel related charges. The operational expenditure during the period was Rs. 138.31 lakhs. During the current year the company is expected to handle 3.5 Million tonnes of cargo resulting in a turnover of Rs 1200 lakhs. The operational expenditures is estimated at Rs. 200 lakhs.

### BOARD OF DIRECTORS

As the First Directors are not named in the Articles of Association, the Subscribers to Memorandum who are individuals shall be deemed to be the Directors of the Company, under section 254 of the Companies Act, until the Directors are duly appointed in accordance with sec.255, i.e. in a general meeting. Accordingly the following individual subscribers to the Memorandum of Association of the company are deemed to be the directors of the company :

1. Shri.R.Vasudevan
2. Shri.Ashoke Joshi
3. Shri.S.Gopalan
4. Shri.K.V.Rao.
5. Shri.K.R.Bhati

Shri M. Raman IAS was appointed as Chairman cum Managing Director with effect from 11-06-2001 by the Board of Directors

Shri P. Baskaradoss I.A.S. Chairman, Chennai port Trust was appointed by the Board of Directors as a Director with effect from 4-7-2001 and Shri R.K. Jain, Joint Secretary (Ports), Ministry of Shipping was appointed as a Director in the place Shri K.V. Rao, by the Board with effect from 15.12.2001.

Government Of India, vide Memorandum No 9(24)/2000-GM, Ministry of Heavy Industries & Public Enterprises, Dept of Public Enterprises dated 7-3-2001 have directed that the composition of Board of Directors of EPL shall be as follows.

- |   |           |
|---|-----------|
| 1. Chairman cum Managing Director in schedule B | Full Time |
| 2. Director(Operations) schedule C -            | do        |

- |  |              |
|--|--------------|
| 3. Director(Marine Services) in schedule C         | do           |
| 4. One representative from Govt of India           | ex-officio   |
| 5. One representative from Chennai Port Trust      | do           |
| 6. An expert in the field of maritime/Port matters | non-official |
| 7. A representative of trade & Industry            | do           |
| 8. An expert in financial matters                  | do           |

Action has been initiated for appointment of the other two full time directors and the remaining non official directors.

Pursuant to the requirements of Section 255 of the Companies Act 1956, resolutions are placed before the Annual General meeting for the appointment of the following directors :

1. Shri R.K Jain, Joint Secretary (Ports) in the Ministry of Shipping representing the Government of India
2. Shri P. Baskaradoss, Chairman Chennai Port Trust, representing the Chennai Port Trust.

Your Directors wish to place on record their appreciation for the valuable services rendered by the outgoing Directors during their tenure as Directors on the Board of the Company.

#### **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 a going concern basis.

**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            | : | Not applicable |
| b) Technology absorption             | : | Not applicable |
| c) Foreign Exchange Earned and Outgo | : | NIL            |

Foreign Exchange used	:	NIL
Foreign Exchange earned	:	NIL

**AUDITORS**

M/s Vaithisvaran & Co, Chartered Accountants were appointed as statutory auditors of the company by the Comptroller and Auditor General of India, New Delhi for the period from 11<sup>th</sup> October 1999 to 31<sup>st</sup> March 2001. Resolution for determining the remuneration of the auditors, pursuant to section 224 (8) of the Companies Act 1956, is placed before the Annual General Meeting for approval.

**ACKNOWLEDGEMENT**

Your Directors wish to acknowledge gratefully the support and guidance received from Government of India & Chennai Port Trust.

Your Directors take this opportunity to acknowledge the support and co-operation of the company's statutory auditors, the Comptroller and Auditor General of India, bankers, advisors and all the employees of the company.

**For and on behalf of the Board**

  
**M. RAMAN**

**Chairman cum Managing Director**

Place : Chennai  
Dated : 4<sup>th</sup> March, 2002

AUDITOR'S REPORT

The Shareholders  
Ennore Port Limited  
Chennai.


We have examined the attached Balance Sheet of ENNORE PORT LIMITED as at 31<sup>st</sup> March 2001 incorporating therein to the extent indicated thereat the preliminary and pre-operative expenses incurred during the period 11.10.1999 to 31.03.2001 read together with the notes thereon and the disclosure in respect of the statement on Significant Accounting Policies forming part thereof and report that 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 thereto and the disclosure in respect of the Statement on Significant Accounting Policies forming part thereof, give the information required by the Companies Act, 1956 and give a true and fair view of the state of the affairs of the Company as at 31<sup>st</sup> March 2001.

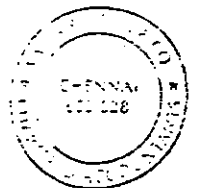
We further report that:

1. We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. 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.
3. The Balance Sheet dealt with by the report are in agreement with the books of account.
4. In our opinion, subject to disclosure in respect of the accounting policies of the Company, the Balance Sheet of the Company as at 31<sup>st</sup> March 2001 is in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of information and explanation given to us and written representations received from the directors, and reportedly taken on record by the Board, we report that none of the directors of the company appears to be disqualified under Section 274(1)(g) of the Companies Act, 1956 from being appointed as directors.
6. The company has not commenced any activity, commercial or otherwise, during the period under audit. The matters to be reported under para 4 and 5 of the Manufacturing and Other Companies (Auditor's Report) Order 1988 issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956 are in our opinion, not applicable.

Date : 09 March 2002  
Place: Chennai

For Vaithisvaran & Company  
Chartered Accountants

  
R. Venkatesh  
Partner  
(M.No. 203816)



Grams : DIRCOMIT

Phone : 8274797



सं / No. PDCA/CA-Coord-IV/EPL-Accts-1999-2001/4-112/199  
सेवा में / To.

The Chairman and Managing Director,  
Ennore Port Limited,  
15, Kasthurirangan Road,  
Alwarpet, Chennai - 600 018.

Sir,

Sub: 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, Chennai for the period ended 31<sup>st</sup> March 2001.

I am to forward herewith the 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, CHENNAI, for the period ended 31<sup>st</sup> March 2001.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

6/10  
  
(SUBHASHINI SRINIVASAN)  
Principal Director of Commercial Audit and  
Ex-officio Member Audit Board (Ic), Chennai

इंडियन ऑयल भवन, पहली माला, 139, महात्मा गांधी रोड, चेन्नै - 600 034  
Indian Oil Bhavan, 1 Floor, 139, Mahatma Gandhi Road, Chennai - 600 034.  
फैक्स / Fax: 044-8278618

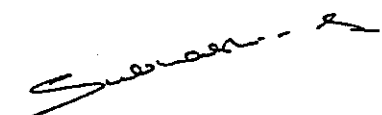
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कार्यालय प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा  
तथा पदेन सदस्य, लेखा परीक्षा बोर्ड, चेन्नै.  
Indian Audit and Accounts Department  
Office of the Principal Director of Commercial Audit  
and Ex-Officio Member Audit Board, Chennai,

दिनांक /Dated.....  
20.03.2002

**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, CHENNAI FOR THE PERIOD  
ENDED 31<sup>ST</sup> MARCH 2001.**

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditors' Report under section 619(4) of the Companies Act, 1956 on the accounts of ENNORE PORT LIMITED, CHENNAI for the period ended 31<sup>st</sup> March 2001.

Date: 20.03.2002  
Place: Chennai.

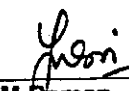
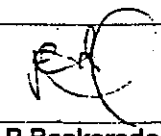
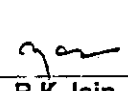
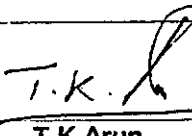
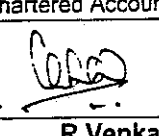
7/10   
(SUBHASHINI SRINIVASAN)  
Principal Director of Commercial Audit and  
Ex-officio Member Audit Board (I/c), Chennai

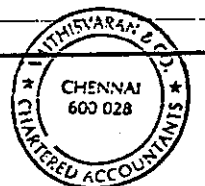



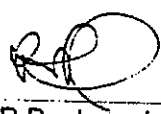
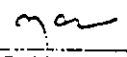
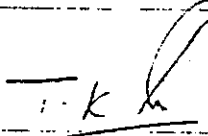
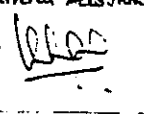
**ENNORE PORT LIMITED**

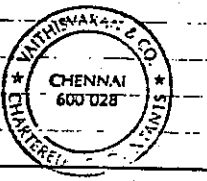
**BALANCE SHEET**

**As on 31.3.2001**

<b>ENNORE PORT LIMITED</b>				
Regd office : 15. Kasthuri Rangan Road. Alwarpet. Chennai - 600 018				
<b>Balance sheet as on 31.03.2001</b>				
<b>I. SOURCES OF FUNDS :</b>	Rs.	Rs.		
<b>(1) SHAREHOLDERS FUNDS :</b>				
<b>(a) Share Capital</b>				
Authorised Capital 50,00,00,000 (fifty crores ) shares of Rs.10 each.		5000000000		
Issued ,Subscribed & Paid up Capital				
<b>Equity - 7 shares of Rs.10 - each fully paid up</b>	70			
(of the above shares no shares are allotted as fully paid pursuant to a contract without payments being received in cash)				
Less: Calls unpaid	Nil	70		
Preference		nil		
<b>(b) Reserves and Surplus</b>		nil		
<b>(2) LOAN FUNDS :</b>				
<b>(a) Secured loans</b>	nil			
<b>(b) Unsecured loans</b>	nil	nil		
<b>TOTAL</b>		<b>70</b>		
<b>II. APPLICATION OF FUNDS :</b>				
<b>(1) FIXED ASSETS</b>		nil		
<b>(2) INVESTMENTS</b>		nil		
<b>(3) CURRENT ASSETS, LOANS &amp; ADVANCES</b>	nil			
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>(a) CURRENT LIABILITIES</b>				
<b>(1) Acceptances</b>	nil			
<b>(2) Sundry Creditors</b>	nil			
<b>(3) Subsidiary Companies</b>	nil			
<b>(4) Advance Payments and unexpired Discounts</b>	nil			
<b>(5) Unclaimed Dividends</b>	nil			
<b>(6) Other Liabilities (see Note 3)</b>	8001980			
<b>(7) Interest Accrued but not due on loans</b>	nil	(8001980)		
<b>(b) PROVISIONS</b>				
— Provision for audit fees including Service Tax	5250	(5250)		
<b>(4) MISCELLANEOUS EXPENDITURE ( to the extent not written off)</b>				
Preliminary Expenses (see Note 2)		8001980		
Pre-operative Expenses (see Note 2)		5320		
<b>TOTAL</b>		<b>70</b>		
<b>Significant Accounting Policies and Notes on Accounts attached hereto form part of this balance sheet.</b>				
		As per our report of even date For Vaithisvaran & Company Chartered Accountants		
				
M. Raman	P. Baskaradoss	R. K. Jain	T. K. Arun	R. Venkatesh
Chairman & Managing Director	Director	Director	Secretary	Partner
Date : 09.03.02				
Place : Chennai				



Statement of Incidental Expenditure incurred during construction for the period from 11/10/99 to 31/03/2001		Rupees
Audit fees		5250
Local Conveyance		70
<b>Total</b>		<b>5320</b>
Statement of Incidental Income earned during construction for the period from 11/10/99 to 31/03/2001		Rupees
Nil		0
For Vaithisvaran & Co. Chartered Accountants		
 M. Raman Chairman & Managing Director	 P. Baskaradoss Director	 R.K. Jain Director
	 T.K. Arun Secretary	 R. Venkatesh Partner
Date:	09.3.2002	
Place:	Chennai	



**SIGNIFICANT ACCOUNTING POLICIES**

In the absence of there being no activity either commercial or otherwise undertaken directly by the Company from the date of incorporation to 31 March 2001, the accounts of the Company does not necessitate framing/adopting a statement on Significant Accounting Policies.

**NOTES ON ACCOUNTS**

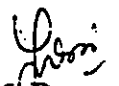
1. This is the first balance sheet of the Company. Hence information regarding the corresponding amounts for the immediately preceding financial year is not furnished.
2. Details of preliminary and pre-operative expenses for the period from 11.10.1999 to 31.03.2001 is as under:


<u>Preliminary Expenses</u>	Rs.
Fees paid to the Registrar of Companies for Incorporation	80.01.980
Amount transferred to Balance sheet	80.01.980
<u>Pre-operative Expenses</u>	Rs.
Audit fees payable for the period 11.10.1999 to 31.03.2001 (including Service Tax)	5.250
Local Conveyance	70
Total transferred to Balance sheet	5.320

3. The amount of Rs. 80.01,980/- reflected under 'Other Current Liabilities' in the balance sheet represents amount paid by the Chennai Port Trust as fees to the Registrar of Companies for Incorporation of the company.
4. An amount of Rs. 803.43 crore (inclusive of Rs. 111.17 crore being interest during construction) is reported to have been incurred by Chennai Port Trust as on 31.03.2001 towards the 'Ennore Coal Port Project' which is inclusive of Government of India's funds to the tune of Rs. 356.87 crore and Chennai port Trust's funds (inclusive of cost of land of Rs. 14.81 crore) to the tune of Rs. 446.56 crore. The same has not been given effect to in the Balance sheet of Ennore Port Limited as on 31.03.2001 as per the Government of India. Ministry of Shipping's (Ports Wing) directive #PD/12012/19/2000-P.O.I dt 14<sup>th</sup> February 2002.

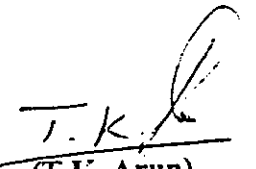
5. On account of note No.4 above.

- a. Only Preliminary and pre-operative expenses as provided in note 2 have been capitalized.
- b. The possible liability for payment of interest on loans mentioned in note 4 have not been provided for since the Company has not determined and adopted the loan liability in the absence of terms and conditions of the loan not being communicated both by the Govt. of India and the Chennai Port Trust. ....

  
(M. Raman)  
Chairman & Managing  
Director

  
(P. Baskaradoss)  
Director

  
(R.K. Jain)  
Director

  
(T.K. Arun)  
Secretary