



# 2017-18

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

## 18<sup>वीं</sup> वार्षिक रिपोर्ट



### KAMARAJAR PORT LIMITED

### कामराजर पोर्ट लिमिटेड

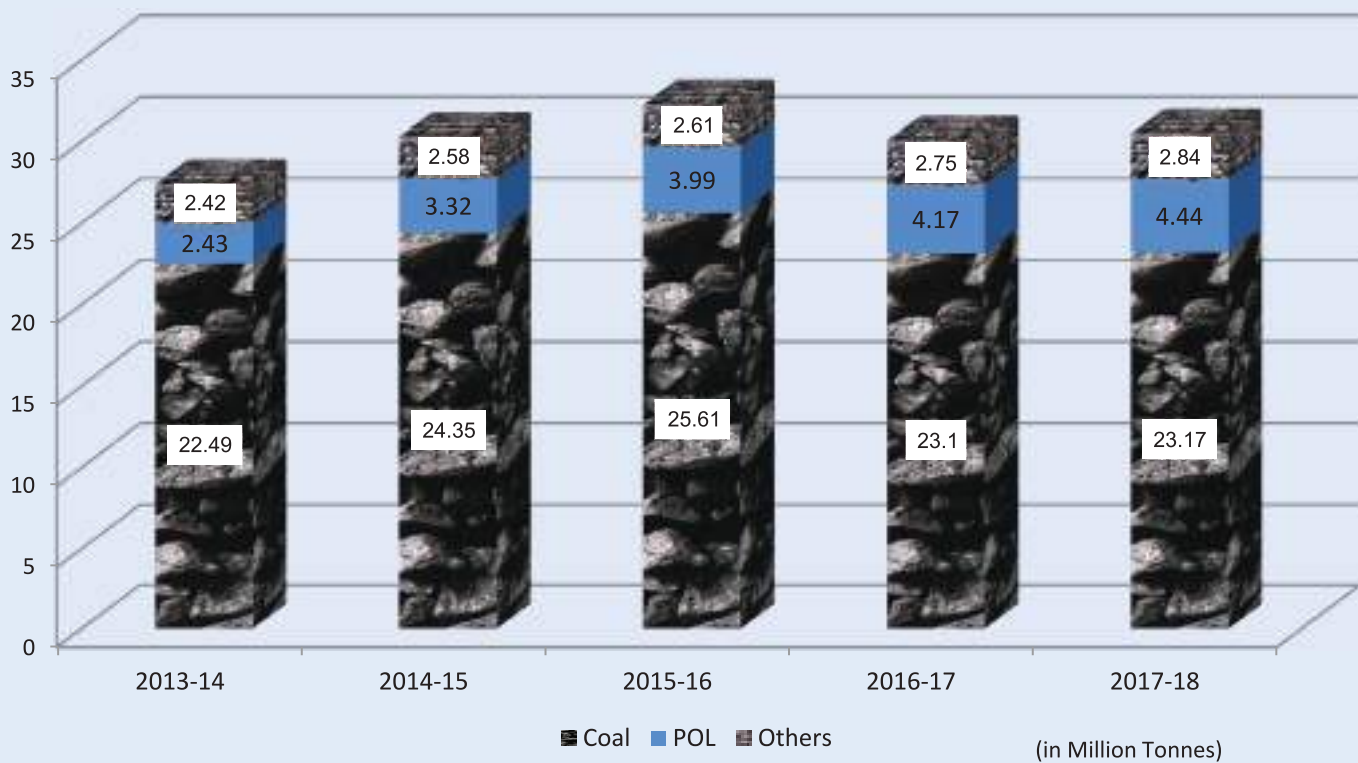
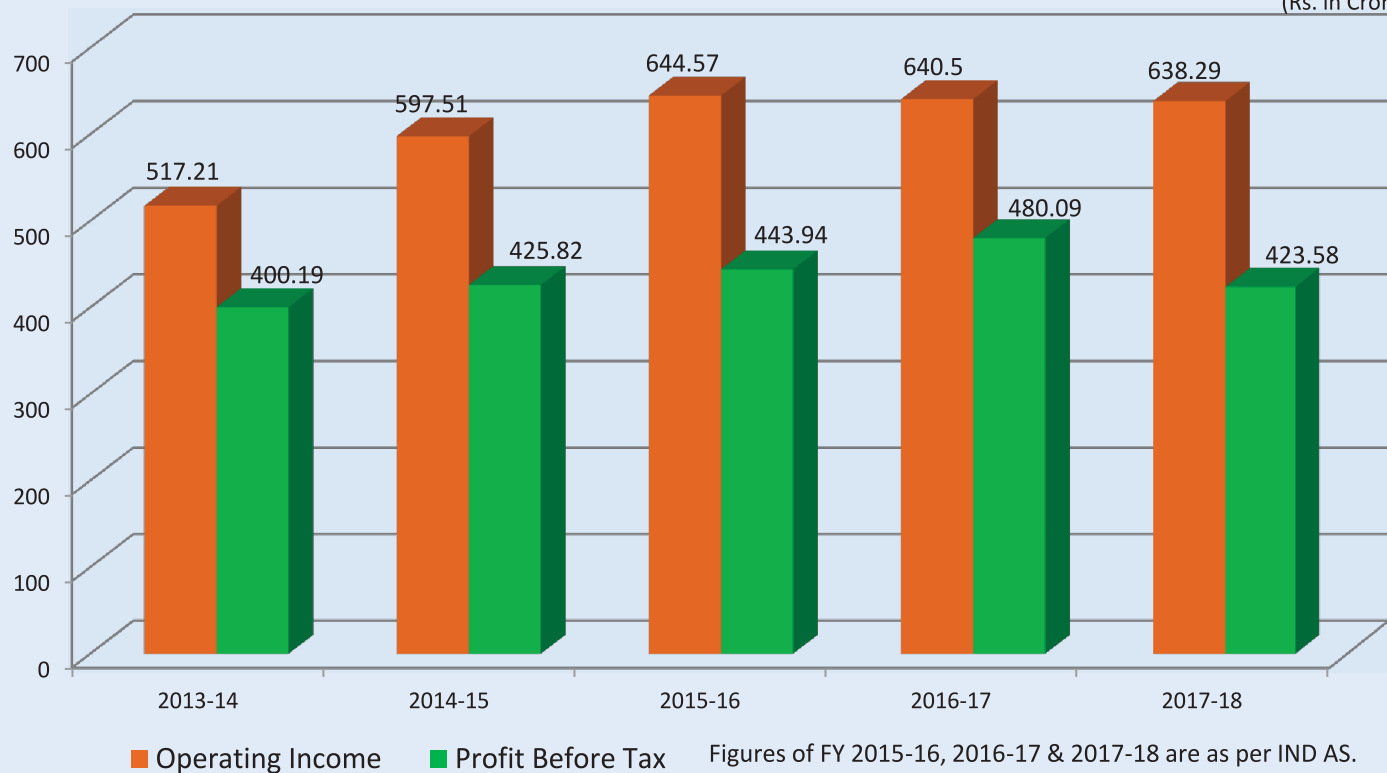
(erstwhile Ennore Port Limited)  
(A Mini Ratna Govt. of India Undertaking  
under Ministry of Shipping)  
CIN:U45203TN1999GOI043322



India's Port of the Millennium

इस मिलिनियम का भारतीय पोर्ट

(Rs. in Crores)





# KAMARAJAR PORT LIMITED



(erstwhile Ennore Port Limited)  
(A Mini Ratna Government of India Undertaking  
under Ministry of Shipping)  
(CIN: U45203TN1999GOI043322)

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

2017-18





# KAMARAJAR PORT LIMITED

## BOARD OF DIRECTORS (As on 16.08.2018)



**Shri P. RAVEENDRAN, IRTS**  
Chairman-cum-Managing Director



**Shri RABINDRA KUMAR AGARWAL, IAS**  
Nominee Director, Gol



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



# KAMARAJAR PORT LIMITED

(A MINI RATNA GOVERNMENT OF INDIA UNDERTAKING)

## Board of Directors

Shri P. Raveendran, CMD & Nominee Director  
Shri Rabindra Kumar Agarwal, Nominee Director  
Smt. L. Victoria Gowri, Independent Director

**DIN**  
07640613  
00365865  
07734561

## Key Officials

Shri Sanjay Kumar,  
General Manager (CS & BD)

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

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

Shri V. Krishnasamy,  
General Manager (Operation)

Shri P. Radhakrishnan,  
Deputy General Manager (Civil)

## Company Secretary

Smt. Jayalakshmi Srinivasan

## Debenture Trustees

SBICAP Trustee Company Ltd  
Apeejay House, 6<sup>th</sup> Floor, West Wing,  
3, Dinshaw Wachha Road,  
Churchgate, Mumbai – 400 020.  
Ph : 022 - 43025555/ Fax : 022 - 22040465

Catalyst Trusteeship Limited,  
GDA House, Plot No.85,  
Bhusari Colony (Right),  
Paud Road, Pune – 411 038  
Ph : 020 - 25280081/ Fax : 020 - 25280275

## Depositories

National Securities Depository Limited  
Central Depositories Services (India) Limited

## Registered Office

2<sup>nd</sup> Floor (North Wing) & 3<sup>rd</sup> Floor  
Jawahar Building,  
17, Rajaji Salai,  
Chennai - 600 001.  
Ph: 044 - 25251666-70  
Fax : 044 - 25251665

## Registrar & Share Transfer Agent

Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg  
Vikhroli (West),  
Mumbai - 400 083.  
Ph : 022 - 49186000  
Fax : 022 - 49186060

## Statutory Auditors

M/s. R.K. Kumar & Co  
Chartered Accountants

## Internal Auditors

M/s. Joseph & Rajaram  
Chartered Accountants

## Secretarial Auditors

M/s. S. Dhanapal & Associates  
Company Secretaries

## Bankers

Axis Bank  
Andhra Bank  
State Bank of India  
Indian Bank

# KAMARAJAR PORT LIMITED

2017-18

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# Vision & Mission

## Vision

“To develop Kamarajar Port as a Mega Port with world class facilities to become the Eastern Gateway Port of India.”

## Mission

“To Provide Port Services of International Standards.”





# KAMARAJAR PORT LTD

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

CIN: U45203TN1999GOI043322

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

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

Website: www.kamarajarport.in Email: info@epl.gov.in

## NOTICE

**NOTICE IS HEREBY GIVEN THAT the 18<sup>th</sup> Annual General Meeting of Members of Kamarajar Port Limited** will be held on **Monday, the 24<sup>th</sup> day of September 2018 at 11.00 a.m. at Board Room at the Registered Office of the Company**, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March 2018, including the audited Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors' and the Auditors' thereon.

2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year 2017-18.

### SPECIAL BUSINESS

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

**“RESOLVED THAT** Shri Rabindra Kumar Agarwal (DIN 00365865) who was appointed as an Ex-Officio Government Director of the Company by the Board w.e.f. 27.09.2017 in terms of Ministry of Shipping letter No. A-11013/11/98-P.E.II dtd 26<sup>th</sup> September 2001 and Letter No. EPL/19/20123-Pd-I dtd 21<sup>st</sup> September 2017, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

By Order of the Board of Directors

Place : Chennai

Date : 16.08.2018

(Jayalakshmi Srinivasan)  
Company Secretary

### NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- b) All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and holidays, upto the date of the Annual General Meeting.
- c) Members/Proxies/Authorised Representatives are requested to bring the attendance slip duly filled and signed to the meeting.
- d) The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item No. 3 is annexed hereto and forms a part of this Notice.
- e) Members are requested to notify immediately any change of address.
- f) Brief Resume of the Director seeking appointment / re-appointment at this Annual General Meeting is attached hereto and forms part of the notice.

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

### Item No. 3

Shri Rabindra Kumar Agarwal (DIN 00365865) was appointed as an Ex-Officio Government Director of the Company by the Board by way of circular resolution w.e.f. 27.09.2017 in terms of Ministry of Shipping letter No. A-11013/11/98-P.E.II dated 26<sup>th</sup> September 2001 and Letter No. EPL/19/20123-Pd-I dtd 21<sup>st</sup> September 2017.

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

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

By Order of the Board of Directors

**Place :** Chennai  
**Date :** 16.08.2018

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

## BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 18<sup>th</sup> ANNUAL GENERAL MEETING

### Item No. 3

Shri Rabindra Kumar Agarwal (DIN No.00365865) is an IAS officer of 1997 batch from Kerala cadre. He holds Graduate degree in Mathematics and Post Graduate Degree in Operations Research from Delhi University. He started his career as Sub-Divisional Magistrate in the year 1999 and became Additional Director in Tourism Department of Kerala in the year 2001. He was also the Managing Director of Bekal Resorts Development Corporation for some time. He has worked in various capacities in Urban Administration and Development Department, Social Welfare Department, Finance and Water Resources Department. He also served as Commissioner, Commercial Taxes Department in Kerala and Secretary, Finance Resources, Government

of Kerala. Presently, he is serving as Joint Secretary, Ministry of Shipping since 11.05.2015 till date.

He has undergone service training in Negotiating Strategies and Public Private Partnership in Indian Institute of Management, Bangalore in the year 2007-08 and attended Mid Career Programme for IAS Officers - Phase IV in the year 2012 in Lal Bahadur Shastri National Academy of Administration (LBSNAA) Mussoorie. During 2013-14, he successfully completed a graduate level course 'Masters in International Development Policy' from Duke University, North Carolina, USA.

Shri Rabindra Kumar Agarwal (DIN No: 00365865) is not related to any of the Directors and Key Managerial Personnel of the Company.

## BOARDS' REPORT

### To The Members, Kamarajar Port Limited

Your Directors have the pleasure of presenting the 18<sup>th</sup> Annual Report on the performance of your Company for the financial year ended 31<sup>st</sup> March 2018 along with Audited Statements of Accounts, Auditor's Report & review of accounts by the Comptroller and Auditor General of India.

### 1.0 FINANCIAL HIGHLIGHTS

| Particulars  | Current<br>Financial<br>Year<br>2017-18<br>(Rs. in crores) | Previous<br>Financial<br>Year<br>2016-17<br>(Rs. in crores) |
|--|--|---|
| Income from services   | 630.98   | 620.14  |
| Other Income   | 7.31   | 20.36   |
| <b>Total Income</b>  | <b>638.29</b>  | <b>640.50</b>   |
| Operating Expenses   | 127.04   | 127.31  |
| Finance Costs  | 63.76  | 77.81   |
| Depreciation and Amortization                                  | 30.39  | 21.89   |
| <b>Total Expenses</b>  | <b>221.19</b>  | <b>227.01</b>   |
| <b>Profit Before Extraordinary<br/>&amp; Exceptional Items</b> | <b>417.10</b>  | <b>413.49</b>   |
| Exceptional Items (-)  | 6.48   | 66.60   |
| Extraordinary Items  | -  | -   |
| <b>Profit Before Tax</b>                                       | <b>423.58</b>  | <b>480.09</b>   |
| Taxes  | 29.40  | 7.69  |
| <b>Profit After Tax</b>  | <b>394.18</b>  | <b>472.40</b>   |
| Other Comprehensive Income                                     | 0.07   | (19.65)   |
| Total Comprehensive Income                                     | 394.25   | 452.75  |

### 2.0 FINANCIAL PERFORMANCE

During the year under review, your Company registered operating income of Rs.630.98 crores as against Rs.620.14 crores reported during the previous year reflecting a marginal increase of Rs. 10.84 crores (1.74%). However the other income was lower by Rs.13.05 crores mainly due to reduction in the interest income on FD/Liquid Funds which were utilized/ spent on committed capex projects during the year ended 31<sup>st</sup> March 2018 and reversal of provision for maintenance dredging Rs.7.79 crores made during the year 2016-17 as per Ind AS and treated as other income in 2016-17. The increase in depreciation is mainly due to capitalization of major Projects like Coal Berth 3, Capital Dredging Phase III, Additional Parking Yard, Road connectivity and capitalizing the claim amount settled with respect

to Ennore Coal Port Project (ECP) under Breakwater. The decrease in Exceptional items was mainly due to accounting of Rs.66.60 crores towards Augmentation charges in the year 2016-17 which was one time income. Consequently, your Company has achieved Profit Before Tax (PBT) and Profit After Tax (PAT) of Rs.423.58 Crores and Rs.394.18 crores respectively during the year as against Rs.480.09 Crores and Rs.472.40 crores in 2016-17.

### 3.0 DIVIDEND

#### 3.1 Interim Dividend

During the year, Board of Directors in their meeting held on 16<sup>th</sup> February 2018, had recommended, an interim dividend @ 15% of paid up equity share capital absorbing an amount of Rs.45.00 crores (Rs.1.50 per share). The distribution of interim dividend along with dividend distribution tax and surcharge thereon absorbed an amount of Rs.54.16 crores. Your Company has paid an Interim Dividend and remitted Dividend Distribution Tax on 26<sup>th</sup> February 2018.

#### 3.2 Final Dividend

As per Ministry of Finance guideline vide No. F.No.5/2/2016 – Policy dated 27<sup>th</sup> May, 2016, “every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the Net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions”.

To comply with the above, your Board of Directors are pleased to recommend a Dividend of 25% of the Equity Share Capital of Rs.300 Crores for the year ended 31<sup>st</sup> March, 2018. The Dividend will be paid, subject to the approval of Members at the Annual General Meeting. The proposed final dividend for the financial year, amounts to Rs.2.50/- per equity share and will absorb Rs.90.26 crores, including Dividend Distribution Tax of Rs.15.26 crores.

### 4.0 TRANSFER TO RESERVES

#### 4.1 General Reserve

Your Company has not transferred any amount to General Reserve during the year as it is not mandatory to transfer any amount before declaration of dividend under the Companies Act, 2013. The balance as on 31<sup>st</sup> March, 2018 remains Rs.79.02 Crores.

## 4.2 Debenture / Bond Redemption Reserve:

Your Company has transferred Rs.8.63 crores as Debenture/Bond Redemption Reserve pursuant to Section 71 of the Companies Act, 2013 and the balance as on 31<sup>st</sup> March, 2018 is Rs.45.42 Crores.

## 5.0 FINANCE

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

Your Company has availed Foreign Currency Loan (FCL) of USD 47 million as against the sanctioned amount of 100 million USD from Axis Bank during the financial year 2017-18 in order to meet the Capital Expenditure. The interest rate of FCL was 6 months LIBOR plus 195 BPS. The 47 million USD loan was availed in four tranches and the outstanding amount as on 31<sup>st</sup> March 2018 is Rs.306.45 crores.

In order to protect the interest reset of FCL, your Company has hedged LIBOR rate at 2.50% with premium ranging from 0.354% to 0.39%.

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

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

### 5.1 Ratings

As per the offer document of tax free bonds issued by your Company, your Company has to carry out the Annual Surveillance of Credit Ratings. Accordingly, the requisite details were furnished to Credit Rating Agencies for annual surveillance.

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

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

### 5.2 Particulars of transaction made with Related Parties

During the year, the Company did not enter into any contracts /arrangements / transactions with any Related Party which are not on arm's length basis and no material

contracts/arrangements were entered into with them at an arm's length basis.

### 5.3 Material changes and commitments affecting financial position between the end of the financial year and date of report.

There are no material changes and commitments affecting financial position of your Company between the end of financial year and date of report.

## 6.0 PARTICULARS OF LOANS, GUARANTEES

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

## 7.0 INVESTMENTS

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

### 7.1 Capital Expenditure

Your Company has spent Rs.403.95 crores for capacity expansion during the financial year 2017-18 as against the target of Rs.400 crores set for the year. Capital Expenditure includes Construction of Coal Berth 3 and 4, Capital Dredging – Phase III and advance of Rs.40 Crore made to Indian Port Rail Connectivity Limited (IPRCL) towards Doubling of Southern Rail connectivity and Rs.40 Crores to TNRDC towards Improvement of Southern Access Road.

## 8.0 FIXED DEPOSITS

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

## 9.0 INTERNAL FINANCIAL CONTROL

Your Company has adopted policies and procedures for ensuring orderly and efficient conduct of its business and adheres to the Company's policies, for safeguarding its assets, for preventing and detecting frauds and errors, for accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Audit Committee of the Board reviews the financials and gives its recommendations to the Board for implementation.

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

### 10.1 MOU Performance for FY 2017-18

Your Company had been accorded 'Excellent' rating

by Government of India from F.Y. 2007-08 to 2015-16. During the FY 2016-17, your Company achieved “Good” rating. For F.Y. 2017-18, MOU performance evaluation is under progress.

## 10.2 Signing of MOU for FY 2018-19

Your Company has signed the MoU 2018-19 with Ministry of Shipping on 07<sup>th</sup> May 2018, after the negotiation meeting with Inter-Ministerial Committee (IMC).



*Memorandum of Understanding (MoU) for 2018-19 signed between Kamarajar Port Ltd and Ministry of Shipping on 07.05.2018 at New Delhi. Shri Gopal Krishna, IAS, Secretary to Govt. of India, MoS and Shri Rinkesh Roy, IRTS, Chairman-cum-Managing Director, Kamarajar Port Ltd are seen in picture. Also seen Shri P. Bali, Chartering Officer (Ports) and Shri M. Gunasekaran, General Manager (Finance), KPL.*

## 11.0 VISIT OF PARLIAMENTARY STANDING COMMITTEE

The Department related Parliamentary Standing Committee on Transport, Tourism and Culture visited Ahmedabad, Mumbai, Kochi and Munnar under the Chairmanship of Shri Mukul Roy and held discussion with KPL Management at Mumbai on 07.06.2017.

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

The Department related Parliamentary Standing committee on official language of the Central Government offices located at Delhi, Bengaluru, Chennai, Port Blair and Kolkata under the Chairmanship of Dr. Satyanarayanan Jatiya, M.P. Rajya Sabha, (Dy. Chairman of the committee) held discussion with KPL Management at Chennai on 17.02.2018.



*Meeting with First Sub-Committee of Committee of Parliament on Official Language*

## 12.0 OPERATIONS

As per the business model adopted by the Company, all the cargo handling operations are carried by the PPP-BOT / captive operators. Accordingly the Company had handled Coal, POL and General Cargo respectively at 23.17 MTPA, 4.44 MTPA & 2.63 MTPA recording an average utilization of 45.04%.

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

### 12.1 Cargo Throughput

Over the last five years, your Port registered a sound growth of 11% at 30.45 Million Tonnes in FY 2017-18 as against 27.34 Million Tonnes in FY 2013-14.

### 12.2 Existing Operational Facilities

Your Port which was looked upon initially as a mono commodity coal port to serve the interest of TNEB, has over the period developed as a multi cargo port and today it has created facilities for handling liquid bulk, iron ore, automobiles, containers and bulk cargo with a handling capacity of 67.6 MTPA.

### 12.3 TNEB Coal Berths

Coal berths 1 & 2 are operated by your Port with handling capacity of 8 MTPA each and are exclusively

for TNEB (TANGEDCO) to handle thermal coal for its thermal power plants at North Chennai, Ennore, Mettur and JV of TNEB. Unloaded Coal is directly moved through the conveyor system to the stackyard located in the adjoining North Chennai Thermal Power Station (NCTPS) from where a part of it is moved further to Mettur and Ennore through rail connectivity.

As per the Business model adopted by your Port, TANGEDCO is investing, operating and maintaining all top side facilities like shore unloaders, conveyor system, etc. Cargo handled during this financial year 2017-18 is 16.71 million tonnes which is 2.14% higher than the previous financial year.



*Coal Berths 1 & 2*

#### 12.4 Marine Liquid Terminal (3 MTPA)

Marine Liquid Terminal with cargo handling capacity of 3 MMTPA was developed under BOT basis by M/s.Ennore Tank Terminals Private Limited (ETTPL) at an investment cost of Rs.419 crores. Commercial operations began from 16<sup>th</sup> January 2009. The revenue share offered is 21.678%. Cargo handled during the financial year 2017-18 is 4.44 million tonnes which is 6.47% higher than the previous financial year.



*Marine Liquid Terminal*

#### 12.5 Common User Coal Terminal

Common User Coal Terminal with cargo handling capacity of 8 MMTPA was developed on BOT basis by M/s.Chettinad International Coal Terminal Pvt. Ltd (CICTPL) with a project cost of Rs.409.13 crores. Commercial operations began from 11<sup>th</sup> March 2011. The revenue share offered is 52.524%. Cargo handled during the current FY is 6.46 million tonnes of coal which is 4.15% lesser than the previous financial year.



*Common user Coal Terminal – 1*

#### 12.6 General Cargo Berth cum Automobile Export Terminal

The General Cargo berth set up by your Company can accommodate the world's largest car carrier vessel with a storage capacity of 8,000 cars. Further, it has a back-up area of about 1,99,500 sq.m with an expansive car parking yard for 14,000 cars which is the largest facility in any Indian Ports. The export of automobile units through GCB crossed 13.52 lakh units as on 31.03.2018. To overcome the congestion of heavy machineries parking, your Company has earmarked 11,500 sqm area adjacent to the general cargo berth and the same will be under utilization by end of March 2019. Automobile units handled during the current FY is 187845 units which is 17.46% lesser than the last financial year. The reason for shortfall is one of the car exporters stopped their model for manufacturing and exporting.



*Ro Ro cum General Cargo Berth*

### 12.7 Iron Ore-cum-Coal Terminal (12 MTPA)

As informed in the earlier reports, your Company has issued, after following due bidding process, letter of intent on 2.6.2016 to M/s.SIOTL for Modification of existing Iron Ore Terminal on “as is where is” to also handle Common User Coal at Kamarajar Port on DBFOT Basis for the revenue share quoted at 52.524%. Subsequently, Concession Agreement has been signed with M/s.SIOTL on 11.7.2016. Necessary clearance from MoE&F has been received and the conversion work would commence shortly. The terminal is expected to be commissioned within twelve months from the date of commencement of work i.e., during FY 2019-20.

### 12.8 Container Terminal (1.4 Million TEU)

Your Company has issued a letter of award to M/s.Adani Ports and Special Economic Zone Ltd., Gujarat for a quoted revenue share of 37.00% for Development of Container Terminal in two phases on DBFOT basis with a capacity of 800000 TEUs (Phase –I) and 600000 TEU (Phase –II) at an estimated cost of Rs.1270 crores. On 15<sup>th</sup> March 2014, your Company has signed concession agreement with M/s.Adani Ennore Container Terminal Private Limited (AECTPL). The concessionaire has completed the construction of first phase of 0.8 Million TEUs capacity terminal and the terminal has been inaugurated on 09-06-2017. The commercial operations of Container Terminal began from 29.10.2017 and cargo handled during the current FY is 0.05 million tonnes through containers.



*Container Terminal – I(Berth-1)*

### 12.9 Multi Cargo Terminal (2MTPA)

In order to cater to the EXIM traffic of Bulk and Project Cargoes like Tribine & Generators, Windmill etc., imports of fertilizer / wooden logs, Port has initiated

development of Multi Purpose Cargo Terminal for handling dry, bulk and project cargoes other than Coal, Iron Ore, POL and Automobile units, on DBFOT basis.

Your Company has issued a letter of award to the Consortium of M/s.Chettinad Builders Pvt. Ltd & South India Corporation Pvt. Ltd., Chennai for a quoted revenue share of 36.00% for Development of Multi Cargo Terminal on DBFOT basis at an estimated project cost of Rs.151 crores. On 28<sup>th</sup> March 2014, your Company has signed concession agreement with M/s.Chettinad International Bulk Terminal Private Limited (CIBPTL), an SPV of Consortium of Chettinad Builders Pvt. Ltd & South India Corporation Pvt. Ltd. Award of Concession was granted on 24.02.2015. The construction work has been completed and the terminal has been inaugurated on 09-06-2017. The commercial operations of Multi Cargo Terminal began from 05.08.2017 and cargo handled during the current FY is 0.16 million tonnes.



*Multi Cargo Terminal*

### 12.10 Coal Berths 3 & 4 for TANGEDCO

Considering the expansion of existing and new Thermal Power Plants of TANGEDCO and their joint ventures, TANGEDCO has requested your Company to establish additional Coal Berths. Conceding to their request, your Company has awarded the Contract for construction of two Coal Berths of each 9 MTPA capacity at own investment of Rs.500 crores. The proposed berths to accommodate capsized vessels of 1,60,000 DWT. Construction work for both CB3 and CB4 were completed during December 2017 and May 2018 respectively and handed over to TANGEDCO. Commissioning of these berths will be in synchronization with erection of top loading facilities and commissioning of upcoming power plants of TANGEDCO.



*Coal Berth -3*

### **12.11 International Bench Marking for Operational Efficiencies.**

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

### **13.0 BUSINESS DEVELOPMENT**

As per the business plan and to meet the growing traffic demands, your Company has awarded the Projects for creating additional cargo handling facilities for 14 MTPA viz., LNG Terminal, IOCL-POL Captive Jetty, RORO cum General Cargo Berth II and Marine Liquid Terminal II.

#### **13.1 LNG Terminal**

The Company has awarded to IOCL to develop LNG Terminal Storage & Re-gasification Plant on captive basis. The capacity of LNG Terminal is 5 MTPA with provision to expand to 10 MTPA. Investment cost by Captive User (IOCL) is Rs.5151 crores. Your Company has also allotted land to M/s. IOCL to an extent of 5,20,000 sq.mtr to the Joint Venture led by IOCL for a period of 30 years for setting up of LNG Re-gasification Terminal. Construction work is in progress and is expected to be completed during the FY 2018-19.

#### **13.2 Captive Oil Jetty by IOCL**

To meet the growing demand of POL, LPG products and Lube Oil Base Stock (LOBS) in bulk in Tamil Nadu and neighbouring states, your Company has signed Memorandum of Understanding with Indian

Oil Corporation Limited on 30.11.2015 for building a Captive jetty at Kamarajar Port for handling LPG, POL and LOBS with a capacity of 3 MTPA.

Further, your Company signed the Concession Agreement with IOCL for Construction of Captive Oil Jetty on 9<sup>th</sup> June 2016 and is awaiting Environmental clearance for commencement of work. The captive jetty is expected to be commissioned during 2021-22.

#### **13.3 Construction of RoRo Cum General Cargo Berth 2**

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

Your Company invited tender during February 2016 and issued Letter of Intent on 28.03.2016 to the firm M/s. L&T Geostructure LLP, Chennai for Rs.115.03 Crores excluding parking yard. On receipt of Environmental Clearance from Ministry of Environment & Forest, your Company will issue work order for commencement of work and the contract period is 20 months. The successful tenderer extended the validity upto 18.5.2018 from the bid submission 24.2.2016. However, due to delay in obtaining MoEF clearance and increase in material cost, the successful tenderer is not willing to extend the bid validity beyond 18.5.2018, hence it is proposed to invite retender for the work.

#### **13.4 Marine Liquid Terminal - II**

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

Your Company has commenced the bidding process on 30.6.2016 and subsequently has issued the Letter of Award to the successful firm i.e. Consortium of Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd on 14.2.2018 for quoted revenue share of 23.00% and awaiting Environmental clearance for commencement of work. The MLT II Terminal is expected to be commissioned during 2021-22.



## 14.0 DEVELOPMENT OF COASTAL EMPLOYMENT UNIT (CEU)

Your Company was identified as one of the potential port for development of North Tamil Nadu Coastal Employment Unit. Accordingly, your Company has pursued the Development of Salt Land for a larger contiguous Industrial Park around Kamarajar Port for setting up an industrial park in port area of 315 acres. Recently, your Company has appointed the consortium of M/s.Pricewaterhouse Coopers Pvt Ltd as Consultants to handhold the process involved in CEU development.

## 15.0 INFRASTRUCTURE DEVELOPMENT

### 15.1 Capital Dredging-Phase-III

The work of Capital dredging Phase-III involving creation of water depth of (-) 16m CD for the berths of container, Multi cargo and (-) 18m CD for the berths of Coal Berth 3 & 4 has been completed by the contractor, M/s. International Seaport Dredging Ltd by November 2017 at the cost of Rs.334.00 crores.

### 15.2 Capital Dredging Phase-IV

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

The estimated dredging volume is 16.16 million cubic metres. Your Company has invited tender during January 2016 through global tender process and Issued Letter of Intent to M/s. International Seaport Dredging Pvt Ltd on 31.03.2016 for a contract value of Rs.257.90 Crores.

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

### 15.3 Rail Connectivity

#### 15.3.1 Rail Connectivity for Coal & Iron Ore Stackyard.

Presently your Company is connected by rail to the mainline at Attipattu and Attipattu Pudunagar Stations located in the Chennai – Gudur section of the Southern Railway on the Chennai – Delhi/Kolkata route. The southern connectivity takes off from Attipattu Pudunagar Railway Station. The northern connectivity takes off from Attipattu Railway Station. These two lines merge

at the Apex Point and run as a single line to the NCTPS Yard.

Your Company developed the railway facilities connecting the stackyards of the coal and iron ore terminals to the existing NCTPS railway line. Your Company through BOT operator evacuated/dispatched around 3 million tonnes of coal per annum through the Rail.

#### 15.3.2 Container Terminal Rail Yard

As per concession agreement for container and multicargo terminal, your Company has initiated development of rail connectivity to the Container and Multi Cargo Terminal from the existing NCTPS Railway line for rail movement of container and multi cargo traffic. The work was executed by RITES on deposit basis and the work was completed and has been inaugurated on 09.06.2017 and the BOT operator of Multi cargo Terminal commenced the rail operation.

#### 15.3.3 Development of Southern Rail Connectivity

Your Company has entered agreement with IPRCL (Indian Port Rail Corporation Limited) for the Development of Southern Rail Connectivity during March 2018 at an initial project cost of Rs.70.00 Cr. The proposed doubling rail connectivity will ease out the congestion in the rail traffic (present and projected as part of augmentation of existing rail network) especially from the newly constructed Container Terminal Rail Yard (CTRY) of KPL.

At present, Southern Railways has granted in-principle approval for the proposal and IPRCL is in the process of selecting the contractor for the work.

#### 15.3.4 Development of Automobile Railway siding

Your Company has engaged RITES Ltd during February 2018, to carry out the study for Development of Railway siding for handling automobile traffic within port premises on deposit basis. At present, Southern Railways has granted in-principle approval for the proposal and RITES is in the process of inviting tenders to select the contractor for laying the Railway track.

### 15.4 Road Connectivity

Your Company has initiated various measures for development of port internal and external road connectivity to facilitate cargoes to come in and go out. The details are as follows:

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

Considering the increasing road traffic movement for import/export of cargo, your Company has envisaged widening of the existing two lane road leading from Vallur junction (TPP Road) to KPL Main Entrance into four lane Road in 2 phases. The total length of the road is 7.1 Kms.

Your Company has appointed Tamil Nadu Road Development Corporation (TNRDC), Government of Tamilnadu as Consultant/implementing agency and signed the contract agreement on 05.03.2018. The Board of Directors approved the revised project cost at Rs.195 crores. TNRDC is in the process of inviting tenders for carrying the work in phased manner.

**b) Internal Port Road**

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

**c) Construction of Container Pre-stackyard**

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

**d) Construction of Internal Road, Truck Parking Bays, Rest Shelter etc inside the Port**

To avoid congestion in the road traffic and parking problems of truck drivers, your Company has initiated action and awarded the work at a cost of Rs.51.55 crores for developing the internal roads, truck parking bays and Rest shelters during March 2018. The contractor has commenced preparatory work and it is expected to be completed by end of 2019.

**e) Development of Container Scanner Yard**

Installation of Container scanner is one of the major initiatives of "Ease of Doing business" under Ministry of Shipping. Accordingly, your Company has engaged IPA for procuring 1 no of Mobile x-ray scanner. Further, your Company has initiated actions for development of container scanner yard facility and awarded the work during May 2018.

**16.0 INDUSTRIAL RELATIONS**

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

**17.0 HUMAN RESOURCE DEVELOPMENT****17.1 New HR Systems**

Your Company constantly reviews and revises its HR processes to suitably align present requirements with its strategic HR objectives. As one step towards Digital India and our drive towards Employee Happiness, your Company has implemented SAP system for Payroll, Claims, ESS and all other HR related items which will make HR more employee friendly as everything can be achieved with a click of a button.

**17.2 Manpower**

The manpower details with respect to all employees as on 31.03.2018 of your Company are given below:

| Class / Group | SC        | ST       | OBC       | Others    | Total     |
|---------------|-----------|----------|-----------|-----------|-----------|
| Class I       | 7         | 1        | 21        | 13        | 42        |
| Class II      | 3         | 2        | 6         | 5         | 16        |
| Class III     | 4         | -        | 15        | 4         | 23        |
| Class IV      | 6         | 1        | 8         | 2         | 17        |
| <b>Total</b>  | <b>20</b> | <b>4</b> | <b>50</b> | <b>24</b> | <b>98</b> |

**17.3 Representation of SCs / STs / OBCs and Minorities**

Your Company has adhered to the policies and directives of the Government relating to the recruitment of Scheduled Castes, Scheduled Tribes, Physically Challenged, Other Backward Classes, Ex-Servicemen and Minorities etc. during the year.

**17.4 Training Programme**

During the year 2017-18, your Company imparted various training programmes to its employees conducted by different institution to upgrade competency of employees and to equip them to keep abreast of latest developments in their functional area.

Some of the training programmes attended by the employees during the year are GST, HR related issues, Project Management, Cybernet Security Conclave, Vigilance, Right to Information Act, Design on HSE Management system and Training program on CISP.

During the year 67 man days of training was imparted to all its employees with an expenditure of Rs.7,21,395 (approx).

## 17.5 Grievance Redressal Mechanism

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

## 18.0 HEALTH, SAFETY & ENVIRONMENT

### 18.1 Health

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

Your Company is running OHC equipped with Ambulance Service round the clock (24 x 7) basis to provide the medical facilities during emergency to the employees of the Company and other BOT Operators and port users.

### 18.2 Safety

National Safety Week was celebrated during first week of March 2018 in your Company. Training programme on Safety, fire & rescue were conducted for BOT, contractors and Stevedores. Mock drills on fire & oil spill were regularly conducted during the year.

### 18.3 Environment

Your Company always endeavors to remain as eco-friendly environment port and user friendly Port while serving the various needs of the maritime industry. Your Port is monitoring the environment. Your Port has engaged M/s. Hubert Enviro Care Systems (P) Ltd, a NABL accredited lab for sampling and testing of parameters. Parameters like (i) Ambient Air Quality (PM<sub>10</sub>, PM<sub>2.5</sub>, SO<sub>x</sub>, NO<sub>x</sub>, CO), (ii) Marine Water Quality & Surface water quality (Temperature, pH, Salinity, Dissolved Oxygen (DO) and Total dissolved solids (TDS), BOD, Heavy metals (Cadmium, lead, mercury, arsenic, zinc & Copper), Petroleum Hydro carbon (PHC), (iii) Sediment quality (Sediment particle size analysis, Total organic and inorganic carbon, Heavy metals - Mercury, Lead, Copper, Cadmium and Arsenic), (iv) Noise levels and (v) marine biological parameters are monitored.

As a part of Nationwide Swachh Bharat Abhiyan, Your Port has conducted a coastal cleanup exercise on 02.10.2017. Employees of KPL, CISF personnel and BOT Operators actively participated.

## 18.4 Solid Waste Management

Your port has appointed a contractor for the collection, segregation and disposal of solid waste generated from the ships and inside port. The segregated wastes are sent to approved re-cyclers for further beneficial use.

### 18.5 Oil Spill

As reported last year, the vessel M.T. Dawn Kanchipuram which met collision outside harbor, with M.T. BW Maple, is still anchored in the KPL harbor area. The vessel owners / P&I Agents, have cleared all the payments / dues to the various agencies including Fisherman's claim and awaiting for final orders from the Hon'ble Madras High Court, to sail out from KPL.

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

Your Company has 18 women employees including 12 officers and 6 supporting staff. The total women employees constitute approximate 18 % of its total workforce of 98 as on 31.03.2018.

Your Company is taking all measures to implement the policy to curb Sexual Harassment of women workers at work place. No case of any harassment has been reported at any time in your Company. The women employees are facilitated to perform and display their efficiencies for the betterment of the organization as well as self improvement. Various cultural, social, educative and community activities, such as adult educating, blood donation camps, eye camps, etc. are being organised regularly mostly for the benefit of the women residing in the neighbouring areas.

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

Your Company is providing livelihood opportunity to 120 women workers as social welfare measure through Self Help Group from surrounding villages for several years at the Port.

Your Company has complied with provisions prescribed under the Act relating to constitution of Internal Complaints Committee.

## 20.0 CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

It has been your Company's conscious and continuous endeavor to contribute to the community development and services. Towards its commitment to the society, your Company has adopted CSR Policy and the same has been published in the website of the Company. Your Port has spent Rs.2.22 crores during the financial year 2017-18 out of financial target of Rs.8.94 crores. Various CSR activities undertaken are in line with Schedule VII of Companies Act, such as infrastructure development works in the neighbourhood villages like providing basic amenities to public such as drinking water facility, construction of toilets, community hall, primary health sub-centres, laying of road, bus shelters etc., construction of school buildings, anganwadi centres, toilet blocks, classrooms, etc., promoting ecological conservation activities, imparting vocational and skill development training to educated youths and wards of fishermen and improving quality of child education.

The details of CSR and Sustainability Development initiatives taken by your Company is enclosed as **Annexure – 1** and forms part of this Board Report.

## 21.0 RESEARCH & DEVELOPMENT

Your Company for its future growth and to improve and expand its operations by developing new processes upgraded the Kamarajar Port Physical Model by installing new equipment for wave generation (RSWG) and Data Acquisition System at CWPRS, Pune. Further, your Company is the shareholder for Setting up of National Technology Centre for Ports, Waterways and Coasts (NTCPWC) at Indian Institute of Technology Madras at Chennai. The NTCPWC will act as a technology arm of Ministry of Shipping (MoS) for providing the needed technological support – directly involving in vision based investigation and also in providing technical support services to Ports, IWAI and other institutions under the umbrella of MoS. The Centre will be host to several technological arms to support the Port and Inland Waterways sector and will provide solutions to a variety of problems being faced in the industry through scientific research. It will also carry out valuable education, applied research and technology transfer in maritime transportation at the local, regional, national and International levels. Your Company has contributed for the year 2017-18 a sum of Rs. 117.76 Lakhs to NTCPWC.

## 22.0 PUBLIC PROCUREMENT POLICY

The Ministry of Micro, Small and Medium Enterprises has notified the Public Procurement Policy and in terms of the said notification, 31.07% of annual value of goods or services are procured from Micro and Small Enterprises as against 20% mandated in the policy.

## 23.0 RISK MANAGEMENT POLICY

Risk Management Policy adopted by the Company provides a framework to identify, assess and manage potential risks and opportunities. It provides a way for managers to make informed management decisions.

Some of the objectives of a Risk Management Framework are given below:

- A focused approach in identifying the obstacles & managing them will help the Organizations to perform better.
- Introduce a structured risk management initiative across the Organization to identify potential risks that may adversely affect the objectives of the Organization, plan for their mitigation with specific responsibility.
- Implement such a plan with targeted date and review periodically.
- Improve strategic decision making;
- Improve business performance;
- Reduce operational surprises and losses;
- Promote a more innovate and less risk averse culture;
- Improve deployment of capital;
- Provide a sound basis for integrated risk management and internal control as components of good corporate governance;
- Seizing opportunities.

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

## 24.0 WHISTLE BLOWER POLICY

With the object of conducting the affairs of its constituents in a fair and transparent manner the Company has put in place a "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The policy is available on our website.

## 25.0 NOMINATION AND REMUNERATION POLICY

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

## 26.0 RIGHT TO INFORMATION ACT, 2005

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

The information required to be provided as per Section 4(1)(b) of the Right to Information Act, 2005 has been posted on the website of the Company [www.kamarajarport.in](http://www.kamarajarport.in). Your Company has designated a Public Information Officer, and an Appellate Authority to look after the compliances of RTI Act, 2005. The details of designated officers are available on the Company's website.

During the year, 52 applications were received and attended under the Act. Three appeals were received and the same were disposed off within the stipulated time. Your Company has initiated steps to get third party audit on suo moto disclosure and has appointed ISTM for conducting the Audit.

## 27.0 INFORMATION TECHNOLOGY

Government of India has laid out ambitious plans for e-governance and e-delivery of services. Ministry of Shipping has directed all the Major Ports to implement various IT systems like full-fledged comprehensive ERP system, RFID based port access control system and networks systems for IT / Cyber Security etc.

Your Company accords utmost importance to IT in its corporate strategy to emerge as Mega Port in India. Your Company has already implemented Port Operating Management System (POMS) covering the entire marine operations, vessel and cargo related operations and GIS based land management systems for Estate etc.

During 2017-18 some of the IT systems implemented and projects undertaken by your Company are:

- Implementation of SAP S/4 HANA 1610 ERP System which commenced in the previous fiscal has successfully achieved the major milestone of

Go-Live in November 2017. Live transactions are being carried out in SAP core modules like Finance, HR, Project systems and Material management and the Employee Self Service portal. Your Company has thus become the first Major Port of CPSU to implement the latest SAPS / 4 HANA 1610 System.

- The SAP S/4 HANA ERP system has been integrated with the legacy applications such as POMS, GIS based Land Management System, and also the biometric attendance system. The Finance module is also integrated with the bankers Payment Interface for online payment / receipt.
- The new SAP HANA Appliances/servers and associated devices have been procured and installed in-house in a new server room in the Port premises and the near DR server is installed in the Corporate office.
- Your Company has an approved IT security policy prepared in compliance with various guidelines. In order to implement these policy guidelines the Company has replaced the old network infrastructure with the state-of-the-art CISCO Application centric Interface (ACI) controllers and switches, Firewall, Symantec Antivirus, Active Directory servers for user access control, etc.

KPL's IT team has also participated in the mock cyber security drill (layer II) conducted in March 2018 by Govt. of India cyber security agency CERT-In for major ports.

- Your Company has also operationalized the web based online Pass system for port entry developed by NIC and the system has been successfully used by port users for online authentication and issue of port entry passes.
- Your Company has successfully launched a completely revamped new website complying with security and GIGW (Guidelines for Government websites) requirements. The new website designed in bi-lingual mode and a Content Management System has gone live from August 2017 and has successfully undergone security audit & GIGW certification Audit.

### 27.1 Digital transactions

Your Company has implemented digital payment in all transactions.

Indian Ports Association (IPA) under the Ministry of Shipping has implemented e-payment module in Port community system (PCS) portal for all payments by shipping lines/agents etc. All major ports are mandated by MoS to receive payments through PCS e-payment. Your Company has enabled 7 banks in the PCS payment gateway and all port users are notified to register on PCS portal and use e-payment gateway.

Your Company has implemented SAP ERP system and the finance module is integrated with the banker's payment interface for automatic online transfers from/to customers/vendors accounts.

PoS machines are installed at Pass section counter for receiving RFID port entry Pass charges.

## 28.0 IMPLEMENTATION OF OFFICIAL LANGUAGE

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

- All Rules & forms have been done in bilingual.
- Rubber stamps, seals, letterheads, visiting cards, sign boards, envelopes, Name plates are in bilingual.
- Hindi Workshop was conducted on 16<sup>th</sup> March 2018.
- Hindi Training Scheme has commenced.
- Incentive scheme has been introduced for promoting the usage of Official Language
- Software tool - Microsoft Indic Language Tools has been installed in all 60 KPL desktops.
- Your Company has become a member in TOLIC.

## 29.0 BOARD OF DIRECTORS

The composition of Board of Directors as on 31.03.2018 was as below:

|                             |                                      |
|-----------------------------|--------------------------------------|
| Shri Rinkesh Roy            | - Chairman-cum-<br>Managing Director |
| Shri Rabindra Kumar Agarwal | - Nominee Director                   |
| Shri P. Raveendran          | - Nominee Director                   |
| Smt L. Victoria Gowri       | - Independent Director               |

During the year under review,

- Shri M A Bhaskarachar, ceased to be Chairman & Managing Director consequent to his

superannuation on 31.07.2017 and Shri Rinkesh Roy was appointed as Chairman-cum Managing Director w.e.f. 02.08.2017. Subsequently pursuant to Office Order No.31/2018 issued by Ministry of Shipping, Government of India vide Letter No. A-12022/7/2014-PE-I-Part (1) dated 8<sup>th</sup> June 2018, Shri Rinkesh Roy handed over charge and Shri P. Raveendran assumed charge as Chairman-cum-Managing Director w.e.f. 13.06.2018.

- Shri Barun Mitra, Nominee Director, ceased to be a Director on the Board of your Company with effect from 16.08.2017 and Shri Rabindra Agarwal, Joint Secretary (Ports), Ministry of Shipping, was appointed with effect from 27.09.2017.

The Board places on record the valuable service rendered by Shri M A Bhaskarachar, Shri Rinkesh Roy, Ex-Chairman-cum-Managing Director(s), and Shri Barun Mitra, Nominee Director during their tenure in office.

### 29.1 Number of meetings of the Board

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

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

Shri M.A. Bhaskarachar ceased to be Chairman & Managing Director consequent to his superannuation on 31.07.2017.

### 29.3 Declaration of Independence

Your Company has received Declaration from Independent Director conforming that she meets the criteria of Independence as prescribed under 149 (6) of Companies Act 2013, the SEBI (listing Obligations and Disclosure Requirements), Regulations 2015 and DPE guidelines.

## 30.0 AUDIT COMMITTEE

The Audit Committee of your Company as on 31.03.2018 comprised of the following members:

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

Head of Finance, Internal Auditors, Statutory Auditors and Senior Executives from various functions were invited in the Audit Committee meetings for interacting with the members of the Audit Committee.

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

### 31.0 VIGILANCE

Shri R. Ramakrishnan, IAS, Chief Vigilance Officer, V.O.Chidambaranar Port Trust, Tuticorin, was holding additional charge of CVO, KPL with effect from 25.11.2015 to 07.04.2017. Then, Shri.T.Kandasamy, IPS, Chief Vigilance Officer, Chennai Port Trust, Chennai was holding additional charge of CVO, KPL from 08.04.2017 to 14.05.2017. Presently Vigilance Department in Kamarajar Port Limited is being headed by Shri.S.K.Sadangi, IRSS, Chief Vigilance Officer, Kolkata Port Trust with effect from 20.06.2017. The CVO is assisted by a Manager.

The Vigilance Department scrutinizes the files and documents with respect to the work contracts executed by the other departments. Procedural lapses, deviations from tendering norms and shortcomings in contract works etc, are pointed out to the concerned departments for rectification and corrective actions.

Vigilance Department is also taking care of bribery and corruption related issues based on CVC guidelines & related circulars. Investigation has been made on complaint received and report submitted.

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

#### 31.1 Vigilance Awareness Week, 2017

As directed by the Central Vigilance Commission, Vigilance Awareness Week, 2017 was observed from 30<sup>th</sup> October 2017 to 4<sup>th</sup> November 2017 and the theme of observing Vigilance Awareness Week was “**My Vision – Corruption free India**”. Essay and

Slogan writing competitions were held with the active participation from KPL staff and students from nearby schools. Lectures were organized on vigilance related topics to create more awareness on Vigilance.



*Certificate distribution to students participated in the competitions organized during the Vigilance Awareness Week 2017*

#### 31.2 Adoption of Integrity Pact

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

Further the commission has recommended appointment of Independent External Monitors (IEMs) for the implementation of Integrity Pact and also advised the organisations to fix a threshold value for the contracts/procurement which are to be brought under the Integrity Pact. The Pact envisages an agreement between the prospective vendors/bidders and the Employer/Principal committing the persons/officials of the both parties, not to exercise any corrupt influence on any aspect of the contract.

Your Directors has approved the Vigilance department’s proposal of Integrity Pact in the Board meeting held on 21.02.2015. The threshold value for contracts/procurement to be covered under Integrity Pact has been fixed as Rs.1 crore and above. The CVC had appointed the following two retired officers as Independent External Monitors (IEM) for monitoring the implementation of Integrity Pact in KPL.

- 1) Shri Velayutham Venkatachalam, IAS, (Retd), Chennai.

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

Integrity Pact covers all phases of the contract i.e from the stage of Notice Inviting Tender (NIT) till the conclusion of the contract. All the departments were advised to incorporate Integrity Pact clause in the tender documents for works/procurements having threshold value of Rs 1 crore. The IEMs reviewed the implementation of Integrity Pact in respect of contract works and procurements having a threshold value of Rs.1 crore in KPL on 06.04.2015, 03.11.2015, 06.06.2016 and 17.04.2017.

Since the three years tenure got expired in January 2018 for the existing IEMs, CVC has recommended the appointment of the following two new IEMs vide letter No.014/VGL/068-372d440 dt 27.02.2018 for an initial period of three years :

1. Shri.V.Kannan, Former CMD, Vijaya Bank.
2. Shri.R.Kuppan, IRSME(1980 batch), Former Principal Chief Mechanical Engineer.

### **32.0 NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

During the year no Company has become or ceased to be its subsidiaries, joint ventures or associate companies.

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

Your Directors state that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **34.0 PARTICULAR OF EMPLOYEES**

Your Company being a Government Company, the provisions of section 197(12) of the Companies Act, 2013 and relevant Rules shall not apply in view of the Gazette notification dated 5.06.15 issued by Government of India, Ministry of Corporate Affairs.

### **35.0 AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Comptroller & Auditor General of India, New Delhi has appointed M/s. R.K. Kumar & Co., Chartered Accountants, Chennai as Statutory Auditors of the Company for the period ended 31<sup>st</sup> March 2018.

#### **35.1 Statutory Auditors' Report**

The Statutory Auditor of the Company, M/s. R.K. Kumar & Co., Chartered Accountants, have given an unqualified report on the accounts of the Company for the financial year 2017-18. The Emphasis of matters and Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

### **36.0 REVIEW OF ACCOUNTS BY COMPTROLLER AND AUDITOR GENERAL OF INDIA**

Under Section 143(6)(b) of the Companies Act, 2013, the Comptroller and Auditor General of India reported that "nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report. A copy of the report of C&AG is annexed herewith.

### **37.0 SECRETARIAL AUDIT**

M/s.Dhanapal & Associates, practicing Company Secretaries was appointed to conduct secretarial audit of your Company for the financial year 2017-18 as required under Section 204 of the Companies' Act, 2013 and rules there under.



The Secretarial Auditors have reported that during the period under review, your Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc to a required extent except appointment of independent directors and all related compliances. The Secretarial Auditor's Report for the financial year 2017-18 forms part of this Boards' Report as **Annexure – 2**.

### **37.1 Reply to the comments of Secretarial Auditor**

Your Company being a public sector undertaking, the appointment of Directors is to be made by Govt. of India and your Company is regularly following up with the Ministry in this regard. Your Company is awaiting orders from Government for appointment of remaining Independent Directors on the Board. Once the remaining Independent Directors are appointed, other related provisions of the Companies Act, 2013 and DPE guidelines, with respect to their appointment will be complied with.

### **38.0 SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **39.0 EXTRACT OF ANNUAL RETURN**

In accordance with Section 92(3) and Section 134 (3) (a) of the Companies Act, 2013 read with relevant rules, an extract of Annual Return in form MGT-9 as on 31<sup>st</sup> March, 2018 is appended to the Directors' Report as **Annexure - 3** and extract of Annual Return is available in the following link <http://www.ennoreport.gov.in/content/innerpage/annual-return.php>

### **40.0 DEBENTURE TRUSTEE**

Your Company has appointed M/s. SBICAP Trustees Company Ltd. and M/s. Catalyst Trusteeship Ltd. (formerly known as GDA Trusteeship Ltd.) as Debenture Trustees for Tax Free bonds issued during the Financial Years 2012-13 and 2013-14 respectively. Contact details are available in page 4.

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

In accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013 information regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo is given at **Annexure – 4** to this report.

### **42.0 REPORT ON CORPORATE GOVERNANCE**

As per the guidelines of the Government of India, Department of Public Enterprises, a report on Corporate Governance for the year ended 31<sup>st</sup> March 2018 has been incorporated in the Annual Report. Certificate on Corporate Governance is available at **Annexure – 5** to this report.

### **43.0 REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**

A report on Management Discussion and Analysis is enclosed at **Annexure –6**.

### **44.0 ACKNOWLEDGEMENT**

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

Your Directors gratefully acknowledge the continued support and cooperation received from the Comptroller & Auditor General of India, Statutory Auditors, Internal Auditors and Secretarial Auditor. Your Directors thank the Port Users, BOT concessionaires, Contractors and Bankers for their continued support and assistance. Your Directors wish to place on record their appreciation of the continued excellent work done by all the employees of the Company during the year.

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

**P. Raveendran**  
**Chairman cum Managing Director**  
**(DIN No. 07640613)**

**Place : Chennai**  
**Date : 16.08.2018**

## CSR ACTIVITIES OF KAMARAJAR PORT LIMITED FOR THE YEAR 2017-18



Review Meeting by Shri Nitin Gadkari, Hon'ble Minister of Shipping, Road Transport & Highways and Water Resources, River Devp & Ganga Rejuvenation pertaining to State of Tamil Nadu along with Hon'ble Chief Minister of Tamil Nadu on 23.11.2017 & 25.02.2018

### Brief out line of KPL Policy

KPL shall consistently strive to meet the expectations of the society by supporting initiatives for improving infrastructure/ quality of life of society / community without compromising on ecological issues on sustainable basis consistent with the CSR provisions of Act, Schedule VII of the Act, CSR rules, the Guidelines issued by DPE and the policy directions issued by the Government from time to time.

KPL, as a socially responsible corporate port would endeavor to

- promote and leverage green technologies to produce goods and services that contribute to social and environmental sustainability
- take up CSR projects by giving priority to the issues which are in the National Development agenda like safe drinking water, provision of Toilets especially for girls, health and sanitation and education, etc., with the main focus to address the basic needs of the deprived, under privileged and weaker sections of the society which consists of SC, ST, OBCs, minorities, BPL families, old and aged, woman / girl child and physically challenged, etc.

### CSR Committee as on 31.03.2018

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

Average Net profit of the Company for last three financial years (PBT) = **Rs. 449.95 Crs**  
 $(425.82 + 443.94 + 480.09) / 3$

Prescribed CSR Expenditure (2% of the average Net profit) = **Rs. 8.9 Crs**

Details of CSR spent during the financial year 2017-18

|   |                       |
|---|-----------------------|
| (a) Total amount to be spent for the financial year 2017-18 | = <b>Rs.8.9 Crs</b>   |
| (b) Amount unspent, if any                                  | = <b>Rs.6.7 Crs *</b> |

\* Due to administrative reasons, the Company was not in a position to spend the allocated funds for the FY 2017-18. Hence, the unspent amount of Rs.6.7 crores is carried forward to the next financial year, 2018-19 and the pending CSR projects approved for the year 2017-18 will be implemented in the year 2018-19.

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

## CSR ACTIVITIES OF KAMARAJAR PORT LIMITED FOR THE YEAR 2017-18

| Sl. No. | CSR Project or activity identified | Sector in which the project is covered   | Projects or programs<br>(1) Local area or other<br>(2) Specify the state and district where projects or programs was undertaken   | Amount outlay (budget) project or programs-wise in Rs. | Amount spent on the projects or programs<br>Sub heads:<br>(1) Direct expenditure on projects or programs<br>(2) Overheads: | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|---------|------------------------------------|--|---|--|--|--|---|
| (1)     | (2)                                | (3)  | (4)   | (5)  | (6)  | (7)  | (8)   |
| 1       | Maintenance                        | Sanitation   | (1) Local Area<br>(2) Thiruvallur District<br>Maintenance cost of Toilets in Govt. High School, Athipattu, Ponneri Taluk  | 51,809   | 51,809   | 51,809   | Through M/s Lok Priya Seva Sansthan                 |
| 2       | Consultancy                        | Identification of Community Development works to fishermen and locals in the vicinity of Kamarajar Port  | (1) Local Area<br>(2) Thiruvallur District<br>Remuneration to Caritas India for Identification of Community Development works to fishermen and locals in the vicinity of Kamarajar Port   | 18,46,645  | 13,66,680  | 13,66,680  | Direct  |
| 3       | Consultancy                        | Evaluation of CSR Projects completed during the financial year 2016-17   | (1) Local Area<br>(2) Thiruvallur District<br>Remuneration to Madras School of Social Work for Evaluation of CSR Projects completed during the financial year 2016-17   | 1,69,920   | 1,69,920   | 1,69,920   | Direct  |
| 4       | Consultancy                        | Preparation of DPR for setting up of Livelihood & Skill Development and Placement Centre in the Port Campus and Study Report for providing employable skill needs to 59 Anthodia families identified by the earlier survey | (1) Local Area<br>(2) Thiruvallur District<br>Remuneration to Madras School of Social Work for Preparation of DPR for setting up of Livelihood & Skill Development and Placement Centre in the Port Campus and Study Report for providing employable skill needs to 59 Anthodia families identified by the earlier survey | 17,11,000  | 8,55,500   | 8,55,500   | Direct  |
| 5       | Contribution                       | Sanitation and Public Health   | Contribution to Swachh Bharath Kosh   | 1,78,80,000  | 1,78,80,000  | 1,78,80,000                                      | Direct  |
| 6       | Administration Expenses            | Engagement of CSR Cell Officers  | Remuneration to CSR Cell Officers on Contract Basis   | 19,13,818  | 19,13,818  | 19,13,818  | Direct  |
|         |                                    |  |   | <b>Total</b>   | <b>2,22,37,727</b>   |  |   |

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

**Place :** Chennai  
**Date :** 16.08.2018

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2018**

*[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014]*

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

1 We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. KAMARAJAR PORT LIMITED (erstwhile Ennore Port Limited), (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion / understanding thereon.

2 Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on March 31, 2018, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2018 according to the applicable provisions of :

- i) The Companies Act, 2013 (the Act) the rules made thereunder and the made thereunder as applicable:
- ii) The Securities Contracts (Regulations Act, 1956 ('SCRA') and the rules made thereunder:

- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder:

- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the applicable extent.

- v) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act, 1992 ('SEBI ACT'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015:

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2009;

- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (i) The Company has identified and informed the following laws as being specifically applicable to the Company.

- 1. Indian Ports Act, 1908

- 2. International Convention for Safety of Life at Sea, 1974

3. The Inland Vessels Act, 1917 (1 of 1917)
4. The Merchant Shipping Act, 1958 (44 of 1958)
5. Coastal Regulation Zone Notification, 2011

We have also examined compliance with the applicable clauses of the following :

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2).
- ii) The Listing Agreement entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii) Guidelines issued by Department of Public Enterprises (DPE) vide reference No.18 (8) / 2005-GM dated May 14, 2010.

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to a required extent except appointment of independent directors and all related compliances.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters / notices received by the Company during the financial year under various enactments as applicable to the company.

**We further report that**, subject to the above lapses, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with Executive Directors and Non-Executive Directors and the changes in the composition of the Board of Directors that took place during the period

**Place :** Chennai  
**Date :** 21.07.2018

under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report** that based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the audit period the company sought the approval of its members for the following matters other than that ordinary business at the Annual General Meeting:

- Appointment of Mr. P Raveendran (DIN 07640613) as Director of the Company, liable to retire by rotation.
- Appointment of Mrs. L. Victoria Gowri (DIN 07734561) as non-official independent Director of the Company, not liable to retire by rotation.
- Appointment of Mr. Rinkesh Roy (DIN 07404080) as Chairman and Managing Director of the Company, not liable to retire by rotation.

**We further report** that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

**For S. Dhanapal & Associates**  
(A Firm of Practicing Company Secretaries)

**N. Ramanathan**  
(Partner)  
FCS 6665  
CP No.11084

This report is to be read with our testimony of even date which is annexed as **Annexure A** and forms and integral part of this report.

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

**Management's Responsibility**

- a. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Auditor's Responsibility**

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

**Place :** Chennai  
**Date :** 21.07.2018

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

**Disclaimer**

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

**For S. Dhanapal & Associates**  
(A Firm of Practicing Company Secretaries)

**N. Ramanathan**  
**(Partner)**  
**FCS 6665**  
**CP No.11084**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

|      |  |  |
|------|--|--|
| i.   | <b>CIN</b>   | U45203TN1999GOI043322  |
| ii.  | <b>Registration Date</b>   | 11/10/1999   |
| iii. | <b>Name of the Company</b>   | KAMARAJAR PORT LIMITED (Erstwhile Ennore Port Limited)   |
| iv.  | <b>Category / Sub-Category of the Company</b>                                    | Company Limited by Shares/Union Government Company   |
| v.   | <b>Address of the Registered office and contact details</b>                      | 2 <sup>nd</sup> Floor ( North wing) & 3 <sup>rd</sup> Floor, Jawahar Building,<br>No 17 Rajaji Salai, Chennai - 600 001.<br>Tel: 044-25251666, Fax:044- 25251665.                            |
| vi.  | <b>Whether listed company Yes / No</b>   | Yes (Tax free Bonds listed on BSE)   |
| vii. | <b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b> | Link Intime India Pvt. Ltd<br>C-101,247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083.<br>Tel : 022 - 4918 6000/6270, Fax: 022 - 4918 6060,<br>Email: bonds.helpdesk@linkintime.co.in, |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

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

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)**

**(i) Category-wise Share Holding**

| Category of Shareholders                                     | No. of shares held at the beginning of the Year |                     |                     |                   | No. of shares held at the end of the year |                     |                     |                   | % Change during the year |
|--|---|---------------------|---------------------|-------------------|---|---------------------|---------------------|-------------------|--------------------------|
|  | Demat   | Physical            | Total               | % of Total Shares | Demat                                     | Physical            | Total               | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |                     |                     |                   |   |                     |                     |                   |                          |
| <b>(1) Indian</b>  |   |                     |                     |                   |   |                     |                     |                   |                          |
| (a) Individual */ HUF  | --  | 5                   | 5                   | --                | --  | 5                   | 5                   | --                | Nil                      |
| (b) Central Government                                       | --  | 19,99,99,995        | 19,99,99,995        | 66.67%            | --  | 19,99,99,995        | 19,99,99,995        | 66.67%            | Nil                      |
| (c) State Governments  | --  | --                  | --                  | --                | --  | --                  | --                  | --                | --                       |
| (d) Bodies Corporate (Board of Trustees, Chennai Port Trust) |   | 10,00,00,000        | 10,00,00,000        | 33.33%            | --  | 10,00,00,000        | 10,00,00,000        | 33.33%            | Nil                      |
| (e) Banks/FIs  | --  | --                  | --                  | --                | --  | --                  | --                  | --                | --                       |
| (f) Any other (Specify)                                      | --  | --                  | --                  | --                | --  | --                  | --                  | --                | --                       |
| <b>Sub Total A1</b>  |   | <b>30,00,00,000</b> | <b>30,00,00,000</b> | <b>100%</b>       | --  | <b>30,00,00,000</b> | <b>30,00,00,000</b> | <b>100%</b>       | <b>Nil</b>               |
| <b>(2) Foreign</b>   |   |                     |                     |                   |   |                     |                     |                   |                          |
| (a) NRI - Individual   | --  | --                  | --                  | --                | --  | --                  | --                  | --                | --                       |
| (b) Other – Individuals                                      | --  | --                  | --                  | --                | --  | --                  | --                  | --                | --                       |
| (c) Bodies Corporate   | --  | --                  | --                  | --                | --  | --                  | --                  | --                | --                       |
| (d) Banks/FIs  | --  | --                  | --                  | --                | --  | --                  | --                  | --                | --                       |
| (e) Any other.....   | --  | --                  | --                  | --                | --  | --                  | --                  | --                | --                       |
| <b>Sub Total (A)(2)</b>                                      | --  | --                  | --                  | --                | --  | --                  | --                  | --                | --                       |
| <b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>      |   | <b>30,00,00,000</b> | <b>30,00,00,000</b> | <b>100%</b>       | --  | <b>30,00,00,000</b> | <b>30,00,00,000</b> | <b>100%</b>       | <b>Nil</b>               |

| <b>B. Public Shareholding</b>   |    |                     |                     |             |    |                     |                     |             |            |
|---|----|---------------------|---------------------|-------------|----|---------------------|---------------------|-------------|------------|
| <b>1. Institutions</b>  |    |                     |                     |             |    |                     |                     |             |            |
| (a) Mutual Funds  | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (b) Banks/FIs   | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (c) Central Govt  | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (d) State Govt(s)   | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (e) Venture Capital Funds   | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (f) Insurance Companies   | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (g) FIIs  | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (h) Foreign Venture Capital Funds   | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (i) Other (specify)   | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| <b>Sub Total B(1) :-</b>  | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| <b>2. Non-Institutions</b>  |    |                     |                     |             |    |                     |                     |             |            |
| (a) Bodies Corporate  | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (i) Indian  | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (ii) Overseas   | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (b) Individuals   | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (i) Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh         | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (ii) Individual Shareholders holding Nominal Share Capital in excess of Rs.1 lakh | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| (c) Other (specify)   | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| <b>Sub Total B(2) :-</b>  | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                                | -- | --                  | --                  | --          | -- | --                  | --                  | --          | --         |
| <b>C. Shares held by Custodian for GDRs and ADRs</b>                              |    |                     |                     |             |    |                     |                     |             |            |
| <b>Grand Total (A) + (B) + (C)</b>  | -- | <b>30,00,00,000</b> | <b>30,00,00,000</b> | <b>100%</b> |    | <b>30,00,00,000</b> | <b>30,00,00,000</b> | <b>100%</b> | <b>Nil</b> |

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

## (ii) Shareholding of Promoters

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

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

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

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



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

| Sl. No. | Particulars<br>For Each of the Top 10 Shareholders  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1       | At the beginning of the year  | --  | --                               | --                                      | --                               |
| 2       | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | --  | --                               | --                                      | --                               |
| 3       | At the End of the year ( or on the date of separation, if separated during the year)  | --  | --                               | --                                      | --                               |

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

| Sl. No. | Particulars<br>For Each of the Directors and KMP*  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1       | At the beginning of the year*  | 2   | 0.00                             | 2                                       | 0.00                             |
| 2       | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc): |   | --                               | --                                      | --                               |
| 3       | At the End of the year   | 2   | 0.00                             | 2                                       | 0.00                             |

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

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Crores)

|  | Secured Loans excluding deposits | Unsecured | Deposits | No. of shares |
|--|----------------------------------|-----------|----------|---------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |           |          |               |
| i) Principal Amount  | 687.94                           | -         | -        | 687.94        |
| ii) Interest due but not paid                              | -                                | -         | -        | -             |
| iii) Interest accrued but not due                          | 6.17                             | -         | -        | 6.17          |
| <b>Total (i+ii+iii)</b>                                    | <b>694.11</b>                    | <b>-</b>  | <b>-</b> | <b>694.11</b> |
| <b>Change in Indebtedness during the financial year</b>    |                                  |           |          |               |
| Addition   | 329.95                           | -         | -        | 329.95        |
| Reduction  | 47.17                            | -         | -        | 47.17         |
| <b>Net Change</b>  | <b>282.78</b>                    | <b>-</b>  | <b>-</b> | <b>282.78</b> |
| <b>Indebtedness at the end of the financial year</b>       |                                  |           |          |               |
| i) Principal Amount  | 971.65                           | -         | -        | 971.65        |
| ii) Interest due but not paid                              | -                                | -         | -        | -             |
| iii) Interest accrued but not due                          | 5.24                             | -         | -        | 5.24          |
| <b>Total (i+ii+iii)</b>                                    | <b>976.89</b>                    | <b>-</b>  | <b>-</b> | <b>976.89</b> |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs)

| Sl. No. | Particulars of Remuneration  | Name of MD/WTD/ Manager  |  | Total Amount     |
|---------|--|--|--|------------------|
|         |  | Mr. M.A. Bhaskarachar<br>CMD upto 31.07.2017   | Mr. Rinkesh Roy<br>* CMD w.e.f<br>02.08.2017 |                  |
| 1.      | Gross salary   |  |  |                  |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961                                      | 15,39,420  | -  | 15,39,420        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  | 20,144   | -  | 20,144           |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961  | -  | -  | -                |
| 2.      | Stock Option   | -  | -  | -                |
| 3.      | Sweat Equity   | -  | -  | -                |
| 4.      | Commission<br>- as % of profit<br>- others, specify.....   | -  | -  | -                |
| 5.      | Others, please specify<br>- Provident Fund (Including Employer contribution)<br>- Performance Related Pay<br>- Any other | 1,87,986   | -  | 1,87,986         |
|         | <b>Total (A)</b>   | <b>17,47,550</b>   | <b>-</b>                                     | <b>17,47,550</b> |
|         | Ceiling as per the Act   | Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies |  |                  |

\* Not applicable – as he was holding additional charge as CMD.

**B. Remuneration to other directors:**

| SI. No. | Particulars of Remuneration                    | Name of Directors      |          |          |          | Total Amount    |
|---------|--|------------------------|----------|----------|----------|-----------------|
|         |  | Smt. L. Victoria Gowri |          |          |          |                 |
| 1       | Independent Directors                          |                        |          |          |          |                 |
|         | • Fees for attending board /committee meetings | 1,90,000               | -        | -        | -        | 1,90,000        |
|         | • Commission                                   | -                      | -        | -        | -        | -               |
|         | • Others, please specify                       | -                      | -        | -        | -        | -               |
|         | <b>Total (1)</b>                               | <b>1,90,000</b>        | <b>-</b> | <b>-</b> | <b>-</b> | <b>1,90,000</b> |
| 2       | Other Non-Executive Directors                  | -                      | -        | -        | -        | -               |
|         | • Fees for attending board committee meetings  | -                      | -        | -        | -        | -               |
|         | • Commission                                   | -                      | -        | -        | -        | -               |
|         | • Others, please specify                       | -                      | -        | -        | -        | -               |
|         | <b>Total (2)</b>                               | <b>-</b>               | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>        |
|         | <b>Total (B)=(1+2)</b>                         | <b>1,90,000</b>        | <b>-</b> | <b>-</b> | <b>-</b> | <b>1,90,000</b> |
|         | <b>Total Managerial Remuneration</b>           | <b>1,90,000</b>        | <b>-</b> | <b>-</b> | <b>-</b> | <b>1,90,000</b> |
|         | Overall Ceiling as per the Act                 | N.A                    | -        | -        | -        | N.A             |

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

(In Rs)

| SI. No. | Particulars of Remuneration   | Key Managerial Personnel |                  |                  |                  |
|---------|---|--------------------------|------------------|------------------|------------------|
|         |   | CEO                      | CS               | CFO              | Total            |
| 1       | Gross Salary  | -                        | 14,52,920        | 27,80,349        | 42,33,269        |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                        | -                | -                | -                |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | 15,703           | 90,296           | 1,05,999         |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -                | -                | -                |
| 2       | Stock Option  | -                        | -                | -                | -                |
| 3       | Sweat Equity  | -                        | -                | -                | -                |
| 4       | Commission  | -                        | -                | -                | -                |
|         | - As % of profit  | -                        | -                | -                | -                |
|         | - others, specify...  | -                        | -                | -                | -                |
| 5       | Others, please specify  | -                        | 2,63,936         | 4,81,130         | 7,45,066         |
|         | - Provident Fund (Including Employer contribution)                                  | -                        | -                | -                | -                |
|         | - Performance Related Pay   | -                        | 99,655           | 3,01,384         | 4,01,039         |
|         | - Any other   | -                        | 1,31,968         | 2,40,565         | 3,72,533         |
|         | <b>Total</b>  | <b>-</b>                 | <b>19,64,182</b> | <b>38,93,724</b> | <b>58,57,906</b> |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE**

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

**INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013  
r/w Rule 8 OF THE COMPANIES (ACCOUNTS) RULE, 2014**

**A) Conservation of Energy:**

**i) Steps taken or impact on conservation of energy:**

- (a)(i) To ensure effective utilization of electrical energy, Energy Audit was conducted by M/s.Dynaspede Integrated Systems Private Limited and audit report was obtained in November-2010. The recommendations of the Energy Audit report was received on December-2011 and the work order was given to M/s. Microvision Technologies, Nashik – 422 005 to provide 136.5KVA capacity (22.5KVA – 05Nos. & 24KVA-01 No.) Energy Savers for high mast tower lights and access road street lights on 22.08.2012. The firm has supplied the materials, installation and commissioning work is not yet completed and conciliation at MSME is in process
- (ii) M/s.Thorn Lighting India Pvt. Ltd., Chennai has conducted the energy audit in the port during the year 2014 and submitted the report with the following recommendations.
1. To replace the existing 2\*36/40 Watts flourscent lamps installed in the various premises inside the port with LED lamps.
  2. To replace the existing 150,250Watts High Pressure Sodium Vapour (HPSV) lamps installed in the street lights with 72 & 120Watts LED lamps.
  3. To replace the existing 2\*400 Watts & 1\*400Watts HPSV/MH lamps with 400 Watts & 200Watts LED lamps.
- (iii) 1. Accordingly, 850nos. of 36 / 40Watts of fluorescent lamps have been replaced with 18 Watts LEDs in various buildings inside the port premises to give the same illumination level during the year 2016
2. 190nos. of 150 Watts High Pressure Sodium Vapour (HPSV) lamps, 220nos. of 250Watts High Pressure Sodium Vapour (HPSV) lamps and 50 nos of 400Watts flood light fittings with 60,120 and 200Watts LED light fittings respectively were installed inside the port premises

to give the same illumination level during the year 2017.

The other recommendation will be implemented in the following year.

**(b) Impacts**

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

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

Around 41,400 KWh(Units) of power has been generated through Diesel Generator and around 24,090 KWh(Units) of power has been generated through solar and the same has been utilized during the year 2017-18.

**Wind Energy:**

It is informed that M/s. National Institute of Wind Energy (NIWE) has carried out the study on wind resource assessment for the period September – 2014 to August – 2015 continuously by installing the Wind Monitoring System(WMS) inside the port and submitted the report that it is possible to install 2 Megawatts wind turbine with 80mtrs. hub height with the mean generation level of 38.70 Lakhs units per year with 22.09% capacity factor. Accordingly for appointment of a technical consultant, a tender has been floated for “Preparation of Detailed Project Report (DPR)” for setting up of wind mills inside the port based on the report submitted by NIWE and the work has been awarded to M/s.WindForce Management Services Private Limited, Haryana on 28/02/2018 for the value of Rs.20,06,944/- and the work is in process.

**Solar Energy:**

M/s. Solar Energy Corporation of India (SECI) has floated the tender for installation of 0.240MW for captive consumption of KPL. M/s.SECEI has identified L1 bidder and recommended to award the work to the L1 bidder M/s.KEC International Limited for the value of Rs.1,98,99,161/- to carry out the subject work. The unit cost for power generation with the above capital cost as indicated by SECI is Rs.8.33/-. The cost of power per unit(Kwhr) purchased by KPL from TANGEDCO is Rs.8/-. Therefore, cost of power generation / unit is higher in the proposed 0.24MW solar power plant. Hence, it was decided to drop the above said proposal.

In this regard, M/s. ITCOT Consultancy & Services Limited, a Central Public Sector Enterprise (CPSE) was appointed as a technical consultant to submit the Detailed Project Report (DPR) for installation of 5MW solar power plant in the available land of KPL and the consultant has submitted the DPR. The consultant has suggested to install the 5MW solar power plant in the land area in between Buckingham canal and proposed FTWZ after obtaining clearance from MoEF on Public Private Partnership (PPP) / Build, Own, Operate (BOO) model against a long term concession period of 20-25Year with Power Purchase Agreement (PPA) with KPL for its internal consumption requirement. The remaining surplus has to be sold to TANGEDCO / Third party by the developer. Selection of developer will be done through a competitive bidding. Accordingly, competent authority approval has been obtained for floating of Expression of Interest (EOI) and the same is in process.

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

An amount of Rs.48,37,450/- has been invested for replacement of 190nos. of 150Watts High Pressure Sodium Vapour(HPSV) lamps, 220nos. of 250Watts High Pressure Sodium Vapour(HPSV) lamps and 50nos. of 400Watts flood light fittings with 60,120 and 200Watts LED light fittings respectively during the year 2017.

## B) Technology Absorption

### i) S A P ERP system

As per the directives of Ministry Of Shipping to all major ports to implement full fledged comprehensive ERP system, Kamarajar Port Ltd has engaged a System Integrator (SI) for implementation of SAP S/4 HANA 1610 ERP system through open tender and awarded the work in Nov 2016 at a total contract value of Rs14.8 crores including SAP license cost, implementation, warranty and 5years AMC. KPL has also procured and installed in-house servers and hardware devices at a cost of Rs 2.2 crores.

The SAP ERP system is an enterprise wide integrated application covering the following functionalities and processes:

- Finance & Accounting
- Procurement / Projects/ Contracts
- HR / Payroll
- Integration with POMS, Land Management System (invoices)
- Employee Self Service
- Health Safety & Environment (HSE)
- RTI, Legal case management
- File Management system, DMS

The SAP S/4 HANA ERP system has gone live and live transactions are being carried out through SAP system with effect from 28 Nov 2017. The system has also achieved the milestone of 'Completely deployment' effective 30 May 2018.

### ii) Benefits

Business processes and functionalities of HR/Payroll, Finance & accounting, purchase, contracts, and project (WBS), PO/WO and bill certification are automated. Employee requests and claim processes are made online through Employee self service (ESS) portal. These result in increased transactional efficiency and productivity leading to cost reduction.

### iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- a) **The details of technology imported:** NA
- b) **The year of import:** NA
- c) **Whether the technology been fully absorbed:** NA
- d) **If not fully absorbed, areas where absorption has not taken place, and the reason thereof :** Not applicable

### iv) The expenditure incurred on Research and Development: NIL

## C) Foreign Exchange Earnings & Outgo

Foreign Exchange outflow is Rs.4.70 crores towards Interest of Foreign Currency Loan and there is no foreign exchange inflow. However, your Company is earning Income on Vessel Related Charges in Dollar denominated INR.

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

**Place :** Chennai  
**Date :** 16.08.2018

**P. Raveendran**  
**Chairman-Cum-Managing Director**  
**(DIN No. 07640613)**

## REPORT ON CORPORATE GOVERNANCE

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

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

Good corporate governance contemplates that corporate actions balance the interest of all stakeholders and satisfy the tests of accountability, transparency and fair play. Your Company recognizes the importance of Corporate Governance and has adopted policies and procedures which are aimed at effectively discharging its responsibilities to various stakeholders viz. shareholders, creditors, customers, employees and society at large. The Company gives high priority to core values and ethics and believes that all its operations and actions must be directed towards overall shareholder value.

### 2.0 BOARD OF DIRECTORS

#### 2.1 Composition and category of the Board of Directors as on 31.03.2018

##### Executive Director

- (i) Shri Rinkesh Roy, Chairman-cum-Managing Director

##### Nominee Directors

- (ii) Shri Rabindra Kumar Agarwal, Nominee Director of Govt. of India
- (iii) Shri P. Raveendran, Nominee Director of Chennai Port Trust

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

- (iv) Smt. L. Victoria Gowri

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

- a) Shri Barun Mitra ceased to be Nominee Director in the Board of KPL with effect from 16.08.2017.
- b) Shri M.A. Bhaskarachar, ceased to be Chairman & Managing Director consequent to his superannuation on 31.07.2017. Shri Rinkesh Roy had been appointed as Chairman & Managing Director with effect from 02.08.2017 for a period of six months, which was further extended for a period of six months, or till the appointment of a regular incumbent to the post or until further order whichever is the earliest. Subsequently pursuant to O.M No: 31/2018 dated 08.06.2018, he handed over charge of Chairman and Managing Director to Shri. P.Raveendran on 13.06.2018.
- c) Shri Rabindra Kumar Agarwal was appointed as a Nominee Director with effect from 27.09.2017.

### 2.2 Evaluation of Board's Performance

Your Company being a Government Company, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is not required, as the evaluation of Directors is made by the concerned Ministry.

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

During the year 2017-18, 9 (Nine) Board meetings were held on 11<sup>th</sup> April 2017, 11<sup>th</sup> May 2017, 30<sup>th</sup> May 2017, 22<sup>nd</sup> June 2017, 24<sup>th</sup> July 2017, 09<sup>th</sup> September 2017, 21<sup>st</sup> September 2017, 14<sup>th</sup> November 2017 and 16<sup>th</sup> February 2018.

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

| Name and Designation of the Director   | No. of Board Meeting held during the tenure of each Director in F.Y. 2017-18 | No. of Board Meeting Attended | Last AGM attended | Other Directorship as on 31 <sup>st</sup> March 2018 | No. of Committees across all Companies*       |   |
|--|--|-------------------------------|-------------------|--|---|---|
|  |  |                               |                   |  | As Member** As on 31 <sup>st</sup> March 2018 | As Chairman** As on 31 <sup>st</sup> March 2018 |
| <b>Executive Directors</b>   |  |                               |                   |  |   |   |
| Shri Rinkesh Roy, Chairman-cum-Managing Director w.e.f 02.08.2017                | 4  | 4                             | Yes               | 4  | 3   | -   |
| Shri M.A Bhaskarachar, Ex-Chairman-cum-Managing Director (up to 31.07.2017)      | 5  | 5                             | ***               | -  | ****  | ****  |
| <b>Non Executive- Government Nominee Directors</b>                               |  |                               |                   |  |   |   |
| Shri Rabindra Kumar Agarwal, Nominee Director of Govt. of India (w.e.f 27.09.17) | 2  | 1                             | ***               | 1  | -   | -   |
| Shri P Raveendran, Nominee Director of Chennai Port Trust                        | 9  | 6                             | Yes               | 2  | -   | 2   |
| Shri. Barun Mitra, Nominee Director of Govt. of India (upto 16.08.2017)          | 5  | 4                             | ***               | ****   | ****  | ****  |
| <b>Non- official Part time (Independent) Directors</b>                           |  |                               |                   |  |   |   |
| Smt. L. Victoria Gowri Independent Director                                      | 9  | 8                             | Yes               | 1  | 1   | -   |

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

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

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

\*\*\*\* was not Director as on 31.03.2018

## 3.0 COMMITTEE OF BOARD OF DIRECTORS

To enable better management of Board's time several Board level Committees have been constituted for in-depth scrutiny and focused attention. The recommendation/decision of the committee are placed before the Board for approval/information. Various Committees of Board are as under:

### 3.1 Audit Committee

#### A. Terms of reference:

The role and terms of reference of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Guidelines on Corporate Governance for CPSEs issued by DPE. It inter-alia includes review and monitoring the auditor's independence and performance, effectiveness of audit process; oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; reviewing with the management the half-yearly and annual financial statements before submission to Board; reviewing with the management, external and internal auditors the adequacy of internal control systems, reviewing

the adequacy of internal audit function, reviewing the findings of any internal investigations by the internal auditors, discussion with external auditors, scrutiny of inter-corporate loans and investments, review of the functioning of the Whistle Blower Mechanism etc.

#### B. Composition of Audit Committee

The Audit Committee of the Company comprised of the following members as on 31.03.2018:

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

During the year 2017-18, Shri MA Bhaskarachar ceased to be Member of the Committee w.e.f. 31.07.2017, consequent to his superannuation. Shri Rinkesh Roy was inducted as member of the Committee w.e.f 11.08.2017 and ceased w.e.f 13.06.2018 when he handed over charge to Shri P. Raveendran. Consequently, Shri Rabindra Kumar Agarwal has been inducted in the Committee and is Member and Smt. L. Victoria Gowri is the Chairperson w.e.f. 19.07.2018.

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

### C. Meetings and Attendance during the year

During the year 2017-18, five Audit Committee meetings were held on 25.05.2017, 31.07.2017, 09.09.2017, 14.11.2017 and 12.03.2018.

#### Attendance during the year 2017-18:

| Members                                  | No.of Meetings held during tenure | Meetings attended |
|--|-----------------------------------|-------------------|
| Shri Rinkesh Roy ( w.e.f. 11.08.2017)    | 3                                 | 3                 |
| Shri M.A.Bhaskarachar ( upto 31.07.2017) | 2                                 | 1                 |
| Shri P Raveendran                        | 5                                 | 4                 |
| Smt. Victoria Gowri                      | 5                                 | 5                 |

### 3.2 Nomination and Remuneration Committee

#### A. Terms of reference:

To decide the quantum of Annual Bonus/Variable Pay and policy for distribution across the Executives and staff within the prescribed limits and for finalizing the Performance Related Pay (PRP) for Executive Directors, Executives and Non-unionised supervisors, as required under the DPE guidelines, the Board had earlier constituted the Remuneration Committee and the said Committee has been renamed as “Nomination and Remuneration Committee” in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations. Appointment of Executive Directors including the Chairman and Managing Director is contractual in nature and the remuneration is paid to them as per the terms of their appointment made by the Government of India. The remuneration of Part-time official Directors is governed by their respective Government rules. Sitting fees are paid to Independent Directors.

#### B. Composition of Nomination and Remuneration Committee

As on 31.03.2018, the Committee composed of the following Members:

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

During the year 2017-18, Shri Barun Mitra ceased to

be Member of the Committee w.e.f. 16.08.2017. Shri Rinkesh Roy had been inducted as member of the Committee w.e.f 11.08.2017 and ceased on 13.06.2018. Shri Rabindra Kumar Agarwal, has been inducted as Member of the Committee w.e.f. 19.07.2018.

### C. Meetings and Attendance during the year

During the year 2017-18, two Nomination and Remuneration Committee meetings were held on 31.07.2017 and 21.09.2017.

#### Attendance during the year 2017-18:

| Members                                | No.of Meetings held during tenure | Meetings attended |
|--|-----------------------------------|-------------------|
| Shri Rinkesh Roy ( w.e.f. 11.08.2017 ) | 1                                 | 1                 |
| Shri Barun Mitra ( upto 16.08.2017 )   | 1                                 | -                 |
| Shri P Raveendran                      | 2                                 | 2                 |
| Smt. Victoria Gowri                    | 2                                 | 2                 |

### D. Remuneration received by Functional Directors

Details of remuneration of functional directors of the Company paid for the financial year 2017-18

| Name of the Directors   | Salary & Other Allowances (Rs.) | Bonus / Commission / PRP (Rs.) | Total (Rs.) |
|---|---------------------------------|--------------------------------|-------------|
| Shri Rinkesh Roy *<br>Chairman-cum-<br>Managing Director<br>( from 02.08.2017 to<br>31.03.2018) | -                               | -                              | -           |
| Shri M. A. Bhaskarachar,<br>Chairman-cum-<br>Managing Director<br>( upto 31.07.2017 )           | 15,39,420                       | -                              | 15,39,420   |

\* Not applicable – as he was holding additional charge as CMD

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

### 3.3 Share Allotment and Share Transfer Committee

The Share Allotment and Share Transfer Committee comprises of the following members as on 31<sup>st</sup> March 2018:

|                             |            |
|-----------------------------|------------|
| Shri Rinkesh Roy            | - Chairman |
| Shri Rabindra Kumar Agarwal | - Member   |
| Shri P. Raveendran          | - Member   |

During the year 2017-18, Shri MA Bhaskarachar ceased to be Chairman of the Committee w.e.f 31.07.2017, consequent to his superannuation and Shri Barun Mitra ceased to be a Member w.e.f. 16.08.2017. Shri Rinkesh Roy and Shri Rabindra Kumar Agarwal had been inducted as Chairman and Member of the Committee respectively w.e.f. 11.10.2017. Shri Rinkesh Roy ceased to be Chairman of the Committee w.e.f. 13.06.2018 consequent to him handing over charge.

During the year 2017-18, one equity share held by Shri M A Bhaskarachar, as a nominee of President of India, through Ministry of Shipping, Govt. of India, has been transferred to Shri Rinkesh Roy on 21.09.2017 and subsequently to Shri P. Raveendran on 16.08.2018.

### 3.4 Stakeholder Relationship committee

#### A. Terms of reference:

Stakeholder Relationship committee looks into redressal of complaints/grievances of bondholders pertaining to non receipt of interest/transfer/transmission of bonds and other miscellaneous complaints.

#### B. Composition

The Stakeholder Relationship Committee of the Company comprised of the following members as on 31.03.2018:

|                     |            |
|---------------------|------------|
| Shri P. Raveendran  | - Chairman |
| Shri Rinkesh Roy    | - Member   |
| Shri M. Gunasekaran | - Members  |

During the year 2017-18, Shri M.A Bhaskarachar ceased to be member of the Committee consequent to his superannuation on 31.07.2017. Shri Rinkesh Roy has been inducted as member of the Committee w.e.f. 11.08.2017 and ceased on 13.06.2018. Smt. L. Victoria Gowri has been inducted as Member of the Committee on 19.07.2018.

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

During the year 2017-18, four Stakeholder Relationship Committee meetings were held on 14.07.2017, 14.11.2017, 19.12.2017 and 16.02.2018.

#### Attendance during the year 2017-18:

| Members                                    | Entitled to attend | Meeting attended |
|--|--------------------|------------------|
| Shri P Raveendran                          | 4                  | 4                |
| Shri Rinkesh Roy<br>(w.e.f. 11.08.2017)    | 3                  | 3                |
| Shri M.A Bhaskarachar<br>(upto 31.07.2017) | 1                  | 1                |
| Shri M. Gunasekaran                        | 4                  | 4                |

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

#### A. Terms of reference:

Terms of reference includes inter alia recommending proposals, amount of expenditure to be incurred to the Board. CSR policy is available on the website of the company.

#### B. Composition

The Board Level Committee on CSR and Sustainability Development of the Company comprised of the following members as on 31.03.2018:

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

During the year 2017-18, consequent to superannuation of Shri M.A Bhaskarachar on 31.07.2017 he ceased to be member of the Committee. Shri Rinkesh Roy was inducted as Chairman of the Committee w.e.f.11.08.2017 and ceased on 13.06.2018. Consequently, the Committee was reconstituted with Shri Rabindra Kumar Agarwal as Member and Shri P. Raveendran as Chairman on 19.07.2018.

Shri P. Radhakrishnan, DGM(C) acts as the Nodal Officer. The Company Secretary acts as Secretary to the CSR Committee.

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

During the year under review, six Meetings of the Committee on CSR and Sustainable Development were held on 11.04.2017, 30.05.2017, 24.07.2017, 14.11.2017, 16.02.2018 and 12.03.2018

#### Attendance during the year 2017-18:

| Members                                    | Entitled to attend | Meeting attended |
|--|--------------------|------------------|
| Shri Rinkesh Roy<br>(w.e.f. 11.08.2017)    | 3                  | 3                |
| Shri M.A Bhaskarachar<br>(upto 31.07.2017) | 3                  | 3                |
| Shri P Raveendran                          | 6                  | 4                |
| Smt. L.Victoria Gowri                      | 6                  | 5                |

### 4.0 GENERAL BODY MEETING

The Annual General Body Meeting of the Company for the financial year 2017-18 will be held on Monday, the 24<sup>th</sup> day of September 2018 at 11.00 a.m. at the Registered Office of the Company.

The date, time and place of the AGMs held during the preceding three years and special resolution passed thereat are as under:



| Year    | Date       | Time       | Place  | Special Resolution passed |
|---------|------------|------------|--|---------------------------|
| 2016-17 | 21.09.2017 | 11.30 a.m  | Board Room at the Registered office of the company – 600 001 | -NIL-                     |
| 2015-16 | 28.09.2016 | 11.30 a.m  | Port Administrative Office, Vallur Post, Chennai – 600 120   | -NIL-                     |
| 2014-15 | 28.09.2015 | 11.30 a.m. | Port Administrative Office, Vallur Post, Chennai – 600 120   | -NIL-                     |

## 5.0 DISCLOSURES

- (i) Related Party Transactions are set out in Note No. 30 (12) to the notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2018 in the Annual Report.
- (ii) The Company has not received any Presidential directives during the FY 2017-18.
- (iii) There was no case of non-compliance of provisions of Companies Act, 2013 or any other statutory laws, except appointment of requisite independent directors and all related compliances'. The Company being a Public Sector Undertaking, the appointment of Directors is to be made by Govt. of India and the Company is regularly following up with the Ministry in this regard. The statutory authorities have also not passed any strictures or imposed penalty on the company under any Act / Rules.
- (iv) Your Company has a Whistle Blower Policy as per the guidelines issued by the Department of Public Enterprises (DPE) and no personnel of the Company have been denied access to the Audit Committee.
- (v) No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.
- (vi) The Company has complied with the requirements of DPE Guidelines on Corporate Governance Secretarial Auditors of the Company have certified the compliance of DPE Guidelines on Corporate Governance by the Company.
- (vii) None of the Part time Directors of the Company have pecuniary relationship or transaction with the company.

(viii) Details of administrative & office expenses and financial expenses for the year under review and for the previous year are available in annual accounts.

(ix) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the company.

## 6.0 CODE OF CONDUCT

As part of Kamarajar Port's persisting endeavor to set a high standard of conduct for its employees a "Code of Business Conduct and Ethics" has been laid down for all Board Members and Senior Management Personnel. All Board Members and Senior Management personnel have affirmed compliance with Kamarajar Port's "Code of Business Conduct and Ethics" for the financial year 2017-18.

### Declaration

As provided under the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises, all the Board Members and Senior Management of the Company have confirmed compliance with 'Code of Business Conduct and Ethics' for the year ended 31<sup>st</sup> March 2018.

for **Kamarajar Port Limited**

**(Rinkesh Roy)**

**Chairman-Cum- Managing Director**

**Place :** Chennai

**Date :** 07.05.2018

## 7.0 TRAINING OF BOARD MEMBERS

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

- Empower and equip the board with skills and attitudes required to perform their challenging tasks and play their role in a transparent, objective and ethical manner as per the best corporate governance practices.
- Promoting better understanding of professional requirements as well as sensitization to professional, socio-economic and political environment in which work is done.

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

## 8.0 REVIEW OF COMPLIANCE OF APPLICABLE LAWS

The Board has periodically reviewed the compliance reports of all laws applicable to the company and has ensured the compliance of all the applicable laws.

### 8.1 Secretarial Standards

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1<sup>st</sup> October 2017. Your Company is in compliance with the revised Secretarial Standards.

## 9.0 MEANS OF COMMUNICATION

- **Half-Yearly Results** : Pursuant to listing of Tax Free Bonds in the Bombay Stock Exchange, the Company intimated half-yearly financial results/ audited annual financial results during 2017-18 to the Stock Exchange immediately after it was taken on record and approved by the Board. These financial results were published in the leading Tamil Newspapers having wide circulation in Southern region and English daily newspaper having circulation in whole or substantially whole of India. The results were also sent to Debenture Trustee and displayed on the website of the Company.

- **Website:** The Company's website is [www.kamarajarport.in](http://www.kamarajarport.in). Annual Report and Audited Financial statements including Directors' Report and Auditors' Report are also available on the web-site.
- **Annual Report:** Annual Report containing inter-alia, Audited Accounts, Directors' Report, Auditors' Report, cash flow statement and other important information is circulated to the members and others entitled thereto.
- **Compliance Officer:** The Company has designated Shri M.Gunasekaran, General Manager (Finance) and Chief Financial Officer as Compliance Officer for servicing Tax Free Bond holders. The email id [mguna@kplmail.in](mailto:mguna@kplmail.in) has been created for addressing the queries of Bond holders.

**Registrar and Transfer Agent** : Details of Registrar and Transfer Agent for Tax Free Bonds issued u/s 10 (15)(iv)(h) of the Income Tax Act, 1961 for the financial years 2012-13 & 2013-14, is as under:

Public Issue-Shares and Bonds (Allotment) :

022 - 4918 6200

Link Intime India Pvt. Ltd

C-101,247 Park, L.B.S. Marg

Vikhroli (West)

Mumbai – 400083.

Tel : 022 - 4918 6270/6000, Fax: 022 - 4918 6060,

Email:[bonds.helpdesk@linkintime.co.in](mailto:bonds.helpdesk@linkintime.co.in)

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

**P. Raveendran**

**Chairman-Cum-Managing Director**

**(DIN No. 07640613)**

**Place** : Chennai

**Date** : 16.08.2018

## **S DHANAPAL & ASSOCIATES**

### **Practising Company Secretaries**

#### **Partners**

S. Dhanapal, B.Com., B.A.B.L., F.C.S.  
N. Ramanathan, B.Com., F.C.S.  
Smita Chirimar, M.Com., F.C.S., DCG(ICST)  
R. Pratheepa, B.C.S., A.C.S.

### **Compliance Certificate On Corporate Governance** (Under Guidelines issued by the Department of Public Enterprises)

**To**  
**The Shareholder**  
**Kamarajar Port Limited**  
**Chennai**

We have examined the compliance of conditions of Corporate Governance by Kamarajar Port Limited, Chennai ("The Company") for the financial year ended March 31, 2018 as per the Guidelines issued by the Department of Public Enterprises (DPE), vide reference no. 18(8)/2005-GM dated 14<sup>th</sup> May, 2010.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof adopted by the Company, for ensuring the compliance with the conditions of corporate Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as per the guidelines issued by department of Public Enterprises (DPE) vide reference no. 18(8).2005-GM dated 14<sup>th</sup> May 2010, except the condition with regard to appointment of Independent Director as envisaged in condition 3.1.4. of the Guidelines.

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

**For S Dhanapal & Associates**  
**a Firm of Practicing Company Secretaries**

**Smita Chirimar**  
**Partner**  
**Membership No. F8137**  
**CP #9357**

**Date :** 10.07.2018  
**Place :** Chennai

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2017-18

Your Company plays a vital role in fastening the India's trade and economic growth. Your company growth mainly depends upon the global economic growth and impact of economic growth in Indian Ports. The details are as follows.

### Global Trends and Outlook

The importance of well-functioning seaports for industrial activity, merchandise trade, globalized production processes and economic growth cannot be overemphasized. Global ports handle over 80 per cent of global merchandise trade in volume and more than two thirds of its value. Advanced economies, as a whole are expected to grow at the rate of 2.5% during 2018, up from 2.3% during 2017. Growth in these economies is expected to moderate to 2.2% during 2019.

GDP growth in China, which was the fastest growing economy last year, is expected to slow down to 6.6 % during 2018 from 6.9% in 2017 and is expected to moderate at around 6.4% during 2019. India is projected to regain its status of the world's fastest growing large economy with an expected impressive rate of 7.4% in 2018, which is set to increase further to 7.8% in 2019, up from 6.7% in 2017. According to the IMF, prospects for the Indian economy are bright, propelled by strong consumption growth and structural reforms. Further, the transitory effects of reforms such as the Goods and Services Tax (GST) and demonetization are fading out.

### Indian Scenario

Ports handle almost 95% of total international trade volume in India. With the Government of India's "Make in India" initiative for rapid economic growth, it is expected that the share of merchandise trade in India's GDP would increase substantially in the next 5 years. Currently, the proportion of merchandise trade in Gross Domestic Product (GDP) of India is 27.5% and USD 623 billion in value terms (as per World Bank-2016) compared to 32.9% or USD 3.7 trillion worth of merchandise trade of China and further suggests sizable potential for growth in merchandise trade in India in the years to come, which would require technological up gradation and capacity development of ports.

### Performance Overview

Since commencement the volume of traffic handled is nearly 9.0 times i.e 3.40 million tons in 2001-02 to 30.45 million tons in year 2017-18. The details of cargo handled during the last five years are given under:

| Traffic Handled at KPL (Million Tonnes) |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Cargo                                   | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| Coal TNEB                               | 14.07   | 15.13   | 17.00   | 16.36   | 16.71   |
| Coal Others                             | 8.42    | 9.22    | 8.61    | 6.74    | 6.46    |
| POL                                     | 2.43    | 3.31    | 3.99    | 4.17    | 4.44    |
| Iron ore                                | NIL     | NIL     | NIL     | NIL     | NIL     |
| Other Cargo                             | 2.42    | 2.58    | 2.61    | 2.75    | 2.63    |
| Container                               | -       | -       | -       | -       | 0.05    |
| Break bulk                              | -       | -       | -       | -       | 0.16    |
| Total                                   | 27.34   | 30.24   | 32.21   | 30.02   | 30.45   |

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

#### ❖ Industry Structure and Market Scenario:

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

Your Company also prepared the port master plan in consultation with the Sagarmala consultant and based on the available water front and dock basin, the present port capacity of 68 MTPA is expected to be augmented to 142 MTPA by 2025.

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

General cargo like Timber, Granite, Steel, dust free cargo etc.

For the financial year 2017-18, KPL has handled the cargo throughput of 30.45 MMT which is slightly higher than the cargo throughput handled in 2016-17.

### ❖ **Strength and Weakness**

#### **Strength:**

- Guaranteed captive cargo and income from TANGEDCO (formerly TNEB) as coastal based power stations are developed and operated by TANGEDCO and its associates adjacent to the Port.
- As per the policy adopted by the Port company, not only the captive users TANGEDCO and its associates made substantial investments by installing top side facilities like fully mechanised unloading equipments, conveyors, etc., but also operation and maintain the unloading system resulting in assured cargo throughput and income to the company.
- Landlord Model wherein cargo operations are vested with the private operators who bring capital and efficiency in operations.
- Deep draft port facilitates berthing of large size and new generation vessels resulting in reduced freight rate and saving in time.
- Proximity to National Highways and Indian Railways mainlines providing excellent connectivity to hinterland.
- Fully mechanised cargo handling operations.
- Enough back up land for storage of cargo.

#### **Weakness:**

- The captive User TNEB and the BOT operators are responsible for day to day cargo handling operations Hence KPL's role is limited in volume/throughput to be handled.
- The development of common infrastructure facilities like capital dredging, road & rail connectivity is vested with KPL for which huge amount of funds are raised from the market with no government assistance/grant.
- Raising of fresh funds on the strength of port assets is limited on account of BOT performances.

### ❖ **Opportunities and Threats**

#### **Opportunities:**

- Market demand for Coal to feed Thermal Power Stations and Industries.

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

#### **Threats:**

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

### ❖ **Outlook**

Increasing investments and cargo traffic point towards a healthy outlook for the Indian ports sector. Providers of services such as operation and maintenance (O&M), pilotage and harbouring and marine assets such as barges and dredgers are benefiting from these investments. The capacity addition at ports is expected to grow at a CAGR of 5-6 per cent till 2022, thereby adding 275-325 MT of capacity.

Under the Sagarmala Programme, the government has envisioned a total of 189 projects for modernisation of ports involving an investment of Rs 1.42 trillion (US\$ 22 billion) by the year 2035. Ministry of Shipping has set a target capacity of over 3,130 MMT by 2020, which would be driven by participation from the private sector. Non-major ports are expected to generate over 50 per cent of this capacity.

India's cargo traffic handled by ports is expected to reach 1,695 million metric tonnes by 2021-22, according to a report of the National Transport Development Policy Committee. Within the ports sector, projects worth an investment of US\$ 10 billion have been identified and will be awarded over the coming five years.

Further, the Government of India has allowed foreign direct investment (FDI) of up to 100 per cent under the automatic route for projects related to the construction and maintenance of ports and harbours. A 10-year tax holiday is extended to enterprises engaged in the business of developing, maintaining, and operating ports, inland waterways, and inland ports. The government has also initiated National Maritime Development Programme (NMDP), an initiative to develop the maritime sector with a planned outlay of US\$ 11.8 billion.

## ❖ Risks & concerns

India's ports have been constrained due to many developmental, procedural and policy related challenges-

### Multiple agency model

Dual institutional structure has led to development of major and non-major ports as separate, unconnected entities.

### Cannibalization:

Development of multiple ports in close vicinity handling similar cargo would lead to ports competing for the same cargo arrivals. Competition though is a welcome move, but given the criticality of the sector and the dire need to healthily develop the port infrastructure eco-system, it is important that specific ports in a region are developed to handle specific variety of cargo like minerals, oil, gas, container etc. This way, multiple stakeholders get to service a dedicated cargo category without eating into each other's revenues. Once the port system in the country reaches an advanced stage, they could slowly add on to capacity in other cargo segments.

### Efficiency:

Indian ports, especially the major ports have a lot of scope for improvement in operational efficiencies compared to international ports.

### Regulations:

While India has a fairly extensive regulatory framework for ports, its effectiveness is questionable. The main problem is that major and non-major ports fall under different jurisdictions with continued uncertainty as to the ultimate scenario.

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

## B. Segment wise or Product wise Performance

### ❖ Sales Performance

Management considers "Port Services" as single

reportable segment. The income from services during the year 2017-18 was 630.98 crores as against Rs. 620.14 crores during the same period in previous year.

### ❖ Quantity

During the year 2017-18, a quantity of 30.45 million tonnes of cargo was handled as against 30.02 million tonnes previous year.

### Cautionary Statement

Statement in this 'Management Discussion and Analysis Report' describing the objectives, expectations, assumptions or predictions of the Company may be forward looking statements within the meaning of applicable rules and regulations. Actual results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

### C. Internal Control Systems and their adequacy

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

### D. Discussion on Financial Performance with respect to Operational Performance

- Refer Main Report

### E. Material developments in Human Resources, Industrial Relations front, including number of people employed – Refer Main Report

### F. Environmental Protection and Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation.

- Refer Main Report

### G. Corporate Social Responsibility – Refer Main Report

For and on behalf of the Board of Directors

**P. Raveendran**

**Chairman-Cum-Managing Director**

**(DIN No. 07640613)**

Place : Chennai

Date : 16.08.2018



भारतीय लेखा तथा लेखा परीक्षा विभाग  
कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा  
तथा पदेन सदस्य लेखा परीक्षा बोर्ड, चेन्नै  
**Indian Audit and Accounts Department**  
*Office of the Principal Director of Commercial Audit  
and ex-officio Member Audit Board, Chennai*

PDCA/CHENNAI/CA-II/KPL 2-139/2018-19/154

23.7.2018

The Chairman-cum-Managing Director,  
Kamarajar Port Limited,  
2<sup>nd</sup> Floor (North wing) & 3<sup>rd</sup> Floor,  
Jawahar Building, 17, Rajaji Salai,  
Chennai-600 001

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of Kamarajar Port Limited for the year ended 31 March 2018.

\*\*\*\*\*

I forward herewith comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the financial statements of Kamarajar Port Limited, Chennai, for the year ended 31 March 2018.

Five copies of Printed Annual Report of your company may be arranged to be forwarded to this office.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-

**(R. AMBALAVANAN)**

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

Encl: Audit Certificate

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

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KAMARAJAR PORT LIMITED, FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of Kamarajar Port Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Kamarajar Port Limited for the year ended 31 March 2018. 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.

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

**Sd/-  
(R. AMBALAVANAN)  
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND  
EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI**

**Place :** Chennai  
**Date :** 20 July 2018



# R.K. KUMAR & CO

## CHARTERED ACCOUNTANTS

ROOM NO. 101-106, 2ND FLOOR, CONGRESS BUILDING, 573, ANNA SALAI, CHENNAI – 600 006.  
TEL. : 91-44- 2434 9866, 2434 9867 E-mail : rkkco@dataone.in

### INDEPENDENT AUDITORS REPORT

#### TO THE MEMBERS OF KAMARAJAR PORT LIMITED

##### Report on the IND AS Financial Statements

We have audited the accompanying financial statements of **KAMARAJAR PORT LIMITED** (“the Company”), which comprise the Balance Sheet at 31<sup>st</sup> March 2018, the Statement of Profit and Loss, (including other comprehensive income), the Statement of Cash Flows and the statement of changes in Equity for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

##### Management’s Responsibilities for the Financial Statements

The Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

##### Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken

into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial Statements in accordance with the Standards of Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

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

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

##### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2018, and its profit, total comprehensive income, the changes in equity and its cash flow for the year ended on that date.

### Emphasis of Matter

1. Rs.4509.49 Lakhs being excess payments made to project contractors included in Advance for Capital Expenditure, pending finalization of Dispute Redressal Mechanism (Refer Note No.11.1)

Our opinion is not modified in respect of this matter.

### Report on other Legal and Regulatory Requirements

1. As required under section 143(5) of the Act, 2013, We give in the Annexure A of our report on the directions/sub-directions issued by the Comptroller and Auditor General of India.
2. As required by the Companies (Auditors report) Order, 2016 (“The Order”) issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B Statement on the matters specified in the paragraph 3 & 4 of the Order.
3. As required by Section 143(3) of the Act, 2013, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of Cash Flows and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- e. Clauses referred to Section 164(2) of the Act, do not apply to Directors of Government Companies as per the notification.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure C. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements.
  - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on the long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts required to be transferred to investor education and protection fund by the Company; and

**For R.K.Kumar & Co.**  
**Chartered Accountants**  
**FRN 001595S**

**G.Naganathan**  
**(Partner)**  
**Membership No. 022456**

**Place : Chennai**

**Date : 23<sup>rd</sup> May, 2018.**

**KAMARAJAR PORT LIMITED**

|   |   |  |
|---|---|--|
| 1 | Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available | The Company is in possession of 2787.27 acres of land acquired from TNEB, TIDCO and Salt Department, Ministry of Commerce, GOI. Out of which, 715 acres of land has been registered in the name of Kamarajar Port Limited. For remaining lands, change of title deed are in process.       |
| 2 | Whether there are any cases of waiver / write off debts / loans / interest etc., if yes, the reasons therefore and the amount involved.   | Yes, the Company has waived berth hire charges of Rs.441.18 lakhs payable by Indian Ocean Shipping P Ltd. since the vessel has suffered substantial damages in the structure and its stability to withstand is always a threat to the company's harbour basin.                             |
| 3 | Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant (s) from the Government or other authorities.  | The Company does not have any inventory. The Company has not received any assets as gift, during the year. The Company received from Government of India grant for purchase of Oil spill booms, Skimmers etc., proper records have been maintained in respect of the above grant received. |

**Place :** Chennai  
**Date :** 23<sup>rd</sup> May, 2018

**For R.K.Kumar & Co.**  
**Chartered Accountants**  
**FRN 001595S**

**G. Naganathan**  
**(Partner)**  
**Membership No. 022456**

**Annexure to the Auditors' Report:**

The Annexure referred to in our report to the members of for the year Ended on 31<sup>st</sup> March 2018, we report that:

| Sl.No   | Particulars  |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
|---------|--|----------------|---|-------------------|---|--------|---------------------------|----|-------------------|-------------|---|-------------------|---|
| (i)     | (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.   |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
|         | (b) The management has physically verified the fixed assets of the company during the year. No material discrepancies were noticed on such verification.   |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
|         | (c) The Company is in possession of 2787.27 acres of land acquired from TNEB, TIDCO and Salt Department, Ministry of Commerce, Gol. Out of which 715.00 acres of land has been registered in the name of Kamarajar Port Limited. For remaining lands, the change of title deed are in process.   |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (ii)    | The Company is engaged in the development and operation of port and does not maintain any inventory. Hence this clause is not applicable.  |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (iii)   | According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.  |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (iv)    | According to the information and explanation given to us, the Company has not given loan to directors and other body corporate. Hence this clause is not applicable.   |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (v)     | According to the information and explanation given to us, the Company has not accepted any deposits from the Public.   |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (vi)    | According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the company.   |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (vii)   | (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities to the extent applicable and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable. |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
|         | (b) According to the information and explanation given to us and as per the records of the Company examined by us, the Service Tax amount not paid/paid under protest on account of pending dispute is as below:   |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
|         | <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name of the Statute</th> <th>Nature of Dues</th> <th>Amount involved (Rs. In lakhs)</th> <th>Period</th> <th>Forum where it is pending</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Finance Act, 1994</td> <td>Service Tax</td> <td>Rs.185 (Out of this, Rs.117 paid under protest on 30-09-2008)</td> <td>2006-07 &amp; 2007-08</td> <td>The company is in the process of filing an appeal before the High Court</td> </tr> </tbody> </table>  | Sl. No.        | Name of the Statute   | Nature of Dues    | Amount involved (Rs. In lakhs)  | Period | Forum where it is pending | 1. | Finance Act, 1994 | Service Tax | Rs.185 (Out of this, Rs.117 paid under protest on 30-09-2008) | 2006-07 & 2007-08 | The company is in the process of filing an appeal before the High Court |
| Sl. No. | Name of the Statute  | Nature of Dues | Amount involved (Rs. In lakhs)                                | Period            | Forum where it is pending   |        |                           |    |                   |             |   |                   |   |
| 1.      | Finance Act, 1994  | Service Tax    | Rs.185 (Out of this, Rs.117 paid under protest on 30-09-2008) | 2006-07 & 2007-08 | The company is in the process of filing an appeal before the High Court |        |                           |    |                   |             |   |                   |   |
| (viii)  | The Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the year.  |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (ix)    | The Company has not raised money by way of initial Public Offer or further public offer (including debt instruments). The term loans were applied for the purpose for which the loans were obtained.   |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (x)     | According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.  |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (xi)    | This being a Government company the Notification no. GSR 463(E) dt. 05-06-2015, managerial remuneration u/s 197 read with Schedule V to the Act is not applicable.   |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (xii)   | The Company is not a Nidhi Company and hence this clause is not applicable.  |                |   |                   |   |        |                           |    |                   |             |   |                   |   |
| (xiii)  | As per the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.  |                |   |                   |   |        |                           |    |                   |             |   |                   |   |

|       |  |
|-------|--|
| (xiv) | The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.                      |
| (xv)  | The Company has not entered into any non-cash transactions with directors or persons connected with him.   |
| (xvi) | According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. |

**For R.K.Kumar & Co.**  
**Chartered Accountants**  
**FRN 001595S**

**(G.Naganathan)**  
**Partner**  
**Membership No. 022456**

**Place :** Chennai  
**Date :** 23<sup>rd</sup> May, 2018.

**Annexure - C to the Auditors' Report**  
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **KAMARAJAR PORT LIMITED** ("the Company") as of 31 March 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibilities**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and Perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial

controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; an
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> Mar 18, based on

the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the ICAI.

**For R.K.Kumar & Co.**  
**Chartered Accountants**  
**FRN 001595S**

**(G.Naganathan)**  
**Partner**  
**Membership No. 022456**

**Place :** Chennai  
**Date :** 23<sup>rd</sup> May, 2018.

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

**BALANCE SHEET AS AT MARCH 31, 2018**

(Rupees in lakhs)

| Particulars                         | Note No   | As at March 31, 2018 | As at March 31, 2017 |
|-------------------------------------|-----------|----------------------|----------------------|
| <b>ASSETS</b>                       |           |                      |                      |
| <b>Non-current assets</b>           |           |                      |                      |
| (a) Property, Plant and Equipment   | 4         | 229360.62            | 167290.59            |
| (b) Capital work-in-progress        | 5         | 36170.25             | 77065.99             |
| (c) Other intangible assets         | 6         | 812.71               | 37.74                |
| <b>(d) Financial Assets</b>         |           |                      |                      |
| (i) Investments                     | 7         | 4121.00              | 4121.00              |
| (ii) Loans & Advances               | 8         | 329.35               | 329.46               |
| (iii) Others                        | 9         | 254.37               | 160.90               |
| (e) Deferred Tax Assets             | 10        | 28913.13             | 22557.96             |
| (f) Other non-current Assets        | 11        | 15039.77             | 7254.28              |
| <b>Current Assets</b>               |           |                      |                      |
| <b>(a) Financial Assets</b>         |           |                      |                      |
| (i) Investments                     | 7         | 0.00                 | 0.00                 |
| (ii) Trade Receivables              | 12        | 2836.85              | 2435.37              |
| (iii) Cash & Cash Equivalents       | 13        | 3263.21              | 670.65               |
| (iv) Loans & Advances               | 8         | 256.25               | 376.85               |
| (v) Others                          | 9         | 30.00                | 3.88                 |
| (b) Current Tax Assets              | 14        | 465.20               | 1832.72              |
| (c) Other Current Assets            | 11        | 1234.19              | 720.85               |
| <b>Total Assets</b>                 |           | <b>323086.90</b>     | <b>284858.24</b>     |
| <b>EQUITY AND LIABILITIES</b>       |           |                      |                      |
| <b>Equity</b>                       |           |                      |                      |
| (a) Equity Share Capital            | 15        | 30000.00             | 30000.00             |
| (b) Other Equity                    |           | 172551.30            | 155148.01            |
| <b>Liabilities</b>                  |           |                      |                      |
| <b>Non-current liabilities</b>      |           |                      |                      |
| <b>(a) Financial Liabilities</b>    |           |                      |                      |
| (i) Borrowings                      | 16        | 87125.66             | 66492.34             |
| (ii) Other Financial Liabilities    | 17        | 216.35               | 137.24               |
| (b) Provisions                      | 18        | -                    | -                    |
| (c) Deferred tax liabilities (Net)  |           | -                    | -                    |
| (d) Other non-current liabilities   | 19        | 9674.28              | 9752.80              |
| <b>Current liabilities</b>          |           |                      |                      |
| <b>(a) Financial Liabilities</b>    |           |                      |                      |
| (i) Trade payables                  | 20        | 6374.74              | 1284.81              |
| (ii) Other Financial Liabilities    | 17        | 12677.75             | 16264.95             |
| (iii) Borrowings                    |           | -                    | -                    |
| (b) Other current liabilities       | 19        | 3462.44              | 3648.21              |
| (c) Provisions                      | 18        | 1004.38              | 2129.88              |
| <b>Total Equity and Liabilities</b> |           | <b>323086.90</b>     | <b>284858.24</b>     |
| <b>Notes to Accounts</b>            | <b>30</b> |                      |                      |

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

For **KAMARAJAR PORT LIMITED**

**RINKESH ROY, IRTS.,**  
Chairman cum Managing Director

**L. VICTORIA GOWRI**  
Director

**For R.K. Kumar & Co.**  
Chartered Accountants,  
FRN No.001595S

**M. GUNASEKARAN**  
Chief Financial Officer

**JAYALAKSHMI SRINIVASAN**  
Company Secretary

**G. NAGANATHAN**  
Partner  
M.No. 022456

**Place :** Chennai  
**Date :** 23<sup>rd</sup> May, 2018



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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Rupees in lakhs)

| Particulars  | Note No | Year Ended<br>March 31, 2018 | Year Ended<br>March 31, 2017 |
|--|---------|------------------------------|------------------------------|
| <b>Income</b>  |         |                              |                              |
| i) Revenue From Operations                               | 21      | 63098.22                     | 62013.72                     |
| ii) Other Income   | 22      | 730.89                       | 2036.44                      |
| <b>Total Income</b>                                      |         | <b>63829.11</b>              | <b>64050.16</b>              |
| <b>Expenses</b>  |         |                              |                              |
| i) Operating Cost  | 23      | 8018.87                      | 6527.60                      |
| ii) Employee Benefits                                    | 24      | 1355.57                      | 1385.41                      |
| iii) Finance Cost  | 25      | 6376.61                      | 7781.37                      |
| iv) Depreciation & Amortization Expenses                 | 26      | 3038.73                      | 2188.65                      |
| v) Other Expenses  | 27      | 3329.35                      | 4818.02                      |
| <b>Total expenses</b>                                    |         | <b>22119.13</b>              | <b>22701.05</b>              |
| <b>Profit before exceptional items and tax</b>           |         |                              |                              |
| Exceptional Items  | 28      | (648.17)                     | (6660.20)                    |
| <b>Profit Before Tax</b>                                 |         |                              |                              |
| Less : Tax expense                                       | 10      | 2940.15                      | 768.91                       |
| <b>Profit for the period from continuing operations</b>  |         |                              |                              |
| Profit/(loss) from discontinued operations               |         | -                            | -                            |
| Tax expense of discontinued operations                   |         | -                            | -                            |
| <b>Profit from discontinued operations after tax</b>     |         |                              |                              |
| <b>I Profit for the year</b>                             |         |                              |                              |
|  |         | <b>39,418.00</b>             | <b>47,240.40</b>             |
| <b>II Other Comprehensive Income</b>                     |         |                              |                              |
| i) Items that will not be reclassified to profit or loss |         |                              |                              |
| - Remeasurements of the defined benefit plans            |         | 10.73                        | (5.77)                       |
| Less: Income Tax on Above                                | 10      | (3.71)                       | 2.00                         |
| - Diminution in Value of Investments                     |         | -                            | (3,000.00)                   |
| Less: Income Tax on Above                                | 10      | -                            | 1,038.24                     |
| ii) Items that will be reclassified to profit or loss    |         |                              |                              |
| - Remeasurements of the defined benefit plans            |         | -                            | -                            |
| Less: Income Tax on Above                                |         | -                            | -                            |
| Other Comprehensive Income                               |         | 7.02                         | (1,965.53)                   |
| Total Comprehensive Income for the period                |         | 39425.02                     | 45274.87                     |
| Earnings per equity share :                              |         |                              |                              |
| (1) Basic  | 29      | 13.14                        | 15.09                        |
| (2) Diluted  |         | 13.14                        | 15.09                        |
| Notes to Accounts  | 30      |                              |                              |

The notes referred to above form an integral part of the financial statements.  
 For **KAMARAJAR PORT LIMITED**

**RINKESH ROY, IRTS.,**  
 Chairman cum Managing Director

**L. VICTORIA GOWRI**  
 Director

**For R.K. Kumar & Co.**  
 Chartered Accountants,  
 FRN No.001595S

**M. GUNASEKARAN**  
 Chief Financial Officer

**JAYALAKSHMI SRINIVASAN**  
 Company Secretary

**G. NAGANATHAN**  
 Partner  
 M.No. 022456

**Place :** Chennai  
**Date :** 23<sup>rd</sup> May, 2018

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(Rupees in lakhs)

| Particulars  | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                                      |                                      |
| Net Profit/Loss Before Tax                             | 42358.15                             | 48009.31                             |
| <b>Adjustment for:-</b>                                |                                      |                                      |
| Loss / (Profit) on Sale of Fixed Assets                | 0.00                                 | 1.11                                 |
| Depreciation   | 3038.73                              | 2188.65                              |
| Deferred Tax Liability                                 |                                      |                                      |
| Interest & Finance Charges                             | 6366.52                              | 6565.28                              |
| Short Term gain on Mutual Funds                        | (433.12)                             | (627.15)                             |
| Interest Income  | (47.63)                              | (474.34)                             |
| Exchange rate variation                                | 185.03                               | 0.24                                 |
| <b>Operating Profit before Working Capital Changes</b> | <b>51467.67</b>                      | <b>55663.11</b>                      |
| <b>Adjustment for:-</b>                                |                                      |                                      |
| Loans & Advances (Non-Current)                         | 0.11                                 | (6.33)                               |
| Other Assets (Non-Current)                             | (93.47)                              | (15.83)                              |
| Other non-current Assets                               | (7785.49)                            | 1302.77                              |
| Trade Receivables                                      | (401.48)                             | 3484.57                              |
| Loans & Advances                                       | 120.60                               | (204.56)                             |
| Other Assets   | (26.12)                              | 189.08                               |
| Other Current Assets                                   | (513.34)                             | 644.03                               |
| Other Financial Liabilities (Non-Current)              | 79.12                                | (427.92)                             |
| Other Non-current Liabilities                          | (78.53)                              | (629.47)                             |
| Trade payables   | 5089.93                              | 526.52                               |
| Other Financial Liabilities                            | (3772.23)                            | (1257.64)                            |
| Other current liabilities                              | (185.77)                             | (3393.47)                            |
| Provisions   | (1279.42)                            | (283.02)                             |
| Current Tax Payments                                   | (7763.12)                            | (10158.78)                           |
| <b>Net Cash From Operating Activities</b>              | <b>34858.44</b>                      | <b>45433.06</b>                      |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>          |                                      |                                      |
| Fixed Assets   | (24988.00)                           | (53917.52)                           |
| Short Term gain on Mutual Funds                        | 433.12                               | 627.15                               |
| Interest Income  | 47.63                                | 474.34                               |
| <b>Net Cash From Investing Activities</b>              | <b>(24507.25)</b>                    | <b>(52816.04)</b>                    |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>          |                                      |                                      |
| Dividend paid during the Year                          | (22025.45)                           | (7221.48)                            |
| Grants received during the year                        |                                      |                                      |
| Loans raised during the year                           |                                      |                                      |
| Loans repaid during the year                           | 20633.31                             | (2282.82)                            |
| Interest & Finance Charges                             | (6366.52)                            | (6565.28)                            |
| <b>Net Cash From Financing Activities</b>              | <b>(7758.65)</b>                     | <b>(16069.58)</b>                    |
| D. Net changes in Cash & Cash equivalents              | 2592.55                              | (23452.56)                           |
| E. Opening Cash & Cash Equivalents (Note No 13)        | 670.64                               | 24123.22                             |
| F. Closing Cash & Cash Equivalents (Note No 13)        | 3263.19                              | 670.64                               |

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

For **KAMARAJAR PORT LIMITED**

**RINKESH ROY, IRTS.,**  
Chairman cum Managing Director

**L. VICTORIA GOWRI**  
Director

**For R.K. Kumar & Co.**  
Chartered Accountants,  
FRN No.001595S

**M. GUNASEKARAN**  
Chief Financial Officer

**JAYALAKSHMI SRINIVASAN**  
Company Secretary

**G. NAGANATHAN**  
Partner  
M.No. 022456

**Place :** Chennai  
**Date :** 23<sup>rd</sup> May, 2018

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

### EQUITY SHARE CAPITAL

(Rupees in lakhs)

| Balance as at April 1, 2018 | Changes in share capital during the year | Balance as at March 31, 2018 |
|-----------------------------|--|------------------------------|
| 30,000                      | 0.00                                     | 30000                        |

| Balance as at April 1, 2017 | Changes in share capital during the year | Balance as at March 31, 2017 |
|-----------------------------|--|------------------------------|
| 30,000                      | 0.00                                     | 30000                        |

### OTHER EQUITY

For the year ended March 31, 2018

| Particulars                                       | Debenture Redemption Reserve | Reserves and Surplus |                   | Other Components of Equity                             |                      | Total            |
|---|------------------------------|----------------------|-------------------|--|----------------------|------------------|
|   |                              | General Reserve      | Retained Earnings | Remeasurement of Net Defined benefit Liability / Asset | FVTOCI - Investments |                  |
| Balance at the beginning of the reporting period  | 3678.58                      | 7902.00              | 145541.43         | (12.24)  | (1961.76)            | 155148.01        |
| Changes in accounting policy prior period errors  | 0.00                         | 0.00                 | 0.00              | 0.00   | 0.00                 | 0.00             |
| Total Comprehensive Income for the Year           | 0.00                         | 0.00                 | 39418.00          | 0.00   | 0.00                 | 39418.00         |
| Other Comprehensive Income for the Year           | 0.00                         | 0.00                 | 0.00              | 10.73  | 0.00                 | 10.73            |
| Transfer to Debenture Redemption Reserve          | 862.93                       | 0.00                 | (862.93)          | 0.00   | 0.00                 | 0.00             |
| Dividend (incl DDT) of F.Y. 2016-17               | 0.00                         | 0.00                 | (16609.36)        | 0.00   | 0.00                 | (16609.36)       |
| Interim Dividend (Incl DDT) - F.Y. 2017-18        | 0.00                         | 0.00                 | (5416.09)         | 0.00   | 0.00                 | (5416.09)        |
| <b>Balance at the end of the reporting period</b> | <b>4541.51</b>               | <b>7902.00</b>       | <b>162071.05</b>  | <b>(1.51)</b>  | <b>(1961.76)</b>     | <b>172551.30</b> |

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 71 C of the Companies Act, 2013, the Company creates Debenture / Bond Redemption Reserve (DRR) upto 25% of the value of bonds / debentures issued through public issue during the maturity period of such bonds / debentures. Accordingly, during the year, the company has created DRR amounting to Rs. 8,62,92,983/- (Previous year Rs.8,62,92,983/-).

The Board of Directors have approved the Interim Dividend @15% on Equity Share Capital and paid the same during the year including Dividend Distribution Tax.

### Statement of Changes In Equity for the year ended March 31, 2017

For the year ended March 31, 2017

| Particulars                                       | Debenture Redemption Reserve | Reserves and Surplus |                   | Other Components of Equity                             |                      | Total            |
|---|------------------------------|----------------------|-------------------|--|----------------------|------------------|
|   |                              | General Reserve      | Retained Earnings | Remeasurement of Net Defined benefit Liability / Asset | FVTOCI - Investments |                  |
| Balance at the beginning of the reporting period  | 2815.65                      | 7902.00              | 106385.44         | (8.47)   | 0.00                 | 117094.62        |
| Changes in accounting policy prior period errors  | 0.00                         | 0.00                 | 0.00              | 0.00   | 0.00                 | 0.00             |
| Total Comprehensive Income for the year           | 0.00                         | 0.00                 | 47240.40          | 0.00   | 0.00                 | 47240.40         |
| Other Comprehensive Income for the Year           | 0.00                         | 0.00                 | 0.00              | (3.77)   | (1961.76)            | (1965.53)        |
| Transfer to Debenture Redemption Reserve          | 862.93                       | 0.00                 | (862.93)          | 0.00   | 0.00                 | 0.00             |
| Final Dividend (incl DDT) of F.Y. 2015-16         | 0.00                         | 0.00                 | (7221.48)         | 0.00   | 0.00                 | (7221.48)        |
| <b>Balance at the end of the reporting period</b> | <b>3678.58</b>               | <b>7902.00</b>       | <b>145541.43</b>  | <b>(12.24)</b>   | <b>(1961.76)</b>     | <b>155148.01</b> |

# KAMARAJAR PORT LIMITED

(A Mini Ratna Govt. of India Undertaking)

CIN:U45203TN1999GOI043322

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Corporate Information:

Kamarajar Port Limited is a Public Limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is operating mostly on landlord port model limiting its functions to overall planning, development, mobilization of investments for the development of port and common infrastructure facilities. The development and operations of the terminals are mostly entrusted to private operators/captive users.

### 2 Basis of Preparation :

The Company has adopted Ind-AS, in accordance with Notification dated February 16,2015 issued by Ministry of Corporate Affairs, Government of India, with effect fromm April 01, 2016 with a transition date of April 01, 2015.

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

### 3 Significant Accounting Policies

#### 3.1 Use of estimates and judgment:

The preparation of stand-alone financial statements of the Company requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

#### 3.2 Functional and presentation currency:

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

#### 3.3 Revenue Recognition:

1) Revenue from services is measured at the fair value of the consideration received or receivable net of discounts and excluding taxes and duties. Revenue from service rendered will be recognised upon completion of services. Revenue is recognised when following conditions are met

- i) the amount of revenue can be measured reliably;
- ii) It is probable that the economic benefits associated with the transaction will flow to the entity;
- iii) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- iv) No significant uncertainty exists as to its collection.

#### Revenue stream Includes:

- i) Vessel Related Income.
- ii) Cargo related income.
- iii) Revenue share and Licence fee arising from Leasing of land and waterfront on BOT and other port users / captive users.
- iv) Composite Tariff.

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

#### i) Vessel Related Income

Vessel related income consists of income from handling of the vessels. Revenue attributable to Vessel related operations are recognized on completion of the specific services.

#### ii) Cargo related income

Cargo related income consists of income from rendering services with respect to cargo and are recognised on completion of related services

#### iii) Leasing of land and waterfront on BOT/Captive use basis.

- a) Revenue share from BOT operators represents the amount receivables by the company calculated at the quoted % on the gross revenue as per concession / licence agreement on accrual basis up to end of the financial year.

- b) Income from Operating Lease which include escalation clause in line with the general inflation trends have been accounted as per terms of the contract.
- c) Income from other Operating Lease have been recognized on a straight-line basis over the term of lease.
- d) Contingent Rent shall be recognized as income in the period in which they accrue.

#### iv) Composite Tariff

1. Composite Tariff represents the income earned at a composite tariff for the cargo handled by captive users.
2. Dividend income from investments is recognized when the Company's right to receive payment has been established and it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of income can be measured reliably.
3.
  - a. Interest income from financial instruments is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial instruments to that instrument's net carrying amount on initial recognition.
  - b. Interest income on belated/disputed revenue are being recognised on realization basis.

### 3.4 Property, Plant and Equipment:

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

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date.

The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates, Excise and Custom duty where CENVAT credit on capital goods is availed.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

When parts of an item of Property, Plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, Plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognized net within "other Income/ other expenses" in the statement of profit or loss.

The company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

#### *Major repairs and overhauling costs:*

The Company recognises in the carrying amount of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, cost of major repairs/ overhauling if the recognition criteria are met. The carrying amount of replaced part is derecognised and the cost of repairs are amortized over the remaining useful life of the repair/ overhaul.

### 3.5 Intangible Assets

All Intangible Assets are stated at carrying value in

accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

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

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably. Amortisation is provided on Straight Line Method (SLM), which reflect the management's estimate of the useful life of the intangible assets.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

### 3.6 Depreciation

The depreciable amount of an item of PPE is allocated on a straight line basis over its useful life as prescribed in the manner specified in Schedule II of Companies Act, 2013.

Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. In case of port specific assets, the depreciation is charged at the rate as determined in accordance with the life of those assets as per the practice prevailing in Major ports in India. Depreciation on addition in value of assets due to arbitral award is claimed over the remaining useful life of the assets from the start of the financial year in which such award is passed and accepted.

### 3.7 Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or

production of qualifying asset as a part of the cost of the asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

To the extent the Company borrows generally and uses them for the purpose of obtaining a qualifying asset, amount of borrowing cost eligible for capitalization is computed by applying a capitalization rate to the expenditure incurred. The capitalization rate is determined based on the weighted average of borrowing costs, other than borrowings made specifically towards purchase of a qualifying asset.

### 3.8 Foreign Currency Transactions:

Transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the reporting date.

Foreign currency monetary items (except overdue recoverable where realisability is uncertain) are converted using the closing rate as defined in the Ind AS-21. Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss is recognized in the Statement of Profit and Loss.

### 3.9 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all related conditions are complied with. These grants are classified as grants relating to assets and revenue based on the nature of the grants.

Grants relating to depreciable assets are initially recognised as deferred revenue and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset generally in the same proportion in which depreciation is charged on the depreciable assets acquired out of such contribution. Changes in estimates are recognised prospectively over the remaining life of the assets.

Grants in the form of revenue grant are recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Grants in the form of non-monetary assets such as land and other resources are recognised at fair value and presented as deferred income which is recognized in the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

### 3.10 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. A provision is reversed when it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 3.11 Contingent Liabilities / Assets:

#### *Contingent Liabilities*

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is also treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

### *Contingent Assets:*

Contingent Assets are not recognised in the financial statements nor disclosed in Notes.

### 3.12 Employee benefits:

#### i) Defined Benefit Plan:

Provision for gratuity, leave encashment/availment and other terminal benefits is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets excluding interest (if applicable), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Loss.

#### ii) Defined Contribution Plan:

Contribution to Provident Fund is recorded as expenses on accrual basis.

#### iii) Short Term Employee Benefits:

Short term employee benefits obligations are measured on an undiscounted basis and are expenses as the related services provided. A liability is recognized for the amount expected to be paid under short-term employee benefits if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### 3.13 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

#### *Current tax*

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### *Deferred tax*

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### *Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### **3.14 Impairment**

If the recoverable amount of an asset (or cash-generating unit/Fixed Assets) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable

amount. An impairment loss is recognized immediately in profit or loss.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

### **3.15 Earnings per share**

Basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



### 3.16 Financial instruments:

#### i) Non-derivative financial instruments:

Non-derivative financial instruments consist of:

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

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs except financial instrument measured at fair value through profit or loss which are initially measured at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non derivative financial instruments are measured as described below:

#### a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

- #### b) Investments in, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in Statement of Other Comprehensive Income. The impairment losses, if any, are reclassified from equity into statement of income. When an available

for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

#### c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues, staff advances, security deposits paid and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

#### d) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts are approximate fair value due to the short term maturity of these instruments.

#### e) Security Deposits

Security Deposits are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses.

#### f) Tax Free Bonds

Tax free bonds are recognized initially at fair value net of transaction costs. In subsequent periods, Tax free bonds are presented at amortised cost using effective interest method. Interest expense are recognised in the statement of profit or loss as financial expenses over the life of the tax free bonds using effective interest rate.

## ii) Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

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

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

## iii) De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

## 3.17 Segment Information

The Chairman cum Managing Director (CMD) of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS-108, "Operating Segments." The CMD of the Company evaluates the segments based on standard alone financial statements. The Management considers "Port Services" as single reportable segment. Hence only entity wide disclosures are given.

## 3.18 Prior Period

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However where retrospective restatement is not practicable for a particular period then the circumstances that lead to the

existence of that condition and the description of how and from where the error is corrected are disclosed in Notes on Accounts.

### 3.19 Leases

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

#### i) As a lessee

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

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

#### ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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

### 3.20 Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realized within twelve months after the reporting period; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company's normal operating cycle is twelve months.

### 3.21 Dividend distribution to shareholders:

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

### 3.22 Prepaid expenses

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

### 3.23 Premia for foreclosure

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

### 3.24 Liquidated damages

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

#### 4. PROPERTY, PLANT AND EQUIPMENT

| Particulars                                       | (Rupees in Lakhs)                        |                 |                       |   |  |                           |                       |   |                                     |  |
|---|--|-----------------|-----------------------|---|--|---------------------------|-----------------------|---|-------------------------------------|--|
|   | Gross carrying value as at April 1, 2017 | Additions       | Disposal/ adjustments | Gross carrying value as at March 31, 2018 | Accumulated depreciation as at April 1, 2017 | Depreciation for the year | Disposal/ adjustments | Accumulated depreciation as at March 31, 2018 | Carrying Value as at March 31, 2018 |  |
| Land  | 59033.03                                 | 0.00            | 0.00                  | 59033.03                                  |  |                           |                       |   | 59033.03                            |  |
| Building, Sheds & Other Structures                | 5261.30                                  | 2622.07         | 0.00                  | 7883.37                                   | 465.94                                       | 182.26                    |                       | 648.20  | 7235.17                             |  |
| Wharves & Boundaries                              | 8869.85                                  | 26243.86        | 0.00                  | 35113.71                                  | 3243.96                                      | 399.18                    |                       | 3643.14                                       | 31470.57                            |  |
| Roads   | 3905.46                                  | 1159.10         | 0.00                  | 5064.56                                   | 890.23                                       | 207.80                    |                       | 1098.03                                       | 3966.53                             |  |
| Railway Track & Signalling System                 | 7247.71                                  | 0.00            | 0.00                  | 7247.71                                   | 818.44                                       | 467.47                    |                       | 1285.91                                       | 5961.80                             |  |
| Docks, Seawalls, Piers & Break Water              | 51573.82                                 | 1581.42         | 0.00                  | 53155.23                                  | 9708.06                                      | 681.48                    |                       | 10389.54                                      | 42765.69                            |  |
| Navigation Aids                                   | 277.27                                   | 0.00            | 0.00                  | 277.27                                    | 277.27                                       | 0.00                      |                       | 277.27  | 0.00                                |  |
| Vehicles  | 41.62                                    | 90.29           | (20.28)               | 111.63                                    | 29.71  | 4.41                      |                       | 15.84   | 95.78                               |  |
| Electrical Installations                          | 1479.49                                  | 231.73          | 0.00                  | 1711.22                                   | 674.46                                       | 123.09                    |                       | 797.55  | 913.67                              |  |
| Installation For Water, Communication & Fire Syst | 306.19                                   | 0.00            | 0.00                  | 306.19                                    | 123.71                                       | 8.69                      |                       | 132.40  | 173.79                              |  |
| Electrical Appliance                              | 134.02                                   | 53.10           | 0.00                  | 187.12                                    | 56.34  | 18.40                     |                       | 74.74   | 112.38                              |  |
| Office Equipment                                  | 122.17                                   | 46.40           | 0.00                  | 168.57                                    | 93.39  | 18.64                     |                       | 112.03  | 56.54                               |  |
| Furniture & Fittings                              | 428.12                                   | 362.92          | 0.00                  | 791.04                                    | 222.09                                       | 52.57                     |                       | 274.66  | 516.38                              |  |
| Computers   | 399.25                                   | 319.53          | 0.00                  | 718.78                                    | 113.03                                       | 83.29                     |                       | 196.32  | 522.45                              |  |
| Port Basin & Entrance Channel                     | 47402.91                                 | 32340.58        | 0.00                  | 79743.49                                  | 3347.38                                      | 564.90                    |                       | 3912.28                                       | 75831.21                            |  |
| Plant & Machinery                                 | 1099.46                                  | 0.00            | 0.00                  | 1099.46                                   | 247.09                                       | 160.35                    |                       | 407.44  | 692.02                              |  |
| Security Asset                                    | 53.71                                    | 0.00            | 0.00                  | 53.71                                     | 33.69  | 6.43                      |                       | 40.12   | 13.59                               |  |
| <b>Total</b>                                      | <b>187635.39</b>                         | <b>65051.00</b> | <b>(20.28)</b>        | <b>252666.09</b>                          | <b>20344.80</b>                              | <b>2978.96</b>            | <b>(18.28)</b>        | <b>23305.47</b>                               | <b>229360.62</b>                    |  |

a. Land represents the company is in possession of 2787.27 acres of land acquired from TNEB, TIDCO and Salt Department, Ministry of Commerce, GoI. Out of which, 715 acres of land was registered / patta available in the name of company.

b. Includes land measuring in Sq.m. 134600, 542524, 472460, 219672, 171216, 520000 allotted to BOT operators viz. M/s. Ennore Tank Terminals Private Limited, M/s. Chettinad International Coal Terminal Private Limited and M/s. SICAL Iron Ore Terminals Limited, M/s. Adami Container Terminal Private Limited and IOC LNG Private Ltd respectively.

c. Includes land 1.84 acres was already leased by State Government before transferred to company. However, the company has taken the issue for cancellation of lease and restore the land to KPL.

d. Includes land to the extend of 8.48 Acres, acquired by the company, but pending mutation. However, the same was fraudulently mortgaged by DR Logistics with various banks and the bankers have attached the property. The company has taken appropriate legal action.

| Particulars                                 | (Rupees in Lakhs)                        |                 |                       |   |  |                 |                       |   |                                     |  |
|---|--|-----------------|-----------------------|---|--|-----------------|-----------------------|---|-------------------------------------|--|
|   | Gross carrying value as at April 1, 2016 | Additions       | Disposal/ adjustments | Gross carrying value as at March 31, 2017 | Accumulated depreciation as at April 1, 2016 | Additions       | Disposal/ adjustments | Accumulated depreciation as at March 31, 2017 | Carrying Value as at March 31, 2017 |  |
| Land  | 58,519.41                                | 513.62          | 0.00                  | 59,033.03                                 | 0.00   | 0.00            | 0.00                  | 0.00  | 59,033.03                           |  |
| Buildings, Sheds & Other Structures         | 2,259.56                                 | 1,046.59        | 0.00                  | 3,306.16                                  | 180.70                                       | 98.00           |                       | 278.70  | 3,027.46                            |  |
| Wharves, Roads and Boundaries               | 14,421.17                                | 309.29          | 0.00                  | 14,730.45                                 | 4,010.35                                     | 311.08          |                       | 4,321.43                                      | 10,409.03                           |  |
| Railway and Rolling Stocks                  | 3,357.57                                 | 3,890.13        | 0.00                  | 7,247.71                                  | 558.34                                       | 260.09          |                       | 818.44  | 6,429.27                            |  |
| Docks, Seawalls, Piers & Nav. Aids          | 50,802.21                                | 1,048.88        | 0.00                  | 51,851.09                                 | 9,329.22                                     | 656.12          |                       | 9,985.34                                      | 41,865.75                           |  |
| Cranes & Vehicles                           | 47.83                                    | 0.00            | (6.20)                | 41.62                                     | 28.15  | 5.54            |                       | 29.71   | 11.92                               |  |
| Installation of Water, Elec, Telecom & Fire | 1,363.05                                 | 422.63          | 0.00                  | 1,785.68                                  | 706.05                                       | 92.12           |                       | 798.17  | 987.51                              |  |
| Other Assets                                | 919.21                                   | 324.73          | (106.67)              | 1,137.28                                  | 520.31                                       | 96.26           |                       | 518.55  | 618.72                              |  |
| Port Basin and Entrance Channel             | 47,402.91                                | 0.00            | 0.00                  | 47,402.91                                 | 2,897.82                                     | 449.57          |                       | 3,347.38                                      | 44,055.53                           |  |
| Plant & Machinery                           | 893.00                                   | 206.46          | 0.00                  | 1,099.46                                  | 50.72  | 196.37          |                       | 247.09  | 852.37                              |  |
| <b>Total</b>                                | <b>179,985.91</b>                        | <b>7,762.34</b> | <b>(112.87)</b>       | <b>187,635.39</b>                         | <b>18,281.67</b>                             | <b>2,165.14</b> | <b>(102.00)</b>       | <b>20,344.80</b>                              | <b>167,290.59</b>                   |  |

## 5. CAPITAL WORK- IN- PROGRESS

(Rupees in Lakhs)

| Particulars  | Balance as at April 1, 2017 | Additions/<br>Adjustments during<br>the year | Capitalized during<br>the year | Balance as at<br>March 31, 2018 |
|--|-----------------------------|--|--------------------------------|---------------------------------|
| CWIP - Building,Sheds & Other Structures           | 2568.01                     | 6744.76                                      | -6106.00                       | 3206.77                         |
| CWIP - Wharves & Boundaries                        | 0.00                        | 61085.04                                     | -32641.34                      | 28443.70                        |
| CWIP - Roads                                       | 1159.10                     | 3172.28                                      | -2078.86                       | 2252.52                         |
| CWIP - Railway Track & Signalling System           | 1416.99                     | 519.42                                       | -24.42                         | 1911.99                         |
| CWIP -Docks,Seawalls,Piers & Break Water           | 43548.92                    | 4545.04                                      | -48069.81                      | 24.15                           |
| CWIP -Navigational Aids                            | 0.00                        | 62.64  | 0.00                           | 62.64                           |
| CWIP -Vehicles                                     | 0.00                        | 57.52  | -57.52                         | 0.00                            |
| CWIP -Electrical Installations                     | 12.39                       | 46.07  | -16.93                         | 41.53                           |
| CWIP - Installation For Water , Communication & Fi | 0.00                        | 5.09   | -5.09                          | 0.00                            |
| CWIP - Electrical Appliance                        | 170.90                      | 52.76  | -223.67                        | 0.00                            |
| CWIP - Office Equipment                            | 0.00                        | 0.43   | -0.43                          | 0.00                            |
| CWIP - Computers                                   | 82.37                       | 151.01                                       | -151.01                        | 82.37                           |
| CWIP - Port Basin & Entrance Channel               | 27806.08                    | 34739.96                                     | -62401.46                      | 144.58                          |
| CWIP - Plant & Machinery                           | 8.29                        | 0.00   | -8.29                          | 0.00                            |
| CWIP-Computer software                             | 292.93                      | 1178.94                                      | -1471.87                       | 0.00                            |
| <b>Total</b>                                       | <b>77,065.99</b>            | <b>1,12,360.96</b>                           | <b>(1,53,256.70)</b>           | <b>36,170.25</b>                |

## 6. INTANGIBLE ASSETS

(Rupees in Lakhs)

| Particulars  | Computer Software | ERP Software  | Total         |
|--|-------------------|---------------|---------------|
| <b>Gross carrying value as at April 1, 2017</b>      | 147.16            |               | 147.16        |
| Additions  |                   | 834.74        | 834.74        |
| Disposal/adjustments                                 |                   |               | 0.00          |
| <b>Gross carrying value as at March 31, 2018</b>     | <b>147.16</b>     | <b>834.74</b> | <b>981.90</b> |
| Accumulated depreciation as at April 1, 2017         | 109.42            |               | 109.42        |
| For the Year   |                   | 59.77         | 59.77         |
| On Disposal/adjustments                              |                   |               |               |
| <b>Accumulated depreciation as at March 31, 2018</b> | <b>109.42</b>     | <b>59.77</b>  | <b>169.19</b> |
| <b>Carrying Value as at March 31, 2018</b>           | <b>37.74</b>      | <b>774.97</b> | <b>812.71</b> |

| Particulars  | Computer Software | ERP Software | Total         |
|--|-------------------|--------------|---------------|
| Gross carrying value as at April 1, 2016             | 73.46             | 73.70        | 147.16        |
| Additions  |                   |              | 0.00          |
| Disposal/adjustments                                 |                   |              | 0.00          |
| <b>Gross carrying value as at March 31, 2017</b>     | <b>73.46</b>      | <b>73.70</b> | <b>147.16</b> |
| Accumulated depreciation as at April 1, 2016         | 65.96             | 28.60        | 94.56         |
| For the Year   | 1.05              | 13.81        | 14.86         |
| On Disposal/adjustments                              |                   |              | 0.00          |
| <b>Accumulated depreciation as at March 31, 2017</b> | <b>67.02</b>      | <b>42.40</b> | <b>109.42</b> |
| <b>Carrying Value as at March 31, 2017</b>           | <b>6.44</b>       | <b>31.30</b> | <b>37.74</b>  |

## 7. INVESTMENTS

| Particulars   | As at March 31, 2018 | As at March 31, 2017 |
|---|----------------------|----------------------|
| <b>Non-Current</b>  |                      |                      |
| Equity Shares of Sethusamudram Corporation Ltd            | 3000.00              | 3000.00              |
| Less: Provision for Diminution in value of Investments    | -3000.00             | -3000.00             |
| Equity Shares of Chennai Ennore Port Road Company Ltd     | 3400.00              | 3400.00              |
| Investments in Renewable Energy Certificate               | 1.00                 | 1.00                 |
| Advance for Equity - Indian Port Rail Corporation Limited | 720.00               | 720.00               |
| <b>Total</b>  | <b>4121.00</b>       | <b>4121.00</b>       |
| <b>Current</b>  |                      |                      |
| Investments in Liquid Funds                               | 0.00                 | 0.00                 |
| <b>Total</b>  | <b>0.00</b>          | <b>0.00</b>          |

As the dredging work is suspended upon the direction of the Hon'ble Supreme Court of India and as there is no further progress in the project since then, the Management has provided for diminution towards the Investments in Equity shares of Sethusamudram Corporation Limited.

## 8. LOANS & ADVANCES

| Particulars                                    | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| <b>Long Term</b>                               |                      |                      |
| <i>Secured (considered good)</i>               |                      |                      |
| Advances to Related Parties                    | 0.00                 | 0.00                 |
| Advances to Employees (House Building Advance) | 329.35               | 315.45               |
| Advances to Employees (Vehicle Advance)        | 0.00                 | 14.01                |
| <b>Total</b>                                   | <b>329.35</b>        | <b>329.46</b>        |
| <b>Short Term</b>                              |                      |                      |
| <i>Secured (considered good)</i>               |                      |                      |
| Advances to Related Parties                    | 0.00                 | 0.00                 |
| Advances to Employees (House Building Advance) | 56.88                | 48.65                |
| Advances to Employees (Vehicle Advance)        | 5.51                 | 4.35                 |
| Advances to Employees (Others)                 | 23.72                | 25.37                |
| Advances to Supplier                           | 170.14               | 298.48               |
| <b>Total</b>                                   | <b>256.25</b>        | <b>376.85</b>        |

Rs. 170.14 lakhs paid being 75% of the Award amount as per the guidelines of Govt. of India.

## 9. OTHER FINANCIAL ASSETS

(Rupees in Lakhs)

| Particulars                   | As at March 31, 2018 | As at March 31, 2017 |
|-------------------------------|----------------------|----------------------|
| <b>Long Term</b>              |                      |                      |
| Deposits                      | 254.37               | 160.90               |
| Interest accrued on:          | 0.00                 | 0.00                 |
| - Advances to Related Parties | 0.00                 | 0.00                 |
| <b>Total</b>                  | <b>254.37</b>        | <b>160.90</b>        |
| <b>Short Term</b>             |                      |                      |
| <b>Interest accrued on:</b>   |                      |                      |
| - Short Term Deposits         | 30.00                | 3.08                 |
| - Advances to Related Parties | 0.00                 | 0.00                 |
| Other Income Receivable       | 0.00                 | 0.80                 |
| <b>Total</b>                  | <b>30.00</b>         | <b>3.89</b>          |

## 10. TAX EXPENSE

### Tax recognised in Statement of profit and loss

| Particulars                                       | For the year Ended March 31, 2018 | For the year Ended March 31, 2017 |
|---|-----------------------------------|-----------------------------------|
| <b>Current income tax</b>                         |                                   |                                   |
| Current year                                      | 9040.00                           | 10246.00                          |
| Adjustments for prior years                       | 259.03                            |                                   |
| <b>Sub Total (A)</b>                              | <b>9299.03</b>                    | <b>10246.00</b>                   |
| <b>Deferred tax expense</b>                       |                                   |                                   |
| Origination and reversal of temporary differences | -6358.88                          | -9477.09                          |
| Changes in tax rate                               |                                   |                                   |
| Change in accounting policy                       |                                   |                                   |
| <b>Sub Total (B)</b>                              | <b>-6358.88</b>                   | <b>-9477.09</b>                   |
| <b>Total (A+B)</b>                                | <b>2940.15</b>                    | <b>768.91</b>                     |

### Tax recognised in other comprehensive income

| Particulars  | For the year Ended March 31, 2018 | For the year Ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| <b>Defined benefit plan actuarial gains (losses)</b> |                                   |                                   |
| Diminution in Value of Investments                   | -3.71                             | 2.00                              |
|  | 0.00                              | 1038.24                           |
| <b>Total</b>   | <b>-3.71</b>                      | <b>1040.24</b>                    |

### Reconciliation of effective tax rates

| Particulars   | For the year Ended March 31, 2018 | For the year Ended March 31, 2017 |
|---|-----------------------------------|-----------------------------------|
| Profit before tax                                   | 42358.15                          | 48009.31                          |
| Enacted tax Rate (under Normal Provisions)          | 0.35                              | 0.35                              |
| Effective Rate of Tax (under MAT)                   | 0.21                              | 0.21                              |
| Computed Expected Tax Expenses                      | 0.00                              | 0.00                              |
| Non-deductible expenses                             | 0.00                              | 0.00                              |
| Tax exempt income                                   | 0.00                              | 0.00                              |
| Tax incentives                                      | 0.00                              | 0.00                              |
| Current year losses for which no deferred tax asset | 0.00                              | 0.00                              |
| Change in estimates related to prior years          | 0.00                              | 0.00                              |

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

### Recognised deferred tax assets and liabilities.

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

| Particulars                                   | As at March 31, 2018 | As at March 31, 2017 |
|---|----------------------|----------------------|
| <b>Deferred Tax Liability</b>                 |                      |                      |
| Property, Plant & Equipment                   | 22175.05             | 19493.93             |
| <b>Sub Total</b>                              | <b>22175.05</b>      | <b>19493.93</b>      |
| <b>Deferred tax Assets</b>                    |                      |                      |
| Any Section 40a(ia) Disallowance              | 0.00                 | 0.00                 |
| Any Section 43B Disallowance                  | 0.00                 | 0.00                 |
| Provision for Bad & Doubtful Debts            | 449.81               | 449.81               |
| MAT Credit entitlement                        | 49360.24             | 40320.24             |
| Movement in Defined Benefit Plan              | 2.77                 | 6.48                 |
| Diminution in Investment                      | 1038.24              | 1038.24              |
| Others  | 237.12               | 237.12               |
| <b>Sub Total</b>                              | <b>51088.18</b>      | <b>42051.89</b>      |
| <b>Net Deferred Tax Assets/ (Liabilities)</b> | <b>28913.13</b>      | <b>22557.96</b>      |

## Movement in deferred tax balances during the year

(Rupees in Lakhs)

| Particulars                   | Balance as at April 1, 2017 | Recognised in profit & loss | Recognised in OCI | Balance As at March 31, 2018 |
|-------------------------------|-----------------------------|-----------------------------|-------------------|------------------------------|
| Property, plant and equipment | (19,493.93)                 | -2681.12                    |                   | -22175.05                    |
| Employee benefits             | 6.48                        | -3.71                       |                   | 2.77                         |
| TDS Disallowance              | -                           | 0.00                        |                   | 0.00                         |
| Provisions                    | 449.81                      | 0.00                        |                   | 449.81                       |
| MAT Credit Entitlement        | 40,320.24                   | 9040.00                     |                   | 49360.24                     |
| Others                        | 237.12                      | 0.00                        |                   | 237.12                       |
| Diminution in Investments     | 1,038.24                    | 0.00                        |                   | 1038.24                      |
| <b>Total</b>                  | <b>22,557.96</b>            | <b>6355.17</b>              | <b>0.00</b>       | <b>28913.12</b>              |

| Particulars                   | Balance as at April 1, 2016 | Recognised in profit & loss | Recognised in OCI | Balance As at March 31, 2017 |
|-------------------------------|-----------------------------|-----------------------------|-------------------|------------------------------|
| Property, plant and equipment | (18,339)                    | -1154.75                    | 0.00              | -19493.93                    |
| Employee benefits             | 59                          | -54.78                      | 2.00              | 6.48                         |
| TDS Disallowance              | -                           | 0.00                        | 0.00              | 0.00                         |
| Provisions                    | -                           | 449.81                      | 0.00              | 449.81                       |
| MAT Credit Entitlement        | 30,074                      | 10246.00                    | 0.00              | 40320.24                     |
| Others                        | 246                         | -9.20                       | 0.00              | 237.12                       |
| Diminution in Investments     | -                           | 0.00                        | 1038.24           | 1038.24                      |
| <b>Total</b>                  | <b>12,041</b>               | <b>9477.10</b>              | <b>1040.24</b>    | <b>22557.96</b>              |

### Unrecognised Deferred tax assets

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

| Particulars                      | As at March 31, 2018 | As at March 31, 2017 |
|----------------------------------|----------------------|----------------------|
| Deductible temporary differences | 0.00                 | 0.00                 |
| Tax losses                       | 0.00                 | 0.00                 |
| <b>Total</b>                     | <b>0.00</b>          | <b>0.00</b>          |

## 11. Other Assets

| Particulars                         | As at March 31, 2018 | As at March 31, 2017 |
|-------------------------------------|----------------------|----------------------|
| <b>Non-Current</b>                  |                      |                      |
| Advance to Contractors              | 0.00                 | 0.00                 |
| Advance for Capital Expenditure     | 13125.06             | 5246.19              |
| Prepaid Lease Rental                | 1663.56              | 1752.21              |
| Deferred Employee Cost              | 133.73               | 138.46               |
| Amount Recoverable from Others      | 0.00                 | 0.00                 |
| Balance with Government Authorities | 117.42               | 117.42               |
| <b>Total</b>                        | <b>15039.77</b>      | <b>7254.28</b>       |
| <b>Current</b>                      |                      |                      |
| Advance to Contractors              | 0.00                 | 0.00                 |
| Prepaid Lease Rental                | 86.02                | 88.12                |
| Prepaid Expenses                    | 42.69                | 124.29               |
| Service Tax Input Credit/GST        | 870.51               | 502.28               |
| Deferred Employee Cost              | 0.00                 | 6.16                 |
| Amount Recoverable from Others      | 234.97               | 0.00                 |
| <b>Total</b>                        | <b>1234.19</b>       | <b>720.85</b>        |

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

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



## 12. Trade Receivables

(Rupees in Lakhs)

| Particulars  | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| Trade receivables  |                      |                      |
| <b>Debtors outstanding for a period exceeding six months from the date they become due for payment</b> |                      |                      |
| - Unsecured - Considered good  | 1448.51              | 1618.01              |
| <b>Other debtors (Less than six months)</b>  |                      |                      |
| - Unsecured - Considered good  | 2688.08              | 2117.10              |
| Less: Allowances for doubtful debts  | -1299.74             | -1299.74             |
| <b>Total</b>   | <b>2836.85</b>       | <b>2435.37</b>       |

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

## 13. Cash & Cash Equivalents

(Rupees in Lakhs)

| Particulars                                  | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| Cash on hand                                 | 0.06                 | 0.30                 |
| Cheques, Drafts on hand                      | 0.00                 | 0.00                 |
| Balances with Banks                          | 3263.15              | 612.90               |
| <b>Sub-total (A)</b>                         | <b>3263.20</b>       | <b>613.20</b>        |
| <b>Other Bank Balances</b>                   |                      |                      |
| - Term Deposit                               | 0.00                 | 57.45                |
| (More than 3 months but less than 12 months) | 0.00                 | 0.00                 |
| <b>Sub-total (B)</b>                         | <b>0.00</b>          | <b>57.45</b>         |
| <b>Total</b>                                 | <b>3263.21</b>       | <b>670.65</b>        |

## 14. Current Tax Assets

| Particulars                            | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| Advance Tax and Tax Deducted at Source | 50917.20             | 48141.72             |
| Provision for Income Tax               | -50452.00            | -46309.00            |
| <b>Total</b>                           | <b>465.20</b>        | <b>1832.72</b>       |

## 15. Equity Share Capital

| Particulars                       | As at March 31, 2018 | As at March 31, 2017 |
|-----------------------------------|----------------------|----------------------|
| Authorized                        |                      |                      |
| Equity shares of Rs. 10/- each    |                      |                      |
| <b>500,000,000 equity shares</b>  | <b>50000.00</b>      | <b>50000.00</b>      |
| Issued, subscribed and fully paid |                      |                      |
| Equity shares of Rs. 10/- each    |                      |                      |
| 300,000,000 equity shares         | 30000.00             | 30000.00             |
|                                   | <b>30000.00</b>      | <b>30000.00</b>      |

## Reconciliation of Share Capital

| Particulars  | As at March 31, 2018 |                   |
|--|----------------------|-------------------|
|  | No of Shares         | Amount            |
| <b>Opening Equity Shares</b>   | 300000000            | 3000000000        |
| Add: -No. of Shares, Share Capital issued / subscribed during the year | 0                    | 0                 |
| <b>Closing balance</b>   | <b>300000000</b>     | <b>3000000000</b> |

| Particulars  | As at March 31, 2017 |                   |
|--|----------------------|-------------------|
|  | No of Shares         | Amount            |
| <b>Opening Equity Shares</b>   | 300000000            | 3000000000        |
| Add: - No. of Shares, Share Capital issued/ subscribed during the year | 0                    | 0                 |
| <b>Closing balance</b>   | <b>300000000</b>     | <b>3000000000</b> |

**Shares in the company held by shareholder holding more than 5 percent**

(Rupees in Lakhs)

| Name of the Shareholder | %   | As at March 31, 2018 | As at March 31, 2017 |
|-------------------------|-----|----------------------|----------------------|
| Government of India     | 67% | 20000                | 20000                |
| Chennai Port Trust      | 33% | 10000                | 10000                |

**16. Borrowings**

| Particulars                          | As at March 31, 2018 | As at March 31, 2017 |
|--------------------------------------|----------------------|----------------------|
| <b>SECURED - LONG TERM</b>           |                      |                      |
| <b>Term Loan</b>                     |                      |                      |
| Chennai Port Trust                   | 18410.00             | 20711.25             |
| Foreign Currency Loan from Axis Bank | 22904.73             | 0.00                 |
| <b>Tax Free Bonds</b>                |                      |                      |
| (i) Series 2012-13                   | 9398.93              | 9383.34              |
| (ii) Series 2013-14                  | 36412.00             | 36397.75             |
| <b>Total</b>                         | <b>87125.66</b>      | <b>66492.34</b>      |
| <b>SECURED - SHORT TERM</b>          | 0.00                 | 0.00                 |
| <b>Total</b>                         | <b>0.00</b>          | <b>0.00</b>          |

**Secured Redeemable Non-Convertible Bonds**

- (i) Redeemable at par, 829334 Nos of 10 Year Bonds of Face value - Rs.1000/- each amounting to Rs.82,93,34,000/- are due on 25.03.2023 and 117156 Nos of 15 Year bonds of Face Value - Rs.1000/- each amounting to Rs.11,71,56,000/- are due on 25.03.2028 with interest rates @ 7.51% and 7.67% to Retail Investors and 7.01% and 7.17% to others respectively, payable annually. The bonds are secured against the assets of the company viz. Small Craft Jetty - 1, 2 and 3 and General Cargo Berth pursuant to the terms of the Bond Trust Deed registered on 25.03.2013.
- (ii) Redeemable at par, 794951 Nos of 10 Year Bonds of Face value - Rs.1000/- each amounting to Rs.79,49,51,000/- are due on 25.03.2024 and 1916630 Nos of 15 Year bonds of Face Value - Rs.1000/- each amounting to Rs.191,66,30,000/- are due on 25.03.2029 and 943142 Nos of 20 Year Bonds of Face Value - Rs.1000/- each amount to Rs.94,31,42,000/- are due on 25.03.2034 with interest rates @ 8.61%, 9% and 9% respectively to Retail Investors and 8.36%, 8.75% and 8.75%

respectively to others, payable annually. The bonds are secured against the assets of the company viz. North Break Water pursuant to the terms of the Bond Trust Deed registered on 19.03.2014.

**Term loan from Chennai Port Trust**

Term Loan due to Chennai Port Trust Rs.345,18,74,941/- converted at the time of taken over of assets & liabilities in the year 2001-02 and is repayable in 60 Equated Quarterly instalments commencing from 30.06.2012. The instalments are paid up to date during this period. The above loan is secured by hypothecation of specifically earmarked immovable fixed assets of the company.

**Foreign Currency Loan from Axis Bank**

Axis Bank has sanctioned Foreign Currency Loan (FCL) 100 USD Million on 30.03.2017 against Trade receivables @ interest rate of 6M Libor Plus 195 BPS repayable within Five Year including one year moratorium. The company has availed 47 USD Million during the year. The company also hedged the 6M Libor @ 2.50% mitigating the Foreign currency risk on interest.

## 17. Other Financial Liabilities

(Rupees in Lakhs)

| Particulars                          | As at March 31, 2018 | As at March 31, 2017 |
|--------------------------------------|----------------------|----------------------|
| <b>Long Term</b>                     |                      |                      |
| Security Deposits                    | 217.15               | 131.79               |
| Retention Money Payable              | 0.00                 | 5.45                 |
| Other Liabilities                    | -0.80                | 0.00                 |
| Creditors for Capital Expenditure    | 0.00                 | 0.00                 |
| <b>Total</b>                         | <b>216.35</b>        | <b>137.24</b>        |
| <b>Short term</b>                    |                      |                      |
| Current maturities of long term debt |                      |                      |
| Chennai Port Trust                   | 2301.25              | 2301.25              |
| Foreign Currency Loan from Axis Bank | 7739.59              | 0.00                 |
| Security Deposits                    | 513.30               | 178.23               |
| Retention Money Payable              | 1893.86              | 1600.31              |
| Interest Payable                     | 0.00                 | 616.51               |
| Amount Payable to Employees          | 1.15                 | 7.44                 |
| Other Liabilities                    | 228.60               | 7.11                 |
| ECPP Liabilities                     | 0.00                 | 0.00                 |
| Creditors for Expenses               | 0.00                 | 825.99               |
| Creditors for Capital Expenditure    | 0.00                 | 10728.10             |
| <b>Total</b>                         | <b>12677.75</b>      | <b>16264.95</b>      |

## 18. Provisions

(Rupees in Lakhs)

| Particulars                  | As at March 31, 2018 | As at March 31, 2017 |
|------------------------------|----------------------|----------------------|
| <b>Non- Current</b>          |                      |                      |
| <b>FOR EMPLOYEE BENEFITS</b> |                      |                      |
| Leave Encashment             | 0.00                 | 0.00                 |
| Gratuity                     | 0.00                 | 0.00                 |
| <b>Total</b>                 | <b>0.00</b>          | <b>0.00</b>          |
| <b>Current</b>               |                      |                      |
| <b>FOR EMPLOYEE BENEFITS</b> |                      |                      |
| Leave Encashment             | 64.81                | 57.56                |
| Gratuity                     | 0.00                 | 28.65                |
| Performance Related Pay      | 176.51               | 234.90               |
| <b>Sub Total (A)</b>         | <b>241.32</b>        | <b>321.11</b>        |
| <b>OTHER</b>                 |                      |                      |
| Expenses                     | 763.06               | 1808.77              |
| <b>Sub Total (B)</b>         | <b>763.06</b>        | <b>1808.77</b>       |
| <b>Total (A+B)</b>           | <b>1004.38</b>       | <b>2129.88</b>       |

## 19. Other Liabilities

| Particulars                                      | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| <b>Non-Current</b>                               |                      |                      |
| Income Received in Advance                       | 8066.05              | 8163.35              |
| Advance Lease Charges                            | 916.21               | 871.21               |
| Other Liabilities                                | 0.00                 | 0.00                 |
| Deferred Fair Valuation Gain - Security Deposits | 624.99               | 611.99               |
| Government Grant                                 | 67.03                | 106.26               |
| <b>Total</b>                                     | <b>9674.28</b>       | <b>9752.80</b>       |
| <b>Current</b>                                   |                      |                      |
| Income Received in Advance                       | 554.95               | 662.91               |
| Other Statutory Payables                         | 1818.91              | 617.92               |
| Advance Received from Customers                  | 1088.58              | 2296.36              |
| Advance Lease Charges                            | 0.00                 | 45.00                |
| Other Liabilities                                | 0.00                 | 0.00                 |
| Deferred Fair Valuation Gain - Security Deposits | 0.00                 | 26.00                |
| <b>Total</b>                                     | <b>3462.44</b>       | <b>3648.21</b>       |

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

**20. Trade Payables**

(Rupees in Lakhs)

| Particulars   | As at March 31, 2018 | As at March 31, 2017 |
|---|----------------------|----------------------|
| Total outstanding dues of micro and small scale Industrial Undertaking(s). (Due over 30 days ₹ Nil/-) | 0.00                 | 0.00                 |
| Total outstanding dues of Medium scale Industrial Undertaking(s). (Due over 30 days ₹ Nil/-)          | 0.00                 | 0.00                 |
| Others  | 6374.74              | 1284.81              |
| <b>TOTAL</b>  | <b>6374.74</b>       | <b>1284.81</b>       |

**21. Revenue From Operations**

(Rupees in Lakhs)

| Particulars                     | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---------------------------------|-----------------------------------|-----------------------------------|
| <b>Lease Income</b>             |                                   |                                   |
| Composite Tariff on Coal        | 25714.38                          | 23633.42                          |
| Estate Income                   | 3029.11                           | 2765.95                           |
| Revenue Share                   | 16556.33                          | 16887.24                          |
| <b>Marine Services</b>          |                                   |                                   |
| Vessel Related Income           | 13134.32                          | 14505.89                          |
| <b>Cargo Related Service</b>    |                                   |                                   |
| Wharfage                        | 4499.25                           | 4072.40                           |
| <b>Other Operating Revenues</b> |                                   |                                   |
| Other Services                  | 164.83                            | 148.82                            |
| <b>TOTAL</b>                    | <b>63098.22</b>                   | <b>62013.72</b>                   |

**22. Other Income**

| Particulars                       | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Interest from Banks               | 2.22                              | 251.92                            |
| Interest on Staff Advances        | 34.93                             | 42.35                             |
| Interest - Others                 | 10.48                             | 180.07                            |
| Short Term Gain from Mutual Fund  | 433.12                            | 627.15                            |
| <b>Other non operating income</b> |                                   |                                   |
| Sale of Tender Documents          | 3.49                              | 13.75                             |
| Personnel & Vehicle Entry Pass    | 71.50                             | 72.58                             |
| Profit on sale of Fixed Assets    | 0.59                              | 0.00                              |
| Other Income                      | 174.56                            | 68.72                             |
| Reversal of Maintenance Dredging  | 0.00                              | 779.90                            |
| <b>TOTAL</b>                      | <b>730.89</b>                     | <b>2036.44</b>                    |

**23. Operating Cost**

| Particulars                       | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Time Charter Crafts               | 2622.13                           | 2137.48                           |
| Consultancy Services - Operations | 1121.09                           | 582.63                            |
| Power & Water charges             | 199.87                            | 151.80                            |
| Environment                       | 43.53                             | 77.94                             |
| Research & Development Expenses   | 130.45                            | 32.45                             |
| Fuel Expense                      | 599.68                            | 464.43                            |
| Manning Services                  | 444.90                            | 309.78                            |
| Survey & Maintenance Dredging     | 13.96                             | 4.58                              |
| Pilotage Expense                  | 156.25                            | 155.16                            |
| Repairs and Maintenance           | 588.05                            | 678.03                            |
| Incentive                         | 2098.96                           | 1933.32                           |
| <b>TOTAL</b>                      | <b>8018.87</b>                    | <b>6527.60</b>                    |

**24. Employee Benefits**

| Particulars                            | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| Salaries and Wages                     | 965.42                            | 935.67                            |
| Contribution to Employee Benefit Funds | 96.76                             | 84.79                             |
| Staff Welfare expenses                 | 22.65                             | 16.20                             |
| Superannuation - Contribution          | 80.48                             | 66.34                             |
| Performance Related Pay                | 100.00                            | 114.00                            |
| Employee Medical expenses              | 38.49                             | 78.29                             |
| Terminal Benefits                      | 30.65                             | 31.63                             |
| Leave Encashment                       | 21.12                             | 58.49                             |
| <b>TOTAL</b>                           | <b>1355.57</b>                    | <b>1385.41</b>                    |

## 25. Finance Cost

(Rupees in Lakhs)

| Particulars                | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|----------------------------|-----------------------------------|-----------------------------------|
| Interest Expense :         |                                   |                                   |
| - From Banks               | 8.60                              | 0.00                              |
| - Tax Free Bonds - 2012-13 | 690.19                            | 684.35                            |
| - Tax Free Bonds - 2013-14 | 3238.00                           | 3233.19                           |
| - Others                   | 2429.73                           | 2647.74                           |
| Other Borrowing Costs :    | 0.00                              | 0.00                              |
| - ECPP Liabilities         | 0.00                              | 1207.19                           |
| - Guarantee Fees           | 0.00                              | 0.00                              |
| - Tax Free Bond Expenses   | 10.09                             | 8.90                              |
| - Processing Charges       | 0.00                              | 0.00                              |
| <b>TOTAL</b>               | <b>6376.61</b>                    | <b>7781.37</b>                    |

## 26. Depreciation And Amortization Expenses

| Particulars                              | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| Depreciation / Amortisation for the year |                                   |                                   |
| Tangible Assets                          | 2978.96                           | 2165.15                           |
| Intangible Assets                        | 59.77                             | 14.85                             |
| Impairment Expenses                      | 0.00                              | 8.65                              |
| <b>TOTAL</b>                             | <b>3038.73</b>                    | <b>2188.65</b>                    |

## 27. Other Expenses

| Particulars                               | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|-----------------------------------|-----------------------------------|
| AMC - Software Expenses                   | 71.13                             | 53.19                             |
| Auditors' remuneration                    |                                   |                                   |
| - Statutory audit                         | 3.00                              | 3.00                              |
| - Tax Audit Fees                          | 0.50                              | 0.50                              |
| - Payment for other Services              | 0.40                              | 0.80                              |
| - Reimbursement of expenses               | 0.43                              | 0.30                              |
| Books and periodicals                     | 1.24                              | 1.23                              |
| Electricity & Water Charges               | 53.75                             | 61.05                             |
| Insurance                                 | 84.84                             | 92.76                             |
| Provision for Bad and Doubtful Debts      | 0.00                              | 1299.74                           |
| Legal & Professional Charges              | 219.63                            | 122.57                            |
| Miscellaneous Expense                     | 101.32                            | 95.53                             |
| Service Tax - Rev Charge & SBC            | 11.31                             | 177.79                            |
| Printing and stationery                   | 27.21                             | 35.94                             |
| Rent, Rates & Taxes                       | 100.02                            | 161.17                            |
| Safety & security expenses                | 1170.12                           | 1045.46                           |
| Seminars & conference expenses            | 6.99                              | 8.64                              |
| Corporate Social Responsibility Expenses  | 222.38                            | 842.76                            |
| Subscription & Membership fees            | 158.49                            | 176.78                            |
| Communication Expenses                    | 60.16                             | 40.82                             |
| Travelling and conveyance                 | 48.23                             | 43.30                             |
| Vehicle running expenses                  | 317.90                            | 224.52                            |
| Advertising and promotional expenses      | 150.60                            | 114.22                            |
| Repairs and Maintenance                   | 333.48                            | 214.60                            |
| Loss on sale of Fixed Assets              | 0.00                              | 1.11                              |
| Bad Debts                                 | 1.19                              | 0.00                              |
| Foreign Exchange Fluctuation - (Cr) / Dr. | 185.03                            | 0.24                              |
| <b>TOTAL</b>                              | <b>3329.35</b>                    | <b>4818.02</b>                    |

## Corporate Social Responsibility Expenses

(a) Gross amount required to be spent by the company during the year

(b) Amount spent during the year on :

(Rupees in Lakhs)

| S. No. | Particulars                             | In Cash       | Yet to be paid in cash | Total         |
|--------|---|---------------|------------------------|---------------|
| (i)    | Construction / acquisition of any asset | 0.00          | 0.00                   | -             |
| (ii)   | on purposes other than (i) above        | 222.38        | 0.00                   | 222.38        |
|        |   | <b>222.38</b> | <b>0.00</b>            | <b>222.38</b> |

## 28. Exceptional Items

(Rupees in Lakhs)

| Particulars                           | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Interest on ECPP                      | 3123.46                           | 0.00                              |
| Revenue share on augmentation charges | 0.00                              | -6660.20                          |
| Interest on Revenue share             | (4237.70)                         | 0.00                              |
| Creek Maintenance                     | 466.07                            | 0.00                              |
| <b>TOTAL</b>                          | <b>(648.17)</b>                   | <b>-6660.20</b>                   |

Since the matter was settled before the High Court of Madras, the interest of Rs.42.37 Crores received during the year.

Arbitration claims has been settled with ECPP Contractor as per the guidelines of Niti Aayog with M/s. Hindustan Construction Company Limited and hence the interest amount is shown under Exceptional Item..

## 29. Earnings per Share

| Particulars                                 | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|-----------------------------------|-----------------------------------|
| Total Comprehensive Income for the Year     | 3942501864                        | 4527487066                        |
| Weighted average number of shares - Basic   | 300000000                         | 300000000                         |
| Weighted average number of shares - Diluted | 300000000                         | 300000000                         |
| Earnings per Share - Basic                  | 13.14                             | 15.09                             |
| Earnings per Share - Diluted                | 13.14                             | 15.09                             |

## Note 30: Disclosure Notes

### 1. Contingent Liabilities:

(Amount in Lakhs)

|    | Particulars  | 2017-18         | 2016-17         |
|----|--|-----------------|-----------------|
| a) | Disputed Service Tax Demand but not acknowledged as debt | 67.54           | 67.54           |
| b) | Claims against the company not acknowledged as debt      |                 |                 |
|    | - ECPP Liabilities                                       | 18533.00        | 19028.68        |
|    | - Other Liabilities                                      | 121.91          | 9697.26         |
| c) | Guarantees   |                 |                 |
|    | <b>TOTAL</b>   | <b>18722.45</b> | <b>28793.48</b> |

### 2. Commitments

#### (a) Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Expenditure (net of advances) and not provided for is **RS.76748.81 (P.Y. RS.63113.24Lakhs)**.

#### (b) Equity Commitments:

(Amount in Lakhs)

|    | Particulars                              | 2017-18 | 2016-17 |
|----|--|---------|---------|
| a) | Chennai Ennore Port Road Company Limited | 2.00    | 2.00    |
| b) | Sethusamudram Corporation Limited        | -       | -       |

### 3. Payment to the Statutory Auditors

(Amount in Lakhs)

| Particulars              | 2017-18 | 2016-17 |
|--------------------------|---------|---------|
| Audit Fees               | 3.00    | 3.00    |
| Tax Audit Fees           | 0.50    | 0.50    |
| Certification fees       | 0.40    | 0.80    |
| Reimbursements:          |         |         |
| - Out of Pocket Expenses | 0.30    | 0.30    |
| - Service Tax / GST      | 0.07    | 0.69    |

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

(Amount in Lakhs)

| Sr No. | Particulars                                | 2017-18 | 2016-17 |
|--------|--|---------|---------|
| A      | <b>Expenditure in Foreign currency on:</b> |         |         |
|        | (i) Professional and consultancy fee       | -       | -       |
|        | (ii) Tours and Travels                     | -       | 0.97    |
|        | (iii) Contracts                            | -       | 166.36  |
|        | (iv) Interest on FCL                       | -       | -       |
|        | (iv) Others                                | 469.99  | -       |
| B      | <b>Earnings in Foreign Exchange:</b>       |         |         |
|        | (i) Consultancy                            | -       | -       |
|        | (ii) Interest                              | -       | -       |
|        | (iii) Others                               | -       | -       |

## 5. Information in respect of Micro, Small and Medium Enterprises as at 31<sup>st</sup> March 2018:

(In Rs. Lakhs)

| SL | Particulars  | 2017-18 | 2016-17 |
|----|--|---------|---------|
| 1  | Amount remaining unpaid to any supplier:<br>a) Principal Amount<br>b) Interest due thereon   | Nil     | Nil     |
| 2  | Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;  | Nil     | Nil     |
| 3  | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;  | Nil     | Nil     |
| 4  | Amount of interest accrued and remaining unpaid  | Nil     | Nil     |
| 5  | Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | Nil     | Nil     |

### Disclosure requirements of Indian Accounting Standards

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

### 6.1 Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(Amount in Lakhs as of March 31, 2018)

| Particulars  | Amortized cost | Financial assets/ liabilities at fair value through profit or loss | Financial assets/ liabilities at fair value through OCI | Total carrying value | Total fair value |
|--|----------------|--|---|----------------------|------------------|
| <b>Assets:</b>   |                |  |   |                      |                  |
| Non-current Investment (Ref Note No.7)                   | -              | -  | 4121.00   | 4121.00              | 4121.00          |
| Cash & Cash Equivalents (Ref Note No.13)                 | 3263.20        | -  | -   | 3263.20              | 3263.20          |
| Trade Receivable (Ref Note No. 12)                       | 2836.85        | -  | -   | 2836.85              | 2836.85          |
| Loans and Advances (Ref Note No. 8)                      | 585.60         | -  | -   | 585.60               | 585.60           |
| Other Financial Assets (Ref Note No. 9)                  | 284.37         | -  | -   | 284.37               | 284.37           |
| <b>Liabilities:</b>                                      |                |  |   |                      |                  |
| Term loan from Chennai Port Trust (Ref Note No. 16 & 17) | 20711.25       | -  | -   | 20711.25             | 20711.25         |
| Tax Free bonds (Ref Note No. 16)                         | 45810.93       | -  | -   | 45810.93             | 45810.93         |
| Loan from Axis Bank                                      | 30644.32       | -  | -   | 30644.32             | 30644.32         |
| Trade Payables (Ref Note No. 20)                         | 6374.74        | -  | -   | 6374.74              | 6374.74          |
| Other Financial Liabilities (Ref Note No.17)             | 2853.25        | -  | -   | 2853.25              | 2853.25          |

(Amount in Lakhs as of March 31, 2017)

| Particulars  | Amortized cost | Financial assets/ liabilities at fair value through profit or loss | Financial assets/ liabilities at fair value through OCI | Total carrying value | Total fair value |
|--|----------------|--|---|----------------------|------------------|
| <b>Assets:</b>   |                |  |   |                      |                  |
| Non-current Investment (Ref Note No.7)                   | -              | -  | 4121.00   | 4121.00              | 4121.00          |
| Cash & Cash Equivalents (Ref Note No.13)                 | 670.65         | -  | -   | 670.65               | 670.65           |
| Trade Receivable (Ref Note No. 12)                       | 2435.37        | -  | -   | 2435.37              | 2435.37          |
| Loans and Advances (Ref Note No. 8)                      | 706.31         | -  | -   | 706.31               | 706.31           |
| Other Financial Assets (Ref Note No. 9)                  | 164.78         | -  | -   | 164.78               | 164.78           |
| <b>Liabilities:</b>                                      |                |  |   |                      |                  |
| Term loan from Chennai Port Trust (Ref Note No. 16 & 17) | 23012.50       | -  | -   | 23012.50             | 23012.50         |
| Tax Free bonds (Ref Note No. 16)                         | 45781.08       | -  | -   | 45781.08             | 45781.08         |
| Trade Payables (Ref Note No. 21)                         | 1284.81        | -  | -   | 1284.81              | 1284.81          |
| Other Financial Liabilities (Ref Note No.17)             | 14100.94       | -  | -   | 14100.94             | 14100.94         |

## 6.2. Fair Value Hierarchy

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable in puts).

The following tables presents fair value hierarchy of assets and liabilities measured at fair value:

(Amount in Lakhs)

| Particulars                                | For the year 31.03.2018 |         |         |       | For the year 31.03.2017 |         |         |       |
|--|-------------------------|---------|---------|-------|-------------------------|---------|---------|-------|
|  | Level 1                 | Level 2 | Level 3 | Total | Level 1                 | Level 2 | Level 3 | Total |
| <b>Financial Assets</b>                    |                         |         |         |       |                         |         |         |       |
| Investments in unquoted equity instruments | -                       | -       | 4,121   | 4,121 | -                       | -       | 4,121   | 4,121 |

## 6.3 Financial risk management

### Financial risk factors

The Company's activities expose to limited financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

#### a) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate because of changes in market price.

The Company has interest rate risk as the Market risk. The company has interest rate risk since the loan from Chennai Port Trusts variable as in relation to MCLR rate of the interest. Also company does not have price risk since company does not any derivative financial asset.

#### b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The company has availed USD 47 Million out of sanctioned USD 100 Million from Axis Bank as Foreign Currency Loan in four tranches @ LIBOR plus 195 BPS. However, LIBOR rate was hedged to the extent of 2.50 in order to protect Interest Rate Risk.

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

| Particulars                    | 31 <sup>st</sup> Mar 18 | 31 <sup>st</sup> Mar 17 |
|--------------------------------|-------------------------|-------------------------|
| Fixed Rate Instruments         |                         | -                       |
| Financial Asset                |                         |                         |
| - Fixed Deposit with Bank      | -                       | 57.45                   |
| - Employee Advance             | 391.74                  | 382.46                  |
| Financial Liabilities          |                         |                         |
| - Tax Free Bonds               | 45810.93                | 45781.08                |
| Variable Rate Instruments      |                         |                         |
| - Loan from Chennai Port Trust | 20711.25                | 23012.50                |
| - Foreign Currency Loan        | 30644.32                | -                       |

#### c) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Since the company adopts pre-payment / recovery of income for major port services, there is no credit to any one and hence, there is no credit policy exists. However, the company is rendering certain ancillary / support services for which the bills are raised, as and when the services are sought / and due to some disagreement on user charges, licence fee etc. which forms part of Trade Receivables.

#### Trade Receivables

The company has outstanding trade receivables amounting to 2836.85 Lakhs and 2435.37 Lakhs as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured and are derived from revenue accrual from customers.

Since most of the port services are rendered on pre recovery basis by collecting in advance and concentration of debts are insignificant. Provision for bad and doubtful debts arising on account of interpretation of certain clauses concession agreements, which are reviewed at each balance sheet date and provided for case to case basis.



## Credit risk exposure

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

(Amount in Lakhs)

| Particulars  | March 31, 2018 |                | March 31, 2017 |                |
|--|----------------|----------------|----------------|----------------|
|  | Gross          | Impairment     | Gross          | Impairment     |
| Not past due   |                |                | -              |                |
| Past due less than three months                              | 2251.02        | -              | 2097.59        | -              |
| Past due more than three months but not more than six months | 437.06         | -              | 19.49          | -              |
| Past due more than six months but not more than one year     | 148.77         | -              | 0.02           | -              |
| More than one year   | 1299.74        | 1299.74        | 1618.01        | 1299.74        |
| <b>Total</b>   | <b>4136.59</b> | <b>1299.74</b> | <b>3735.06</b> | <b>1299.74</b> |

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables or based on the interpreting on certain clauses in the Concession Agreement. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

### Other financial assets

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We consider the credit quality of term deposits with such banks that are majority owned by the Government of India and subject to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. Credit risk related to employee loans are considered negligible since loan is secured against the title deed of the property for which loan is granted to the employees and further the company has appropriation right over terminal benefit due to the employee's. There

are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

### d) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations, Term loan from Chennai Port trust, Tax Free Bonds, Contribution in the form of share capital and contribution in the form of grant from GOI, state governments & Government authorities.

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues, repayment of Chennai Port trust loan and retention & deposits arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include Chennai Port trust Loan, Tax Free Bonds, Retentions & deposits.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table include both principal & interest cash flows.

(Amount in Lakhs as of March 31, 2018)

| Particulars                 | Less than 6 months | 6 months to 1 year | 1-3 years      | 3-5 years       | More than 5 years | Total           |
|-----------------------------|--------------------|--------------------|----------------|-----------------|-------------------|-----------------|
| ChPT Loan                   | 1150.62            | 1150.62            | 4602.48        | 4602.48         | 9205.05           | 20711.25        |
| Tax Free Bonds              | -                  | -                  | -              | 8293.34         | 37517.59          | 45810.93        |
| Retention money             | -                  | 1893.86            | -              | -               | -                 | 1893.86         |
| Security Deposits           | -                  | -                  | -              | -               | 9.29              | 9.29            |
| Trade Payables              | -                  | -                  | -              | -               | 6374.74           | 6374.74         |
| Other Financial Liabilities | 7657.33            | 5020.42            | 216.34         | -               | -                 | 12894.09        |
| <b>Total</b>                | <b>8807.95</b>     | <b>8064.90</b>     | <b>4818.82</b> | <b>12895.82</b> | <b>53106.67</b>   | <b>87694.16</b> |

(Amount in Lakhs as of March 31, 2017)

| Particulars                 | Less than 6 months | 6 months to 1 year | 1-3 years      | 3-5 years      | More than 5 years | Total           |
|-----------------------------|--------------------|--------------------|----------------|----------------|-------------------|-----------------|
| ChPT Loan                   | 1150.62            | 1150.62            | 4602.48        | 4602.48        | 11506.3           | 23012.50        |
| Tax Free Bonds              | -                  | -                  | -              | -              | 45781.08          | 45781.08        |
| Retention money             | 960.18             | 645.57             | -              | -              | -                 | 1605.76         |
| Security Deposits           | 178.23             | -                  | -              | -              | 131.79            | 310.02          |
| Trade Payables              | 1284.81            | -                  | -              | -              | -                 | 1284.81         |
| Other Financial Liabilities | 12185.16           | -                  | -              | -              | -                 | 12185.16        |
| <b>Total</b>                | <b>15759.00</b>    | <b>1796.19</b>     | <b>4602.48</b> | <b>4602.48</b> | <b>57419.17</b>   | <b>84179.33</b> |

**7. Disclosure in respect of Indian Accounting Standard (Ind AS)-21 “The Effects of changes in Foreign Exchange Rates”**

The amount of exchange differences (net) debited/ (credited) to the Statement of Profit & Loss **Rs. 185.03 Lakhs (P.Y.Rs. 0.24Lakhs)**

**8. Disclosure in respect of Indian Accounting Standard (Ind AS)-36 “Impairment of assets”**

During the year, the company has reviewed Fixed Assets as per AS-36 on “Impairment of Assets” and there is no impairment of assets as against Rs.8.64 lakh was recognized in the FY 2016-17.

**9. Disclosure in respect of Indian Accounting Standard (Ind AS)-20 “Accounting for Government Grants and Disclosure of Government Assistance”**

(Amount in Lakhs)

| Grant received for           | 2017-18    | 2016-17      |
|------------------------------|------------|--------------|
| Oil Spill Response Equipment | Nil        | 61.85        |
| <b>Total Grants Received</b> | <b>Nil</b> | <b>61.85</b> |

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

**a. General description of various employee’s benefits schemes are as under:**

**a) Provident Fund:**

The company’s Provident Fund is deposited with Regional Provident Fund Commissioner. The company pays fixed contribution to provident fund at pre-determined rate.

**b) Gratuity:**

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity @ 15 days salary

(15/26 x last drawn basic pay plus dearness allowance) for each completed year of service on superannuation, resignation, termination, and disablement or on death. A trust has been formed for this purpose. This scheme is being managed by the Life Insurance Corporation of India (LIC) for which the company has taken a Master Policy.

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

As per Actuarial Valuation company’s best estimates for FY 2017-2018 towards the Gratuity Fund Contribution is Rs.42.37 Lakhs. However, the company is making contribution to the fund as per the demand made by Life Insurance Corporation of India.

**c) Superannuation Scheme:**

The Company has implemented a non-contributory Employee’s Group Superannuation Pension Scheme is managed by LIC of India @ 12% of Basic Pay of the enrolled employee.

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

**d) Post-Retirement Medical Facility:**

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

### e) Leave:

The company provides for Earned Leave benefits and Half-Pay Leave to the employees of the company, which accrue annually at 30 days & 20 days respectively. The Earned Leave is en cashable once in a calendar year while in service for a period of maximum 30 days and on Superannuation, the maximum limited to 300 days.

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

### b. The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under:

(Amount in Lakhs)

| Particulars                              |      | Gratuity (Funded) | Leave (Non-Funded) |
|--|------|-------------------|--------------------|
| Defined Benefit Obligation               | C.Y. | 232.28            | 223.99             |
|  | P.Y. | 174.50            | 208.90             |
| Fair Value of Plan Assets                | C.Y. | 211.64            | 218.98             |
|  | P.Y. | 157.25            | 193.15             |
| Funded Status [Surplus/(Deficit)]        | C.Y. | (20.64)           | (5.01)             |
|  | P.Y. | (17.24)           | (15.75)            |
| Effect of asset ceiling                  | C.Y. | 0                 | 0                  |
|  | P.Y. | 0                 | 0                  |
| Net Defined Benefit Assets/(Liabilities) | C.Y. | (20.64)           | (5.01)             |
|  | P.Y. | (17.24)           | (15.75)            |

### Movement in defined benefit obligation

(Amount in Lakhs)

| Particulars  |      | Gratuity (Funded) | Leave (Non-Funded) |
|--|------|-------------------|--------------------|
| Defined benefit obligation - Beginning of the year | C.Y. | 174.49            | 208.90             |
|  | P.Y. | 145.01            | 174.63             |
| Current service cost                               | C.Y. | 26.05             | 22.52              |
|  | P.Y. | 20.80             | 27.46              |
| Interest Cost                                      | C.Y. | 13.20             | 16.19              |
|  | P.Y. | 11.16             | 13.71              |
| Benefits Paid                                      | C.Y. | (8.33)            | (0.00)             |
|  | P.Y. | (11.06)           | (6.51)             |
| Re-measurements - actuarial loss/(gain)            | C.Y. | 11.88             | (23.63)            |
|  | P.Y. | 8.57              | (0.39)             |

(Amount in Lakhs)

| Particulars                                  |      | Gratuity (Funded) | Leave (Non-Funded) |
|--|------|-------------------|--------------------|
| Defined benefit obligation – End of the year | C.Y. | 232.28            | 233.90             |
|  | P.Y. | 174.50            | 208.90             |

### Movement in plan asset

(Amount in Lakhs)

| Particulars                                    |      | Gratuity (Funded) | Leave (Non-Funded) |
|--|------|-------------------|--------------------|
| Fair value of plan assets at beginning of year | C.Y. | 157.25            | 193.14             |
|  | P.Y. | 144.92            | 156.15             |
| Interest income                                | C.Y. | 11.86             | 14.97              |
|  | P.Y. | 11.15             | 12.23              |
| Employer contributions                         | C.Y. | 49.99             | 10.88              |
|  | P.Y. | 11.62             | 29.59              |
| Benefits Paid                                  | C.Y. | (8.61)            | (0.00)             |
|  | P.Y. | (11.19)           | (6.51)             |
| Re-measurements – Return on plan assets        | C.Y. | 1.14              | (0.02)             |
|  | P.Y. | 0.74              | 1.68               |
| Fair value of plan assets at end of year       | C.Y. | 211.64            | 218.99             |
|  | P.Y. | 157.25            | 193.15             |

### Amount Recognized in Statement of Profit and Loss

(Amount in Lakhs)

| Particulars  |      | Gratuity (Funded) | Leave (Non-Funded) |
|--|------|-------------------|--------------------|
| Curent Service Cost  | C.Y. | 26.05             | 22.52              |
|  | P.Y. | 20.80             | 27.46              |
| Past Service Cost – Plan Amendment                         | C.Y. | 14.99             | 0                  |
|  | P.Y. | 0                 | 0                  |
| Curtailment cost/(credit)                                  | C.Y. | 0                 | 0                  |
|  | P.Y. | 0                 | 0                  |
| Settlement cost/(credit)                                   | C.Y. | 0                 | 0                  |
|  | P.Y. | 0                 | 0                  |
| Service Cost (A)   | C.Y. | 41.04             | 22.52              |
|  | P.Y. | 20.80             | 27.46              |
| Net Interest on Net Defined Benefit Liability/(assets) (B) | C.Y. | 1.34              | 1.22               |
|  | P.Y. | 0.00              | 1.48               |
| Cost Recognized in P&L (A+B)                               | C.Y. | 42.37             | 23.74              |
|  | P.Y. | 20.80             | 28.94              |

### Sensitivity Analysis

(Amount in Lakhs as of March 31, 2018)

| Assumption         | Change in Assumption | Gratuity | Leave (Non-Funded) |
|--------------------|----------------------|----------|--------------------|
| Discount rate      | +1.00%               | 212.38   | 204.59             |
|                    | -1.00%               | 255.57   | 246.69             |
| Salary growth rate | +1.00%               | 255.55   | 248.09             |
|                    | -1.00%               | 211.80   | 203.10             |
| Withdrawal rate    | +1.00%               | 235.80   | 227.63             |
|                    | -1.00%               | 255.57   | 219.89             |

(Amount in Lakhs as of March 31, 2017)

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

**Actuarial Assumption**

| Particulars                  |      | Gratuity (Funded)    | Leave (Non-Funded)   |
|------------------------------|------|----------------------|----------------------|
| Method used                  | C.Y. | PUC                  | PUC                  |
|                              | P.Y. | PUC                  | PUC                  |
| Discount rate                | C.Y. | 7.00%                | 7.00%                |
|                              | P.Y. | 7.75%                | 7.75%                |
| Rate of salary increase      | C.Y. | 5%                   | 5%                   |
|                              | P.Y. | 5%                   | 5%                   |
| Rate of return of plan Asset | C.Y. | 7.75%                | 7.75%                |
|                              | P.Y. | 8%                   | 8%                   |
| Withdrawal Rate              | C.Y. | 1% to 3%             | 1% to 3%             |
|                              | P.Y. | 1% to 3%             | 1% to 3%             |
| Retirement Age               | C.Y. | 60 Years             | 60 Years             |
|                              | P.Y. | 60 Years             | 60 Years             |
| Average Future Service       | C.Y. | 16.97                | 16.97                |
|                              | P.Y. | 17.77                | 17.41                |
| Mortality rate               | C.Y. | IALM (2006-08) Table | IALM (2006-08) Table |
| Disability Rate              | P.Y. | No explicit loading  | No explicit loading  |

**Category of investment in Plan assets**

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

**11. Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"**

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

The Company derives revenues from the following customer which amount to 10 per cent or more of Company's revenues. In respect of the other customers, their individual share is less than 10% of the company's revenues

(Amount in Lakhs as of March 31, 2018)

| Customer                              | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---------------------------------------|----------------------------------|----------------------------------|
| TANGEDCO                              | 25714.37                         | 23633.42                         |
| Chettinad International Coal Terminal | 11524.57                         | 12098.60                         |

**12. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"****a. Disclosures for Other that Govt. Related Entities****a. List of Related parties:****Key Managerial Persons:**

| Name                        | Designation                                    |
|-----------------------------|--|
| Shri Rinkesh Roy, IRTS.,    | Chairman-cum-Managing Director                 |
| Shri M.A. Bhaskarachar      | Chairman-cum-Managing Director (Upto 31.07.17) |
| Shri M. Gunasekaran,        | General Manager (Finance) cum CFO              |
| Smt. Jayalakshmi Srinivasan | Company Secretary                              |

**Others:**

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

**Compensation of key management personnel**

(Amount in Lakhs)

| Particulars                                  | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| Remuneration and Short-term benefits         | 58.30 *                           | 101.8                             |
| Post-employment benefits                     | 9.33                              | 13.08                             |
| Other long-term benefits                     | -                                 | -                                 |
| Share-based payments                         | -                                 | -                                 |
| Termination benefits                         | -                                 | -                                 |
| Sitting fee                                  | -                                 | -                                 |
| <b>Total</b>                                 | <b>67.63</b>                      | <b>114.86</b>                     |
| Recovery of Loans & Advances during the year | 9.66                              | 9.25                              |
| Advances released during the year            | -                                 | 4.98                              |
| Closing Balance of Loans & Advances          | -                                 | 9.66                              |

**\* Shri. Rinkesh Roy , Chairman, Paradip Port is given Additional Charge as Chairman cum Managing Director of KPL from 2<sup>nd</sup> August 2017. Hence his remuneration is not included.**

**b. Chennai Port trust****Transaction with other related parties:**

(Amount in Lakhs)

| Particulars                       | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Interest Paid                     | 2215.19                           | 2592.03                           |
| Loan Repaid                       | 2301.25                           | 2301.25                           |
| Lease Rent Expenses               | 8.77                              | 95.51                             |
| Advance lease rent                | 152.80                            | 152.80                            |
| Dividend paid for FY 1617         | 4600.00                           | 2000.00                           |
| Interim Dividend paid for FY 1718 | 1500.00                           | -                                 |
| Others                            | 472.76                            | 225.98                            |
| Closing Balance of Term Loan      | 20711.25                          | 23012.50                          |

### 13. Disclosure in respect of Indian Accounting standard (Ind AS) 17 “Leases”

#### a. Operating lease

##### a) As a Lessee

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

(Amount in Lakhs)

| Particulars                                  | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| Not later than 1 year                        | 18.35                             | 18.35                             |
| Later than 1 year and not later than 5 years | 30.22                             | 26.00                             |
| Later than 5 years                           | -                                 | -                                 |

\* does not include upfront lease payments.

- **Payments recognised as an expense**

(Amount in Lakhs)

| Particulars              | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--------------------------|-----------------------------------|-----------------------------------|
| Minimum lease payments * | 109.08                            | 111.70                            |

\* Includes portion of upfront lease payment charged off.

#### Leasing arrangement:

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

#### b. As a lessor

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

(Amount in Lakhs)

| Particulars                                  | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| Not later than 1 year                        | 2196.04                           | 2091.47                           |
| Later than 1 year and not later than 5 years | 12741.23                          | 12134.50                          |
| Later than 5 years                           | 62541.46                          | 65344.23                          |

#### • Leasing arrangement:

As per the business model adopted by the Company, the development, operation, marketing and maintenance of cargo terminals are left with the Captive / PPP BOT operators on 30 years Licence / Concession Agreement. The company leased out water front and land area for development of Berths through BOT operators / Captive users as per the Licence / Concession Agreement.

### 14. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 “Earnings Per Share (EPS)”

#### a) Basic EPS

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

(Amount in Lakhs)

| Particulars   | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|-----------------------------------|-----------------------------------|
| Profit (loss) for the year, attributable to the owners of the company                     | 39425.03                          | 45274.89                          |
| <b>Earnings used in calculation of basic earnings per share(A)</b>                        | <b>39425.03</b>                   | <b>45274.89</b>                   |
| Weighted average number of ordinary shares for the purpose of basic earnings per share(B) | 300000000                         | 300000000                         |
| <b>Basic EPS(A/B) – Rs.</b>   | <b>13.14</b>                      | <b>15.09</b>                      |

#### b) Diluted EPS

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

(Amount in Lakhs)

| Particulars  | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| Profit (loss) for the year, attributable to the owners of the company                      | 39425.03                          | 45274.89                          |
| Earnings used in calculation of basic earnings per share (A)                               | 39425.03                          | 45274.89                          |
| Weighted average number of ordinary shares for the purpose of basic earnings per share (B) | 300000000                         | 300000000                         |
| <b>Basic EPS(A/B)</b>  | <b>13.14</b>                      | <b>15.09</b>                      |

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

(Amount in Lakhs)

| Particulars  | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| Provisions, Contingent Liabilities and Contingent Assets |                                   |                                   |
| a) Disputed Demand but acknowledged as debt              | 67.54                             | 67.54                             |
| b) Claims against the company not acknowledged as debt   |                                   |                                   |
| - ECPP Liabilities                                       | 18533.00                          | 19028.68                          |
| - Other Liabilities                                      | 121.91                            | 9697.26                           |
| c) Guarantees  |                                   |                                   |
| <b>TOTAL</b>   | <b>18722.45</b>                   | <b>28793.48</b>                   |

**16. Confirmation of balances :**

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

**17. Capital Management:**

The Company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

*Rs.in Lakhs*

| Particulars                     | As at 31 <sup>st</sup> March, 2018 | As at 31 <sup>st</sup> March, 2017 |
|---------------------------------|------------------------------------|------------------------------------|
| Total Debt                      | 87125.66                           | 68794                              |
| Less : Cash and cash equivalent | (3263.20)                          | (671)                              |
| Net Debt                        | 83862.46                           | 68123                              |
| Total Equity                    | 202551.30                          | 181469                             |
| Net debt to equity ratio        | 41%                                | 38%                                |

**For Kamarajar Port Limited**

**Rinkesh Roy, IRTS.,**  
Chairman cum Managing Director

**L. Victoria Gowri**  
Director

**For R.K.Kumar & Co.**  
Chartered Accountants  
FRN 001595S

**M. Gunasekaran**  
Chief Financial Officer

**Jayalakshmi Srinivasan**  
Company Secretary

**G.Naganathan**  
Partner  
Membership No.022456

**Place :** Chennai

**Date :** 23<sup>rd</sup> May, 2018

**18. OIL SPILL :**

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

Further informed that the vessel B.W.Maple sailed out on 13.10.2017 on the direction of Hon'ble High Court and the vessel M.T.Dawn Kanchipuram is at present lying at the Iron Ore Berth from The owner of the vessel M.T.Dawn Kanchipuram and / or P&I clubs are in the process of settling all the claims of fisherman and upon obtaining clearance from the concerned authorities, the Vessel would sail to Vizag Port for repairs.

**19. Previous year's figures have been regrouped wherever necessary.****20. Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 23<sup>rd</sup> May, 2018.



**Proxy Form  
Form MGT - 11**

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

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

|                        |
|------------------------|
| Name of the member(s): |
| Registered address:    |
| E-mail Id:             |
| Folio No./Client Id:   |
| DP ID :                |

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18<sup>th</sup> Annual general meeting of the company, to be held on Monday the 24th day of September, 2018 at 11.00 a.m. at the Registered Office of the Company, Chennai and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No.           | Resolutions   |
|--------------------------|---|
| <b>Ordinary Business</b> |   |
| 1                        | To receive, consider and adopt the financial statements of the Company for the year ended 31 <sup>st</sup> March 2018, including the audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors' and the Auditors' thereon. |
| 2                        | To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year 2017-18.   |

| Resolution No.          | Resolutions  |
|-------------------------|--|
| <b>Special Business</b> |  |
| 3                       | To appoint Shri. Rabindra Kumar Agarwal (DIN No. 00365865) as a Director of the Company, liable to retire by rotation. |

Signed this ..... day of ..... 2018

Signature of shareholder

Signature of Proxy holder(s)

|                          |
|--------------------------|
| <b>Revenue<br/>stamp</b> |
|--------------------------|

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







## KAMARAJAR PORT LTD.

(CIN: U45203TN1999GOI043322)

(A Mini Ratna Government of India Undertaking)

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

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

Website: www.kamarajarport.in Email: info@epl.gov.in

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

|                     |  |
|---------------------|--|
| Name of Shareholder |  |
| Address             |  |
| Folio No.           |  |
| No. Shares          |  |

I hereby record my presence at the **18<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on **Monday, the 24<sup>th</sup> day of September, 2018** at **11.00 a.m.** at the Registered Office of the Company, **Chennai.**

\_\_\_\_\_  
Signature of Shareholder / Proxy



# Route Map



