



காமராஜர் துறைமுக நிறுவனம்

कामराजर पोर्ट लिमिटेड
Kamarajar Port Limited

(A Mini Ratna Government of India Undertaking)



KPL/CS/CTL/2020-21

17th July 2020

To
Catalyst Trusteeship Ltd.
(erstwhile GDA Trusteeship Ltd)
GDA House, Plot No.85,
Bhusari Colony, (Right)
Paud Road
Pune – 411 038.

Kind Attn: Ms. Shamal

Madam,

Sub: Submission of Half Yearly Report for the period from 01-10-2019 to 31-03-2020, with regard to the Non-Convertible Debentures of Rs.365.47 crores.
Ref: Your letter No. DT/Compliance/Half Yearly/Mar/2019-20/1071 dated 10th April 2020.

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With reference to your above cited letter, please find enclosed the following information/documents for the period from 01-10-2019 to 31-03-2020:

**Part – I**

Please find enclosed a copy of letter No. KPL/CS/BSE/2020-21 dated 29<sup>th</sup> June 2020 and letter No KPL/CS/BSE/2020-21 dated 02<sup>nd</sup> July 2020 submitted with BSE containing the details required as per Regulation 52(4) and (5) as

**Annexure-1.**

**Part – II**

- a) Annual Report of our Company has been sent vide letter No.KPL/AGM/2018-19 dated 29<sup>th</sup> August 2019 and Fund Utilization certificate from the Statutory Auditor is already provided vide letter No.KPL/CS/GDA/2016 dated 30<sup>th</sup> December 2016.
- b) Not applicable.
- c) (i) There is no change in the credit rating of the issues. However, the outlook revised from Positive to Stable due to COVID-19. Copies enclosed as

**Annexure I and II.**

**Registered Office & Trade Facilitation Centre :** पंजीकृत कार्यालय & व्यवसाय सुविधा केन्द्र :  
2<sup>nd</sup> Floor, (North Wing) & 3<sup>rd</sup> Floor,  
Jawahar Building,  
17, Rajaji Salai, Chennai - 600 001.  
Phone : 044-2525 1666-70  
Fax : 044-2525 1665  
CIN : U45203TN1999GOI043322

दूसरी मंजिल, (उत्तर विंग) & तीसरी मंजिल,  
जवाहर बिल्डिंग,  
17, राजाजी सलाई, चेन्नई-600001.  
फोन : 044.25251666-70 फेक्स : 044.25251665

**Port Office :** Vallur Post, Chennai - 600 120  
Phone : 044-27950030-40 Fax : 044-27950002  
**पोर्ट कार्यालय :** बल्लूर पोस्ट, चेन्नई - 600 120  
फोन : 044-27950030-40 फेक्स : 044-27950002

**website :** www.kamarajarport.in **e-mail :** info@kplmail.in  
Kamarajar Port - India's Port of the Millennium  
**टोल फ्री संख्या / TOLL FREE NUMBER : 1800-425-1203**

- (ii) Interest paid on 26<sup>th</sup> March 2020. Interest payment certificate from RTA is enclosed as **Annexure - 2**.
- (iii) Not applicable as Charge has been created.
- d) A Certificate from the Statutory Auditors of the Company regarding maintenance of hundred percent Asset cover in respect of listed non-convertible debt securities is enclosed as **Annexure - 3**.
- e) NA

**Part - III**

- (a) Will be complied as and when the requirement arises.
- (b) Confirmation on dispatch of Half Yearly Communication Reports as on 30-09-2019 received from RTA is enclosed as **Annexure - 4**. Half yearly communication for period ended 31-03-2020 will be dispatched shortly.
- (c) Will be complied as and when the requirement arises.
- (d) Will be complied as and when the requirement arises.

**Part - IV**

- (a) Certificate is enclosed as **Annexure - 5**.

Kindly acknowledge the receipt and oblige.

Thanking you,

Yours faithfully,  
For **Kamarajar Port Limited**

  
(M. Gunasekaran)

महा प्रबंधक (वित्त)/GM (Finance) & Chief Finance Officer

Encl: as above



காமராஜர் துறைமுக நிறுவனம்  
कामराजर पोर्ट लिमिटेड  
Kamarajar Port Limited



KPL/CS/BSE/2020-21

29<sup>th</sup> June, 2020

To  
The Corporate Relations Department,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Scrip Code :** (1) F.Y 2012-13 : 961762 and 961763  
(2) F.Y 2013-14 : 961843, 961845, 961847, 961849,  
961851 and 961853

**Sub : Audited Financial Results for the Financial Year ended March 31, 2020**

Pursuant to the provisions of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 ("SEBI (LODR)"), please find enclosed the Audited Financial Results for the year ended March 31, 2020, approved by the Board of Directors of the Company, at its Meeting held on June 29, 2020 along with the following documents:

- Independent Audit Report provided by Statutory Auditors and
- Declaration pursuant to Regulation 52(3) of the SEBI LODR

The certificate of the Debenture Trustees as required under Regulation 52(5) of the SEBI (LODR) shall be provided shortly. Due to COVID-19 related logistics issues and complete lockdown in Chennai, Audited Financial Results in PDF mode is promptly informed first to the BSE pursuant to Regulation 51 of SEBI (LODR), 2015.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
for **Kamarajar Port Limited**

(M. Gunasekaran)  
General Mgr. (Finance) & Compliance Officer

Encl.: as above



**B. THIAGARAJAN & Co.**  
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF  
DIRECTORS OF  
KAMARAJAR PORT LIMITED

**Report on the audit of the Standalone Financial Results**

**Opinion**

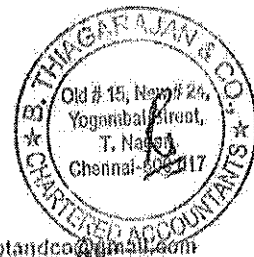
We have audited the accompanying quarterly financial results of **KAMARAJAR PORT LIMITED** (the company) for the quarter ended 31<sup>st</sup> March 2020 and the year ended 31<sup>st</sup> March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit/loss and other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March 2020 as well as the year ended 31<sup>st</sup> March 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



"VIGILANT HOUSE"  
OLD No. 15, NEW No. 24  
YOGAMBAL STREET, T. NAGAR,  
CHENNAI - 600 017

Phone : 42122115  
42122116  
42122118  
Fax : 01-64-42122120

e-mail: bstandco@gmail.com

## Emphasis of Matters

In respect of the impact of management's evaluation of the impact of the prevailing and emerging circumstances surrounding the Corona (Covid-19) virus which have had a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations.

In respect of several of the several of the immovable properties obtained by the Company from Government/ Government owned entities, conveyancing/ registration of deeds is pending. Further, consideration/ compensation payable to an agency is yet to be finalized and have not been provided for.

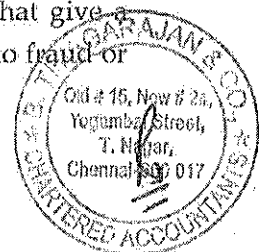
Excess payments of Rs.4509.49 Lakhs made to project contractors included in Other Assets - Non-Current. The same has not capitalized till date pending disputes referred to High Court of Madras.

Balances of Trade Receivable, term Loans and Advances, Service tax input credit/GST, Advance tax and Tax deducted at source and Trade Payables as at 31<sup>st</sup> March 2020 to the extent not subsequently adjusted/paid are subject to confirmation and reconciliation.

Our opinion is not modified in respect of these matter.

## Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' pre scribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

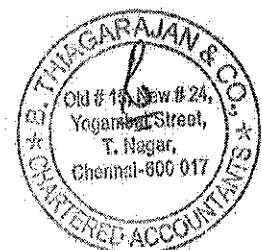
### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

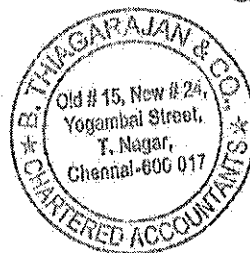


- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For B. Thiagarajan & Co  
Chartered Accountants  
FRN 004371S



  
Ram Srinivasan

Partner

M. No. 220112

UDIN: 20220112AAAABG1939

Place: Chennai

Date: 29th June, 2020

**KAMARAJAR PORT LIMITED**  
CIN:U45203TN199801043322

Regd office : Jawahar Buildings, No.17, Rajaji salai, Chennai 600 001.

Statement of Standalone Financial Results for the Half year ended 31st March, 2020 and Year ended 31st March, 2020

(Rupees in lakhs)

| S. No. | Particulars                                             | Half year ended | Half year ended | Year ended | Year ended |
|--------|---------------------------------------------------------|-----------------|-----------------|------------|------------|
|        |                                                         | 31st March 2020 | 31st March 2019 | 31.03.2020 | 31.03.2019 |
|        |                                                         | Unaudited       | Unaudited       | Audited    | Audited    |
| 1      | Sales / Income from operations                          | 38221.10        | 38100.12        | 70317.50   | 70798.21   |
| 2      | Other Income                                            | 667.93          | 658.03          | 3050.49    | 918.72     |
| 3      | Total Income (1+2)                                      | 38889.03        | 38758.15        | 73368.00   | 71716.92   |
| 4      | Expenses                                                |                 |                 |            |            |
|        | (a) Operating Cost                                      | 3956.91         | 4106.51         | 8158.88    | 8267.65    |
|        | (b) Employees benefits Expenses                         | 1060.47         | 1184.66         | 2058.83    | 1983.95    |
|        | (c) Finance cost                                        | 4270.32         | 2763.99         | 8464.84    | 10314.43   |
|        | (d) Depreciation and amortisation expense               | 2658.00         | 2710.57         | 5213.04    | 4668.40    |
|        | (e) Other Expenses                                      | 2320.83         | 1874.27         | 4250.38    | 3256.85    |
|        | Total Expenses (4)                                      | 14265.53        | 12340.00        | 28145.97   | 28491.29   |
| 5      | Profit Before Exceptional Items and tax (3-4)           | 24622.50        | 26418.16        | 45222.03   | 43225.64   |
| 6      | Exceptional Items                                       | 423.32          | 794.82          | 423.32     | 8840.76    |
| 7      | Profit Before Tax (5-6)                                 | 24199.18        | 25623.34        | 44798.70   | 34384.88   |
|        | Tax expense                                             |                 |                 |            |            |
|        | (a) Current Tax                                         | 4292.23         | 6900.00         | 7827.23    | 7338.00    |
|        | (b) Deferred Tax                                        | 16752.19        | (7628.35)       | 12068.66   | (5988.51)  |
|        | Total Tax Expense (7)                                   | 21044.42        | (728.35)        | 19895.89   | 349.49     |
| 8      | Net Profit / (Loss) for the period                      | 3154.76         | 26351.68        | 24902.81   | 34035.39   |
| 9      | Other Comprehensive Income                              | 22.69           | (19.47)         | 22.69      | (19.47)    |
| 10     | Total Comprehensive Income for the period (8-9)         | 3177.45         | 26371.15        | 24925.50   | 34015.92   |
| 11     | Paid-up equity Share capital (Face Value: Rs.10/- each) | 30000.00        | 30000.00        | 30000.00   | 30000.00   |
| 12     | Paid-up debt capital                                    | 45845.69        | 46012.13        | 45845.69   | 46012.13   |
| 13     | Reserves excluding Revaluation reserve                  | 207906.66       | 192101.73       | 207906.66  | 192101.73  |
| 14     | Debenture / Bond Redemption Reserve                     | 6267.37         | 5404.44         | 6267.37    | 5404.44    |
| 15     | Earning Per Share (EPS) - In Rs.                        | 1.06            | 8.78            | 8.31       | 11.34      |
| 16     | Debt Equity Ratio                                       | 0.37            | 0.44            | 0.37       | 0.44       |
| 17     | Debt Service Coverage Ratio                             | 2.73            | 2.58            | 2.73       | 2.58       |
| 18     | Interest Service Coverage Ratio                         | 6.34            | 5.19            | 6.34       | 5.19       |
| 19     | Net Worth                                               | 237906.66       | 222101.73       | 237906.66  | 222101.73  |

**Note to Financial Results**

- The above statement of Audited Financial Results were reviewed by the Audit Committee on 29.06.2020 and approved by the Board of Directors at their meeting held on the same day.
- The unaudited financial results have been reviewed by the Auditors appointed for this purpose as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The unaudited financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards (Amendment) Rules, 2016. The company adopted Ind AS from 1st April 2016 and with a transition date of 1 April, 2015 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
- Other Current Assets includes Rs.45,09,49,975/- being excess payment to Project contractors referred to Dispute Redressal Mechanism at the time 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.
- Additional Disclosure Pursuant to Regn 52 (4):



|    | Particulars                | Instruments                                                                                  |                                                                                              | Remarks                          |
|----|----------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------|
|    |                            | Tax free secured, redeemable, Non convertible bonds in nature of Debenture Issued in 2012-13 | Tax free secured, redeemable, Non convertible bonds in nature of Debenture Issued in 2013-14 |                                  |
| a) | Credit rating              | CRISIL - "AA/ Stable"<br>CARE - "AA/ Stable"<br>Brick Work Ratings<br>AA*                    | ICRA - "AA" Stable<br>CARE - "AA/<br>Stable"                                                 | From AA/ Positive to stable      |
| b) | Previous interest due date | 25.03.2020                                                                                   | 25.03.2020                                                                                   | No Bonds were due for redemption |
| c) | Interest Paid on           | 26.03.2020                                                                                   | 26.03.2020                                                                                   | Annual Interest Paid             |
| d) | Next interest due date     | 25.03.2021                                                                                   | 25.03.2021                                                                                   | No Bonds are due for redemption  |
| e) | Asset Cover                | 100%                                                                                         | 100%                                                                                         | As on 31.03.2020                 |
| f) | Networth (Rs. In lakhs)    | 237905.66                                                                                    |                                                                                              | As on 31.03.2020                 |

6 Pursuant to Regulation 52 (4) (e) of SEBI (LODR) & Regulation 54 (2) of SEBI (LODR), we report the following for 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.

(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."



Place : Chennai  
Date : 29th June, 2020

For and on behalf of the Board of Directors:

(SUNIL PALIWAL, I.A.S.,)  
Chairman Cum Managing Director

Kamarajar Port Limited

CIN:U45203TN1900601043322

"Jawahar Buildings", No.17, Rajaji salai, Chennai 600 001.

STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH 2020 AND 2019

(Rupees in lakhs)

| Particulars                         | Note No. | As at Mar 31, 2020 | As at Mar 31, 2019 |
|-------------------------------------|----------|--------------------|--------------------|
| <b>ASSETS</b>                       |          |                    |                    |
| <b>Non-current assets</b>           |          |                    |                    |
| (a) Property, Plant and Equipment   | 4        | 273178.30          | 266119.21          |
| (b) Right-of-Use Assets             | 4A       | 1575.22            | 1661.24            |
| (c) Capital work-in-progress        | 5        | 10761.88           | 9894.54            |
| (d) Other intangible assets         | 6        | 608.86             | 750.84             |
| <b>(e) Financial Assets</b>         |          |                    |                    |
| (i) Investments                     | 7        | 4148.04            | 4123.00            |
| (ii) Loans & Advances               | 8        | 408.74             | 335.94             |
| (iii) Others                        | 9        | 187.20             | 186.82             |
| (f) Deferred Tax Assets             | 10       | 23845.14           | 35901.62           |
| (g) Other non-current Assets        | 11       | 10873.32           | 13865.28           |
| <b>Current Assets</b>               |          |                    |                    |
| <b>(a) Financial Assets</b>         |          |                    |                    |
| (i) Trade Receivables               | 12       | 4816.59            | 3038.16            |
| (ii) Cash & Cash Equivalents        | 13       | 9920.80            | 3133.93            |
| (iii) Loans & Advances              | 8        | 52.94              | 82.13              |
| (iv) Others                         | 9        | 9.94               | 20.19              |
| (b) Current Tax Assets              | 14       | 388.77             | 874.36             |
| (c) Other Current Assets            | 11       | 2013.77            | 2647.70            |
| <b>Total Assets</b>                 |          | <b>342794.51</b>   | <b>342673.86</b>   |
| <b>EQUITY AND LIABILITIES</b>       |          |                    |                    |
| <b>Equity</b>                       |          |                    |                    |
| (a) Equity Share Capital            | 15       | 30000.00           | 30000.00           |
| (b) Other Equity                    |          | 207906.56          | 192101.73          |
| <b>Liabilities</b>                  |          |                    |                    |
| <b>Non-current liabilities</b>      |          |                    |                    |
| <b>(a) Financial Liabilities</b>    |          |                    |                    |
| (i) Borrowings                      | 16       | 77529.09           | 87196.04           |
| (ii) Other Financial Liabilities    | 17       | 566.15             | 209.32             |
| (b) Provisions                      | 18       |                    |                    |
| (c) Deferred tax liabilities (Net)  |          |                    |                    |
| (d) Other non-current liabilities   | 19       | 8334.98            | 10780.22           |
| <b>Current liabilities</b>          |          |                    |                    |
| <b>(a) Financial Liabilities</b>    |          |                    |                    |
| (i) Trade payables                  | 20       | 1229.15            | 5523.20            |
| (ii) Other Financial Liabilities    | 17       | 12047.45           | 11468.23           |
| (b) Other current liabilities       | 19       | 4154.53            | 4030.13            |
| (c) Provisions                      | 18       | 1083.50            | 1275.11            |
| <b>Total Equity and Liabilities</b> |          | <b>342794.51</b>   | <b>342673.86</b>   |

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

For KAMARAJAR PORT LIMITED

ANIL PALIWAL, I.A.S.,  
Chairman cum Managing Director  
DIN : 01310101

M. GUNASEKARAN  
Chief Financial Officer

For B. THIAGARAJAN & CO.,  
Chartered Accountants,  
FRN : 0043715

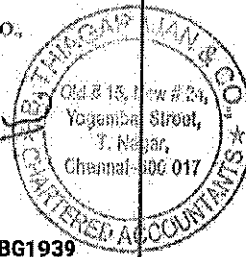
RAM SRINIVASAN  
Partner

M.No. 220112

UDIN: 20220112AAAABG1939

Place : Chennai

Date : 29th June, 2020





காமராஜர் துறைமுக நிறுவனம்  
कामराजर पोर्ट लिमिटेड  
Kamarajar Port Limited



KPL/CS/BSE/2020-21

29<sup>th</sup> June, 2020

To  
The Corporate Relations Department,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Scrip Code : (1) F.Y 2012-13 : 961762 and 961763  
(2) F.Y 2013-14 : 961843, 961845, 961847, 961849,  
961851 and 961853

Sub: Declaration pursuant to the Regulation 52(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Pursuant to Regulation 52(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we do hereby declare that the Statutory Auditors of the Company, B. Thiagarajan & Co, Chartered Accountants (ICAI Firm Registration Number: 004371S), have issued an Audit Report with an unmodified opinion on the Audited Financial Results of the Company for the Financial Year ended March 31, 2020.

Kindly take this declaration on record.

Thanking you,

Yours faithfully,  
for **Kamarajar Port Limited**

  
(M. Gunasekaran)  
General Mgr. (Finance) & Compliance Officer



காமராஜர் துறைமுக நிறுவனம்  
कामराजर पोर्ट लिमिटेड  
Kamarajar Port Limited



KPL/CS/BSE/2020-21

02<sup>nd</sup> July 2020

To  
The Corporate Relations Department,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Scrip Code:** (1) F.Y 2012-13 : 961762 and 961763  
(2) F.Y 2013-14 : 961843, 961845, 961847, 961849,  
961851 and 961853

**Sub: Certificate from Debenture Trustee(s) under the Regulation 52(5) of SEBI (LODR) (Second Amendment) Regulations, 2019 for the half Year ended March 31, 2020**

Pursuant to the provisions of Regulation 52(5) of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 ("Listing Regulations"), please find enclosed the Certificates as detailed below signed by Debenture Trustees, pursuant to Regulation 52(5) of SEBI (LODR) (Second Amendment) Regulations, 2019, stating that it has taken note of contents as specified in Regulation 52(4):

- SBICAPS Trustee Company Limited with respect to Tax Free Bond in nature of debenture issued during the financial year 2012-13.
- Catalyst Trusteeship Limited with respect to Tax Free Bond in nature of debenture issued during the financial year 2013-14.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
for **Kamarajar Port Limited**

**M. Gunasekaran**  
**General Manager (Finance) & Compliance Officer**

Encl.: as above



SBICAP Trustee  
Company Ltd.

Date: 2<sup>nd</sup> July 2020

To,  
**Kamarajar Port Limited**  
2nd Floor (North Wing) & 3rd Floor,  
Jawahar Building,  
No 17, Rajaji Salai,  
Chennai - 600 001.

**Sub:-Certificate u/r 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for the half year / year ended 31<sup>st</sup> March 2020 for tax free bonds in the nature of debentures issued by Kamarajar Port Limited during the year 2012-2013.**

Dear Sir/ Madam,

We are acting as Debenture Trustee for the captioned Debenture Issues. Pursuant to Regulation 52(4) read with Regulation 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the issuer is required to submit its half yearly / annual financial results with a certificate of Debenture Trustee, that the Debenture Trustee has noted the contents furnished by the issuer as per the Regulation 52(4).

In pursuance thereof we hereby confirm that we have received the said information vide your email dated July 01, 2020 along with the relevant/ necessary supporting and we have noted the contents of the financial results furnished by the issuer as per the Regulation 52(4) of the Regulations.

**Yours faithfully,  
For SBICAP Trustee Company Limited**

Harish  
Aithappa  
Shetty

Digitally signed by Harish Aithappa Shetty  
DN: cn=IN, o=Personal,  
2.5.4.20=16c275f67ca46335f1e146a95142f  
933216f6e5b121ba19081c17a1245ca6,  
postalCode=600051, st=Maharashtra,  
serialNumber=936d20ac09b8b1042a954  
c96b1a1d71f6511ac5de038c0961aac41d12  
54204, cn=Harish Aithappa Shetty  
Date: 2020.07.02 14:06:27 +05'30'

**Authorised Signatory**

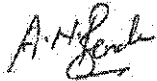
**CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

**[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We, **Catalyst Trusteeship Limited** ("Debenture Trustee") hereby confirm that we have received and noted (without independent verification thereof) the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), provided to us by "**Kamarajar Port Limited**" for the Half year ended on March 31<sup>st</sup>, 2020.

This Certificate is being issued pursuant to the requirements of Regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

**For Catalyst Trusteeship Limited**



**Authorized Signatory**

**Date: 02.07.2020**



# Ratings

# CRISIL

An S&P Global Company

## Rating Rationale

April 13, 2020 | Mumbai

### Kamarajar Port Limited

Rating Reaffirmed

#### Rating Action

|                                  |                               |
|----------------------------------|-------------------------------|
| Total Bank Loan Facilities Rated | Rs.650 Crore                  |
| Long Term Rating                 | CRISIL AA/Stable (Reaffirmed) |
| Rs.94.65 Crore Tax Free Bond*    | CRISIL AA/Stable (Reaffirmed) |

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

\*Non-convertible tax-free infrastructure bonds

#### Detailed Rationale

CRISIL has reaffirmed its 'CRISIL AA/Stable' rating on the long-term bank facility and bond issue (Rs 94.65 crore) of Kamarajar Port Limited (KPL).

On March 27, 2020, the Government of India (GoI) sold its 66.67% stake in KPL to Chennai Port Trust (CPT) as part of its divestment plan, making KPL a wholly owned subsidiary of CPT. KPL's credit risk profile will sustain given that GoI, despite the stake sale, will continue to play a critical role in the decision making of KPL through its control in CPT, an autonomous body of GoI.

The impact of the Novel Coronavirus (Covid-19) pandemic on KPL's operations has been marginal as operations at the port continue (classified as essential services). Nonetheless, throughput of build, operate, and transfer (BOT) operators is being hit by lower economic activity and operational issues, including shortage of manpower and delays in evacuation of cargo, leading to lower revenue sharing. Revenue for fiscal 2020 is estimated to be the same as that in fiscal 2019 (around Rs 700 crore). Prolonged lockdown and its impact on the operating performance of the company will remain a key monitorable.

On March 27, 2020, KPL informed exchanges of its inability to make interest payments to few bondholders of the 2012-13 bond issue, due to the nationwide lockdown to contain the Covid-19 pandemic. Of the interest payment of Rs 38 crore due in March 2020, Rs 10 lakh was not made as some bondholders had not furnished bank details. The company had sufficient liquidity of around Rs 90 crore as cash and equivalent to fund the interest payouts and had made demand drafts that could not be dispatched due to operational issues at post offices. Since the delay has arisen purely because of operational issues caused by COVID-19 lockdown and is outside of KPL's control, in line with the approach towards treating non-credit administrative delays, CRISIL has not considered it as a default.

On January 21, 2020, CRISIL had revised its rating outlook on the long-term bank facility and bond issue (Rs 94.65 crore) of KPL to 'Stable' from 'Positive', while reaffirming the 'CRISIL AA' rating. The outlook revision reflected expectation of moderation in business growth over the medium term caused by delays in ramp up of new capacities, and expected lower growth in cargo volume.

The rating continues to reflect the company's healthy business risk profile, driven by steady cargo offtake and healthy realisations, and an efficient landlord-based operating model. The rating also factors in a robust financial risk profile as reflected in a healthy capital structure and strong debt protection metrics. Additionally, the company benefits from the criticality to its ultimate parent, GoI. These strengths are partially offset by exposure to risks related to addition and utilisation of new capacity, and increasing competition across ports on India's eastern coast.

### **Analytical Approach**

The ratings factor in the support expected from the ultimate parent i.e. Gol. KPL is one of the 12 major ports in India and will remain critical for Gol's focus in the sector and on economic growth. KPL is also one of the select public sector institutions to have been allowed to issue tax-free bonds in fiscal 2013 and 2014. Gol, through the Ministry of Shipping, monitors the company's performance and will continue to play a critical role in decision making of KPL.

### **Key Rating Drivers & Detailed Description**

#### **Strengths:**

#### **\* Healthy business risk profile, supported by steady cargo offtake and healthy realisations**

Operational capacity currently stands at 48.6 million tonne per annum (MTPA), steadily ramped up from 26 MTPA in fiscal 2015. Cargo offtake had also shown a steady compound annual growth rate (CAGR) of 3.3% over the five fiscals through 2019 (stood at 34.5 MTPA). Steady offtake and ramp-up in capacity helped in maintaining healthy utilisation of around 70% over the past two fiscals and first half of fiscal 2020.

Though operating income for fiscal 2019 grew in line with earlier expectation by a healthy 12% to Rs 709 crore, backed by cargo volume growth of 13% over fiscal 2018 and sustained realisations, it declined by 1.8% in the first half of fiscal 2020 over corresponding period, caused by a fall of 5% in cargo volume. This was caused by a decline of 20% in coal traffic volume, which was impacted by repair at coal conveyor systems (August-September 2019) and muted coal handling activity during the period. Growth in coal volume is expected to be muted in the near term on account of Covid-19, reduction in imports and delays in commissioning of coal berth 4. However, the port's favorable location, high level of mechanization, and expected steady growth in non-coal cargo, are expected to support the revenue growth over the medium term.

Additionally, the company, which was initially meant to operate as a satellite port for Chennai Port Trust (CPT) to handle coal cargo, has over the years diversified across the non-coal cargo segments (liquid, RoRo [roll on roll off], container, and multi cargo) and currently has considerable expansion plans for the non-coal cargo capacities over the next 3-5 years. Furthermore, KPL is the only corporate port among the major ports in India providing autonomy to set its own tariffs. This helps to maintain healthy realisations on its cargo movement and generate strong profitability. Operating profitability has been maintained at over 75% over the past five fiscals, best among the major ports in the country.

#### **\* Efficient operating model, based on the landlord concept**

The company operates under the landlord model, which limits capital investment to only setting up basic facilities. Other essential and capital-intensive functions such as terminal development, operations, and management activities are handed over to private operators on a BOT basis (includes captive terminals of BOT operators also). This model has helped expand capacity with minimum impact on the balance sheet, and control operating expense, especially employee cost, thereby resulting in strong operating profitability of above 75% since fiscal 2010.

The company is undertaking sizeable projects to improve infrastructure in and around the port. Additionally, it is also taking up initiatives to improve road and rail connectivity to cater to increasing capacity. Capex plans constitute investments of more than Rs 1,000 crore for various infrastructure projects in the next 3-4 years, including capital dredging, development of coastal employment units, and road/rail connectivity improvement. These plans are expected to support the operating model and aid in improvement of operating efficiency.

#### **\* Robust financial risk profile**

Steady growth in revenue and a strong operating margin have led to healthy cash accrual of more than Rs 200 crore per fiscal for the past five fiscals. Though cash accrual declined in fiscal 2019 from earlier levels on account of one-time extraordinary expense of Rs 84 crore towards payment of Ennore Coal Port Project (ECPP) liability to project contractors, it remained healthy at Rs 242 crore. The networth stood at Rs 2,348 crore as on September 30, 2019, and has doubled over the past five fiscals, while debt remained moderate at Rs 990 crore as of December 2019 supported by funding a large part of capex requirement through internal cash accrual. A strong networth coupled with moderate debt level reflect in a healthy capital structure with low gearing of 0.42 time as on September 30, 2019.

The debt protection metrics are strong: the adjusted interest coverage ratio was 5.60 times while the net cash accrual to total debt ratio was 0.25 time, for fiscal 2019. Though these metrics were partly impacted in fiscal 2020 due to lower cash accrual, they are expected to remain strong, supported by moderate annual capex requirement over the medium term. Capex requirement is expected to be largely met through internal cash accrual, except for capital dredging activities planned in fiscal 2022 where the company may avail additional debt. Higher-than-expected debt-funded capex will remain a key



monitorable.

**\* Criticality of the port for the government**  
Despite sale of stake in KPL to CPT, KPL will remain critical to Gol given the latter's focus on the sector and on economic growth. The company is also one of the select public sector institutions to have been allowed to issue tax-free bonds in fiscals 2013 and 2014. Gol, through the Ministry of Shipping, monitors the company's performance and will continue to play a critical role in decision making of KPL and extend need-based support to the port.

**Weaknesses:**

**\* Exposure to risks related to addition and ramp-up of utilisation of new capacity**  
Delays in commissioning of capacity expansion plans have constrained significant pick-up in operational capacity over the past 2-3 years. The company currently has 30 MTPA of capacity for which it has handed over the necessary infrastructure and is awaiting commissioning. Handover for The Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO)'s coal berths 3 and 4 was done in June 2019 and August 2018, respectively. However, the commissioning is delayed on account of delays in installation of top loading facilities and commissioning of the power plants under construction. Further, the iron ore terminal, which is being converted to a common user coal terminal (planned in 2016), continues to be non-operational currently. Though it is expected to be commissioned shortly, delays in commissioning have been impacting utilisation levels.

Further, newly operational capacities of container terminal phase I (9.6 MTPA, October 2017) and liquid natural gas (LNG) terminal (5 MTPA; February 2019) are yet to stabilise in pick-up of offtake. Utilisation at the container terminal has been muted at 11% in fiscal 2019 and is expected to be less than 35% in fiscal 2020, constrained by competition from existing container terminals in the competitor ports (Chennai Port and Kattupalli Port). Though the BOT operator, Adani Ennore Container Terminal Pvt Ltd, is contracted to ensure minimum offtake and commission Phase II of the terminal by October 2020, muted pick-up is expected to constrain the upside in operating performance. The ability to commission ongoing capacities and increase capacity utilisation of newly operational terminals in a timely manner remain key rating sensitivity factors. Better capacity utilisation of the container and liquid cargo terminals would lend diversity to revenue over the medium term.

**\* Increasing competition across ports on India's eastern coast**  
KPL faces strong competition from neighbouring ports for non-TANGEDCO coal cargo and container cargo from ports on the eastern coast of India. Moreover, strong operating parameters of non-major ports along with increasing capacities is leading to increasing competition for KPL. On the coal cargo front, there is notable competition from Krishnapatnam and Karaikal ports, while Kattupalli and Chennai ports, adjacent to KPL, are strongly competing for container cargo. Growth will hinge on the ability to offer competitive tariff prices, and ensure healthy operating efficiency. Any significant diversion or loss of traffic to competitor ports and resultant impact on operating efficiency will remain a key monitorable.

**Liquidity Strong**

Liquidity is supported by healthy cash accrual. Expected cash accrual of more than Rs 250 crore per fiscal over the medium term, should comfortably cover principal repayment of Rs 100-130 crore per fiscal, till fiscal 2022. The unencumbered cash and bank balance was around Rs 90 crore as of March 2020 (43 crore as on September 30, 2019). Further, no additional contingent liabilities remain towards the ECPP liability, which was crystallised in fiscal 2019. Additionally, the company should continue to receive need-based support from Gol.

**Outlook: Stable**

CRISIL believes KPL will sustain its strong financial risk profile over the medium term. The business risk profile will continue to be supported by its favourable location and operating model, and steady cargo offtake and realisations.

**Rating Sensitivity factors**

| <b>Upward</b>                                                                                                       |  | <b>Factors</b> |
|---------------------------------------------------------------------------------------------------------------------|--|----------------|
| *Healthy and sustained revenue growth of 15-18% in fiscals 2021 and fiscal 2022 with stable operating profitability |  |                |
| *Higher-than-expected offtake from operational berths                                                               |  |                |
| *Earlier-than-anticipated completion of ongoing expansion plans and pick-up in offtake                              |  |                |
| <b>Downward</b>                                                                                                     |  | <b>Factors</b> |
| *Sustained decline in revenue by 5-10% in fiscals 2021 and 2022                                                     |  |                |
| *Prolonged impact of Covid-19 on profitability or working capital cycle                                             |  |                |

\*Significant delays in ongoing expansion plans  
 \*Larger-than-expected debt-funded capex.

**About the Company**

KPL (formerly Ennore Port Ltd), based in Ennore, Tamil Nadu, is the 12<sup>th</sup> major port on the eastern coast of India, located about 24 kilometre north of Chennai port. On March 27, 2020, KPL became a fully owned subsidiary of CPT, following GoI's sale of its entire stake in KPL. Before the stake sale, GoI owned about two-thirds stake in KPL and CPT owned the balance. KPL commenced commercial operations in June 2001. It was originally conceived as a satellite of Chennai port, primarily to handle the coal requirement of thermal power stations of TANGEDCO. Later, the port's scope was expanded by the Tamil Nadu government to handle other dusty and hazardous dry and liquid bulk cargo under the landlord concept, through the BOT model along with private operators. KPL has nine terminals, of which four are for coal, two for liquid, one for general cargo (largely automobiles), one for containers, and one is a multipurpose cargo terminal.

Profit after tax was around Rs 217 crore on total income of Rs 321 core during the first half of fiscal 2020, as against around Rs 77 crore and Rs 327 crore, respectively, for the corresponding period of the previous fiscal. The lower PAT in the first half of fiscal 2019, was largely on account of a one-time extraordinary expense of Rs 76 crore towards interest payment on ECPP liability to CPT (was classified as contingent liability as on March 31, 2018).

**Key Financial Indicators**

| Particulars            | Unit     | 2019 | 2018 |
|------------------------|----------|------|------|
| Revenue                | Rs.Crore | 709  | 632  |
| Profit after tax (PAT) | Rs.Crore | 340  | 394  |
| PAT margin             | %        | 48.0 | 62.4 |
| Adjusted gearing       | Times    | 0.44 | 0.48 |
| Interest coverage      | Times    | 5.60 | 7.94 |

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

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**Annexure - Details of Instrument(s)**

| ISIN         | Name of Instrument | Date of allotment | Coupon rate | Maturity date | Issue size (Rs.Cr) | Rating           |
|--------------|--------------------|-------------------|-------------|---------------|--------------------|------------------|
| INE363O07020 | Tax-free bond*     | 26-Mar-2013       | 7.01%**     | 25-Mar-2023   | 82.93              | CRISIL AA/Stable |
| INE363O07046 | Tax-free bond*     | 26-Mar-2013       | 7.17%**     | 25-Mar-2028   | 11.72              | CRISIL AA/Stable |
| NA           | Long-term loan     | 30-Mar-2017       | NA          | 30-Mar 2022   | 650                | CRISIL AA/Stable |

\*Non-convertible

tax-free

infrastructure

bonds

\*\*Additional coupon of 0.50% per annum is to be paid to original allottees under category IV portion

**Annexure - Rating History for last 3 Years**

| Current | 2020 (History) | 2019 | 2018 | 2017 | Start of 2017 |
|---------|----------------|------|------|------|---------------|
|         |                |      | 2018 | 2017 | 2017          |

| Instrument                 | Type  | Outstanding Amount | Rating           | Date     | Rating           | Date     | Facilities | Facilities | Facilities | Facilities |
|----------------------------|-------|--------------------|------------------|----------|------------------|----------|------------|------------|------------|------------|
| Tax Free Bond              | LT    | 94.65<br>31-03-20  | CRISIL AA/Stable | 21-01-20 | CRISIL AA/Stable | 14-01-19 | CRISIL     | CRISIL     | CRISIL     | CRISIL     |
| Fund-based Bank Facilities | LT/ST | 650.00             | CRISIL AA/Stable | 21-01-20 | CRISIL AA/Stable | 14-01-19 | CRISIL     | CRISIL     | CRISIL     | CRISIL     |

All amounts are in Rs.Cr.

#### Annexure - Details of various bank facilities

| Current facilities |                   |                  | Previous facilities |                   |                  |
|--------------------|-------------------|------------------|---------------------|-------------------|------------------|
| Facility           | Amount (Rs.Crore) | Rating           | Facility            | Amount (Rs.Crore) | Rating           |
| Long Term Loan     | 650               | CRISIL AA/Stable | Long Term Loan      | 650               | CRISIL AA/Stable |
| <b>Total</b>       | <b>650</b>        | <b>--</b>        | <b>Total</b>        | <b>650</b>        | <b>--</b>        |

[Links to related criteria](#)

[CRISILs Approach to Financial Ratios](#)

[Rating criteria for manufacturing and service sector companies](#)

[CRISILs Bank Loan Ratings](#)

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| Media Relations                                                                                                                                                                          | Analytical Contacts                                                                                                                                                                     | Customer Service Helpdesk                                                                                                                                                                         |
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No. CARE/CRO/RL/2020-21/1056

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Chairman cum Managing Director  
Kamarajar Port Limited  
2nd Floor (North wing) & 3rd Floor  
Jawahar Building,  
17, Rajaji Salai, Chennai 600001.

May 06, 2020

**Confidential**

Dear Sir,

**Credit rating for outstanding Bonds issue**

On the basis of recent developments including operational, financial performance of your company for FY19 (audited) and operational performance for FY20, our Rating Committee has reviewed the following ratings:

| Instrument              | Amount<br>(Rs. crore) | Rating <sup>1</sup>                               | Rating Action                                          |
|-------------------------|-----------------------|---------------------------------------------------|--------------------------------------------------------|
| Tax Free Bonds issue-I  | 94.65                 | CARE AA; Stable<br>(Double A;<br>Outlook: Stable) | Reaffirmed; Outlook revised<br>from positive to Stable |
| Tax Free Bonds issue-II | 365.47                | CARE AA; Stable<br>(Double A;<br>Outlook: Stable) | Reaffirmed; Outlook revised<br>from positive to Stable |

2. The repayment terms of the Bonds are presented in Appendix.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

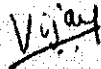
3. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by May 07, 2020, we will proceed on the basis that you have no any comments to offer.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

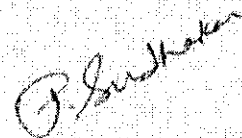
Thanking you,

Yours faithfully,



**Vijay Sajnani**  
Manager

[vijay.sajnani@careratings.com](mailto:vijay.sajnani@careratings.com)



**P Sudhakar**  
Associate Director

[p.sudhakar@careratings.com](mailto:p.sudhakar@careratings.com)

Encl.: As above

**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

CARE's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.



### Appendix

| <b>Instrument</b>      | <b>Amount(Rs crore)</b> | <b>Repayment terms</b>                                                                       |
|------------------------|-------------------------|----------------------------------------------------------------------------------------------|
| Tax Free Bond Issue-I  | 94.65                   | Bullet repayment at the end of 10 <sup>th</sup> year and 15 <sup>th</sup> year               |
| Tax Free Bond Issue-II | 365.47                  | Bullet repayment at the end of 10 <sup>th</sup> , 15 <sup>th</sup> and 20 <sup>th</sup> year |
| <b>Total</b>           | <b>460.12</b>           |                                                                                              |

**Annexure  
Press Release  
Kamarajar Port Limited**

**Ratings**

| Facilities            | Amount<br>(Rs. crore)                                               | Rating <sup>2</sup>                               | Rating Action                                             |
|-----------------------|---------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------|
| Tax Free Bonds issue- | 94.65                                                               | CARE AA; Stable<br>(Double A;<br>Outlook: Stable) | Reaffirmed; Outlook<br>revised from positive to<br>Stable |
| Tax Free Bonds issue- | 365.47                                                              | CARE AA; Stable<br>(Double A;<br>Outlook: Stable) | Reaffirmed; Outlook<br>revised from positive to<br>Stable |
| Total Instrument      | 460.12<br>(Rs. Four hundred<br>sixty crore and<br>twelve lakh only) |                                                   |                                                           |

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

*The revision in outlook assigned to the bond issues of Kamarajar Port Limited (KPL) from 'Positive' to 'Stable' takes into account decline in cargo throughput during FY20 (refers to period from April 01 to March 31) and longer than expected time required to improve revenue mix and increase in utilization of newly added terminals of KPL in the backdrop of coronavirus pandemic led economic slowdown.*

*The ratings continue to derive strength from strong revenue visibility arising out of well-established coal handling operations, greater autonomy to the port in fixing tariff, ability to handle diverse cargo types, healthy financial risk profile characterized by healthy cash accruals, debt coverage indicators and moderate leverage levels. The rating also takes note of stake sale by Government of India (GoI) to Chennai Port Trust as part of its divestment plan.*

*The ratings also factor in relatively high share of coal in total cargo handled, risk associated with utilisation of recently concluded/on-going capex/projects including commercial operations of these projects and competition from nearby ports.*

**Rating Sensitivities**

<sup>2</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

### **Positive Factors**

- Increase in cargo throughput from newly-added capacities, leading to higher revenues and cash accruals on a sustained basis

### **Negative Factors**

- Any significant decline in cargo throughput on sustained basis impacting revenue and profitability

### **Detailed description of the key rating drivers**

#### **Key Rating Strengths**

##### **Established track record of operations**

Kamarajar Port was originally conceived to handle thermal coal to meet the coal requirements of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The scope was expanded taking into account subsequent development plans of Tamil Nadu including addition of coal based power plants of huge capacity. The port has commenced its commercial operations in the year 2001. The day-to-day activities of KPL are managed by CMD who in turn is supported by a team of well experienced management personnel in their respective fields. As on March 31, 2019, Government of India (GOI) held 66.67% stake in KPL and the rest was held by Chennai Port Trust (ChPT). In March 2020, GOI sold its stake to ChPT as part of GOI's disinvestment plan. Subsequent to stake sale, KPT has become wholly owned subsidiary of ChPT which is under the administrative control of Ministry of Shipping, thereby continue to be controlled by GoI. Despite the stake sale, KPL is the only corporatized major port and remains strategically important to GOI being one of the twelve major ports in India under the Ministry of shipping.

##### **Port infrastructure to handle diverse cargo types at its terminals**

KPL is an all-weather port and can handle diverse cargo comprising of petroleum (including LPG), oil, lubricants, coal, iron ore, Cars and other clean cargoes. KPL has Nine berths with total capacity of 54.6 MTPA (operational capacity 48.6 MTPA). This includes two coal berths (CB1 & CB2) of 16 MTPA exclusively for TANGEDCO, one common user coal terminal of 10 MTPA operated by Chettinad International Coal Terminal Ltd (CICTL,

rated 'CARE A-; Stable', 'CARE A2+') on BOT basis, one liquid cargo (POL, edible oil and all chemicals) terminal of 3 MTPA of Ennore Tank Terminal Private Ltd (ETTPL, rated 'CARE AA; stable/CARE A1+') on BOT basis, one 6 MTPA of iron ore terminal operated on BOT basis by Sical Iron Ore Terminals Ltd (SIOT) and a port operated general cargo berth of 3 MTPA capacity.

Also, a new container terminal with capacity of 9.6 MTPA (phase-I) operated by Adani Ennore Container Terminal Pvt Ltd (AECTP), one multi cargo terminal of 2 MTPA operated by Chettinad International Bulk Terminal Pvt Ltd (CIBTP) and new LNG Terminal with capacity of 5MTPA operated by Indian Oil LNG Pvt Ltd (IOLL) were commissioned in Q2FY18 and Q3FY18 and Q4FY19 respectively.

This apart KPT also completed the construction of additional two new coal berths (CB3 & CB4) of 9 MTPA each exclusively for TANGEDCO in Q3FY18 and Q1FY19 respectively.

***Strong revenue visibility from well-established coal handling operations***

While the port is capable of handling diverse cargo, income from handling of coal is the major contributor to the revenue, accounting for 63% (PY: 65%) of net sales in FY19. This could be attributed to the fact that the port was originally conceived to primarily handle coal for thermal power plants of TNEB (presently TANGEDCO). It is to be noted that the North Chennai Thermal Power station (NCTPS) of TANGEDCO is located adjacent to the boundary of KPL. Coal from both CB1 & CB2 are moved through conveyers to the storage yard of NCTPS. Factors such as cost advantages and close proximity result in optimal utilisation of these terminals by TANGEDCO.

As per this arrangement, KPL is paid composite coal tariff (cargo handling & vessel charges) on per tonne basis. KPL had signed a 30 years Concession Agreement (CA) with CICTL and ETTPL for construction and operation of Coal terminal (common user coal berth) and marine liquid terminal respectively.

Cargo throughput at KPL improved to 34.50 MTPA in FY19 as compared to 30.45 MTPA in FY18, with increase in coal, liquid, LNG, Container and multi cargo. Coal handled at coal berths (CB1 and CB2) of TANGEDCO remained the prime cargo contributing 50% (PY 55%) of KPL's total cargo handled followed by CICTL which contributed 22% (PY 21%).

While ETTPL (14%) and other cargo (6%) collectively accounted for 20% (PY 23%) of the total cargo handled.

Share of non-coal cargo increased from 24% in FY18 to 27% in FY19 and further to 36% in H1FY20 with higher contribution from container cargo in H1FY20. However, the total cargo throughput moderated to 31.75 MTPA in FY20 from 34.50 MTPA in FY19 mainly on account of decline in coal throughput.

#### **Financial risk profile characterized by healthy cash accruals and comfortable debt coverage indicators**

In FY19, KPL's total operating income grew by 12% at Rs.712 cr (PY:632 cr) supported by increase in coal throughput in during the year. The total cargo throughput grew by 13.3% in FY19 at 34.50 MMTPA as against 30.45 MMTPA in FY18. PBILDT margin remained high at 81.01% in FY19 (PY: 80.02%) with PBT at Rs.344 cr (PY:424 cr) and GCA at Rs.332 crore (PY: Rs.363 cr) in FY19. Generally PBILDT margin of KPL is on higher side on account of KPT operating under 'landlord port model'. Being landlord port, KPL's functions are limited to overall planning, development, mobilization of investments for the development of port and other infrastructure activities. PBT and GCA was lower in FY19 on account of one-time expense of Rs.83 cr mainly paid towards the project contractors as a onetime settlement of various arbitrations which was under dispute since long which was classified under contingent liabilities in the earlier years.

The overall gearing stood at 0.44x as on March 31, 2019 as against 0.48x as on March 31, 2018 and the interest coverage remained comfortable at 5.59x in FY19.

During H1FY20, KPL registered PBT of Rs.206 cr (PY:Rs.168 cr) on total operating income of Rs.324 cr (PY:Rs.330 cr). TOI in H1FY20 slightly moderated on account of lower cargo volume during the period at 15.76 MMTPA as against the previous year (16.57 MMTPA). PBT in H1FY19 was impacted by foreign exchange fluctuation loss.

#### **Autonomy in fixing tariff**

The Tariff Authority for Major Ports (TAMP) was constituted in April 1997 to act as an independent Authority to regulate all tariffs in respect of Major Port Trusts and the private operators located therein. Being a corporate port incorporated under the

companies act, KPL enjoys autonomy in fixing of tariff and is not regulated by TAMP which regulates all the other major ports in India.

### ***Key Rating Weaknesses***

#### ***Capex planned for next three years***

KPT is in the process of incurring capex towards capital dredging for new terminals, deepening the port basin and channel area to cater to larger sized vessels, enhancing rail and road connectivity. The project related capex over a period of next 3 years (FY20-FY22) is estimated to cost around Rs.800-850 crore. The same is expected to be funded through internal accruals. Apart from existing ongoing projects, KPT has planned for setting up additional general purpose berth (Automobile RoRo cum general cargo) and two liquid cargo berth to cater additional liquid cargo demand on BOT basis. However, the same are at a very nascent stage.

#### ***Competition from nearby ports***

KPL faces competition from nearby ports like Krishnapatnam port, Adani Kattupalli port and Chennai Port. Adani Kattupalli port is located within few km radius of KPL. The port operates container terminal run by Adani group which also runs container terminal in KPT on BOT basis. Nearby ports are likely to compete in respect of major cargoes like container cargo. However, there is assured revenue to KPT from the captive customer, i.e., TANGEDCO as it has made significant investments in coal handling equipment in the jetty, setting up of conveyer system to move coal directly from the vessel to TANGEDCO's stockyard. Also this facility offers significant benefits to TANGEDCO.

#### ***Port Connectivity***

Apart from strengthening internal road, new 4 lane road is proposed from Kamarajar Port to Thatchur on NH-5 and a link to Thiruvottiyur-Ponneri-Pancheti (TPP) Road. Considering the increasing road traffic movement of import / export of cargoes, strengthening existing access road including widening of the same will further enhance the traffic moments. However, currently, most of the cargo is transported through specialized conveyors, rail links and pipelines, this mitigates the risk to a large extent.

#### ***Industry***

Ports are the drivers of economic change and aid long term growth trajectory of the economy. The Government of India is making effort towards developing ports infrastructure which attract trade/cargo as well as investments. CAGR growth of cargo handled at major ports recorded 3.22% between 2012-19. Total cargo handled in India by the major ports grew by 3% during FY19. Going forward with continuous thrust given by the government including making India a transshipment hub bodes well for the sector.

***Liquidity: Adequate***

The company receives revenue share and composite tariff which is on a fixed contract basis. KPL does not have any working capital limits. As such, the quantum of working capital requirement is minimal as port does not operate any terminal other than general cargo terminal. Further, payments by users of the port are made in advance. The working capital requirements of the company are met through internal accruals. It is to be noted that KPL receives advance payment from its major customer (TANGEDCO) negating the risk of receivables from the discom. KPL has sufficient cushion in accruals (Rs.332 crore in FY19 and Rs.199 crore in H1FY20) as against repayment obligations (Rs.105 crore in FY20). The company has free cash and bank balance of Rs.43 crore as on September 30, 2019 and Rs.91 crore as on March 31, 2020.

In March 2020, KPL has announced to the stock exchange that annual interest for Bonds issued during the year 2012-13 and 2013-14 to the Bondholders most of whom have furnished the Bank details have been made on time on 26.03.2020. For the few bondholders who have not furnished their bank account details, Demand Drafts have been taken on 26.03.2020. However, the same could not be dispatched on account of operational issues faced due to the Covid-19 lockdown. The demand drafts amounted to Rs.10 lakhs which was subsequently dispatched post the relaxation in lockdown. It is to be noted that the company had sufficient liquidity to meet the interest payment obligation, and the delay was only due to operational issues.

**Analytical approach: Standalone**

**Applicable Criteria**

Criteria on assigning Outlook and Credit Watch to Credit Ratings

CARE's Policy on Default Recognition

Rating Methodology - Infrastructure Sector Ratings

Financial ratios – Non-Financial Sector

Rating Methodology- Ports Project

**About the Company**

Kamarajar Port Limited (KPL) was incorporated on October 1999 and declared as a major port under the Indian Ports Act 1908. KPL's commercial operation started on June 22, 2001 and full-fledged operations started by December 2002. KPL is the only corporatized major port and has Mini Ratna Category I status. As on March 31, 2020, Chennai Port Trust (ChPT) held 100% stake in KPL. The port is located about 24 km from Chennai. The port has nine berths (three coal handling, one Iron ore handling, one Liquid handling, one container handling, one multi cargo handling, one general purpose berth and one LNG cargo handling berth) with aggregate capacity of 54.6 Million Metric Tonnes Per Annum (MTPA) of cargo (operating capacity 48.6 MTPA).

| <b>Brief Financials (Rs. crore)</b> | <b>FY18 (A)</b> | <b>FY19 (A)</b> |
|-------------------------------------|-----------------|-----------------|
| Total operating income              | 632             | 712             |
| PBILDIT                             | 507             | 577             |
| PAT                                 | 394             | 340             |
| Overall gearing (times)             | 0.48            | 0.44            |
| Interest coverage (times)           | 7.73            | 5.59            |

A: Audited

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2



**Annexure-1: Details of Instruments/Facilities**

| Name of the Instrument        | ISIN         | Date of Issuance | Coupon Rate | Maturity Date  | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|-------------------------------|--------------|------------------|-------------|----------------|-------------------------------|-------------------------------------------|
| Bonds-Infrastructure Bonds-I  | INE363007046 | March 26, 2013   | 7.17%/7.67% | March 25, 2028 | 11.72                         | CARE AA; Stable                           |
| Bonds-Infrastructure Bonds-II | INE363007020 | March 26, 2013   | 7.01%/7.51% | March 25, 2023 | 82.93                         | CARE AA; Stable                           |
| Bonds-III                     | INE363007087 | March 25, 2014   | 8.61%       | March 25, 2024 | 44.44                         | CARE AA; Stable                           |
| Bonds-IV                      | INE363007053 | March 25, 2014   | 8.36%       | March 25, 2024 | 35.06                         | CARE AA; Stable                           |
| Bonds-V                       | INE363007095 | March 25, 2014   | 9.00%       | March 25, 2029 | 119.24                        | CARE AA; Stable                           |
| Bonds-VI                      | INE363007061 | March 25, 2014   | 8.75%       | March 25, 2029 | 72.41                         | CARE AA; Stable                           |
| Bonds-VII                     | INE363007079 | March 25, 2014   | 8.75%       | March 25, 2034 | 18.71                         | CARE AA; Stable                           |
| Bonds-VIII                    | INE363007103 | March 25, 2014   | 9.00%       | March 25, 2034 | 75.61                         | CARE AA; Stable                           |

**Annexure-2: Rating History of last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                                |                 | Rating history                            |                                           |                                           |                                                                      |
|---------|----------------------------------------|-----------------|--------------------------------|-----------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|----------------------------------------------------------------------|
|         |                                        | Type            | Amount Outstanding (Rs. crore) | Rating          | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 | Date(s) & Rating(s) assigned in 2018-2019 | Date(s) & Rating(s) assigned in 2017-2018                            |
| 1.      | Bonds-Infrastructure Bonds             | LT              | 94.65                          | CARE AA; Stable | -                                         | 1) CARE AA; Positive (03-Jan-20)          | 1) CARE AA; Positive (14-Mar-19)          | 1) CARE AA; Positive (06-Mar-18)<br>2) CARE AA; Positive (17-Apr-17) |
| 2.      | Bonds                                  | LT              | 365.47                         | CARE AA; Stable | -                                         | 1) CARE AA; Positive (03-Jan-20)          | 1) CARE AA; Positive (14-Mar-19)          | 1) CARE AA; Positive (06-Mar-18)<br>2) CARE AA; Positive (17-Apr-17) |

*Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

## Contact Us

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

**CARE/CRO/RR/2020-21/1017**

**Mr. Sunil Paliwal**  
**Chairman cum Managing Director**  
**Kamarajar Port Limited**  
2nd Floor (North wing) & 3rd Floor  
Jawahar Building, 17, Rajaji Salai, Chennai 600001.

May 06, 2020

Dear Sir,

**Credit rating for outstanding Bonds issue**

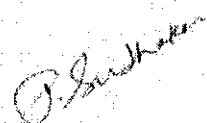
Please refer to our letter dated May 06, 2020 on the above subject.

2. The rationale for the rating is attached as an **Annexure-I**.
3. We request you to peruse the annexed document and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by May 07, 2020, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,



**P Sudhakar**  
**Associate Director**

Encl.: As above

**Annexure - I**  
**Rating Rationale**  
**Kamarajar Port Limited**

**Ratings**

| Facilities              | Amount<br>(Rs. crore)                                               | Rating <sup>1</sup>                               | Rating Action                                          |
|-------------------------|---------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------|
| Tax Free Bonds issue-I  | 94.65                                                               | CARE AA; Stable<br>(Double A;<br>Outlook: Stable) | Reaffirmed; Outlook revised<br>from positive to Stable |
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| Total Instrument        | 460.12<br>(Rs. Four hundred<br>sixty crore and<br>twelve lakh only) |                                                   |                                                        |

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

*The revision in outlook assigned to the bond issues of Kamarajar Port Limited (KPL) from 'Positive' to 'Stable' takes into account decline in cargo throughput during FY20 (refers to period from April 01 to March 31) and longer than expected time required to improve revenue mix and increase in utilization of newly added terminals of KPL in the backdrop of coronavirus pandemic led economic slowdown.*

*The ratings continue to derive strength from strong revenue visibility arising out of well-established coal handling operations, greater autonomy to the port in fixing tariff, ability to handle diverse cargo types, healthy financial risk profile characterized by healthy cash accruals, debt coverage indicators and moderate leverage levels. The rating also takes note of stake sale by Government of India (Goi) to Chennai Port Trust as part of its divestment plan.*

*The ratings also factor in relatively high share of coal in total cargo handled, risk associated with utilisation of recently concluded/on-going capex/projects including commercial operations of these projects and competition from nearby ports.*

**Rating Sensitivities**

**Positive Factors**

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

- Increase in cargo throughput from newly-added capacities, leading to higher revenues and cash accruals on a sustained basis

#### **Negative Factors**

- Any significant decline in cargo throughput on sustained basis impacting revenue and profitability

#### **Detailed description of the key rating drivers**

##### **Established track record of operations**

Kamarajar Port was originally conceived to handle thermal coal to meet the coal requirements of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The scope was expanded taking into account subsequent development plans of Tamil Nadu including addition of coal based power plants of huge capacity. The port has commenced its commercial operations in the year 2001. The day-to-day activities of KPL are managed by CMD who in turn is supported by a team of well experienced management personnel in their respective fields. As on March 31, 2019, Government of India (GOI) held 66.67% stake in KPL and the rest was held by Chennai Port Trust (ChPT). In March 2020, GOI sold its stake to ChPT as part of GOI's disinvestment plan. Subsequent to stake sale, KPT has become wholly owned subsidiary of ChPT which is under the administrative control of Ministry of Shipping, thereby continue to be controlled by GoI. Despite the stake sale, KPL is the only corporatized major port and remains strategically important to GOI being one of the twelve major ports in India under the Ministry of Shipping.

##### **Port infrastructure to handle diverse cargo types at its terminals**

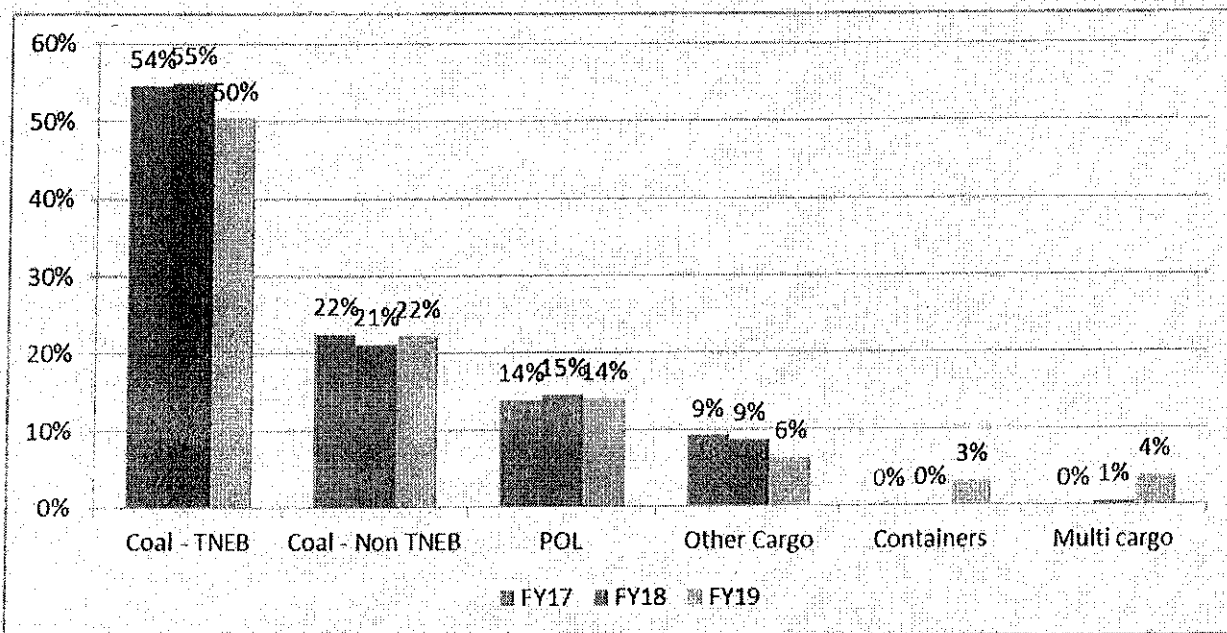
KPL is an all-weather port and can handle diverse cargo comprising of petroleum (including LPG), oil, lubricants, coal, iron ore, Cars and other clean cargoes. KPL has Nine berths with total capacity of 54.6 MTPA (operational capacity 48.6 MTPA). This includes two coal berths (CB1 & CB2) of 16 MTPA exclusively for TANGEDCO, one common user coal terminal of 10 MTPA operated by Chettinad International Coal Terminal Ltd (CICTL, rated 'CARE A-; Stable', 'CAREA2+') on BOT basis, one liquid cargo (POL, edible oil and all chemicals) terminal of 3 MTPA of Ennore Tank Terminal Private Ltd (ETTPL, rated 'CARE AA; stable/CARE A1+') on BOT basis, one 6 MTPA of iron ore terminal operated on BOT basis by Sical Iron Ore Terminals Ltd (SIOT) and a port operated general cargo berth of 3 MTPA capacity (which can also handle cars).

Also, a new container terminal with capacity of 9.6 MTPA (phase-I) operated by Adani Ennore Container Terminal Pvt Ltd (AECTP), one multi cargo terminal of 2 MTPA operated by Chettinad

International Bulk Terminal Pvt Ltd (CIBTP) and new LNG Terminal with a capacity of 5MTPA operated by Indian Oil LNG Pvt Ltd (IOLL) were commissioned in Q2FY18 and Q3FY18 and Q4FY19 respectively.

This apart KPT also completed the construction of additional two new coal berths (CB3 & CB4) of 9 MTPA each exclusively for TANGEDCO in Q3FY18 and Q1FY19 respectively.

Contribution of different cargo to total cargo throughput is given in chart below.



### ***Strong revenue visibility from well-established coal handling operations***

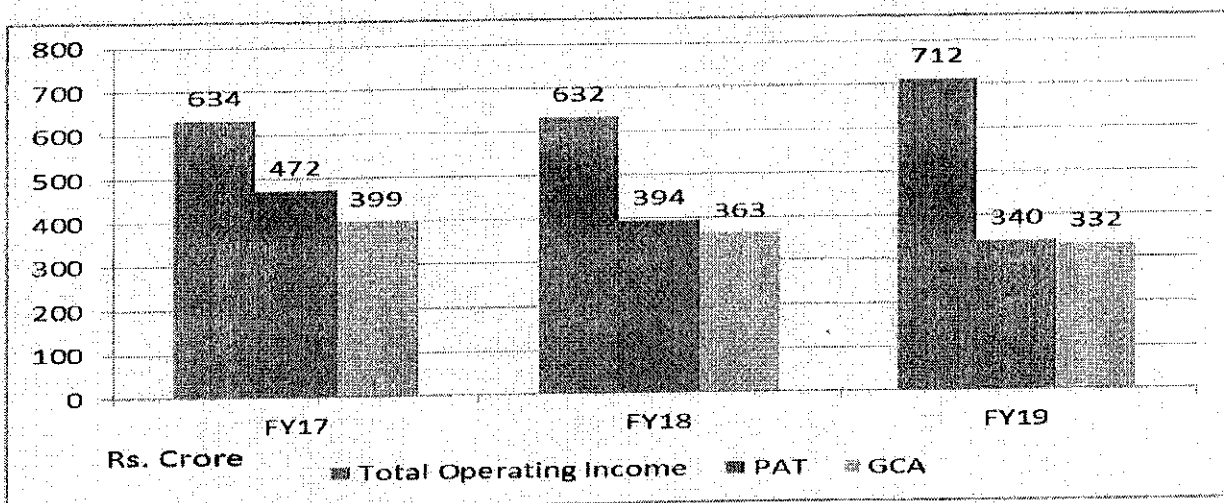
While the port is capable of handling diverse cargo, income from handling of coal is the major contributor to the revenue, accounting for 63% (PY: 65%) of net sales in FY19. This could be attributed to the fact that the port was originally conceived to primarily handle coal for thermal power plants of TNEB (presently TANGEDCO). It is to be noted that the North Chennai Thermal Power station (NCTPS) of TANGEDCO is located adjacent to the boundary of KPL. Coal from both CB1 & CB2 are moved through conveyers to the storage yard of NCTPS. Factors such as cost advantages and close proximity result in optimal utilisation of these terminals by TANGEDCO.

As per this arrangement, KPL is paid composite coal tariff (cargo handling & vessel charges) on per tonne basis. This tariff is revised once in three years and revision is linked to Whole Sale Price Index (WPI). KPL had signed a 30-year Concession Agreement (CA) with CICTL and ETTPL for construction and operation of Coal terminal (common user coal berth) and marine liquid terminal respectively.

Cargo throughput at KPL improved to 34.50 MTPA in FY19 as compared to 30.45 MTPA in FY18, with increase in coal, liquid, LNG, Container and multi cargo. Coal handled at coal berths (CB1 and CB2) of TANGEDCO remained the prime cargo contributing 50% (PY 55%) of KPL's total cargo handled followed by CICTL which contributed 22% (PY 21%). While ETPL (14%) and other cargo (6%) collectively accounted for 20% (PY 23%) of the total cargo handled.

Share of non-coal cargo increased from 24% in FY18 to 27% in FY19 and further to 36% in H1FY20 with higher contribution from container cargo in H1FY20. However, the total cargo throughput moderated to 31.75 MTPA in FY20 from 34.50 MTPA in FY19 mainly on account of decline in coal throughput.

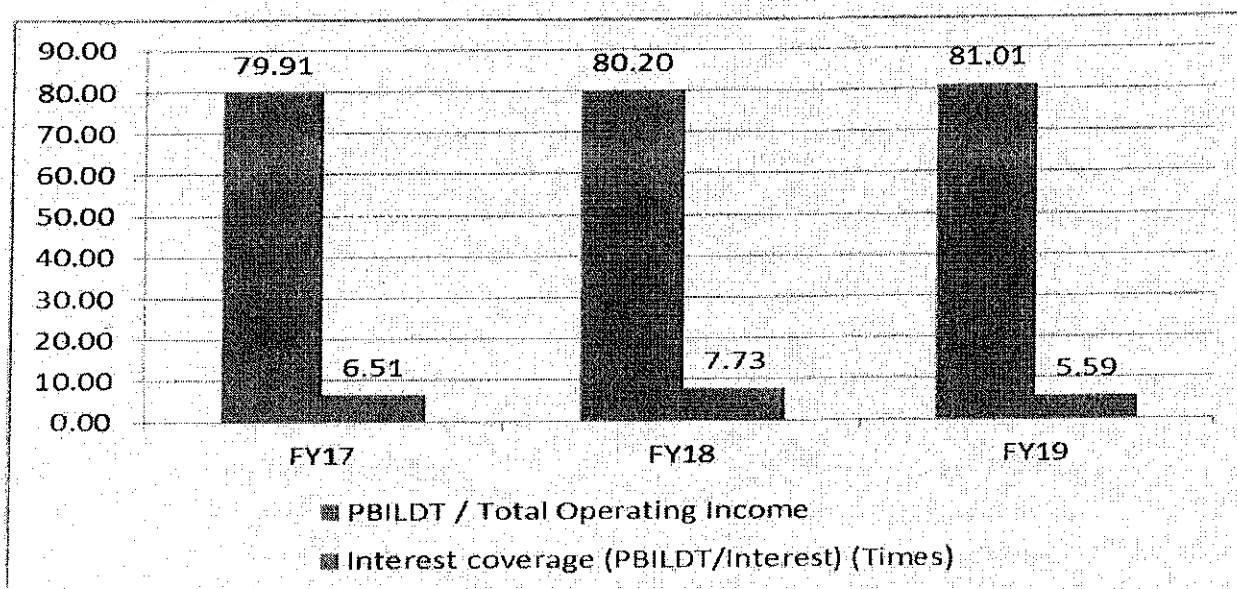
**Financial risk profile characterized by healthy cash accruals and comfortable debt coverage indicators**



In FY19, KPL's total operating income grew by 12% at Rs.712 crore (PY:Rs.632 crore) supported by increase in coal throughput during the year. The total cargo throughput grew by 13.3% in FY19 at 34.50 MTPA as against 30.45 MTPA in FY18. Overall growth in cargo throughput was contributed by growth in cargo from almost all the berths. PBILDT margin remained high at 81.01% in FY19 (PY: 80.02%) with PBT at Rs.344 crore (PY: Rs.424 crore) and GCA at Rs.332 crore (PY: Rs.363 crore) in FY19. Generally PBILDT margin of KPL is on higher side on account of KPT operating under 'landlord port model'. Being landlord port, KPL's functions are limited to overall planning, development, mobilization of investments for the development of port and other infrastructure activities. PBT and GCA was lower in FY19 on account of one-time expense of Rs.83 crore mainly paid towards the

project contractors as a onetime settlement of various arbitrations which was under dispute since long which was classified under contingent liabilities in the earlier years.

The overall gearing stood at 0.44x as on March 31, 2019 as against 0.48x as on March 31, 2018 and the interest coverage remained comfortable at 5.59x in FY19.



During H1FY20, KPL registered PBT of Rs.206 crore (PY:Rs.168 crore) on total operating income of Rs.324 crore (PY:Rs.330 crore). TOI in H1FY20 slightly moderated on account of lower cargo volume during the period at 15.76 MMTPA as against the previous year (16.57 MMTPA). PBT in H1FY19 was impacted by foreign exchange fluctuation loss.

#### **Capex planned for next three years**

KPT is in the process of incurring capex towards capital dredging for new terminals, deepening the port basin and channel area to cater to larger sized vessels, enhancing rail and road connectivity. The project related capex over a period of next 3 years (FY20-FY22) is estimated to cost around Rs.800-850 crore. The same is expected to be funded through internal accruals. Apart from existing ongoing projects, KPT has planned for setting up additional general purpose berth (Automobile RoRo cum general cargo) and two liquid cargo berth to cater additional liquid cargo demand on BOT basis. However, the same are at a very nascent stage.

#### **Autonomy in fixing tariff**

The Tariff Authority for Major Ports (TAMP) was constituted in April 1997 to act as an independent Authority to regulate all tariffs in respect of Major Port Trusts and the private operators located



therein. Being a corporate port incorporated under the companies act, KPL enjoys autonomy in fixing of tariff and is not regulated by TAMP which regulates all the other major ports in India.

#### ***Competition from nearby ports***

KPL faces competition from nearby ports like Krishnapatnam port, Adani Kattupalli port and Chennai Port. Adani Kattupalli port is located within few km radius of KPL. The port operates container terminal run by Adani group which also runs container terminal in KPT on BOT basis. Nearby ports are likely to compete in respect of major cargos like container cargo. However, there is assured revenue to KPT from the captive customer, i e, TANGEDCO as it has made significant investments in coal handling equipment in the jetty, setting up of conveyer system to move coal directly from the vessel to TANGEDCO's stockyard. Also this facility offers significant benefits to TANGEDCO.

#### ***Port Connectivity***

Apart from strengthening internal road, a new 4 lane road is proposed from Kamarajar Port to Thatchur on NH-5 and a link to Thiruvottiyur-Ponneri-Pancheti (TPP) Road. Considering the increasing road traffic movement of import / export of cargoes, strengthening existing access road including widening of the same will further enhance the traffic moments. However, currently, most of the cargo is transported through specialized conveyors, rail links and pipelines, this mitigates the risk to a large extent.

#### ***Industry***

Ports are the drivers of economic change and aid long term growth trajectory of the economy. The Government of India is making effort towards developing ports infrastructure which attract trade/cargo as well as investments. CAGR growth of cargo handled at major ports recorded 3.22% between 2012-19. Total cargo handled in India by the major ports grew by 3% during FY19. Going forward with continuous thrust given by the government including making India a transshipment hub would prove beneficial for the sector.

#### ***Prospects***

The financial risk profile of KPL is characterised by high profitability and healthy internal accruals supported by landlord port model. With well-established coal handling operations, the financial risk profile of KPL is expected to remain comfortable. Also investments made in port infrastructure, including new berths are expected to provide returns.

### **Liquidity : Adequate**

The company receives revenue share and composite tariff which is on a fixed contract basis. KPL does not have any working capital limits. As such, the quantum of working capital requirement is minimal as port does not operate any terminal other than general cargo terminal. Furthermore, payments by users of the port are made in advance. The working capital requirements of the company are met through internal accruals. It is to be noted that KPL receives advance payment from its major customer (TANGEDCO) negating the risk of receivables from the discom. KPL has sufficient cushion in accruals (Rs.332 crore in FY19 and Rs.199 crore in H1FY20) as against repayment obligations (Rs.105 crore in FY20). The company has free cash and bank balance of Rs.43 crore as on September 30, 2019 and Rs.91 crore as on March 31, 2020.

In March 2020, KPL has announced to the stock exchange that annual interest for Bonds issued during the year 2012-13 and 2013-14 to the Bondholders most of whom have furnished the Bank details have been made on time on 26.03.2020. For the few bondholders who have not furnished their bank account details, Demand Drafts have been taken on 26.03.2020. However, the same could not be dispatched on account of operational issues faced due to the Covid-19 lockdown. The demand drafts amounted to Rs.10 lakhs which was subsequently dispatched post the relaxation in lockdown. It is to be noted that the company had sufficient liquidity to meet the interest payment obligation, and the delay was only due to operational issues.

**Analytical approach:** Standalone

### **Applicable Criteria**

Criteria on assigning Outlook and Credit Watch to Credit Ratings

CARE's Policy on Default Recognition

Rating Methodology - Infrastructure Sector Ratings

Financial ratios – Non-Financial Sector

Rating Methodology- Ports Project

### **About the Company**

Kamarajar Port Limited (KPL) was incorporated on October 1999 and declared as a major port under the Indian Ports Act 1908. KPL's commercial operation started on June 22, 2001 and full-fledged operations started by December 2002. KPL is the only corporatized major port and has Mini Ratna

Category I status. As on March 31, 2020, Chennai Port Trust (ChPT) held 100% stake in KPL. The port is located about 24 km from Chennai.

The port has nine berths (three coal handling, one Iron ore handling, one Liquid handling, one container handling, one multi cargo handling, one general purpose berth and one LNG cargo handling berth) with aggregate capacity of 54.6 Million Metric Tonnes Per Annum (MTPA) of cargo (operating capacity 48.6 MTPA).

## Financial Performance:

|                                               | (Rs. crore) |          |          |
|-----------------------------------------------|-------------|----------|----------|
| <i>For the period ended / as on March 31,</i> | 2017        | 2018     | 2019     |
|                                               | (12m, A)    | (12m, A) | (12m, A) |
| <b><u>Working Results</u></b>                 |             |          |          |
| Total Operating income                        | 634         | 632      | 712      |
| PBILDT                                        | 506         | 507      | 577      |
| Interest                                      | 78          | 66       | 103      |
| Depreciation                                  | 22          | 30       | 47       |
| APBT                                          | 480         | 424      | 344      |
| PAT (after deferred tax)                      | 472         | 394      | 340      |
| Gross Cash Accruals                           | 399         | 363      | 332      |
| <b><u>Financial Position</u></b>              |             |          |          |
| Equity Capital                                | 300         | 300      | 300      |
| Net worth                                     | 1,851       | 2,017    | 2,213    |
| Total capital employed                        | 2,316       | 2,710    | 2,840    |
| <b><u>Key Ratios</u></b>                      |             |          |          |
| <i>Growth</i>                                 |             |          |          |
| Growth in Total income (%)                    | -0.69       | -0.21    | 12.57    |
| Growth in PAT (after D.Tax) (%)               | 25.71       | -16.56   | -13.66   |
| <i>Profitability</i>                          |             |          |          |
| PBILDT/Total Op. income (%)                   | 79.91       | 80.20    | 81.01    |
| PAT (after deferred tax)/ Total income (%)    | 74.57       | 62.35    | 47.82    |
| ROCE (%)                                      | 24.58       | 19.89    | 16.10    |
| RONW (%)                                      | 27.26       | 20.93    | 16.08    |
| <i>Solvency</i>                               |             |          |          |
| Long-term Debt Equity ratio (times)           | 0.37        | 0.48     | 0.44     |
| Overall gearing (times)                       | 0.37        | 0.48     | 0.44     |
| PBILDT/ Interest (times)                      | 6.51        | 7.73     | 5.59     |
| PBIT/ Interest (times)                        | 6.23        | 7.26     | 5.14     |
| Term debt/Gross cash accruals (years)         | 1.73        | 2.68     | 2.95     |
| Total debt/Gross cash accruals (years)        | 1.73        | 2.68     | 2.95     |
| <i>Liquidity</i>                              |             |          |          |
| Current ratio (times)                         | 0.75        | 0.79     | 0.85     |
| Quick ratio (times)                           | 0.75        | 0.79     | 0.85     |
| <i>Turnover</i>                               |             |          |          |
| Average collection period (days)              | 24          | 15       | 15       |
| Average creditors period (days)               | 43          | 39       | 21       |
| Average inventory period (days)               | 0           | 0        | 0        |
| Operating cycle (days)                        | -19         | -24      | -6       |

A: Audited

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: Not Applicable**

**Rating History for last three years: Please refer Annexure-2**

**Annexure-1: Details of Instruments/Facilities**

| Name of the Instrument        | ISIN         | Date of Issuance | Coupon Rate | Maturity Date  | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|-------------------------------|--------------|------------------|-------------|----------------|-------------------------------|-------------------------------------------|
| Bonds-Infrastructure Bonds-I  | INE363O07046 | March 26, 2013   | 7.17%/7.67% | March 25, 2028 | 11.72                         | CARE AA; Stable                           |
| Bonds-Infrastructure Bonds-II | INE363O07020 | March 26, 2013   | 7.01%/7.51% | March 25, 2023 | 82.93                         | CARE AA; Stable                           |
| Bonds-III                     | INE363O07087 | March 25, 2014   | 8.61%       | March 25, 2024 | 44.44                         | CARE AA; Stable                           |
| Bonds-IV                      | INE363O07053 | March 25, 2014   | 8.36%       | March 25, 2024 | 35.06                         | CARE AA; Stable                           |
| Bonds-V                       | INE363O07095 | March 25, 2014   | 9.00%       | March 25, 2029 | 119.24                        | CARE AA; Stable                           |
| Bonds-VI                      | INE363O07061 | March 25, 2014   | 8.75%       | March 25, 2029 | 72.41                         | CARE AA; Stable                           |
| Bonds-VII                     | INE363O07079 | March 25, 2014   | 8.75%       | March 25, 2034 | 18.71                         | CARE AA; Stable                           |
| Bonds-VIII                    | INE363O07103 | March 25, 2014   | 9.00%       | March 25, 2034 | 75.61                         | CARE AA; Stable                           |

**Annexure-2: Rating History of last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                                |                 | Rating history                            |                                           |                                           |                                                                    |
|---------|----------------------------------------|-----------------|--------------------------------|-----------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|--------------------------------------------------------------------|
|         |                                        | Type            | Amount Outstanding (Rs. crore) | Rating          | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 | Date(s) & Rating(s) assigned in 2018-2019 | Date(s) & Rating(s) assigned in 2017-2018                          |
| 1.      | Bonds-Infrastructure Bonds             | LT              | 94.65                          | CARE AA; Stable | -                                         | 1)CARE AA; Positive (03-Jan-20)           | 1)CARE AA; Positive (14-Mar-19)           | 1)CARE AA; Positive (06-Mar-18)<br>2)CARE AA; Positive (17-Apr-17) |
| 2.      | Bonds                                  | LT              | 365.47                         | CARE AA; Stable | -                                         | 1)CARE AA; Positive (03-Jan-20)           | 1)CARE AA; Positive (14-Mar-19)           | 1)CARE AA; Positive (06-Mar-18)<br>2)CARE AA; Positive (17-Apr-17) |

\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)

*Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

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Contact no. – +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

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Email: [p.sudhakar@careratings.com](mailto:p.sudhakar@careratings.com)

### Relationship Contact

Name: Mr. V Pradeep Kumar

Contact no. : 044-28501000

Email ID : [pradeep.kumar@careratings.com](mailto:pradeep.kumar@careratings.com)

### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

CARE's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

5/14/2020

Email: Interest certificate for payment done on 26.03.2020

in:inbox

Secretarial officer

Mail    Contacts    Calendar    Tasks    Briefcase    Preferences    Video Tutorials    Search    Int

Close    Reply    Reply to All    Forward    Archive    Delete    Spam          Actions    View

**Interest certificate for payment done on 26.03.2020**



From: sharad amin

To: Secretarial officer

Cc: dhanaji jondhale    rekha jaya    Jayalakshmi Srinivasan    team bonds

[SUMMARY\\_26032020 \(3\).xls \(14.5 KB\)](#) [Download](#) | [Briefcase](#)

Dear All

Kindly note that we have made interest payment of Kamarajar Port as per the attached summary.

Sharad Amin

Assistant Vice President  
Link Intime India Pvt Ltd

9820261454

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this email



**B. THIAGARAJAN & Co.**  
CHARTERED ACCOUNTANTS

Catalyst Trusteeship Limited,  
GDA House, Plot No.85,  
Bhussari Colony (Right),  
Paud Road,  
Pune 411 038.

**CERTIFICATE**

Based on the Audited Financial Statements for the year ended **31<sup>st</sup> March 2020**, and others records of M/s. Kamarajar Port Limited ('the Company') having its Registered Office at "Jawahar Buildings", No. 17, Rajaji Salai, Chennai 600 001, we report as under:

- (A) The company had issued Non-Convertible Debentures (NCDS) in the Financial Year 2013-14 aggregating to Rs.365.47 Crores and fully utilized the same for the purpose as mentioned in the respective Information Memorandum/Prospectus of the respective issues.
- (B) The Cash-Flow of the Company is adequate for payment of interest and redemption of principal of the NCDs issued;
- (C) 'Debenture Redemption Reserve' created is as follows:

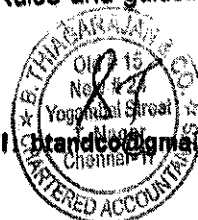
| Series /Tranche    | Amt. of Issue (Rs. in cr.) | DRR required to be created for life of issue | DRR created upto 31.03.2020 | Funds invested for debentures maturing during the year |
|--------------------|----------------------------|----------------------------------------------|-----------------------------|--------------------------------------------------------|
| (Rupees in crores) |                            |                                              |                             |                                                        |
| 1A,2A,3A,1B,2B,3B  | 365.47                     | 91.37                                        | 44.52                       | Nil                                                    |

- (D) As on date, the value of the assets charged to the Catalyst Trusteeship Limited (Formerly known as GDA Trusteeship Ltd). the Debenture Trustees in respect of Non-Convertible Debentures issued from time to time by this Company in pursuance of the Trust Deeds executed by this Company, is adequate to cover the outstanding amount of the NCDs / Bonds, with the agreed margin and that the assets are free from encumbrances debts save and except those specifically agreed to by the Debenture Trustee;
- (E) All the terms and conditions of each of the issues as well as all the provisions of Laws, Rules and Regulations including Securities Contract Act & Rules and guidelines of SEBI have been complied with;

"VIGFIN HOUSE"  
OLD No.15, NEW No. 24,  
YOGAMBAL STREET, T. NAGAR,  
CHENNAI - 600 017

Phone : 42122115  
42122116  
42122118  
Fax : 91-44-42122120

e-mail: [btandco@gmail.com](mailto:btandco@gmail.com)





**B. THIAGARAJAN & Co.**

CHARTERED ACCOUNTANTS

There are no events / change / action / proceedings / attachments affecting or likely to affect the interest of NCD-holders.

Place : Chennai

Date : 17<sup>th</sup> July, 2020For B. Thiagarajan & Co.  
Chartered Accountants

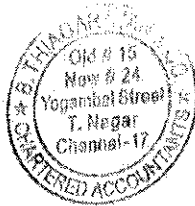
FRN : 004371S

  
B. Thiagarajan

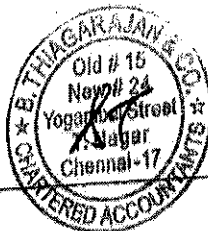
Partner

M. No. 018270

UDIN : 20018270AAAAAR4748

**Computation of Asset Cover Ratio as on 31.03.2020**

| Particulars                                                                                                                                   | Rs. In cr. |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Total Value of mortgaged property<br>(given as security for Debenture Issue of Rs.365.47 crores<br>(As per Valuation Report dated 15.11.2017) | 1035.20    |
| Less: Value of loan from Chennai Port Trust (pari-passu charge)                                                                               | 251.09     |
| (A)                                                                                                                                           | 784.11     |
| Amount of Secured Redeemable Non-Convertible Debentures, Loan from<br>banks secured by first pari-passu charge on mortgaged property          | 365.47     |
| (B)                                                                                                                                           | 365.47     |
| Total Secured Loans                                                                                                                           |            |
| Security Cover (A) / (B)                                                                                                                      | 2.15       |



"VIGFIN HOUSE"  
 OLD No.15, NEW No. 24,  
 YOGAMBAL STREET, T. NAGAR,  
 CHENNAI - 600 017

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 42122118  
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e-mail : btandco@gmail.com

**LINK** Intime

Link Intime India Pvt. Ltd.  
CIN : U67190MH1999PTC118368  
C-101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai - 400 083.  
Tel : +91 22 4918 6000  
Fax : +91 22 4918 6060  
E-mail : [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

Date:- 21-01-2020

To:  
Company Secretary  
KAMARAJAR PORT LIMITED  
2nd Floor (North wing) & 3rd Floor,  
Jawahar building, 17,  
Rajaji Salai  
Chennai - 600001

Sub: - Confirmation on Dispatch Half Yearly Communication Reports as on 30-09-2019.


Dear Sir / Madam,

This has reference to your request for sending Half Yearly communication to all Bondholders (Public Issue - 2012-13 & 2013-14).

1. Physical letter dispatched on 08/01/2020.
2. Email communication was sent on 06/01/2020.

Thank you,

For Link Intime India Pvt. Ltd.



Authorized Signatory

Annexure - 5

Certificate

This is to certify that the properties secured for the Debentures are adequately insured and policies are in the joint names of the Trustees.



(M. Gunasekaran)

महा प्रबंधक (वित्त)/GM (Finance) & Chief Finance Officer

