



KAMARAJAR PORT LIMITED

**(Erstwhile Ennore Port Limited)
(A Mini Ratna Government of India Undertaking)**



CORPORATE PLAN 2017-18

CORPORATE PLAN

1. Introduction

Kamarajar Port Limited (KPL) (erstwhile Ennore Port Limited), the 12th Major Port under Ministry of Shipping was commissioned in 2001 under the Ministry of Shipping, Government of India is situated in the east coast and 24km North of Chennai Port. The Port which was looked upon initially as a mono commodity coal port dedicated to handling Thermal Coal requirements of Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) formerly Tamilnadu Electricity Board (TNEB), has over the period developed as a multi cargo port. It has a distinction of being the only corporate port amongst the Major Ports administered by the Central Government.

2. Port Management Model

In a radical departure from the prevalent practice of declaring the newly developed major ports as Major Port Trusts under the Major Port Trusts Act, 1963, the Govt of India (GOI) decided to establish the new port of Ennore as a separate autonomous entity in line with the liberalized economic process launched by it. Accordingly Ennore Port was incorporated as a company in October, 1999 under the Indian Companies Act, 1956 and is come to be known as Ennore Port Limited (EPL). Later on, the company was renamed as 'Kamarajar Port Limited in 2014.

3. Institutional Setting/Private Sector Involvement

As a corporate port, the Kamarajar Port has chosen to function on "Landlord" concept whereby the Port will provide the basic infrastructure like dredged basin / channel, road and rail infrastructure, aids to navigation, fire fighting facilities, utilities, water and power supply etc. and manage the resources. Development and operation of cargo handling terminals will be through private sector participation on BOT basis.

4. Management and Organization

The port has basically the following major four functional divisions such as Corporate strategy & Business Development, Operations, Marine Services and Finance. Management is provided through a Board of Directors consisting of

- Chairman-cum-Managing Director
- Two whole time functional Directors (Vacant)
- Two ex-officio Government nominated Directors , viz.,
 - Joint Secretary (Ports), Ministry of Shipping
 - Chairman, Chennai Port Trust
- Three non-official Independent Directors (Vacant)

5. Vision and Mission of Kamarajar Port

Vision

Develop Kamarajar Port as a mega port with world class facilities to become the Eastern gateway Port of India.

Mission

Provide Port Services of International Standards.

6. Port Strategy

The various strategies adopted by KPL seek to address the following aspects so that KPL remains strong to face emerging changes with confidence:

Development Strategy

- ❖ Develop cargo handling terminals through private sector participation with a view to bring in various required resources at the shortest time.
- ❖ Finance the required capital dredging and essential road and rail connectivity works.
- ❖ Develop in-house manpower to achieve optimum and effective core strength.
- ❖ Outsource specialized expertise as and when required.
- ❖ Monitor and co-ordinate the activities among the BOT operators, KPL and interfacing Departments/Agencies to maintain the time frame.
- ❖ Continuous market studies and updates for future development and operations.

- ❖ Co-ordinate with State and Central Government departments to improve access roads and rail connectivity.
- ❖ Act as an enthusiastic business facilitator.

Commercial Strategy

- ❖ To ensure proper mix of cargo so as to have even dependence on all sectors of economy.
- ❖ Maximize utilization and revenue earnings of the existing dedicated coal berths of TNEB, BOT operator's terminals such as Marine liquid, Common User coal Terminal & Iron Ore Terminal and a own Car export terminal cum General cargo berth.
- ❖ Optimal utilization of land and water front.
- ❖ Form joint ventures/Strategic partnership with stakeholders to increase port throughput and connectivity.
- ❖ To explore new Ports for Joint Venture / Strategic partnership.

Financial Strategy

- ❖ Mobilize private sector funding for developing cargo terminals.
- ❖ Mobilize funds for development / expansion from market borrowings through loans and bonds.
- ❖ Invest in Joint Venture Companies / activities developed by State / Central/Railway/NHAI for augmenting the road and rail connectivity to and from the Port.

7. Multi-purpose facilities available in the Port to enable the loading and/or unloading of cargoes

Kamarajar Port has 6 berths as of now capable of serving the varied needs of the maritime industry. The first phase of the Port development with an investment of Rs.1000 crores created a protected port basin, two coal wharves to accommodate two panamax size vessels of 280M length each and a depth of (-) 15 m alongside with approach channel and port basin of (-) 16m and (-) 15.5 m respectively. Of late, the Port has expanded its capacity at an investment of Rs. 1210 crores by developing a Liquid Cargo handling Terminal, Common User Coal Terminal and Iron Ore Terminal on BOT under PPP mode and developed with its own investment a General Cargo Berth for handling automobile exports and general merchandise and has created a depth of (-) 15 m alongside the berths of three BOT projects and (-) 12 m alongside the General Cargo Berth. The present capacity of the port is 38Million

Metric Tonnes per Annum (MTPA). The location of the additional terminals / berths is shown in Fig.1.



Fig. 1 - Location of the Existing Facilities at Port

The details of these terminals /berths are brought out hereunder:

7.1 Two coal wharves dedicated to TANGEDCO formerly TNEB (16 MTPA)

The existing coal terminal at Kamarajar Port consists of two berths for accommodating each of 280m long two coal carriers of upto 77,000 DWT for the exclusive handling of coal required by Tamil Nadu Electricity Board for its thermal power plants at North Chennai, Ennore and Mettur. Coal is directly moved to the stockyard within NCTPS from where a part of it is moved further to Mettur and Ennore through rail. As per the Business model adopted by KPL, TANGEDCO is investing, operating and maintaining all top side facilities like shore unloaders, conveyor system, etc. Synchronising with their demand for coal, TANGEDCO has installed facilities to handle 8 MTPA coal in CB-1 and up gradation of CB-2 from 4 MTPA 8 MTPA has been completed recently.



Fig. 2 - Coal berths Dedicated to TNEB

7.2 Marine Liquid Terminal of 3 MTPA

In November 2004 a concession agreement was signed with Ennore Tank Terminals Private Ltd. (ETTPL) for a 30 year BOT of a marine liquid terminal. The operator has developed a terminal with a cargo handling capacity of 3 MTPA. Cargo being handled comprises of POL, LPG, CBFS, chemicals and others. The terminal was commissioned in January, 2009. Further to meet the demand in the Trade, the BOT operator developed a additional storage tanks, installation of LPG handling equipment as a second Phase at an investment of Rs.167 Crores.

In order to mitigate the congestion problem of vessels, the Licensee M/s ETTPL is proposing to lay additional dock lines and Marine unloading arms thereby reducing the vessel waiting time.



Fig. 3 - Berthing the Liquid Vessel at Marine Liquid Jetty



Fig. 4 - View of Tank Terminal

7.3 Common User Coal Terminal (8 MTPA)

EPL has signed a concession agreement for a second terminal for handling coal to the consumers other than TNEB, on a 30 year BOT basis, in September 2006 with the project company Chettinad International Coal Terminal Pvt. Ltd. The operator has developed a terminal with a cargo handling capacity of 8 MTPA. The terminal was commissioned by January 2011. Further to handle the capsize vessel, the BOT operator extended the berth length by 22.5 m to accommodate cape size vessels. The present capacity of the Terminal is 10 MTPA.



Fig. 5 - Unloading operation at Non-TNEB Coal Jetty

7.4 Iron Ore Terminal of 12 MTPA

KPL has signed an agreement for an iron ore terminal on a 30 years BOT basis in September 2006 with the project company SICAL Iron

ore Terminal Limited (SIOTL). The BOT operator has developed a first phase of 6 MTPA during 2010-11. However, due to ban on export of Iron Ore, the terminal was never put into use. A decision with respect to Modification of existing Iron Ore Terminal on “as is where is” to also handle Common User Coal, is being contemplated. After obtaining necessary approvals from Government, KPL initiated action for re-bidding process. During RFP process, the existing Concessionaire SIOTL only participated and has quoted the Revenue Share of 52.524% which is equal to the Common User Coal Terminal. Letter of Intent was issued on 02.06.2016 and the License Agreement was signed on 11.07.2016 between KPL and SIOTL.

Modification work will be commenced during the 1st quarter of 2017-18 and expected date of commissioning will be during 2018-19.



Fig. 6 - Iron Ore Jetty, ship loader and Conveyor System

General Cargo Berth cum Automobile Export Terminal

Kamarajar Port has set up a berth for car exports and for other general cargo, at a cost of Rs. 140 crores. This berth will be able to accommodate the world's largest car carrier of capacity of 8,000 cars. Further it has a back-up area of 141,000 sq.m with an expansive car parking yard for 10000 cars which is the largest facility in any Indian Port apart from the transit parking area of 25000 sq.m behind the berth. Further based on the automobile exporters' request, KPL initiated action and constructed the additional back up area of 55000 Sqm for to accommodate additional 3500 cars.



Fig. 7 - Car exports at General Cargo Berth



Fig. 8 - Car parking yard

8. The physical performance of the Port during the previous five years is tabulated below.

(In Million Tonnes)

Cargo handled	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (Dec. 2016)
Coal	9.62	9.88	14.07	15.13	17.00	11.75
Non-TNEB Coal	3.49	5.05	8.42	9.22	8.61	5.26
POL	0.60	1.22	2.43	3.32	3.99	3.10
Iron Ore	-	-	-	-	-	-
Other cargo	1.25	1.74	2.42	2.58	2.61	2.07
Total	14.96	17.89	27.34	30.25	32.21	22.18

9. BUSINESS DEVELOPMENT

9.1 Under Implementation

In order to meet the growing traffic demands, Kamarajar Port has initiated action for creating additional terminal facilities viz., construction of Container Terminal, Multi cargo Terminal, two more coal berths for TANGEDCO, and LNG terminal for handling additional cargo of 41.80 MTPA with an investment of Rs.7050 Crores, when the ongoing schemes get completed, it will commence the handling of containers, heavy project cargo and LNG. The location of the ongoing terminals / berths is shown in Fig.9.



Fig.9 – Location of the Additional Terminals / Berth

The details of these terminals / berths are brought out hereunder:

9.1.1 Development of Container Terminal

With a view to facilitate development of world class terminal facilities well suited to meet the present and future needs of the trades, Kamarajar Port has decided to develop the container terminal of Quay length of 730 m in straight line on DBFOT basis.

On Global Bidding process, M/s Adani Port and SEZ Ltd declared as successful bidder by Port authority on 14th Feb 2014. Concession Agreement was signed on 1.3.2014 with M/s Adani Ennore Container Terminal Private Limited for development of Container Terminal at an estimated cost of Rs 1270 Crores with 1.40 Million TEUs per annum

capacity in two phases. The Terminal operator completed the construction. Schedule of commission the terminal by end of 2016-17. Due to recent cyclone, some damages in the civil structure and machinery parts. Accordingly the Schedule of commissioning the first phase (800,000 TEUs) will get delayed by another 6 months.

9.1.2 Development of Multi Cargo Terminal

In order to cater to the EXIM traffic of Bulk and Project Cargos like Turbine & Generators, windmill etc., imports of Fertilizer/ wooden logs Port has initiated for development of Multi Purpose Cargo Terminal for handling dry, bulk and project cargos other than Coal, Iron Ore, POL and Automobile units, on DBFOT basis.

After Global bidding, Concession Agreement has been signed on 28.3.2014 with M/s Chettinad International Bulk Terminal Private Limited (CIBTPL) for development of Multi cargo Terminal at an estimated cost of Rs 151 Crores with 2 MTPA capacities. Schedule of commission the terminal by end of 2016-17.

9.1.3 Construction of two more dedicated berths for TANGEDCO.

Considering the expansion of the existing thermal power plants of and new TANGEDCO, TANGEDCO - NTPC JV project, TANGEDCO had requested KPL to establish additional coal berths. KPL initiated action and awarded the contract for construction of additional two coal berths at a own investment of Rs.500 Crore. The proposed coal berth to accommodate capsized vessel of 18 m draft and handling capacity of 9MTPA each. As per the Business model adopted by KPL, TANGEDCO is investing, operating and maintaining all top side facilities like shore unloaders, conveyor system, etc. Schedule of completion of construction of the berth is 2017-18.

9.1.4 Liquefied Natural Gas (LNG) Import Terminal

IOCL had identified Ennore as a possible location for a LNG terminal and had carried out a Feasibility Study for setting up the LNG Terminal with regassification facilities. IOC's Board of Directors has accorded approval for setting up of LNG Terminal of 5 MTPA capacity at an estimated cost of Rs.5151 crores at Kamarajar Port.

The Cabinet has approved the allotment of land to the JV led by M/s. IOCL for development of LNG Terminal at Kamarajar Port. Concession Agreement has been signed on 31.07.2015 with the SPV Company M/s. Indian Oil LNG Pvt. Ltd. Construction work commenced and schedule of commission the terminal by 2019-20

9.2 NEW PROJECT:

In order to meet the growing traffic demands in Automobile and Liquid Cargo, Kamarajar Port has initiated action for creating additional terminal facilities viz., construction of RORO cum General Cargo Berth, Construction of IOCL Captive jetty and Development of Marine Liquid Terminal for handling additional cargo of 9 MTPA with an investment of Rs. 1193 Crores, when the awarded schemes get completed, it will commence the handling of additional automobile, liquid cargo. The location of the ongoing terminals / berths is shown in Fig.10.

➤ **Construction of RoRo cum General Cargo berth 2**

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

KPL issued the Letter of Intent on 29.03.2016 to the firm M/s. L&T Geostructure LLP, Chennai for Rs.115.03 Crores excluding parking yard. On receipt of Environmental Clearance from Ministry of Environment & Forest, KPL will issue the Work order for commencement of work.

➤ **Captive Oil Jetty by IOCL**

To meet the growing demand of POL, LPG products and Lube Oil Base stock (LOBS) in bulk in Tamil Nadu and neighbouring states, IOCL is proposing to build a Captive jetty at KPL and the proposed jetty is expected to achieve a capacity of 3 MTPA of LPG, POL and LOBS.

KPL and IOCL signed the MoU for the Construction of Captive Oil Jetty by IOCL on 30.11.2015. Further, KPL signed the Concession Agreement with IOCL on 09.06.2016 for construction of Captive jetty at an investment of Rs.480 crores. The work will be commenced during middle of 2017 and will be commissioned by 2020-21.

➤ **Development of Marine Liquid Terminal – 2**

To meet the export/Import demand of oil industry, KPL has initiated actions for development of 2nd Marine Liquid Terminal consists of berth and tankage Terminal by DBFOT mode at an investment of Rs.393 Crores. The capacity of the Terminal is 3 MTPA. RFQ was invited on 30th June 2016 and RFP process is in progress. Award of work is likely to be completed during March 2017. Schedule of completion of construction of the berth is 2020-21.

After completion of the under construction, new projects, the port handling capacity would be 95 MPTA which is around 2.5 times the present capacity of 38MTPA. The details are tabulated as below.

S.No	Name of the Cargo Handling Terminal	Capacity (MTPA)		
		Existing	Projects under Progress	New Projects
1.	Coal terminal for Tamil Nadu Electricity Board	16		
2.	Common user marine liquid terminal	3		
3.	Common User coal terminal	10		
4.	Common User iron ore terminal	6		
5.	Automobile Export Terminal	3		
6.	Development of Container Terminal Phase-1 Phase-II		16.8	
7.	Development of Multi Cargo Terminal		2	
8.	Construction of CB-3 for TNEB		9	
9.	Construction of CB-4 for TNEB		9	
10.	Development of LNG		5	
11.	Modification of iron ore Terminal to handle coal also.		6	
12.	Development of 2 nd Automobile Export Terminal			3
13.	Development of IOCL oil Jetty			3
14.	Development of Common User MLT -2			3
	Total	38	47.8	9
	Grand Total	94.8 MTPA say 95MTPA		

11. Connectivity

11.1 General

For the efficient performance of a port, the effective internal network of road and rail as well as external connectivity to the national highway and trunk railway routes are essential to ensure faster receipt and evacuation of cargo. Accordingly, the existing situation at KPL and their proposals are described in the following sub sections. The internal road and rail network is presented below:

Internal Rail Road Network of Kamarajar Port

11.2 Internal Network

11.2.1 Road Network

a) Existing Port Access road (VOC Road)

From the existing coal berth a road, developed during port construction, links the coal berth to the Port Access Road through the Port Main Gate. The Port Access Road joins the NCTPS road which in turn joins the TPP road. This is being widened to four lanes and will continue to be the main link for the next few years.



b) Additional Internal Roads

(i) Road along the compound wall (Security Road)

There is a security road along the compound wall inside the Port premises with total length of about 5 km.

(ii) Principal Road (east-west) south of the Liquid Storage from the compound wall

This principal port road runs for a length of 1.6 km inside the Port area and the road is extended outside beyond the port premises.

(iii) Connectivity Road for POL/Chemical tankage and LNG Regasification Plant

The road branches off from the principal road to provide access to MLT and LNG tank area.

(iv) Road along the shore east of liquid storage area upto root of north breakwater

The road along the shore to the root of the north breakwater for a length of about 1.8 km has been formed with black topping for access to the General Cargo Berth and North Breakwater.

(v) North-South Road

This is a proposed road connecting the proposed container terminal and multi cargo terminal to the western and northern gates of the port. The length of the road is approximately 2.6 kms. The contract for construction of two lane concrete road with paved shoulders on either side has been awarded and work completed during 2016-17.

c) External roads in immediate vicinity

(i) Kattupalli Road

Kattupalli road that has a length of about 3.8 km has developed for evacuation of liquid cargo and car carriers with two lane bitumen road. Till the completion of Northern Port Access Road, the present Kattupalli road is being widened for handling the projected volume of traffic.

(ii) Access Road to Iron Ore / Coal Stackyard

The existing BOT Operator of CICTPL under the CSR activity developed a two lane concrete road from the Stackyard to the Port Access Road. The trucks carrying the coal from the stackyard are being evacuated through this road.

(iii) Road Connecting NCTPS Road to Iron ore/ Coal Stackyards

The road provides connectivity to coal and iron ore yards and recently KPL developed as a concrete road. The road stretch between NCTPS road and northern end of the coal yard is about 6 km long. This road crosses the existing railway track for which RUB has been planned and construction work is in progress.

11.2.2 Rail Network

a) Holding Yards I & II

Presently Kamarajar Port is connected by rail to the mainline at Attipattu and Attipattu Pudunagar Stations located in the Chennai – Gudur section of the Southern Railway on the Chennai – Delhi/Kolkata route. The southern connectivity takes off from Attipattu Pudunagar Railway Station. The northern connectivity takes off from Attipattu Railway Station. These two lines merge at the Apex Point and run as a single line to the NCTPS Yard.

The siding was developed and is being used by TNEB for dispatch of thermal coal by rail from NCTPS to their power plants located at Mettur and Ennore. KPL developed the railway facilities connecting the stackyards of the coal and iron ore terminals to the existing NCTPS railway line. Subsequently, KPL has developed two more R&D lines on the Northern side of the existing NCTPS Yard.

b) Railway layout and operations at the coal and iron ore yards

The planning and rail operations are being executed by the respective BOT operators.

c) Connectivity to the Container & Multi cargo Terminals

An independent railway line is proposed for the ongoing container terminal and multi cargo terminal. These lines take off from the one line branch of NCTPS line to KPL premises. The DPR has been approved by Railways in December 2014 and the work has been entrusted to RITES for construction on deposit basis. KPL signed the MOU with RITES 14.02.2015. Subsequently, RITES prepared the tenders for different packages such as embankment formation, procuring rails and sleepers, laying of railway track, OHE, etc. The contracts for the works of embankment formation and construction of culverts and the supply of pre-stressed concrete sleepers, slack gauge sleepers and turnout sleepers, etc., have been awarded.

11.3 External Connectivity

The external road and rail connectivity to the National Highways and the railway trunk routes are shown in the figure hereunder.



External Rail Road Connectivity to Kamarajar Port

a) Proposed Northern Port Access Road

The Government of India conveyed in-principle approval for inclusion of New 4 lane road to provide direct connectivity to Kamarajar Port from NH-5 under NHDP Phase-VII in 2004. A new 4 lane road is proposed from Kamarajar Port to Thatchur on NH-5 and a link to TPP Road.

Government of Tamil Nadu has taken the project from NHAI during January 2012. Alignment has been finalized. This is one of the components of Chennai Peripheral road alignment which is now planning stage of State Government. Due to continuous follow up and requests by KPL, Chief Secretary conducted a meeting and took certain decisions.

Tamil Nadu Road Development Corporation Ltd (TNRDC) is the implementing Agency for the Northern Port Access road.

NPAR to be developed in two stages.

- Stage 1 – Spur Road starts from Port to TPP Road near Minjur - length 10.4 Km
- Stage 2 – Starts from the Spur Road to Thatchur on NH-5 – length - 15.4km

The total land to be acquired is 244.76 Hectares and estimated land acquisition cost is Rs.951 crores. The 50% of the Land acquisition cost to be shared by KPL and L&T Port remaining by State Government. The estimated project cost is Rs.1600 crores.

Govt. of Tamil Nadu commenced the land acquisition process on 30.09.2016 by issuing notice to the village. Already notification issued for 2 villages and meeting also completed with the owners. Now notification for third village is in progress. Land Acquisition process will take minimum one year. Commencement for Stage 1 will be taken after completion of the land acquisition.

b) Proposed Southern Port Access Road

Considering the increasing road traffic movement of import / export of cargoes, KPL has envisaged interest for widening of the existing two lane road starting from Vallur Junction (TPP road) to Kamarajar Port Main entrance to four lane road as a Southern Port Access Road (SPAR) Connectivity. The total length of the road is 7.1 kms i.e., 4.8kms length of North Chennai Thermal Power Station (NCTPS) road and 2.3kms length of Port Access Road. KPL appointed TNRDC as the Implementing Agency on deposit basis.

SPAR is identified as a one of the Sagarmala Project. KPL had a discussion with Ministry – Sagarmala for development of Southern Road Connectivity and funding mechanism for sharing the expenditure. Ministry suggested that first to form the SPV Company in the name of the project and Sagarmala and Port is the SPV partner of the company. Accordingly, KPL had a discussion with Adani Kattupalli Port Representative and they are also willing to join the SPV Company for developing the Southern Port connectivity subject to that the proposed road to be extended to their boundary limit for a distance of about 3KM. The estimated cost of the proposal is Rs.200 Crores.

12. Traffic Forecast

Traffic forecast is assessed based on the Business Plan, Market Study of Kamarajar Port and present scenario in the trade.

Coal

Requirement of coal for TNEB (Thermal coal)

- ❖ The Coal requirement of TNEB has been considered based on the existing power stations of TNEB at North Chennai, Ennore and Mettur and on-going construction of Joint Venture (NTPC-

TNEB) power stations at Vallur, extension of NCTPS and Mettur.

- ❖ The Coal discharge at Port by TNEB considered in the mixing of import Coal and Indian Coal.
- ❖ Based on the demand it has been assessed that about 16 million tonnes of TNEB and their associates will handle coal in the year 2017-18. This has been dropped compared to previous years since TANGEDCO is depending largely on wind power utilisation. Further TANGEDCO transported coal from origin station to Mettur through rail about 3 Million Tonnes.

Requirement of coal for users at CICTPL Berth

It has been assessed commonly by the BOT Operator that they will be handling 7.5 million tonnes for the year 2017-18.

Liquid Bulk

It has been assessed by the BOT Operators that they will be handling 4.00 million tonnes for the year 2017-18.

General Cargo/Automobile

Based on the manufacturing programme of Nissan Motor Corporation / Toyota / Ford / Renault, the projected traffic of export of cars at Kamarajar Port is 2,00,000 cars in the year 2017-18, 2,25,000 cars from the year 2018-19 onwards. The reason for dropping the car export traffic is due to Nissan Motor Corporation Limited planned to change the model in the market.

Container

Based on the construction schedule, the BOT operator will handle the Container in the container terminal at the end of 2016-17. Due to recent cyclone, the commissioning of the terminal got delayed and is expected to commission by 2nd quarter of 2017-18. Accordingly, the expected traffic during 2017-18 is 2 Million Tonnes.

Multi Cargo Terminal

Based on the construction schedule, the BOT operator will handle the multi cargoes in the multi cargo terminal at the end of 2016-17. Due to recent cyclone, the commissioning of the terminal got delayed and is expected to commission by 2nd quarter of 2017-18. Accordingly, the expected traffic during 2017-18 is 0.5 Million Tonnes.

13. Summary of Traffic Forecast by Commodity

(in Million Tonnes)

Commodity	2017-18	2018-19	2019-20
Coal for TNEB	16.00	18	20
CICTPL – Common User Coal	7.50	8	8
Iron Ore, Modification to handle coal also	-	4	6
Liquid Bulk	4.00	4	4
General Cargo (Cars)	2.50	2.5	3
Container	2.00	3	4.5
Multi Cargo	0.50	1	1.5
Total	32.50	40.5	47

14. Investment in Infrastructure Projects

KPL investment projects to support the terminal/berth investment projects in the next five years are as follows:

14.1 Capacity Enhancement Projects

❖ Construction of two more dedicated berths for TANGEDCO.

Considering the expansion of the existing thermal power plants of and new TANGEDCO, TANGEDCO - NTPC JV project, TANGEDCO had requested KPL to establish additional coal berths. KPL initiated action and awarded the contract for construction of additional two coal berths at a own investment of Rs.500 Crore. Both the berth construction works are in progress and expected to complete by middle of 2017-18. The balance construction cost is Rs.150.00.

❖ Construction of RoRo cum General Cargo berth 2

KPL initiated and awarded the contract for development of RoRo cum General Cargo Berth 2 to M/s. L&T Geostructure LLP, Chennai for Rs.115.03 Crores on 29.03.2016 and awaiting the MoEF clearance for commencement of work. Parking yard and other facilities will be taken up subsequently. The total project cost is Rs.320 crores.

KPL Proposed Investment on Capacity Enhancement Projects in the next five year is shown below:

S.No	Project	Investment cost (Rs. in Cr.)
1.	Construction of CB-3 & 4	150.00
2.	Development of RORO cum General Cargo Berth / Terminal	320.00
	Total	470.00

14.2 Capital Dredging

- Capital Dredging (Phase III) to provide 16 mtr depth at container terminal Phase 1 berth, multi cargo berth, CB-3 berth areas. The work was awarded for Rs.274.86 Crores and is expected to be completed during the 1st quarter of 2017-18.
- KPL has undertaken the Capital Dredging Phase-IV project which will provide 18mtr draft to the Port. This draft is sufficient to receive cape size vessels for bulk terminals and mother vessels. Container Terminal which is under construction is designed to receive mother ships. The project is expected to be completed by 2018-19.
- Capital Dredging Phase-V to provide 16mtr depth at the berth face of LNG Terminal, RoRo Berth cum GCB-2, IOCL Captive jetty, MLT-2 and Container Terminal Phase-1 (Stage-2) in synchronization with the berth construction.

KPL's proposed investment on dredging in the next five years is shown below.

S.No	Project	Investment cost (Rs. in Cr.)
1.	Capital Dredging (Phase - III) - balance works	100.00
2.	Capital Dredging (Phase - IV) for deepening the port basin and channel	300.00
3.	Capital Dredging (Phase V) to provide 16 mtr depth at container terminal phase 2 berths, LNG berth , RO RO berth 2, MLT II, IOCL Jetty	250.00
	Total	650.00

14.2 Road Connectivity

KPL investment on development of roads in the next five years is shown below.

S.No	Road	Length in KMs	Cost (Rs.in Cr.)
1.	Widening the existing southern connectivity from two lane to four lane (SPV projects)	8	40.00
2	Additional road connectivity inside the Port and widening the port Access Road	15	60.00
3.	Contribution towards share of land acquisition cost payable to Govt. Of Tamil Nadu for development of Northern Port Access Road	25.5	250
	Total		350.00

14.3 Rail Connectivity

KPL investment on rail connectivity in the next five years is shown below:

S.No	Project	Investment cost (Rs. in Cr.)
1.	Rail Connectivity between Kamarajar Port and mainlines of Indian Railways to coal / iron ore stack yards (Balance works) including electrification and signalling works.	30.00
2.	Rail connectivity to the proposed Container Terminal – Balance works	20.00
3	Doubling the existing rail connectivity from Holding Yard 1 to Container Terminal	200.00
	Total	250.00

14.5 Equity Contribution for the SPV Projects:

❖ Development of Enayam Major Port Project

The Union Cabinet has given in-principle approval for setting up a Major Port at Enayam near Collachel in Tamil Nadu for transshipment for the global East West trade route. For development of this port, a Special Purpose Vehicle (SPV) has formed with initial equity investment from 3 Major Ports namely, VO Chidambaranar Port trust, Kamarajar Port Limited and Chennai Port Trust. KPL's equity contribution is Rs.400 crores.

❖ Development of Free Trade Warehousing Zone (FTWZ):

KPL initiated action for development of FTWZ through PPP mode at an investment of Rs.889 crores and invited bids (RFQ). Due to non-responsiveness of bidding process, KPL planned to form the SPV Company with Sagarmala Development Company (SDC) to develop the FTWZ. The basic infrastructure at an investment of Rs.100 crores will be invested by the SPV Company and creation of other facilities, operational of FTWZ, etc., will be through Co-developer.

KPL investment on SPV Projects in the next five years is shown below:

S.No	Project	Investment cost (Rs. in Cr.)
1.	Development of Enayam Major Port Project	400.00
2.	Development of Free Trade Warehousing Zone	50.00
	Total	450.00

15. Summary of Investments Costs

KPL investments amount to Rs.2370 crores in the next five years is shown below:

S.No	Project	Investment cost (Rs. in Cr.)
1.	Capacity Enhancement Projects	470.00
2	Capital Dredging	650.00
3.	Road Connectivity	350.00
4.	Rail Connectivity	250.00
5.	Contribution to SPV Projects	450.00
6	ECPP Liabilities	200.00
	Total	2370.00

16. Financial Performance

The audited financial results of Kamarajar port for the last five years are as detailed below –

Particulars	(Rs. in Crores)					
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (Up to December 2016)
Income from Services	248.96	320.21	501.93	566.44	617.31	453.92
Other Income	1.29	5.50	18.73	31.07	26.54	7.59
Total Income	250.25	325.71	520.66	597.51	643.85	461.51
Operating Expenditure	44.23	44.96	57.10	58.77	103.04	77.41
Finance cost	66.16	44.32	46.63	77.20	75.56	49.36
Depreciation	13.25	13.76	14.29	18.05	19.08	14.65
Exceptional Items	5.84	5.93	2.45	17.67	0.29	-
Total Expenditure & Provision	129.48	108.97	120.47	171.69	197.97	141.42
Profit before Tax (PBT)	120.77	216.74	400.19	425.82	445.88	320.10
Tax Provision / Deferred Tax	24.05	43.37	83.88	89.25	95.16	68.10
Profit after Tax (PAT)	96.72	173.37	316.31	336.57	350.72	252.00

17. Dividend

Kamarajar Port has declared and paid its maiden dividend @ 15% of Profit after Tax (PAT) for the financial year 2008-2009 and since then the Company is regular in declaring dividend to stakeholders. During the last Financial Year ended 31.03.2016, the Company declared and paid dividend @35% on paid up capital amounting to Rs.105 crores.



18. MOU Performance

Kamarajar Port signed MOU with Department of Shipping for the first time in the financial year 2006-07 and achieved “very good” grading. However, from the Financial year 2007-08, the Company achieved “EXCELLENT” grade continuously since then.

KPL has received the MOU Excellence Certificate of Hon’ble Prime Minister of India for Excellence in achievement of MOU Targets for the consecutive three years from 2007-08 onwards.

19. SWOT Analysis

STRENGTH

- Guaranteed captive cargo and income from TANGEDCO (formerly TNEB) as coastal based power stations are developed and operated by TANGEDCO and its associates adjacent to the Port.

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

WEAKNESS

- The captive User TNEB and the BOT operators are responsible for day to day cargo handling operations. Hence EPL's role is limited in volume / throughput to be handled.
- Movement of Iron ore from Bellary-Hospet region was banned by the Government of Karnataka. Consequently export from this region is totally affected.
- The development of common infrastructure facilities like capital dredging, road & rail connectivity is vested with KPL for which huge amount of funds are raised from the market with no government assistance / grant.
- Raising of fresh funds on the strength of port assets is limited on account of BOT performances.

OPPORTUNITIES

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

THREAT

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

20. Environment Protection and Sustainable Development

Kamarajar Port strives for the protection of environment by taking preventive measures as a part of its operation. Port has an environment programme that involves Environment Assessment, Monitoring and Protection. The following measures are already in place.

- (a) Sampling and testing of various parameters for marine water, ambient air, ground water and noise levels undertaken at regular intervals.
- (b) In order to contain dust pollution and spillage, shore based unloading equipments such as grab unloaders and mobile hoppers are installed for unloading of coal from the ships which is transported to the stackyards by closed conveyors. Dust suppression measure by spraying of water is adopted at each transfer tower, stackyard and at wagon and truck loading stations.
- (d) State of Art facility is available for unloading of POL,LPG and chemicals at the Marine Liquid Terminal with the storage area fully protected with firefighting installations.
- (f) Port has taken up a massive plantation with rich biodiversity for the development of green belt in about 50 hectares of port area.
- (g) The northern beach is regularly nourished by using dredged materials. Further nourishment is in progress in the current dredging project.
- (h) An oil spill contingency plan prepared as per the National Oil Spill Disaster Contingency Plan (NOS-DCP) is in place.
- (i) In order to create awareness on an environment issue, port actively conducts and participates in programmes like, World Environment Day, Coastal Cleanup Day, etc.

21. Corporate Governance

The Department of Public Enterprises (DPE) has issued Guidelines on Corporate Governance. KPL strongly supports the principles of Corporate Governance which involves Board, employees, shareholders and other stakeholders. The management and employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability. The company is regular in submitting the quarterly grading report containing the compliance status of Corporate Governance with reference to guidelines issued by the DPE. In addition, the Company is regular in submitting the annual evaluation report on compliance of Guidelines of Corporate Governance in the prescribed form.

22. Corporate Social Responsibility

Kamarajar Port Limited as a part of its Corporate Social Responsibility is undertaking a lot of developmental work in its neighborhood villages. Kamarajar Port Limited has contributed funds for executing infrastructure development works under CSR and Sustainability initiatives for the year 2016-17 through District Administration, Thiruvallur, imparted skill development training in various trades for livelihood enhancement of residents of local villages and contributed funds to “Swatch Bharath Kosh”

- ❖ Total value of CSR projects incurred in the FY 2015-16 is Rs.7.30 Crores.
- ❖ CSR projects approved and work in progress for the FY 2016-17 is Rs.8.48 Crores and subsequently for the FY 2017-18 – Rs.8.94 Crores, as per new CSR guidelines issued by GOI.

23. Port Development Plan

23.1 Business Plan

Business plan for Kamarajar Port was prepared for the period of 20 years from 2007-08 by HPC Hambarg Consulting GMHB, Germany with the guidance of Port of Rotterdam in 2006.

23.2 Master Plan

Ministry of Shipping has initiated important strategic imperatives to realize India’s economic aspirations. The overall objective of the project is to evolve a model of port-led development, whereby Indian ports become a major contributor to the country’s GDP.

In order to meet the objectives, Indian Port Association (IPA) appointed the consortium of McKinsey and AECOM as Consultant to prepare the National Perspective Plan as part of the Sagarmala Programme. Accordingly, Master Plan of KPL has been prepared taking into consideration of the future traffic and the benchmarking and operational improvements.

The Consultant highlighted the shelf of new projects and phasing, i.e., ongoing projects, projects to be completed by the year 2020 and projects to be completed by year 2035. The Consultant mentioned in the Master Plan that the existing harbour basin would be able to handle about 158.6 MTPA cargo of different commodities. The Port Master Plan / Layout after completion of the projects in 2035 is shown as below:



24. Conclusion

The slogan of KPL is that Kamarajar Port is the **“India’s Port of the Millennium”**. The slogan has been adopted in the light of the fact that Kamarajar Port came into existence in 2001 at the dawn of the New Millennium. The Vision, Mission and Corporate Planning are aimed at making this Port as the new generation port with a modern outlook and excellent service to the seaborne EXIM trade so that it would live up to its declared slogan of India’s Port of the Millennium.

