CHAPTER-I
INTRODUCTION AND RESEARCH DESIGN

1.1 INTRODUCTION

Infrastructure always becomes basic fundamental need for the growth and development of any country. Industrial infrastructure can only successful if transportation infrastructure is enough for import & export of goods. Since long centuries medium of shipping transportation used and moreover more than 90% of goods transported by shipping only all over the world. Therefore, it only can be possible by development of Ports. Now “What is Port? A port (or seaport) is a place at which the transfer of cargo and passengers to and from waterways and shores occurs.

The transfers are made to and from vessels. The port may be a cargo port (handling only the transfer of cargo), a passenger port (handling only the transfer of passengers), or a combination cargo/passenger port (handling the transfer of both cargo and passengers). A marine terminal is a distinct infrastructure within a port for the transfer of cargo and passengers to and from vessels.” (Port Economics, Wayne K. Talley, Port Introduction Page 1)
1.1.1 Shipping in India

India has a sound history in shipping for centuries. But it becomes more attractive for multinational companies from last half century as government started Special Economic Zone to the Major ports, especially in Gujarat, where Kandla Port Trust become SEZ (Special Economic Zone) in 1964-65. However, with the impact of liberalization and privatization policy in 1991, it has opened the entire door for multinational companies to make another home in India with benefit of duties. Globalization carried out sharp impact on port sector in India. As ports are always major medium of transportation of goods via cargoes, globalization of production has put values to the international investors to establish new business in India because port capability and efficiency can greatly influence the decision for locating a plant or distribution center and often determine whether a local producer can compete globally or regionally with other producers.

1.1.2 Port Dimensions

There are specially two types of ports in India, Public Port and Private Port. Public Port contains Major Ports and Non-Major Ports as Private Port may be fully privatized or partially privatized. Government now put liberal hands for the infrastructure growth in India and therefore ports are privatized to handle maximum number of cargos handled. It is also one type of free invitation for global corporate to establish into India.
No country can aspire for economic progress and development without the development of efficient infrastructure. Especially in the age of globalization where international goods and commodities are to be transported from one country to the other, efficient infrastructure is the key to the success. Approximately 90% of the international cargo is transported by the ships; it shows the importance of the infrastructure facility in the country. In this view, the performance of ports plays an important role. The performance of the port should be assured based on multiple parameters.

It is not a time now when exporter and importer have to wait for three or four months just wait for ships and transport goods where ports available with spending thousands of rupee as transportation. In 20th century, there are dynamic changes in Indian Ports, number of new and vast infrastructure now ready to fulfill the export and imports of goods by ships. It’s now the time when most ports are today competing with one another on a global path and the tremendous benefit in productivity in ocean transport achieved over the past several decades. Ports are now become simply efficient ocean transport logistics over the world. There is not only global competition among ports but it can seen also country to country and state to state, even in same district can be find out. Public and Private port competition is now become remarkable ties operating and generating ocean gains. Moreover it’s interesting to marking the performances within ports managed by government body and private management bodies. There are vast differences can be found even at the time of direct visit of the port as casual.
Ports in India are now becomes the power point for multinational companies located in India for importing and exporting of goods via cargoes. This has generated the drive today to improve port efficiency, lower cargo handling costs, and integrate port services with other components of the global distribution network. Because of the capital intensity of such efficiency improvements, these have also generated the drive to unbind ports from the bureaucratic control of public entities and encourage private sector operation of a wide range of port-related activities. These forces will impact ports of all sizes, driving requirements for port expansion, service improvement, pricing decisions, and other management actions. Always winners and losers will emerge in the global port sector, largely dependent on how port managers strategically position themselves in the evolving competitive landscape. It matters more when huge investment moving with high risk businesses. Port operations have their own values particularly managing technically mechanism of playing with money.

1.1.3 Ports Development in Gujarat:

“Gujarat has India’s longest coastline of 1600 Km and is the Maritime gateway to Middle East, Africa and Europe. The state has 41 ports which include one major port and 40 non major ports. The state ranks first in terms of cargo throughput amongst all Indian ports and has the highest number of operational ports and commercial cargo ports. Gujarat is the first state in India to invite private sector participation through competitive bidding.
The state has received private investment of INR 17,000 Crores in port infrastructure. The state is also host to one of the world’s largest ship recycling yards at Alang. The first private port of India, Pipavav is in Gujarat.

Mundra Port is already privatized and Maroli, Mithivirdi, Bedi (rozi), Simar, Modhawa and Vansi Borsi ports are in the bidding process for privatization. Letter of intent has been issued to the developers for Sutrapada and Khambhat ports. The existing Navlakhi, Porbandar, Magdalla and Okha ports are in the process of privatization.

“(Source: Annual Gujarat Review’08)

Gujarat is one of the states of India which is having a maximum number of industries. It is now become a home of multinational corporations, large private sector companies, and powerful public sector enterprises with large, medium and small scale industries. However, all these private and public sector units produce approximately 13% of India’s total industrial production and contributes approximately 21% of the total export volume. Gujarat has the largest coastline (1600 km) of all the Indian states and is dotted with 41 ports; where 1 major port, 11 intermediate ports and 29 minor ports. Kachchh, also known as Kutch is one of the largest district in India (according to its land area) located in Gujarat where one of the Major Port of India is located Kandla Port Trust which is central government managed unit. it is one of the Major Port in India handling huge number of cargos.
This study is analytical comparison of one of the Major Port which is basically service provider unit and non profit oriented with Mundra Port & Special Economic Zone which is also located with same district Kutch, and basically private managed port with profit oriented objectives. Study mainly work on the present resources of the port and trying to finding out any possibility to make higher profit for Kandla Port with same resources and finance. Study also highlights information for higher growth ways for both the port. Both the port not only has best of infrastructure but also having the advantage of location where number of industries already exist. Such a study helps not only in comparing different ports based on performance, but also helps in corrective measures, identifying weakness areas and strengthening of key parameters.

Most of the studies have concentrated on their bulk and cargo handling with a major emphasis on economic return. Literature on the general reliability of the performance appraisal process is available and is to an extent subjective. At the other extreme, there are many strong advocates of performance appraisal. In the present context, port indicators are simply measure of various aspects of the ports operation. Such indicators should be easy to calculate and simple to understand.
1.2 RATIONALE OF THE STUDY

There are mainly two types of ports; Profit oriented and Non Profit oriented. Profit oriented Ports are either partially or fully privatized while Non Profit oriented ports are either Major Ports or Non Major Ports. Major Ports are those ports which are operate and covered by Central Government of India while Non Major Ports are operate and covered by State Government of India. As all public ports are service oriented rather than profit oriented having their own policy and norms, on the other hand policy for private port is designed focusing profits as central goal and service as second. This research study is based on financial performance comparison between one of the Major Port which is non profit oriented and service provider and fully privatized port with objective of profit making. Both the respective port located in the gulf of Kutch and having mass infrastructure facility to operate shipping activities. Moreover, the location of both port have their own advantage where number of export oriented units exists.

1.2.1 Major Ports in India

There are 12 Major Ports in India which is managed by the Central Government of India. All 12 ports are spread out in Eastern and Western coast of India where Kolkata Port, Pradip Port, Visakhapatnam Port, Chennai Port, Ennore Port and Tuticorin Port are located on the Eastern coast of India while new Manglore Port, Cochin Port, Mormugao Port, Mumbai Port, Jhavasheva and Kandla Port are
on the Western coast. The port of Ennore which is particularly
corporate set up under The Companies Act 1956.

1.2.2 Shipping Policy

The silent feature of Indian Shipping Policy is to promote
national shipping and increase the number of carriage to country’s
overseas trade. Nowadays national shipping generates significant
contribution in foreign exchange earnings of the country. The Ministry
of Shipping decided to open a private sector participation in shipping
rather than monopolistic, with the purpose of bringing out efficiency in
productivity, quality and services and competitiveness in port services.
So as the Major Port Act, 1963 permits private sector participation in
Major Ports this invites Foreign Direct Investments upto 100% for
construction and maintenance of Ports. Private participation in shipping
is also allowed in variety of port services like operation and
construction of terminals, warehousing, maintenance and repairs, dry
docking and storage facilities.

1.2.3 Shipping Progress in Gujarat

Gujarat is one of the rapidly growing states in sense of
infrastructure facility, availability of all natural resources, technical
manpower and investor-friendly industrial policy which promote
investors nationally and internationally. The total industrial production
in Gujarat is always remarkable in the country’s total production. To promote shipping and maximize the total income of Gujarat it has allowed private sector entrepreneurs to operate and handle ports to enhance the standard of quality, performance and competitiveness for making share in industrialization process. Therefore, Gujarat Maritime Board, (GMB) established in year 1982 with the objective of, to promote, represent port policy by which infrastructure development get push up. GMB is first autonomous state board in India.

Presently,
“More than 4800 ships and 1000 sailing vessels visit the ports of Gujarat every year. Gujarat has favorable parameters for facilitating the development of shipbuilding and ship recycling which include well developed port infrastructure, availability of land, water and power in abundance, stillness of water and deep draft, availability of skilled labors, proximity to ancillary industries, sufficient anchorage space”
(Source: Annual Gujarat Review’08)

The research study also highlights the positioning of private sector involvement in port. Which was basically liberalized by government for the improvement of infrastructure, promote export and import, increasing the number of cargos and maintain quality management, so they are doing good enough or not. Following are the details of ports which consider as research where it includes Major Port and Private Port located in the Gulf of Kutch.
1.2.4 Mundra Port & SEZ- Profile:

In the year 1998 Adani Group started port project for their international trade operations. Before year 2003, port identified as Adani Port Ltd but it merged in year 2003 and after 1st April, 2003 the port is identified as Gujarat Adani Port Ltd. Gujarat Adani Port Ltd now known as Mundra Port and Special Economic Zone located at Mundra, in Kutch district. It is one of the private port of Gujarat and operated and managed by Adani Group which is first largest private SEZ to be notified by Government of India. It carried out Initial Public Offer in the year 2007 as Mundra Port and Special Economic Zone and so that its now identified as MPSEZ. It is surrounded by all natural resources facility with enormous infrastructure.

Mundra Port is implementing employee first policy since inception. It is able to change with the change in port policy by government.

“Mundra Port and SEZ Ltd (MPSEZL) has been awarded LOI by the Hazira Port Pvt Ltd for development of non LNG port facilities at Hazira. Hazira Port Pvt Ltd (HPPL), a joint venture between Shell Gas BV (74%) and Total Gaz Electricite Holdings France (26%), has built the Hazira (Surat) Port pursuant to the permission guaranteed by the Gujarat Maritime Board (GMB) and Government of Gujarat (GOG) in April 2002.” (Source: Mundra Port & SEZ Ltd, 8th December, 2009, published by Firstcall India Equity Advisor Ltd.)
1.2.5 **Kandla Port Trust-Profile:**

Kandla Port Trust had become Special Economic Zone in year 1964. KPT is operated and handled by Central Government of India with purpose of infrastructure service provider for cargos to motive overseas transportations. Kandla Port is one of the Major Port of India located at Kandla in the district of Kutch. Administrative office is located at Gandhidham, Kutch. KPT is Non Profit oriented port and basically service provider to the cargos. KPT is fully surrounded with all natural resources, skilled manpower, and massive infrastructure facility, repair and storage facility. Its one of the top performer to handle cargos compare to other Major Ports of India.

The Kandla Port Trust is operated by board of trustees where an administrator which is nominated by ministry of commerce, appointed for the management of a free trade zone known as Kandla Free Trade Zone placed near the port where hundreds of small and international companies are also situated. Owing the fast progress of Kandla Port Trust, the near city Gandhidham also developed faster. Kandla Port plays very crucial role in country’s international trade. The port is up to date with latest facilities and technological innovations to maintain higher quality in operations. Kandla Port Trust established new performance record in year 2006-2007 to handling cargo volume of 52.98 million tones.
1.2.6 Fund Finance:

All the Major Ports are managed by The Central Government of India and Non-Major Ports by The State Government. In Gujarat, Gujarat Maritime Board decides policy for the development of ports.

For the management and finance private ports, it is depends on its origin or privatization, either it can be fully privatized or joint venture. In care of fully privatized the private port player is responsible for the development of port. As this study compares private port sector with public port sector to judge the growth of private port sector in terms of financial performance analysis, with aims to find high growth, improvement and handling cargos, and quality assurance in management, rise in import and export of goods so as to satisfy the basic intent of privatization policy of the port sector.

1.3 SIGNIFICANCE OF THE STUDY

This research aims at discussing an essential issue as financial performance comparison between Mundra Port and Kandla Port Trust especially in terms of bringing out results from its liquidity, profitability and efficiency. In July 1991 Liberalization, Privatization and Globalization policy has opened all the doors of progress for the private sector. Private sector contributes great share in GDP. The study having objective to measure the performance of private port with
compare to public port with special dimension to point out that whether there is any development in cargo handling, quality management, and improvement in GDP with privatization of port which was the basic objective of government to privatize port sector.

Industrially growing up country like India, it is very important to maintain and generate maximum infrastructure facilities, rise in numbers of export items and medium of exporting the items from India. As far as this research project is concern, both the category of port is huge in Gujarat and having their own identity in the maximum cargos handler not only in Gujarat but also in India as Mundra Port & Special Economic Zone is India’s biggest private SEZ officially declared by government of India and Kandla Port Trust also record breaker in handling cargos.

After the approval for SEZ for both the respective ports, it can also be noted that FDI (Foreign Direct Investment) raised in India, within numbers of new entrepreneurs either a part of small scale or large scale and giving their share in total exports in by costal ways. Foreign investment can be beneficial to developing countries because of its risk-sharing characteristics and effects on resource mobilization and allocation.

The methodology is directed towards qualitative discussion, theory-based approach about the risks present when private companies
invest in developing countries and bring case examples to see how the companies have dealt with it.

Importance of research study also can be identified as under;

- It is important to find out their investment strategy and long term decisions regarding investments in assets and other long term investments.

- This research study is important to measure improvement in privatization of port sector compared to public ports.

- The study is also important to measure the success of BOOT Policy.

- The study bringing out the efforts by the Government of Gujarat for the development of shipping infrastructure.

- The study will provide investment policy by private port players under BOOT policy for the growth and development of port sector.

- The study is important in general as valuable information regarding performance, management and development of ports by private and public port players in Kutch district.
1.4 PROBLEM IDENTIFICATION

Port Services are unique. It provides vital share for the development of India. It most of the export oriented units make plan for establishment based on transportation and SEZ facility. India is having mainly three types of port structure namely, Major, Minor and Intermediate. Major and Minor Ports controlled and operated by Central and State government respectively as service provider ports. Privatizations of ports are one of the impacts of LPG policy.

The privatization of port process started in year 1995 in Gujarat by GMB. Gujarat has one Major Port which is managed and controlled by Central government namely Kandla Port Trust. It has become SEZ in year 1964-65. With reference to direct visit of the ports and analysis of basic financial data, the researcher found that Public Sector ports are not performing well compare to Private Ports in terms of performance of managing liquidity, profitability and efficiency of the port. If the research can be done on comparative financial performance of Private Port and Public Port, it will not only useful to measure the performance but also helps to identify the lacking sector of the public port which would be improve. GMB introduced BOOT policy for the development, generating power, and infrastructure. MPSEZ is one of the fully privatized ports under BOOT policy. The research also aims to measure the performance of MPSEZ as private port working under the BOOT policy, to find weather it satisfy the parameters or not in terms of performance of liquidity, profitability and efficiency.
This research aims to compare the private sector financial performance with public sector port performance. Mundra Port & Special Economic Zone formed under the permission of Gujarat Maritime Board, (GMB) with intense to improve quality of port sector managements to handle cargos and promote import and exports. This research study concerned with financial performance of Private Port and Public Port to compare the performance of liquidity, profitability and efficiency with intense to find out how improvement developed after the privatization of port sector. For the better solution and detail analysis of project, the seven years financial data from year 2002-2003 to year 2008-2009 is collected for the solution of the problem. There are some other problem can also be identified in numbers regarding the research importance.

Research study problems can identify as following;

- How the Private Ports performing under BOOT policy with special preference to Mundra Port & Special Economic Zone (MPSEZ) performing in terms of managing Liquidity, Profitability and Efficiency?

- How efficiently can Mundra Port & SEZ manage its working capital compare to Kandla Port Trust for handling of port operations?
• Is there any improvement in terms of financial performance for Mundra Port & SEZ compared to Kandla Port Trust during 2002-03 to 2008-09?

• What are the major difference in port operations between MPSEZ and KPT?

• How efficiently works the concept to privatize port sector for rapid growth and quality management?

The following comparative Income & Expenditure statement represents difference of growth performance by MPSEZ and KPT from year 2002-03 to 2008-09 which helps to support above problem.

Table – 1.4.1
Comparative Income & Expenditure Statement
For the year 2002-03 & 2008-09 (Rs. In Cr)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Mundra Port</th>
<th></th>
<th>Kandla Port</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002-03</td>
<td>2008-09</td>
<td>2002-03</td>
<td>2008-09</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>52.34</td>
<td>1,137.59</td>
<td>211.98</td>
<td>408.76</td>
</tr>
<tr>
<td>Non Operating Income</td>
<td>2.15</td>
<td>109.71</td>
<td>162.43</td>
<td>182.96</td>
</tr>
<tr>
<td>Total Income</td>
<td>54.49</td>
<td>1,247.30</td>
<td>374.41</td>
<td>591.72</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expense</td>
<td>21.67</td>
<td>373.49</td>
<td>142.25</td>
<td>326.46</td>
</tr>
<tr>
<td>Non Operating Expense</td>
<td>38.55</td>
<td>359.02</td>
<td>63.05</td>
<td>41.76</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>60.22</td>
<td>732.51</td>
<td>205.3</td>
<td>368.22</td>
</tr>
<tr>
<td>Profit after Interest &amp; Dep.</td>
<td>-5.73</td>
<td>514.79</td>
<td>169.11</td>
<td>223.5</td>
</tr>
<tr>
<td>Income Tax</td>
<td>0</td>
<td>53.71</td>
<td>28.18</td>
<td>63.05</td>
</tr>
<tr>
<td>Reported Net Profit</td>
<td>-3.16</td>
<td>461.09</td>
<td>140.94</td>
<td>160.45</td>
</tr>
</tbody>
</table>

Source: Collection of data-analyzed, for details, refer Annexure-I
With reference to the above comparative table, it defines that in the year 2002-03 Mundra Port is having loss for Rs. 3.16 Cr and on the other side the Kandla Port Trust having profit for Rs. 140.94 Cr it shows that in this positioning Kandla Port having very strong positioning compare to Mundra Port. Even the Operating Income for Mundra Port in year 2002-03 is Rs.52.34 Cr and Rs.211.98 Cr for Kandla Port which is almost four times higher than Mundra Port and sufficient strong fundamental also seen for Non Operating Income which is Rs.2.15 Cr for Mundra Port and Rs.162.43 Cr for Kandla Port Trust in year 2002-03.

In year 2008-09 the Operating Income for Mundra Port is Rs.1137.59 Cr and Rs.408.76 Cr for Kandla Port Trust. Here ultimately Kandla Port has almost doubled the Operating Income within last six years and on the other hand Mundra Port has generated a big jump about twenty times higher the Operating Income comparing to year 2002-03.

It also apply for Non Operating Income in the year 2008-09, it is Rs.109.71 Cr and Rs.182.96 for Kandla Port Trust. Comparing to the amount Kandla Port is higher but numerically overall improvements for Kandla Port is Rs.20 Cr increased during the difference of last six years. While situation for Mundra Port is having different picture for its growth especially for its Non Operating Income, it is about to 54 times higher compare to year 2002-03. It proves the sound management of its liquidity to getting returns on investment.
The overall picture can be more clear if annual profit is compared to each other for both the ports. In year 2002-03 as we have seen that Mundra Port is having loss for Rs. 3.16 Cr and developed sound positioning in year 2008-09 where the net Profit is Rs.461.09 Cr its almost more than 150 times higher growth compare to year 2002-03. On the other hand Kandla Port is enjoying the profit in the year 2002-03 which is Rs.140.94 Cr and positioning at Rs.160.45 Cr in year 2008-09, its almost rise for Rs.20 Cr during this six years. It does not sufficient to decide the better or poor management. But it makes us to learn how to jump the gap. As we discussed earlier that Kandla Port is managed by Central Government of India therefore it has its own limitations to getting the growth. Which are the limitations will automatically be clear with this study.

1.5 OBJECTIVE OF THE STUDY

The basic objective of the research study is to analyze comparative financial performance in sense of liquidity, profitability and efficiency. The performance mainly analyzed in ratios and all the comparative ratios will also be statistically analyzed using tools like Mean and Standard Deviations. Graphically descriptions are also given whenever necessary. Moreover following are the basic objective which the research studies.
The research study is based on following objective:

- To assess the implementation of BOOT policy by Gujarat Maritime Board for the privatization of ports.

- To assess the impact of Port Privatization in Kutch district with special preference to MPSEZ, Mundra.

- To study the need of port privatization in Gujarat with reference to quality management in port operations, create port infrastructure and motivation to growth.

- To analyze the performance of MPSEZ and KPT in terms of finding out growth with help of financial analysis, using Horizontal, Vertical and Trend Analysis.

- To assess the comparative financial performance in terms of Financial Liquidity, Profitability and Efficiency with the help of ratios.

- To study the role of Gujarat Maritime Board in private port development in Gujarat.

- To study the importance of MPSEZ as private port player in Mundra with reference to infrastructure development.
1.5.1 Hypotheses

1.5.2 It is assumed that Mundra Port & Special Economic Zone (MPSEZ) is private port player and profit oriented units, and making more profit compare to Kandla Port Trust (KPT) Public Sector Unit and Non-Profit Maker, in terms of liquidity, profitability and efficiency to deliver the performance.

1.5.3 It is assumed that for the purpose of research study Mundra Port & Special Economic Zone is compared with Public Port Sector Kandla Port Trust to finding out with improved performance in terms of Financial Analysis such as Horizontal, Vertical & Trend Analysis and Financial Performance such as Liquidity, Profitability and Efficiency.

1.5.4 It is assumed that MPSEZ performs better than KPT because there is immediate implementation of policy decisions related to port operations, better quality in operations, and efficient management of financial planning.

1.5.5 It is assumed that private port players, MPSEZ performing well towards port operations in terms of quality, infrastructure improvement and maximize the profitability under BOOT (Build Own Operate Transfer) Policy by Gujarat maritime Board.
1.6 RESEARCH METHODOLOGY

The descriptive method of research will be utilized for this study. This study will employ qualitative research method because it intends to find and build theories that will. Qualitative approaches to research study are based on comparative financial performance analysis as holistic. Furthermore qualitative research is multi-method in focus, involving an interpretative, naturalistic approach to its subject matter. This means that qualitative research study things in their natural settings, attempting to make sense of interpret phenomena in terms of the availability of financial data. Accordingly, qualitative deploy a wide range of interconnected methods, hoping always to get a better fix on the subject matter at hand.

(1) For the collection of primary data, both the ports visited and all the necessary information collected regarding financial figures from its respective department.

(2) All the necessary financial information about Kandla Port Trust, it is collected from its administrative office, located at Gandhidham, Kachchh from its Administrative Reports.

(3) All collected data is analyzed into useful information that can be used for research study.
(4) Financial data are utilized to prepare analytical Balance sheets and Income & Expenditure Statements.

(5) To analyze comparative financial performance in terms of liquidity, profitability and efficiency, Ratio analysis used as major tools.

(6) For the comparison of financial data Horizontal, Vertical and Trend analysis used as comparative analysis tools.

(7) Statistical tools like Mean and Standard deviation also used to measure the accuracy of ratios.

(8) To give better justice to the research study, graphically analysis is also given whenever it is necessary.

(9) The secondary data have been collected from different source of collection. The duration of secondary data collection is for consecutive seven years from year 2003 to year 2009.

1.7 AREA AND LIMITATIONS OF THE STUDY

The study has its limitations. The entire area of the study has been focused on Mundra Port & Special Economic Zone, as one of the private sector port in India to measure the performance improvement in compare to Kandla Port Trust which is one of the Major public port in
India and to measure the performance of public ports measuring parameters of satisfaction in liquidity, profitability and efficiency.

Only two ports were selected for the research study in the category or private and public port. With the purpose of detailed and accurate analysis, all the possible calculations analyzed according to availability of data. The research study includes financial data for Mundra Port & SEZ and Kandla Port Trust from year 2002-03 to year 2008-09. Financial figures are approximate and it may vary from its original figures. All the financial figures are limited to research study only and not for any investment decision.

1.8 PLAN OF THE RESEARCH STUDY

The research study has been developed in seven chapters. The chapter programme is as follows.

1.8.1 Chapter Schemes and divisions:

The first six chapters are designed within research framework, and chapter 7 is prepared for summary and findings.
Chapter I is designed to introduce of the research study. It describes briefly the introduction of the study, rational of the study, significance of the study, research methodology, objective of the study and area and limitations of the study.

Chapter II gives detailed information about conceptual framework of financial performance; it includes importance of financial performance, importance of liquidity analysis, importance of profitability analysis, importance of efficiency analysis. This chapter contains a profile and background of the research study area.

Chapter III gives the review of literature related to the research study. The available literature is reviewed in terms of privatization of port sector in India, private port performance in kutch, centralization approach of study, research study overview, future prospectus of ports in Gujarat, ports under BOOT policy in Gujarat. This chapter defines all important aspects in brief. The need and urgency of easy privatization procedure with immediate result is highly solicited. Private port performing not only well but they also invite FDI to the state and promote industrialization process in Gujarat.

Chapter IV is designed to cover all the analytical and technical calculation for the comparative research study. This chapter includes comparative horizontal analysis, comparative vertical analysis, and comparative trend analysis and analysis of liquidity for MPSEZ and KPT which includes fourteen comparative profitability ratios for
MPSEZ and KPT from year 2002-03 to 2008-09. The table in this chapter contains the figures for comparative ratios. It is also tested and analyzed by using tool kit of statistical tools like mean, standard deviations, median, and trend indicator.

Chapter V is based on comparative analysis of profitability for MPSEZ and KPT which includes fourteen comparative profitability ratios for MPSEZ and KPT from year 2002-03 to 2008-09. The table in this chapter contains the figures for comparative ratios. It is also tested and analyzed by using tool kit of statistical tools like mean, standard deviations, median, and trend indicator.

Chapter VI deals with comparative analysis of efficiency for MPSEZ and KPT. The table in this chapter contains the figures for comparative ratios. It is also tested and analyzed by using tool kit of statistical tools like mean, standard deviations, median, and trend indicator.

1.8.2 Summary and Findings

Chapter VII contains summary of findings and suggestions of the research study. This chapter deals with implementation of BOOT policy, performance of MPSEZ under BOOT policy, impact of port privatization, degree of performance satisfaction, need for a new
strategy, need for integrated approach for port development, need for centralized development policy, and conclusions. This chapter also includes annexure I to V.

References:


(2) Saji Kumar, “Restructuring of Indian Ports- Reforms and Challenges” ICFAI Publication.
