Gujarat Pipavav Port Limited

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ANNUAL REPORT **2019-20**

CHAIRMAN'S STATEMENT

Dear Members,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Gujarat Pipavav Port Limited for the year ended 31st March 2020. It comprises Standalone as well as the Consolidated financial statement for the year ended 31st March 2020.

During the year, your Company reported a Standalone Net Profit of Rs. 2,924.04 Million, higher by about 42% compared to the previous year. This increase in Net Profit is on account of the increase in tariff in the Container business effective April 2019, and on account of the Reversal of Deferred Tax Liability due to the lower tax rate as per the new tax regime applicable to your Company in future years. Additionally, these results have also been achieved due to extensive cost control measures adopted by the company, particularly during the last quarter of the financial year where total expenses reduced by about 24% compared to the same quarter last year.

Your Company holds 38.8% shares in Pipavav Railway Corporation Limited (PRCL), an Associate Company as per the provisions of the Companies Act, 2013. PRCL has provided its Management estimates for the year ended 31st March 2020 for the purpose of their consolidation as their annual accounts audit was delayed due to COVID19. As per the Consolidated financial statement enclosed, the Company's share of profit in PRCL for the year ended 31st March 2020 is Rs. 308.38 Million, a marginal decrease of about 0.7% compared to the previous year.

Your Company had declared an Interim Dividend of Rs. 2.10 per share in October 2019 and it has been paid. On the back of strong increase in Net Profit, the Board of Directors is pleased to recommend an all-time high Final Dividend to the shareholders of Rs. 3.50 per share for approval in the forthcoming Annual General Meeting (AGM) taking the total dividend amount to Rs. 5.60 per share. This payout is in accordance with the Company's policy to pay the entire distributable profit as Dividend. Your Company became statutorily eligible to pay Dividend with effect from Financial year ended 31st March 2016 after setting off the accumulated losses. With likely approval of Final Dividend of Rs. 3.50 per share by the shareholders in this AGM, I am extremely delighted to share with you that your Company would reach a milestone of total Gross Dividend Payout of over Rs. 10 Billion to its shareholders in five years. It is indeed a no less achievement for an Infrastructure Company.

The World Health Organisation declared COVID-19 a Global Pandemic. This infectious disease started in China during December 2019 adversely impacting millions of people across the globe and has severally disrupted the Global Economy. In order to prevent the spread of this highly infectious disease in the country and in absence of effective treatment, the Government of India declared an unprecedented nation-wide lockdown in March 2020. While the Indian economy has been adversely impacted, being a large consumption economy, it is likely to recover much sooner than the other countries. However, the speed and the timing of recovery would depend upon how soon the Indian manufacturing is able to commence its operations.

During the lockdown, the Government of India had declared Port Services as an Essential Service in order to continue the supply chain. During this period, the employees of your Company while observing all safety measures as per Government Guidelines, handled all the vessels calling at the Port and ensured totally uninterrupted Port Operations. The Rail evacuation from the Port to the Northern hinterland was highly efficient during this period and it gave a sort of preview of the efficiencies that can be expected in the inland logistics, once the Dedicated Freight Corridor commences its operations. On behalf of the Board of Directors I would like to place on record our appreciation for the support provided by the Customs, the Indian Railways, the Rail Operators, Gujarat Maritime Board, the local administration and all our shipping lines and end customers in helping us carry out our Port Operations. Each one of them played their part to the best of their ability in these challenging times and are continuing to do so.

One of the biggest infrastructure projects of India namely the Western Dedicated Freight Corridor (DFC) is getting ready and a large part of the project from Rewari to Vadodara is likely to get operational soon. The trial run of Double Stack Electric Train has been done upto Botad Junction which is about 165 kms from Pipavav Port. Your Company expects to get connected to the DFC by end of the calendar year 2020/ early 2021. This project has the ability to completely change the inland logistics landscape of North-West India. Once the rail operation gets commissioned on the DFC, it will bring reliability to movement of containers to and from Northern India, the Railways shall have ability to run scheduled freight trains and that would provide clarity to the trade and will enable better planning for movement of containers. It is also likely to reduce the transit time of the trains. All these measures should bring enormous cost and time efficiencies to inland logistics of India. PRCL is doing investment of over Rs. 3000 Million and the Company is investing additional Rs. 700 Million in upgrading the Rail infrastructure in accordance with the requirements of DFC. Your Company believes that it will have ability to service some new markets in Northern India that hitherto were not economically viable until the commissioning of DFC.

Post COVID-19, the countries/ companies would like to evaluate diversifying their manufacturing facilities apart from China to reduce their dependency on one country and to mitigate the risk of supply chain disruption. While Government of India has been taking several initiatives to attract foreign companies for setting their manufacturing facility in India, various State Governments have equally important role to perform for attracting these companies. In this context, Gujarat State has a head start as the State Government has been developing Dholera Industrial Region for setting up of manufacturing units. The infrastructure development in Dholera Industrial Region is in progress and improvement in Road connectivity shall make it a more attractive proposition for the companies to set up their manufacturing facility. Your Company believes that Dholera being closer to Pipavav, the Port has an important role to play in helping the interested companies by providing an efficient supply chain to set up their facility. Dholera Industrial Region will provide a much-needed boost to the industrial activity in this Region of Gujarat.

The IMF expects India to grow at 7.4% in the Year 2021. Your Company is ready with all eagerness to participate in the growth of the country by providing effective solutions to its Customers. It is committed in improving the supply chain of its Customers and make them more competitive in international markets.

Your Company is debt-free and with a strong Balance Sheet is ready to invest in growth opportunities that will bring more cargo to Pipavav Port thus creating more value for the Company and employment and business opportunities for the local community in the Region. The Company continues to explore various growth options.

On behalf of the Board of Directors of the Company, I take this opportunity to thank our Shareholders for their patience and faith in us.

My colleagues on the Board join me in expressing their sincere appreciation of all our Customers and Vendors for their continuous support. Our Associate Company Pipavav Railway Corporation Limited has played a key role in the Company's performance.

Our Employees have once again demonstrated their grit and determination by enduring all the challenges and ensuring unhindered, efficient operations at the Port. I thank them for their dedication and commitment.

I also thank the State and Central Government bodies and my colleagues on the Board for their support, guidance and valuable insight.

In these challenging times, India is making efforts for faster revival of its economy through Government initiatives in commissioning of important infrastructure projects like DFC. This soon to be commissioned massive project will be a game changer for the country's Inland Logistics and will make Indian Exports more competitive in the international markets while the Imports into the country will grow owing to the large consumption economy. India continues to march ahead with certainty.

With Best Wishes,

Tejpreet Singh Chopra

Chairman

CONTENTS

BOARD OF DIRECTORS

Mr. Tejpreet Singh Chopra Chairman

Mr. David Skov (upto 27th July 2019)

Ms. Hina Shah

Mr. Julian Bevis

Mr. Keld Pedersen

Mr. Mukesh Kumar, IAS (upto 23rd October 2019)

Mr. Pradeep Mallick

Mr. Pravin Laheri, IAS (Retd.)

Mr. Timothy Smith (from 19th September 2019)

Capt. Padmini Kant Mishra Managing Director
(from 24th October 2019 to 31st December 2019)

Mr. Jakob Friis Sorensen Managing Director
(from 1st January 2020)

CHIEF FINANCIAL OFFICER
Mr. Santosh Breed

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. Manish Agnihotri

STATUTORY AUDITORS
Price Waterhouse Chartered Accountants LLP
(Firm Regn. No. 012754N/N-500016)
Mumbai

REGISTRAR & SHARE TRANSFER AGENTS
KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium Tower B, Plot 31-32, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad 500 032

REGISTERED OFFICE

Pipavav Port, At Post Ramapara- 2 Via Rajula
District Amreli, Gujarat 365 560
CIN: L63010GJ1992PLC018106
Website: www.pipavav.com
Tel: 02794 242400
Fax: 02794 242413

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Gujarat Pipavav Port Limited (CIN:L63010GJ1992PLC018106) ('the Company') will be held on Thursday 6th August 2020 at 2.00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2020, along with the Reports of the Board of Directors and Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2020, along with the Auditors Report thereon.

2. To declare a final dividend of Rs. 3.50 per equity share and to confirm the interim dividend of Rs. 2.10 per equity share already paid during the year, for the financial year ended 31st March 2020.

3. To appoint a Director in place of Mr. Keld Pedersen (DIN:07144184) who retires by rotation and being eligible, offers himself for re-appointment.

4. To consider and if thought fit, pass with or without modification(s) the following Resolution regarding the Appointment of Statutory Auditors and fix their remuneration as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 as amended from time to time, Price Waterhouse Chartered Accountants LLP (Firm Regn. No. 012754N/N-500016) be and are hereby Re-appointed as Statutory Auditors of Gujarat Pipavav Port Limited to hold office from the conclusion of this Annual General Meeting till the conclusion of the 33rd Annual General Meeting.

   RESOLVED FURTHER THAT the Board of Directors (including the Audit Committee) of the Company be and is hereby authorised to fix the remuneration of the Statutory Auditors."

SPECIAL BUSINESS

5. **Appointment of Mr. Timothy Smith (DIN: 08526373) as Director of the Company**

   To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Timothy Smith (DIN: 08526373) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 19th September 2019 and who is eligible for appointment be and is hereby appointed as Director of the Company, liable to retire by rotation."

By Order of the Board of Directors
For **Gujarat Pipavav Port Limited**

Manish Agnihotri
Company Secretary
ACS 12045

Registered Office:
Pipavav Port, At Post Rampara-2 via Rajula
District Amreli, Gujarat 365 560
CIN: L63010GJ1992PLC018106

Mumbai
9th June 2020

Notes:

a) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") has permitted the holding of Annual General Meeting ("AGM") through VC / OAVM, without physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The Members can attend and participate in the Company's AGM through VC/OVAM. Therefore, the Route Map for venue of the Meeting is not annexed to the Notice.

b) The VC/OAVM facility for participation in the Company's AGM along with the facility for Remote E-voting and E-voting during the AGM is being provided by National Securities Depository Limited ('NSDL').The VC/OAVM facility shall be open for the Members 15 minutes before the scheduled time of the AGM and shall not be closed till the expiry of 15 minutes after the conclusion of the meeting.

c) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and the Proxy Form as well as the Attendance Slip are not annexed to the Notice.

d) Institutional / Corporate Shareholder (i.e. other than individuals / HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of its Board or Governing body Resolution/Authorization etc., authorizing the concerned representative to attend the AGM through VC / OAVM on its behalf and to vote through Remote E-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by Email on hsk@rathiandassociates.com with copy to NSDL at evoting@nsdl.co.in and to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited (KFin) at einward.ris@kfintech.com

e) The Register of Members and Share Transfer Books of the Company shall remain closed from Friday 31st July 2020 to Thursday 6th August 2020 (both days inclusive).

f) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations, Section 102 of the Companies Act, 2013 ("the Act") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment /re-appointment at this AGM is annexed.

g) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

DISPATCH OF ANNUAL REPORTS AND NOTICE OF AGM ONLY THROUGH EMAIL AND REGISTRATION OF EMAIL BY THE MEMBERS

h) Due to the difficulties in printing of Annual Report and in their dispatch in the currently ongoing COVID situation, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email address is registered with the Company/ Depositories. This is being done in accordance with aforesaid MCA Circulars and SEBI Circular dated May 12, 2020.

i) **Process for those shareholders whose Email ID is not registered with the depositories for procuring user id and password and registration of Email ID for E-voting for the resolutions set out in this notice**:

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by Email to the Company's Registrar and Share Transfer Agent, KFin at einward.ris@kfintech.com. In case shares are held in dematerialised mode, the Members may kindly register their Email ID with their Depository Participant.

j) Members may kindly note the Notice of the AGM and the Annual Report 2019-20 is available on the Company's website www.pipavav.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at www.evoting.nsdl.com

PROCEDURE FOR ATTENDING THE AGM THROUGH VC/OAVM

k) Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their Remote E-voting login credentials and selecting the EVEN for Company's AGM.

l) Members who do not have the User ID and Password for E-voting or have forgotten the User ID and Password can either retrieve the same by following the Remote E-voting instructions mentioned in the Notice or they can use the OTP based login for logging into the E-voting system of NSDL, if their mobile number is registered with NSDL.

m) Members are requested to join the AGM through a Laptop for better experience. They will also require camera and internet with a good speed to avoid any disturbance during the meeting. Kindly note, participants connecting through Mobile Phone, Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in network. Therefore, a stable Wi-Fi or LAN connection is recommended to mitigate any kind of technical glitches.

n) The VC/OAVM facility being provided through NSDL has ability to provide access to 1000 members on a first come first serve basis. But large shareholders holding more than 2% shares, Promoter, Key Managerial Personnel and Chairman of various Board Sub-committees can attend the AGM without any restriction of first come first serve.

o) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the E-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

p) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and E-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send an email at evoting@nsdl.co.in or contact NSDL officials Mr. Pratik Bhatt at designated email ID: pratikb@nsdl.co.in or at telephone nos.: +91-22-24994738, or Ms. Sarita Mote at designated email ID: saritam@nsdl.co.in or at telephone nos. : +91-22-24994890

PROCEDURE TO ASK QUESTIONS/ SEEK CLARIFICATION REGARDING THE ANNUAL REPORT

q) In view of the AGM being conducted through VC/ OAVM and to enable efficient and structured two way communication, the Members interested in expressing their views or asking questions are requested to kindly register themselves by sending their email at investorrelationinppv@apmterminals.com from 9.00 AM on Wednesday 29th July 2020 and latest by 5.00 PM IST on Friday 31st July 2020. The email should include their name, their DP ID and Client ID or Folio No as the case may be, their PAN, their Email and mobile number and the statement they would like to make at the AGM or the question they would like to ask at the AGM. This would enable the Company to provide an appropriate response to their statement/question. Kindly note only those Members who have registered themselves by sending the email within the stipulated period shall be allowed to speak at the AGM.

r) In view of paucity of time, the Company reserves its right to restrict the number of speakers/ questions as appropriate, in order to ensure smooth and efficient conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM

s) In compliance with the provisions of Section 108 of Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other statutory provisions, as applicable, the Members are provided with the facility to cast their vote electronically, through Remote E-voting by NSDL on all resolutions set forth in this Notice convening the AGM.

t) The Remote E-voting shall commence from **Monday, 3rd August 2020 (9.00 a.m. IST)** and ends on **Wednesday, 5th August 2020 (5.00 p.m. IST).** During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the Cut-off date being Thursday 30th July 2020, may cast their vote by electronic means. The Remote E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Members who have not cast their votes during Remote E-voting, shall be eligible to cast their vote through Remote E-voting during the AGM.

u) Any person, who acquires shares of the Company and becomes a Member after the AGM Notice has been sent and is holding shares as of the Cut-off date i.e., 30thJuly 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for Remote E-voting then he/she can use his/her existing User ID and password for casting the vote.

v) Mr. Himanshu Kamdar (Membership No. FCS 5171, CP No. 3030) and in case of his inability Mr. Jayesh Shah (Membership No. 5637, CP No. 2535) of Rathi and Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.

w) The Scrutinizer shall unblock the votes in presence of at least two witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or to such other person as may be authorised by the Chairman. The Company shall also submit the Scrutinizer's Report to the Stock Exchanges within Forty-eight hours of conclusion of the AGM.

x) The Results declared along with the Scrutinizer's Report will be available on the Company's website www.pipavav.com and on NSDL's website https://www.evoting.nsdl.com

y) The resolution(s)shall be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the Resolution(s).

z) The Procedure and Instruction to Members for Remote E-voting is as follows:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF AGM ARE:

1. The procedure for E-voting on the day of the AGM is same as the instructions mentioned above for Remote E-voting.
2. Only those Members/ shareholders, present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through Remote E-voting and are otherwise not barred from doing so, shall be eligible to vote through E-voting system in the AGM.
3. Members who have voted through Remote E-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for E-voting on the day of the EGM/AGM shall be the same person mentioned for Remote E-voting.

OTHER INFORMATION FOR THE MEMBERS

1. If the Final Dividend recommended by the Board of Directors is approved at the AGM, the payment of such dividend will be made on or after 7th August 2020, within the stipulated time limit as under:

   (i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 30th July 2020.

   (ii) To all Members holding shares in physical form after giving effect to share transmission or transposition requests received as of the close of business hours on 30th July 2020.

2. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder and for transmission / transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialised form or to KFin in case of holdings in physical form, mentioning your correct reference folio number.

3. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. The Members can contact KFin for assistance in this regard.

4. Members who have not updated their bank details with the DP are requested to do so in order to enable the Company to execute NEFT/ Electronic Transfer of Dividend amount to their bank account to eliminate all risks associated with physical dividend warrants. Members holding shares in physical mode can register their bank details with KFin to execute NEFT/ Electronic Transfer of Dividend amount.

5. In order to support the ‘Green Initiative’, Members who have not yet registered their email address are requested to register it with their Depository Participants if the shares are held in electronic mode and with KFin if the shares are held in physical form. As part of Green Initiative, it will enable the Company to send Annual Report in electronic form by email.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. Effective 1st April 2020, the dividend amount is taxable in the hands of shareholders and the Company is required to deduct tax at source before payment of dividend amount to the shareholders. The shareholders may refer to the tax rates applicable to them and in case no tax is deductible then they need to submit the relevant Declaration Form in Form 15G/ 15H to ensure that no tax is deducted. In case lower tax is deductible then too they need to submit the necessary documents. These Declaration Forms should be submitted to KFin on Einward.ris@kfintech.com by 25th July 2020 failing which the applicable tax amount shall be deducted. The Shareholders can update their PAN and Bank details with the Depositories if the shares are held in dematerialised form and with KFin if the shares are held in physical form.

8. The details of Unclaimed/Unpaid Dividend of the Members until the Company’s AGM held on 8th August 2019 have been displayed under the Investors Section on the Company’s website www.pipavav.com These have been also submitted to IEPF on its website www.iepf.gov.in

9. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members holding shares in physical form can nominate a person in respect of the shares held by them by filing Form SH-13 with KFin. Members holding shares in dematerialised form can approach their Depository Participant.

10. For redressal of investor grievances, Members can write to the Company on investorrelationinppv@apmterminals.com

STATEMENT SETTING OUT MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 4

Price Waterhouse Chartered Accountants LLP (Firm Regn. No. 012754N/N-500016) are proposed to be Re-appointed as Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the 33rd Annual General Meeting.

Pursuant to the requirements under Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 to provide the details of Re-appointment, the Company proposes to pay Fees of Rs. 4.95 Million plus applicable taxes and reimbursements at actuals, to the Statutory Auditors. During the tenure of the auditors, the Board of Directors (including the Audit Committee) may review the amount of fees from time to time as they may deem fit.

Item no. 5

The Board of Directors had approved the Appointment of Mr. Timothy Smith (DIN: 08526373) as Additional Director of the Company with effect from 19th September 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Smith holds the office of Director upto the date of the Annual General Meeting. Mr. Smith is eligible for being appointed as Director of the Company liable to retire by rotation. The Company has received intimation for appointment of Mr. Timothy Smith as Director.

Mr. Smith has been Regional CEO of APM Terminals for Asia. He has worked in the Container Shipping Industry for over 30 years, for much of that time in Asia, including 18 years living in Hong Kong. Initially with P&O Containers and then P&O Nedlloyd, Mr. Smith has been with the AP Moller Maersk Group since their acquisition of P&O Nedlloyd in Year 2005. He has held various positions in the Group including CEO of North Asia for Maersk Line which contributed 35% of global Maersk Line volume. In the year 2015, Mr. Smith was appointed Chairman of Maersk China and Chief Group Representative for North Asia reporting to Maersk Group CEO wherein he was responsible to maximize the Group's commercial opportunities across all its various business units in Asia Region, as well as for risk management and compliance, and leadership development. In March 2018, Mr. Smith became Chief Executive, Asia Region for APM Terminals. He is responsible for 17 Terminals in the Region, as well as for Sales/Marketing of APMT's Global Network of Terminals to Asian customers.

Mr. Smith currently based in Hongkong is a British citizen. He has graduated from University of Oxford with a BA (Hons) first class in Geography in the Year 1985.

A brief profile of Mr. Smith in terms of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided at the end of this Notice.

The Board of Directors believe that Mr. Smith's knowledge and experience of Terminals and Shipping in the Asia Region will be of immense value to the Company and hence recommend the Resolution for your approval.

Except Mr. Timothy Smith and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item No. 5 of this Notice. This Explanatory Statement may also be regarded as Disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Profile of the Directors being appointed / re-appointed as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Mr. Keld Pedersen	Mr. Timothy Smith
Date of Birth	29th April 1966	28th March 1963
Date of Appointment	1st June 2019	19th September 2019
Qualification	Master Mariner from Copenhagen Navigation School; Diploma in Economics and Management (Bachelor level); Executive Programs from London Business School and IMD Switzerland	BA (Hons) first class in Geography from University of Oxford
Experience (in years)	Over 29 Years	Over 30 Years
Expertise in specific functional areas	Business Management	Business Management
Disclosure of Relationship between the Directors inter- se	None. He represents the Promoter APM Terminals Mauritius Limited	None. He represents the Promoter APM Terminals Mauritius Limited
Directorships in other Public Listed companies in India	None	None
Membership of Committees held in other Public Listed companies in India	None	None
Shares held in the Company	Nil	Nil
Terms and conditions of appointment	He is Non-Executive Non-Independent Director representing the Promoter Company.	He is Non-Executive Non-Independent Director representing the Promoter Company.
Details of remuneration sought to be paid	Nil	Nil
Remuneration last drawn	Rs. 21.57 Mn as Managing Director of the Company upto 31st May 2019	NA
Number of Meetings of the Board attended during the year	4	2
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Nil	Gateway Terminals India Private Limited- Chairman

DIRECTORS' REPORT

To
The Members,
Gujarat Pipavav Port Limited

The Directors of Gujarat Pipavav Port Limited ('the Company') have pleasure in submitting their 28th Annual Report to the Members of the Company together with the Audited Standalone and Consolidated Statement of Accounts for the year ended 31 March 2020.

1. FINANCIAL STATEMENTS & RESULTS:

a. STANDALONE FINANCIAL RESULTS:

(INR Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Operating Income	7,353.69	7,019.80
Less: Total Expenditure	2,887.55	3,131.15
Operating Profit	4,466.14	3,888.65
Add: Other Income	508.67	452.43
Profit before Interest, Depreciation, Tax and Exceptional Item	4,974.81	4,341.08
Less: Interest	73.76	3.65
Less: Depreciation	1,314.50	1,128.35
Profit Before Tax	3,586.55	3,209.08
Less: Taxes	662.51*	1,152.82
Profit for the year after Tax	2,924.04	2,056.26
Total comprehensive income for the year	2,911.32	2,051.09

**The reduction in taxes is on account of re-measurement of deferred tax liability at lower rate as per the new tax regime applicable to the Company in future years.*

b. OPERATIONS:

The Company is engaged in Port Development and Operations at Pipavav Port, in Saurashtra Region of Gujarat State. It has a 30-year Concession vide Agreement dated 30 September 1998 from Gujarat Maritime Board (GMB). The Port located in Southwest of Gujarat handles Containers, Dry Bulk, Liquid, and RORO vessels. The performance details are as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Dry Bulk Cargo (Mn MT)	2.33	2.00
Liquid Cargo (Mn MT)	0.82	0.64
Containers (In TEUs)	872,973	903,344
RORO (No. of Cars)	46,509	76,163

c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company holds 38.8% shares in Pipavav Railway Corporation Limited (PRCL) and the salient features in Form AOC-1 are mentioned in Annexure B. In view of the provisions of Section 2(6) of the Companies Act, 2013 ('the Act'), PRCL is an Associate Company and pursuant to the provisions of Section 129 of the Act, the Company is required to consolidate PRCL's annual accounts into its own accounts. In view of the country wide lockdown, PRCL's annual audit is delayed. Therefore, the Company's Consolidated Accounts are based on PRCL's Management Accounts. In view thereof, the Company has received a Modified Auditors Report on its Consolidated Accounts. A snapshot of the Consolidated Accounts is as follows:

(INR Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Operating Income	7,353.69	7,019.80
Less: Total Expenditure	2,887.55	3,131.15
Operating Profit	4,466.14	3,888.65
Add: Other Income	470.67	452.43
Profit before Interest, Depreciation, Tax and Exceptional Item	4,936.81	4,341.08
Less: Interest	73.76	3.65
Less: Depreciation	1,314.50	1,128.35
Profit Before Tax	3,548.55	3,209.08
Add: Share of Net Profit of Associate Company accounted for using the Equity Method	308.38	310.54
Less: Taxes	662.51	1,152.82
Profit for the year after Tax	3,194.42	2,366.80
Total comprehensive income for the year	3,181.25	2,361.40

d. DIVIDEND:

The Board of Directors in their Meeting held on 24 October 2019 declared Interim Dividend of Rs. 2.10 per share and it has been paid. The Board is pleased to recommend a Final Dividend of Rs 3.50 per share on the Company's outstanding Equity Share Capital.

The Dividend is subject to the approval by Members at the Annual General Meeting to be held on 6 August 2020 and will be paid on or after 7 August 2020, within the stipulated time limit to all Members whose Names appear in the Register of Members, as of the close of business hours on 30 July 2020. The final dividend if approved by the Members would involve a cash outflow of Rs 1,692 Million. The Dividend Distribution Tax, if applicable, would be borne by the Member.

The Company has a Dividend Distribution Policy, which is available on the website https://www.apmterminals.com/en/pipavav/investors/governance

e. TRANSFER TO RESERVES:

The Board of Directors have not recommended any transfer of profit to reserves during the year under review. Hence, the entire amount of profit has been carried forward to the Statement of Profit and Loss.

f. REVISION OF FINANCIAL STATEMENT:

The Company has not carried out any revision in its financial statements in any of the three preceding financial years as per the requirement under Section 131 of the Act.

g. DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

h. DISCLOSURES UNDER SECTION 134(3)(l) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

i. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate considering the nature of its business and the scale of operations. During the year under review, no material or serious observation has been made by the Statutory Auditors and the Internal Auditors of the Company regarding inefficiency or inadequacy of such controls. Wherever suggested by the auditors, the control measures have been further strengthened and implemented.

j. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

No adverse orders have been passed by any Regulator or Court or Tribunal which can have impact on the Company's status as a Going Concern and on its future operations.

k. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:

The transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are in the ordinary course of business and at arms' length. Therefore, they are exempt from the provisions of Section 188 of the Companies Act, 2013. But all such transactions have prior approval of the Audit Committee as per the requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The related party transaction with Maersk Line A/S regarding Income from Port Operations is a material transaction as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Contract with Maersk Line A/S is under renewal and shareholder's approval has been obtained by way of Postal Ballot on 16 March 2020, pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The details of Related Party Transactions are mentioned in Note 37(b) of the financial statements.

l. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

The Company has neither provided nor accepted any loans, guarantees and securities. The Company does not have any investments except 38.8% shareholding in its Associate Company PRCL.

Further, the Company is engaged in the business of providing infrastructural facilities and is therefore exempt from the provisions of Section 186 of the Companies Act, 2013.

m. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is included in the report.

n. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweat equity shares during the year under review and hence the provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 are not applicable.

o. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:

The Company does not have any Employees Stock Option Scheme and hence the provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 are not applicable.

p. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

2. OUTLOOK:

COVID-19 an infectious disease started in Wuhan, China in December 2019 and has rapidly spread globally, impacting millions of people around the world and severely disrupting the global economy. With rapid outbreak of the disease, the World Health Organisation declared it a Global Pandemic in March 2020. Considering that the spread of infection is entirely driven by human-to-human transmission, maintaining social distancing became necessary to bring the disease under control in absence of a vaccine, Government of India announced an unprecedented nation-wide lockdown from 25th March 2020 onwards. While several parts of the country were successful in gaining control over the spread of disease, most of the cities are under pressure and struggling to gain control over it. Due to continuous increase in the number of infected people, the Government has a major challenge in determining the lifting of lockdown while ensuring that the return of normalcy does not result into further increase in cases. The lockdown has severely impacted the country's manufacturing sector and the overall GDP resulting into job losses and reduction in salaries across various sectors. Companies across various sectors are taking severe cost control measures to conserve cash and to ensure survival in the Year 2020. The orders for new imports from India have not been placed due to shutdown of manufacturing facilities during the lockdown period and the severe impact of COVID-19 on the economies of western countries has impacted the exports from India. In view of insufficient cargo to carry and to save on their operating costs, the shipping lines have been skipping the port calls to India.

Due to the slowdown of global economy in the second half of the Year 2018, the IMF had scaled down its growth expectations for the Year 2019. It expected the global economy to grow at 3.3% in the Year 2019 and 3.6% in the Year 2020. With the epicentre of the pandemic moving to Europe in March 2020 from China, the European countries started implementing nationwide lockdowns leading to halt of numerous industries. The global economy grew 2.9% in the Year 2019 and the latest estimates by the IMF expect the global economy to contract sharply by -3% in 2020. There is extreme uncertainty in the global growth forecast in view of several unknown factors namely the trajectory of the pandemic in the coming months, the spending pattern of the population, the restoration of demand and the global supply chain. Meanwhile countries like Japan, Germany and the UK have already announced recession in their respective economies and the US economy is witnessing one of its sharpest declines.

The IMF expects that the impact of the pandemic would diminish during the second half of Year 2020 and depending upon the policy support that will be provided by various governments globally and how rapidly the activities normalise, the global economy may grow by 5.8% and India may grow by 7.4% in the Year 2021.

One of the biggest long-term impacts of this outbreak will be that now countries/companies will be wary of having the manufacturing facility concentrated in one country and would surely look into diversifying their supply chains. Though smaller countries like Vietnam and Indonesia have got initial success in attracting quite a few companies from China, India too has a huge opportunity to attract companies to set up their manufacturing facility. India's large captive market and its geographical location for catering to global demand can be an attractive proposition. While the Central Government has announced several measures to attract these companies, the State Governments have equally important role such as easy availability of land, improved labour laws and transparent and efficient administration at the ground level, if these companies are to set up their manufacturing facility in the country. Considering the consumption economy of the country, India has been high on imports. The setting up of manufacturing facility in India would increase Exports from the country resulting into a balanced supply chain logistics and lower logistics cost. In this context, Dholera Special Industrial Region in Gujarat has a head start because the demarcated land area is already available, and the basic infrastructure is developed/ getting developed by the State Government. The work on improvement of Road connectivity has been delayed and would need to be expedited.

A major portion of the all-important Western Dedicated Freight Corridor (DFC) is likely to become operational by end of this calendar year or early next year, depending upon how soon the authorities are able to resume the work post the lifting of COVID-19 related restrictions. The Ports in Gujarat will get connected on the Corridor and it should help in major reduction of the Inland Logistics cost for the manufacturers located in Northern India, making them competitive and helping them regain their lost market share in Exports. The DFC can also be a showcase project to the international manufacturing companies exploring to locate their facility to India. During the lockdown, the Rail evacuation has been extremely efficient, reliable and cost competitive. It should hopefully help the Railways to gain some market share from the Road evacuation and after commencement of DFC it could further strengthen the position of Railways in freight movement.

The West Coast of India handles about two-thirds of total Container business in the country. The Container market on the Indian West coast marginally increased by about 3% during the financial year 2019-20 over previous year. While the Indian trade was being mainly driven by higher imports, the last quarter of financial year remained flat in view of an extended Chinese New Year and the COVID-19 impact at the Chinese ports. The Indian ports started seeing blank sailings by shipping lines due to inadequate cargo. In these uncertain times it is difficult to gauge the outlook for Container Trade in the country but the recovery in trade would depend upon how soon the Indian Economy gets back to normalcy as it will increase imports and later as the economy of Western countries recover, the exports could also see some improvement.

The Dry Bulk Cargo on West Coast of India mainly comprises Coal and Fertiliser Imports. India being amongst the fastest growing economies, the demand for power supply will continue to rise and could create a gap between the rising demand and supply of the domestic coal. Currently, the Company continues to have logistical disadvantage for coal transportation by rail into Northern hinterland.

But post commencement of DFC, depending upon the freight rates, the Company should hopefully have ability to participate in some opportunities. In the case of Fertiliser cargo, though the country is focusing on becoming self-sufficient by increasing its domestic production but in short to medium term the imports are likely to continue. However, the future growth in import of Fertiliser cargo would depend upon the Government policies and the price of cargo in international markets.

The Company's Liquid Cargo business is based on a landlord model where the tank farm operators have set up the tankage facilities inside the Port. Considering the Government's focus on increased usage of LPG for households under Pradhan Mantri Ujjwala Yojna scheme, the LPG imports may continue to see increase.

The Company has a landlord model in RORO business too wherein the customer has set up a multi-user car handling facility inside the port. The car exports from the West Coast Ports of India have been facing challenges due to subdued international demand. Mahindra has announced JV with Ford for Ford's plant in Gujarat. The Company is hopeful of participating in growth opportunities as the automobile exports improve.

3. RISKS AND AREAS OF CONCERN:

The uncertainties currently being faced across the globe due to the impact of the pandemic is a major concern. However, the policy measures of various countries will determine the speed of growth in the international trade. India being largely a consumption economy is expected to have a faster recovery compared to the Western countries. The Government of India has announced several measures for revival of the economy aggregating to Rupees Twenty Trillion. The Company is debt free and has a strong Balance Sheet. The Company is in an extremely competitive position to participate in growth opportunities as the macro picture of the Indian Economy shows improvement.

4. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Mr. Tejpreet Singh Chopra (DIN: 00317683), Ms. Hina Shah (DIN: 06664927), Mr. Pradeep Mallick (DIN: 00061256) and Mr. Pravin Laheri, IAS (Retd.)(DIN:00499080) are the Company's Independent Directors for a period of five consecutive years from 30 July 2015. Their tenure is upto 29 July 2020. The Company is committed to adhering to highest standards of Governance and has a clear road map to bring changes in its Independent Directors. But it believes that a gradual change amongst its Independent Directors is important in order to ensure smooth and staggered succession on the Board. In that context, out of the four Independent Directors Mr. Pravin Laheri, IAS (Retd.) (DIN:00499080) shall vacate the office of directorship upon completion of his current tenure on 29 July 2020. Mr. Laheri has been the longest serving amongst all four Independent Directors. Mr. Pradeep Mallick (DIN: 00061256) is being re-appointed for one year from 30 July 2020 to 29 July 2021, Ms. Hina Shah (DIN: 06664927) is being re-appointed for a period of three years from 30 July 2020 to 29 July 2023 and Mr. Tejpreet Singh Chopra is being re-appointed for a period of five years from 30 July 2020 to 29 July 2025. The Company is already seeking shareholder approval by way of Postal Ballot.

During the year, the Company has obtained Shareholder's approval by way of Postal Ballot, pursuant to the requirements under SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 for Continuance of Mr. Pravin Laheri, IAS (Retd.) as Independent Director until the completion of his current tenure upto 29th July 2020 since he has attained 75 years of age.

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation. The Managing Director of the Company is also not liable to retire by rotation.

Mr. Mukesh Kumar, IAS- Nominee Director of Gujarat Maritime Board (GMB) vacated his office of Director under the provisions of Section 167(1)(b) of the Companies Act, 2013, in view of his inability to attend any Board Meeting held during 12 months period upto 24th October 2019.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Keld Pedersen (DIN:07144184) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Mr. Timothy Smith (DIN: 08526373) was appointed Additional Director of the Company on 19 September 2019 replacing Mr. David Skov and holds office till the Annual General Meeting. Being eligible he offers himself for Appointment as Director of the Company liable to retire by rotation. Your Directors recommend his appointment.

b. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declaration from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

The Independent Directors were appointed in the AGM held on 30th July 2015 for a period of five years.

The Company has been regularly conducting Familiarisation Programmes for its Independent Directors and has posted its details on the website https://www.apmterminals.com/en/pipavav/investors/independent-directors

5. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

a. BOARD MEETINGS:

The Board of Directors met four times during the year ended 31 March 2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

b. DIRECTOR’S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31 March 2020, the Board of Directors hereby confirm that:

a. in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2020 and of the profit of the Company for that period;

c. proper and sufficient care was taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts of the Company have been prepared on a Going Concern basis;

e. internal financial controls have been laid down by the Company and that such internal financial controls are adequate and operating effectively;

f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

c. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee, a Sub-committee of Directors has been constituted by the Board in accordance with the requirements of Section 178 of the Act. The composition of the Committee is as follows:

1. Mr. Pradeep Mallick Chairman, Independent Director
2. Mr. Pravin Laheri, IAS (Retd.) Independent Director
3. Mr. Tejpreet Singh Chopra, Independent Director; and
4. Mr. Timothy Smith, Non- Independent Non-Executive Director

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other members of Senior Management.

Major criteria defined in the policy framed for appointment of and payment of remuneration to the Directors of the Company, is as under:

a) While appointing a Director, it shall always be ensured that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical, operations or other disciplines related to the Company’s business.

b) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualification and experience as considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary for the position then, while recommending the appointment, the HR Department shall provide the job description to the Committee and justify that the qualification, experience and expertise of the recommended candidate is satisfactory for the relevant position. The Committee may also call for an expert opinion on the appropriateness of the qualification and experience of the candidate for the position of the Executive Director.

c) In case of appointment as a Non-Executive Director, the candidate must have a post graduate degree, diploma or a professional qualification in the field of his practice/ profession/ service and shall have not less than five years of working experience in such field as a professional in practice, advisor, consultant or as an employee. Provided that the Board may waive the requirement of qualification and/ or experience under this paragraph for a deserving candidate.

d) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and an open mind.

e) While determining the remuneration of Executive Directors, Key Managerial Personnel and members of Senior Management, the Board shall consider following factors:

  i) Criteria/ norms for determining the remuneration of such employees prescribed in the HR Policy.
  ii) Existing remuneration drawn.
  iii) Industry standards, if the data in this regard is available.
  iv) The job description.
  v) Qualifications and experience levels of the candidate.
  vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.
  vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.

f) The remuneration payable to the Executive Directors, including the Performance Bonus and value of the perquisites, shall not exceed the permissible limits as mentioned within the provisions of the Companies Act, 2013. They shall not be eligible for any sitting fees for attending any meetings.

g) The Non-Executive Directors shall not be eligible to receive any remuneration from the Company. However, Non-Executive Independent Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board/ Shareholders from time to time. They shall also be eligible for reimbursement of out of pocket expenses for attending Board/ Committee Meetings. The Non-Executive Non-Independent Director representing Gujarat Maritime Board shall be eligible for sitting fee for attending the Board Meeting and for reimbursement of out of pocket expenses for attending Board/ Committee Meetings.

d. AUDIT COMMITTEE:

The Audit Committee, a Sub-committee of Directors was constituted by the Board pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises:

1. Mr. Pravin Laheri, IAS (Retd.) Chairman, Independent Director
2. Mr. Pradeep Mallick, Independent Director
3. Ms. Hina Shah, Independent Director
4. Mr. Keld Pedersen, Non- Independent Non-Executive Director

The scope and terms of reference of the Audit Committee is in accordance with the Act and it reviews the information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, there were no instances of recommendation by the Audit Committee not being accepted by the Board of Directors of the Company.

The Company Secretary acts as Secretary of the Committee.

e. STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company constituted the Stakeholder's Relationship Committee, comprising

1. Mr. Pradeep Mallick, Chairman, Independent Director,
2. Mr. Tejpreet Singh Chopra, Independent Director and
3. Ms. Hina Shah, Independent Director

The Company Secretary acts as Secretary of the Stakeholder's Relationship Committee.

f. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company has, as per the requirements under Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed the Whistle Blower Policy of the Company.

The Policy provides a formal mechanism for all employees of the Company to make disclosure about suspected fraud or unethical behaviour. It provides a designated phone number to directly report an instance. The Policy encourages its employees to immediately raise his/her concern to the respective Manager or to Head of HR whenever they notice any contravention with the Company's Code of Conduct, the Code for Prevention of Insider Trading or fraud or any unethical behaviour. In case the concerned person is not comfortable in reporting the matter to his/her Manager or to the Manager's Manager or to the Head of HR, he/she can also report to the Chief Compliance Officer of the parent Company. The policy also provides direct access to the Chairman of Audit Committee through his personal email id. During the year under review, no complaints have been reported.

As part of APM Terminals the Company shares the distinctive set of the Group's Core Values that drive the way we do business. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations, the Group's commitment to the UN Global Compact and our commitment to our people, customers and communities.

g. RISK MANAGEMENT POLICY:

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses. It defines a structured approach to manage uncertainty and to make use of these in decision making pertaining to the business and corporate functions. Key business risks and their mitigation is considered in the annual/strategic business plans and in periodic management reviews. The Company has Risk Management Committee, a sub-committee of Directors comprising:

1. Mr. Julian Bevis, Non- Independent Non-Executive Director
2. Mr. Jakob Friis Sorensen, Managing Director

h. CORPORATE SOCIAL RESPONSIBILITY POLICY:

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee, a sub-committee of Directors comprising:

1. Ms. Hina Shah, Chairperson, Independent Director
2. Mr. Pravin Laheri, IAS (Retd.), Independent Director and
3. Mr. Jakob Friis Sorensen, Managing Director

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The Company has initiated activities in accordance with the said Policy and the details are presented in Annexure A.

The CSR Policy of the Company is available on the web-site https://www.apmterminals.com/en/pipavav/investors/governance

During the year ended 31 March 2020 the Company was required to spend Rs. 67.30 Million towards the CSR activities and the Company has spent the entire amount. The Company's focus areas of CSR activities are Education, Health, Safety & Environment, Women Empowerment and Skill Development and Rural Development Projects.

3. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

The Independent Directors held their meeting to evaluate the performance of each Non- Independent Director and also of the entire Board as a whole. Each Board member's attendance, participation and contribution of his expertise was evaluated. The Board also carried out the evaluation of each individual Director and the various Board Committees did their respective Committee evaluation.

The Board also evaluated the quality, content and timelines of the information flow between the Board and the Management including the board papers and other documents.

4. INTERNAL CONTROL SYSTEMS:

The Company has adequate internal control systems commensurate to the size of its business, the nature of business and its complexities and these controls are operating satisfactorily. The adequacy and functioning of these internal controls is reviewed by the Internal Auditors from time to time and wherever necessary the corrective measures are taken. The Internal Auditors report directly to the Audit Committee of the Company.

Internal control systems consisting of policies and procedures are designed to ensure reliability of financial reporting, timely feedback of achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and protected adequately.

5. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

In terms of the requirement under Section 197(12) of the Act, the Median Employee's Remuneration of the Company is Rs. 473,030. The position of Managing Director was held by three people during the financial year. Their remuneration details are as follows:

Mr. Keld Pedersen Rs. 21,567,140 for the period from 1st April 2019 to 31st May 2019

Capt. Padmini Kant Mishra Rs. 3,584,994 from 24th October 2019 to 31st December 2019

Mr. Jakob Friis Sorensen Rs. 17,363,254 from 1st January 2020 to 31st March 2020

The percentage increase in remuneration of the Key Managerial Personnel (KMPs) i.e. Managing Director, Chief Financial Officer and Company Secretary is Nil, 8% and 8% respectively. The average increase for KMPs works out to approximately 8%.

The percentage increase in the median remuneration of employees in the financial year is 11%.

The Company has a total of 494 permanent employees on its rolls.

The Company follows the global practice of its parent regarding the Performance Appraisal System:

a. Alignment to Business Goals by ensuring that there is a clear line from Business Objectives through Team Objectives and Individual Objectives.

b. Engage & motivate our people through clear expectations, alignment and holding each other accountable for the deliverables that matter most.

c. Ensure clarity and transparency of how contributions support us in delivering on the Objectives of our business.

The remuneration of KMPs has also been determined based on their performance against the respective objectives vis-à-vis the Company's objectives.

The Company's Market Capitalization has reduced by ~65% based on the closing price as of 31 March 2020 compared to 31 March 2019. The Net Worth is Rs. 20,886.65 Million compared to Rs. 20,210.12 Million as of the previous year.

The Annual Report as per Section 136 of the Companies Act, 2013 is being sent to the Members excluding the information on employees' particulars under Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014. Any Member who is interested in a copy of the employees' particulars may write to the Company Secretary. The details will also be available for inspection by the Members at the Registered Office of the Company during the business hours on working days upto the date of the Company's forthcoming Annual General Meeting.

The Company has paid Commission of Rs. 3.75 Million to all the four Independent Directors pursuant to the shareholder's approval obtained in the Annual General Meeting held on 11 August 2016.

6. PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:

The Company does not have any Holding or Subsidiary Company. The Directors are not paid remuneration/commission from any other Company.

m. DIVIDED DISTRIBUTION POLICY:

Dividend is the Company's primary distribution of profits to its Shareholders. The Company's objective is to sustain a steady and consistent distribution of profits, by way of Dividend, to its Shareholders while considering the following:

(a) The circumstances under which the shareholders can or cannot expect dividend

The Company shall endeavour to pay Dividend to its shareholders in a steady and consistent manner except the following circumstances:

(i) During no growth or weak growth in the trade requiring the Company to retain its earnings to be able to absorb unfavourable market conditions and for meeting the business requirements;

(ii) To meet its funding requirements for expansion and growth;

(iii) The Company's Joint Venture with Indian Railways, Pipavav Railway Corporation Limited requires equity infusion from its shareholders.

During such times the Company may decide to retain the earnings instead of distributing to the shareholders. The distribution of Dividend can be by way of Interim Dividend and/or by way of Final Dividend.

(b) The financial parameters that will be considered while declaring dividend

The Company shall consider the following parameters while declaring dividend:

a. Current year's profit:

i. after setting off carried over previous losses, if any;

ii. after providing for depreciation in accordance with the provisions of Schedule II of the Act;

iii. after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

b. The profits for any previous financial year(s):

i. after providing for depreciation in accordance with law;

ii. remaining undistributed; or

c. out of (i) or (ii) or both.

In computing the above, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary and exceptional income, generated from activities other than regular business (ii) extraordinary charges (iii) exceptional charges (iv) one off charges on account of change in law or rules or accounting policies or accounting standards (v) provisions or write offs on account of impairment in investments (long term or short term) (vi) noncash charges pertaining to amortization or ESOP or resulting from change in accounting policies or accounting standards.

(c) Internal and External factors that would be considered for declaration of dividend

The Company's Board shall always consider various Internal and External factors while considering the quantum for declaration of dividend such as the overall Economic scenario of the country, the Export Import trade of the country, the statutory and regulatory provisions, the Company's own performance, its profitability, its growth plans, the performance and funding requirements of its joint venture Rail Company and such other factors as may be deemed fit by the Board.

(d) Policy as to how the retained earnings will be utilised

The retained earnings would mainly be utilised for the purpose of the Company's growth plans, the funding requirements of its joint venture Rail Company and for all such activities that in the Board's opinion shall enhance the shareholder's value.

(e) Provisions with regard to various classes of shares

The Company currently has only one class of shares namely Equity shares. In case the Company issues any other class of shares, this Policy shall be modified suitably for stipulating the parameters for distribution of dividend to all classes of shares.

6. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020:

There are no Audit Observations on the Standalone Financial Statements of the Company for the year ended 31 March 2020. However, the Statutory Auditor has issued a Modified Opinion on the Consolidated Financial Statements of the Company in Clause 2 of the Report as follows:

1. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31 March 2020, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

1. The consolidated financial statements include the Company’s share of total comprehensive income (comprising of profit and other comprehensive income) of INR 307.93 million, based on unaudited financial statements as at and for the year ended 31 March 2020 in respect of its associate company not audited by us. The financial statements as at and for the year ended 31 March 2020 in respect of the associate company is pending audit by their auditors. Our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included for the year ended on 31 March 2020 in respect of this associate company is based solely on such financial information of the associate company for the year ended on 31 March 2020, as furnished to us by the Management of the Company.
2. Further, pending the audit of the associate company for the year ended on 31 March 2020 by their auditors, we are unable to report on the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls of the associate company incorporated in India as required to be reported by us.
3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements 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 statements 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 qualified opinion.

The response of the Board of Directors to the modification in Audit Report is that in view of the country wide lockdown, Pipavav Railway Corporation Limited (PRCL) annual audit is delayed. Therefore, the Company’s Consolidated Accounts are based on PRCL’s Management Accounts.

b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31 MARCH 2020:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from a Practicing Company Secretary. Accordingly, M/s Rathi and Associates, Company Secretaries have issued the Secretarial Audit Report for the year ended 31 March 2020.

The Report issued in Form MR-3 and forming part of Directors Report mentions that “Intimation under Regulation 30(6) read with Schedule III Para A - Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to vacation of office of Director by Mr. Mukesh Kumar, IAS (Nominee of Gujarat Maritime Board) on 24th October, 2019 was submitted to BSE Limited and the National Stock Exchange of India Limited on 31st October 2019.”

In this connection the Company would like to mention that the intimation to the Stock Exchanges regarding the Vacation of office of Director by Mr. Mukesh Kumar, IAS required to be made within 24 hours from 24th October 2019 was inadvertently missed.

c. STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Price Waterhouse Chartered Accountants LLP (Firm Regn. No. 012754N/N-500016) are proposed to be Re-appointed as Statutory Auditors of the Company for a period of five years in this Annual General Meeting. The details regarding their Re-appointment are included in the Notice convening the Annual General Meeting.

d. **COST AUDITORS:**

The Company is engaged in providing Port Services and as per Notification dated 31 December 2014 issued by the Ministry of Corporate Affairs pursuant to Section 148 of the Companies Act, 2013 the Company is not required to appoint Cost Auditors.

e. **DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. During the year under review, no complaints in relation to such harassment at workplace have been reported.

f. **FRAUD REPORTING:**

During the year under review, there were no instances of material or serious fraud falling under Rule 13(1) of the Companies (Audit and Auditors) Rules, 2014, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit.

7. **OTHER DISCLOSURES:**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company is engaged in the business of developing and operating a Port, Cargo handling incidental to Water Transport. Considering the nature of business activity, the particulars regarding conservation of energy and technology absorption as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable and have not been included.

The foreign exchange earning was Rs. 2,625.25 Million and outgo was Rs. 217.42 Million during the period under review.

b. **CHANGE IN SHARE CAPITAL:**

The Company has not made any issue of shares during the year and its Share Capital for the year ended 31 March 2020 remains unchanged.

c. **ABSTRACT OF ANNUAL RETURN ON THE WEBSITE:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the year ended 31s March 2020 made under the provisions of Section 92(3) of the Act is attached as Annexure C to this Report. The same is available on https://www.apmterminals.com/en/pipavav/investors/financial-results

8. **ACKNOWLEDGEMENT AND APPRECIATION:**

Your Directors thank Customers, Shareholders, Suppliers, Bankers, Business Partners/Associates and the Central and State Government and Gujarat Maritime Board for their continued support and encouragement to the Company. Your Directors also wish to place on record their sincere appreciation of the commitment and enthusiasm of all employees for their significant role in the Company's performance.

For and on behalf of the Board

TEJPREET SINGH CHOPRA
CHAIRMAN
DIN: 00317683

Date: 9th June 2020
Place: Mumbai

Registered Office
Pipavav Port, At Post Rampara-2 via Rajula,
District Amreli 365560
CIN L63010GJ1992PLC018106
TEL No. 02794 242400 Fax No. 02794 242413
Email investorrelationinppv@apmterminals.com
Website www.pipavav.com

DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

Median Remuneration: Rs. 473,030

Managing Director's Remuneration: The position of Managing Director was held by 3 different people during the financial year as follows:

Mr. Keld Pedersen Rs. 21,567,140 for the period from 1st April 2019 to 31st May 2019

Capt. Padmini Kant Mishra Rs. 3,584,994 from 24th October 2019 to 31st December 2019

Mr. Jakob Friis Sorensen Rs. 17,363,254 from 1st January 2020 to 31st March 2020

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Director/ KMP	Percentage increase in remuneration
Mr. Jakob Friis Sorensen, Managing Director	Nil
Mr. Santosh Breed, CFO	8%
Mr. Manish Agnihotri, Company Secretary and Compliance Officer	8%

The percentage increase in the median remuneration of employees in the financial year: 11%

The number of permanent employees on the rolls of the Company: 494

The Company follows the global practice of its parent regarding the Performance Appraisal System:

a. Alignment to Business Goals by ensuring that there is a clear line from Business Objectives through Team Objectives and Individual Objectives.

b. Engage & motivate our people through clear expectations, alignment and holding eachother accountable for the deliverables that matter most.

c. Ensure clarity and transparency of how contributions support us in delivering on the Objectives of our business.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 11% Average percentile increase for employees other than Managerial Personnel and 8% increase for the Managerial Personnel.

Affirmation that the remuneration is as per the remuneration policy of the Company

The remuneration paid by the Company is based on its Remuneration Policy which is aligned with the parameters laid out globally by the parent company APM Terminals.

ANNEXURE A

Annual Report on CSR Activities

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programmes.**
   The CSR Policy is stated on the Company website: https://www.apmterminals.com/en/pipavav/investors/governance

2. **Composition of the CSR Committee:**
   Ms. Hina Shah, Chairperson, Independent Director
   Mr. Pravin Laheri, IAS (Retd.), Independent Director and
   Mr. Jakob Friis Sorensen, Managing Director

3. **Average Net Profit of the Company for last three financial years**.
   Rs. 3,364.98 Million

4. **Prescribed CSR Expenditure (two percent of the amount as per item 3 above)**
   Rs. 67.30 Million

5. **Details of CSR spent during the financial year**;
   (a) Total amount to be spent for the financial year: Rs. 67.30 Million
   (b) Amount spent: Rs. 67.30 Million
   (c) Amount unspent if any: Nil
   (d) Manner in which the amount spent during the financial year is detailed below: Rs. In Million

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
1	Supply of educational equipment, teaching learning support, extension activities, adult literacy, up gradation of school infrastructure	Education	7 villages of Rajula Block	9.95	9.95	9.95	NGO: SWADEEP
2	Medical support to the surrounding villages, eye check-up camps, community tree plantation, safety & environment awareness activities	Health, Safety & Environment	170 villages of Rajula Block	13.44	13.44	13.44	Direct and NGO: Gayatri Parivar Trust & Sudarshan Netralaya, Amreli., VRTI
3	Improving health & nutritional status of children, adolescents & mothers; Skill & entrepreneurship development followed by placement.	Women Empowerment & Skill Development	72 villages of Rajula Block	8.68	8.68	8.68	NGO: CHETNA & ACF
4	Integrated livestock development, Installation & Maintenance of RO enabled water ATMS in villages, Promotion of fisheries as a livelihood, agriculture development program me etc.	Socio Economic Development	34 villages of Rajula Block	30.73	30.73	30.73	BAIF, VRTI, SWADEEP, Primal Water Pvt. Ltd, CSPC
5	Administration Expenses			4.5	4.5	4.5	SWADEEP, Madhyam Communications, Direct

** Details of the Implementing Agency:*

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report**.
   Not Applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**
   We hereby declare that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the company.

Jakob Friis Sorensen
Managing Director

Hina Shah
Chairperson, Corporate Social Responsibility Committee

ANNEXURE B

FORM AOC-1

Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Pipavav Railway Corporation Limited
1. Latest audited Balance Sheet Date	31st March 2020
2. Date on Which the Associate or Joint Venture was associated or acquired	28th March 2001
3. Shares of Associate or Joint Ventures held by the Company on the year end	
Number	76,000,010
Amount of Investment in Associates or Joint Venture	Rs. 830 Million
Extent of Holding (in percentage)	38.8%
4. Description of how there is significant influence	Based on the Company's shareholding and voting power
5. Reason why the associate/joint venture is not consolidated	The share of profit has been consolidated in the Consolidated Profit & Loss Account
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 8,506.35 Million*
7. Profit or Loss for the year	
i. Considered in Consolidation	Rs. 308.38 Million
ii. Not Considered in Consolidation	Nil
8. Contribution to the overall performance of the Company during the period under report	The contribution is by way of providing a Rail link to the Port which is used by the rail operators for evacuation of cargo to and from the Port located at Pipavav, Gujarat.

* Based on the Audited Balance Sheet of PRCL for the year ended 31st March 2019. The Audited Balance Sheet for the year ended 31st March 2020 is not yet available

ANNEXURE C

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2020

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L63010GJ1992PLC018106
Registration Date	:	5th August 1992
Name of the Company	:	Gujarat Pipavav Port Limited
Category / Sub-Category of the Company	:	Company having Share Capital
Address of the Registered office and contact details	:	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli, Gujarat 365560 Tel: 02794 242400 Fax: 02794 242413 Email: investorrelationinppv@apmterminals.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
Cargo handling incidental to Water Transport	52242	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
Pipavav Railway Corporation Limited B-1202 (B-Wing) 12th Floor Statesman House 148, Barakhamba Road Connaught Place New Delhi-110001	U45200DL2000PLC151199	Associate	38.8%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corporate									
e) Banks / FI									
f) Any other									
Sub-total(A)(1):									
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corporate	207,903,931		207,903,931	43.01	207,903,931		207,903,931	43.01	0
d) Banks / FI									
e) Any other									
Sub-total (A)(2):	207,903,931		207,903,931	43.01	207,903,931		207,903,931	43.01	0
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**207,903,931**		**207,903,931**	**43.01**	**207,903,931**		**207,903,931**	**43.01**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	111,079,007	0	111,079,007	22.98	126,940,533	0	126,940,533	26.26	3.28
b) Banks / FI	5,415,335	0	5,415,335	1.12	4,950,781	0	4,950,781	1.02	-0.10
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	116,300,184	0	116,300,184	24.06	97,570,122	0	97,570,122	20.18	-3.88
h) Foreign Venture Capital Funds									
i) Others (specify)	1,834,903	0	1,834,903	0.38	15,549,348	0	15,549,348	3.22	2.84
Sub-total (B)(1):	**234,629,429**	**0**	**234,629,429**	**48.53**	**245,010,784**	**0**	**245,010,784**	**50.68**	**2.15**
(2) Non-Institutions									
a) Bodies Corporate	13,994,797	28,000	14,022,797	2.90	2,818,368	28,000	2,846,368	0.59	-2.31
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	15,218,498	330,092	15,548,590	3.22	15,474,052	293,302	15,767,354	3.26	0.05
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	8,193,691	66,322	8,260,013	1.71	8,361,605	66,322	8,427,927	1.74	0.03
c) Others(specify)									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	1,048,699	0	1,048,699	0.22	185,321	0	185,321	0.04	-0.18
Foreign National	3,000	0	3,000	0.00	3,000	0	3,000	0.00	0.00
NBFC	39,265	0	39,265	0.01	30,000	0	30,000	0.01	0.00
Non Resident Indians	879,270	212,600	1,091,870	0.23	828,208	212,600	1,040,808	0.22	-0.01
Non Resident Non Repatriation	848,851	0	848,851	0.18	2,213,617	0	2,213,617	0.46	0.28
Trusts	43,465	0	43,465	0.01	10,800	0	10,800	0.00	
d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-total(B)(2):	**40,269,536**	**637,014**	**40,906,550**	**8.46**	**29,924,971**	**600,224**	**30,525,195**	**6.31**	-2.15
Total Public Shareholding (B)=(B)(1)+ (B)(2)	274,898,965	637,014	275,535,979	56.99	274,935,755	600,224	275,535,979	56.99	**0.00**
Total A+B	**482,802,896**	**637,014**	**483,439,910**	**100**	482,839,686	600,224	483,439,910	100.00	0.00
C. Shares held by custodians against which Depository Receipts have been issued									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Grand Total(A+B+C)	**482,802,896**	**637,014**	**483,439,910**	**100**	**482,839,686**	**600,224**	**483,439,910**	**100.00**	**0.00**

(ii) SHAREHOLDING OF PROMOTERS:

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in share holding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
APM Terminals Mauritius Ltd	207,903,931	43.01	0	207,903,931	43.01	0	0
Total	**207,903,931**	**43.01**	**0**	**207,903,931**	**43.01**	**0**	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	207,903,931	43.01	207,903,931	43.01
Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	NIL	NIL	NIL	NIL
At the End of the year	207,903,931	43.01	207,903,931	43.01

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr No	Type	Name of the Shareholder	Shareholding at the beginning of the Year		Change in Shareholding (No. of Shares)			Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	Opening Balance	HDFC TRUSTEE COMPANY LTD. A/C HDFC CAPITAL BUILDER	43451389	8.99	30/03/2019			43451389	8.99
	Purchase				24/05/2019	6600	Transfer	43457989	8.99
	Purchase				07/06/2019	25000	Transfer	43482989	8.99
	Closing Balance				31/03/2020			43482989	8.99
2	Opening Balance	ICICI PRUDENTIAL EXPORTS AND SERVICES FUND	42428426	8.78	30/03/2019			42428426	8.78
	Sale				12/04/2019	-200398	Transfer	42228028	8.73
	Sale				19/04/2019	-528153	Transfer	41699875	8.63
	Sale				03/05/2019	-93420	Transfer	41606455	8.61
	Sale				10/05/2019	-77180	Transfer	41529275	8.59
	Purchase				17/05/2019	990678	Transfer	42519953	8.80
	Purchase				24/05/2019	107187	Transfer	42627140	8.82
	Purchase				14/06/2019	2366547	Transfer	44993687	9.31
	Purchase				21/06/2019	150854	Transfer	45144541	9.34
	Purchase				05/07/2019	141	Transfer	45144682	9.34
	Purchase				12/07/2019	17050	Transfer	45161732	9.34
	Purchase				19/07/2019	78514	Transfer	45240246	9.36
	Purchase				26/07/2019	401494	Transfer	45641740	9.44
	Purchase				02/08/2019	54521	Transfer	45696261	9.45
	Purchase				09/08/2019	248403	Transfer	45944664	9.50
	Purchase				16/08/2019	504700	Transfer	46449364	9.61
	Purchase				23/08/2019	34462	Transfer	46483826	9.62
	Purchase				30/08/2019	31619	Transfer	46515445	9.62
	Purchase				06/09/2019	44939	Transfer	46560384	9.63
	Purchase				13/09/2019	1000	Transfer	46561384	9.63
	Purchase				20/09/2019	44109	Transfer	46605493	9.64
	Purchase				27/09/2019	8820	Transfer	46614313	9.64
	Purchase				30/09/2019	139	Transfer	46614452	9.64
	Purchase				04/10/2019	139	Transfer	46614591	9.64
	Purchase				11/10/2019	139	Transfer	46614730	9.64
	Purchase				18/10/2019	5867	Transfer	46620597	9.64
	Purchase				25/10/2019	184758	Transfer	46805355	9.68
	Purchase				01/11/2019	100152	Transfer	46905507	9.70
	Purchase				15/11/2019	100000	Transfer	47005507	9.72
	Purchase				22/11/2019	7840	Transfer	47013347	9.72
	Purchase				29/11/2019	33395	Transfer	47046742	9.73
	Purchase				20/12/2019	14720	Transfer	47061462	9.73
	Purchase				27/12/2019	107	Transfer	47061569	9.73
	Purchase				03/01/2020	4877	Transfer	47066446	9.74
	Purchase				10/01/2020	139	Transfer	47066585	9.74

Sr No	Type	Name of the Shareholder	Shareholding at the beginning of the Year		Change in Shareholding (No. of Shares)			Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
	Purchase				17/01/2020	1390	Transfer	47067975	9.74
	Sale				17/01/2020	-157945	Transfer	46910030	9.70
	Purchase				31/01/2020	139	Transfer	46910169	9.70
	Purchase				07/02/2020	172389	Transfer	47082558	9.74
	Purchase				14/02/2020	230622	Transfer	47313180	9.79
	Purchase				21/02/2020	520965	Transfer	47834145	9.89
	Purchase				06/03/2020	350	Transfer	47834495	9.89
	Purchase				20/03/2020	210	Transfer	47834705	9.89
	Purchase				27/03/2020	280	Transfer	47834985	9.89
	Purchase				31/03/2020	140	Transfer	47835125	9.89
	Closing Balance				31/03/2020			47835125	9.89
3	Opening Balance	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA	13317961	2.75	30/03/2019			13317961	2.75
	Sale				03/05/2019	-100000	Transfer	13217961	2.73
	Sale				31/05/2019	-5774	Transfer	13212187	2.73
	Sale				28/06/2019	-236557	Transfer	12975630	2.68
	Sale				05/07/2019	-328122	Transfer	12647508	2.62
	Sale				12/07/2019	-568908	Transfer	12078600	2.50
	Sale				19/07/2019	-782450	Transfer	11296150	2.34
	Sale				26/07/2019	-21308	Transfer	11274842	2.33
	Purchase				08/11/2019	500000	Transfer	11774842	2.44
	Purchase				13/12/2019	12374842	Transfer	24149684	5.00
	Sale				13/12/2019	-11774842	Transfer	12374842	2.56
	Sale				14/02/2020	-49492	Transfer	12325350	2.55
	Closing Balance				31/03/2020			12325350	2.55
4	Opening Balance	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	11093981	2.29	30/03/2019			11093981	2.29
	Sale				05/04/2019	-94140	Transfer	10999841	2.28
	Sale				12/04/2019	-73052	Transfer	10926789	2.26
	Sale				26/04/2019	-97930	Transfer	10828859	2.24
	Sale				10/05/2019	-194395	Transfer	10634464	2.20
	Sale				17/05/2019	-200000	Transfer	10434464	2.16
	Sale				24/05/2019	-1629842	Transfer	8804622	1.82
	Sale				12/07/2019	-123000	Transfer	8681622	1.80
	Sale				19/07/2019	-400000	Transfer	8281622	1.71
	Sale				26/07/2019	-460585	Transfer	7821037	1.62
	Sale				02/08/2019	-414199	Transfer	7406838	1.53
	Sale				09/08/2019	-372193	Transfer	7034645	1.46
	Sale				16/08/2019	-704322	Transfer	6330323	1.31
	Sale				23/08/2019	-50889	Transfer	6279434	1.30
	Sale				18/10/2019	-572064	Transfer	5707370	1.18
	Sale				25/10/2019	-725122	Transfer	4982248	1.03
	Sale				01/11/2019	-4982248	Transfer	0	0.00
	Closing Balance				31/03/2020			0	0.00

Sr No	Type	Name of the Shareholder	Shareholding at the beginning of the Year		Change in Shareholding (No. of Shares)			Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
5	Opening Balance	HDFC LIFE INSURANCE COMPANY LIMITED	7565417	1.56	30/03/2019			7565417	1.56
	Purchase				21/06/2019	7514	Transfer	7572931	1.57
	Purchase				02/08/2019	92486	Transfer	7665417	1.59
	Purchase				09/08/2019	266	Transfer	7665683	1.59
	Purchase				16/08/2019	99734	Transfer	7765417	1.61
	Purchase				25/10/2019	102159	Transfer	7867576	1.63
	Purchase				01/11/2019	165226	Transfer	8032802	1.66
	Purchase				08/11/2019	32615	Transfer	8065417	1.67
	Sale				31/01/2020	-18789	Transfer	8046628	1.66
	Sale				07/02/2020	-46628	Transfer	8000000	1.65
	Closing Balance				31/03/2020			8000000	1.65
6	Opening Balance	JPMORGAN SICAV INVESTMENT COMPANY (MAURITIUS) LIMITED	7549818	1.56	30/03/2019			7549818	1.56
	Sale				14/06/2019	-743468	Transfer	6806350	1.41
	Sale				21/06/2019	-471832	Transfer	6334518	1.31
	Sale				31/03/2020	-39977	Transfer	6294541	1.30
	Closing Balance				31/03/2020			6294541	1.30
7	Opening Balance	EASTSPRING INVESTMENTS INDIA EQUITY OPEN LIMITED	6884648	1.42	30/03/2019			6884648	1.42
	Sale				19/04/2019	-88825	Transfer	6795823	1.41
	Sale				26/04/2019	-16754	Transfer	6779069	1.40
	Sale				24/01/2020	-191163	Transfer	6587906	1.36
	Sale				31/01/2020	-136890	Transfer	6451016	1.33
	Sale				07/02/2020	-45674	Transfer	6405342	1.32
	Closing Balance				31/03/2020			6405342	1.32
8	Opening Balance	VANGUARD INTERNATIONAL EXPLORER FUND	6724221	1.39	30/03/2019			6724221	1.39
	Closing Balance				31/03/2020			6724221	1.39
9	Opening Balance	SCHRODER ASIA PACIFIC FUND PLC	6381497	1.32	30/03/2019			6381497	1.32
	Purchase				05/04/2019	57590	Transfer	6439087	1.33
	Purchase				12/04/2019	271490	Transfer	6710577	1.39
	Purchase				08/11/2019	111579	Transfer	6822156	1.41
	Purchase				15/11/2019	350443	Transfer	7172599	1.48
	Purchase				20/12/2019	10437	Transfer	7183036	1.49
	Purchase				27/12/2019	40783	Transfer	7223819	1.49
	Purchase				31/12/2019	45533	Transfer	7269352	1.50
	Purchase				03/01/2020	3902	Transfer	7273254	1.50
	Purchase				10/01/2020	35864	Transfer	7309118	1.51
	Closing Balance				31/03/2020			7309118	1.51

Sr No	Type	Name of the Shareholder	Shareholding at the beginning of the Year		Change in Shareholding (No. of Shares)			Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
10	Opening Balance	JPMORGAN INDIA FUND	6147509	1.27	30/03/2019			6147509	1.27
	Sale				31/03/2020	-30286	Transfer	6117223	1.27
	Closing Balance				31/03/2020			6117223	1.27

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Keld Pedersen, Managing Director (From 1st April 2019 to 31st May 2019)				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	--
	At the End of the year	--	--	--	--
2	Capt. Padmini Kant Mishra, Interim Managing Director from 24th October 2019 to 31st December 2019				
	At the beginning of the year	50	--	50	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	
	At the End of the year	50	--	50	--
3	Mr. Jakob Friis Sorensen, Managing Director from 1st January 2020 to 31st March 2020				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	--
	At the End of the year	--	--	--	--
4	Mr. Santosh Breed, Chief Financial Officer				
	At the beginning of the year	80	--	80	---
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	---	--	---	---
	At the End of the year	80	--	80	---
5	Mr. Manish Agnihotri, Company Secretary & Compliance Officer				
	At the beginning of the year	5	--	5	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	--
	At the End of the year	5	--	5	--

(vi) INDEBTEDNESS:

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Amt in Rs Mn

	Particulars of Remuneration	Name of MD/ WTD/ Manager	Name of MD/ WTD/ Manager	Name of MD/ WTD/ Manager	Total Amount
		Mr. Keld Pedersen	Capt Padmini Kant Mishra	Mr. Jakob Friis Sorensen	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.89	2.08	12.14	18.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.62	Nil	5.22	6.84
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others, specify				
5	Others, please specify -Performance Bonus/ One-time Special Payment	16.06	1.50	Nil	17.56
	Total (A)	**21.57**	**3.58**	**17.36**	**42.51**
	Ceiling as per the Act				**181.51**

B. Remuneration to Other Directors: ***Amt in Rs Mn***

Particulars of Remuneration	Name of Directors				Total Amount
1. Independent Directors					
	Mr. Tejpreet Singh Chopra	**Ms. Hina Shah**	**Mr. Pradeep Mallick**	**Mr. Pravin Laheri, IAS (Retd.)**	
Fee for attending board / committee meetings	0.55	0.85	0.95	1.10	3.45
Commission	1.50	0.75	0.75	0.75	3.75
Others, please specify	Nil	Nil	Nil	Nil	Nil
Total (1)	2.05	1.60	1.70	1.85	7.20
2. Other Non-Executive Directors*					
Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	
Commission	Nil	Nil	Nil	Nil	
Others, please specify	Nil	Nil	Nil	Nil	
Total (2)	Nil	Nil	Nil	Nil	
Total (B)=(1+2)	2.05	1.60	1.70	1.85	7.20
Total Managerial Remuneration	**2.05**	**1.60**	**1.70**	**1.85**	**7.20**
Overall Ceiling as per the Act					**36.30**

**The Other Non-Executive Directors have not received any fee for attending meetings, commission or other remuneration*

C. Remuneration to Key Managerial Personnel Other than Managing Director/Manager/Whole time Director: ***Amt in Rs Mn***

	Particulars	Key Managerial Personnel			Total
		CEO	**Company Secretary**	**CFO**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	6.39	8.91	15.30
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		Nil	Nil	Nil
2	Stock Option		Nil	Nil	Nil
3	Sweat Equity		Nil	Nil	Nil
4	Commission		Nil	Nil	Nil
	- as % of profit				
	- others, specify				
5	Others, please Specify- Performance Bonus		1.82	2.50	4.32
	Total		**8.21**	**11.41**	**19.62**

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To,
The Members
Gujarat Pipavav Port Limited
Pipavav Port
At Post Rampara 2 via-Rajula, Amreli
Gujarat - 365 560

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Gujarat Pipavav Port Limited** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Gujarat Pipavav Port Limited (hereinafter called "the Company") as given in **Annexure I**, for the Financial Year ended on 31st March, 2020, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

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

   a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

   c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

vi. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') were not applicable to the Company under the Financial Year under report:-

   a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

   c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999 ;

   d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

   f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in **Annexure — II.**

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried in compliance with the provision of the Act.

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

None of the members have dissenting views while carrying out the majority decision during the period under review, hence are not required to be captured and recorded as part of the minutes.

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, we report that there are adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
MEM. NO. FCS: 5171
COP NO.: 3030
UDIN: F005171B000313754

Place: Mumbai
Date: 03/06/2020

Note: This report should be read with our letter of even date which is annexed as Annexure-III and forms an integral part of this report.

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31st March, 2019;
3. Minutes of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Independent Directors meeting and Corporate Social Responsibility Committee of the Company along with the respective Attendance Registers for meetings held during the Financial Year under report along with the respective Attendance Registers;
4. Minutes of General Body Meetings/ Postal Ballot(s) held during the Financial Year under report;
5. Proof of compliance with the Secretarial Standards in respect of Board meetings and General meetings, to the extent applicable;
6. Policies framed by the Company pursuant to the applicable laws and Regulations;
7. Statutory Registers under Companies Act, 2013;
8. Copies of Notice, Agenda and Notes to Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings as well as resolutions passed by circulation;
9. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013;
10. Intimations received from directors under the Prohibition of Insider Trading Code;
11. e-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the Financial Year under report;
12. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered with the Stock Exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report;
13. E-mails evidencing dissemination of information related to closure of Trading window;
14. Internal Code of Conduct for prevention of Insider Trading by Employee/Directors/ Designated Persons of the Company;
15. Compliance Certificate placed before the Board of Directors from time to time;
16. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards;
17. Details of Sitting Fees paid to all Directors for attending the Board Meetings and Committees.

ANNEXURE - II

List of applicable laws to the Company and its plans situated at:

Registered office:

Pipavav Port at Post Rampara 2 via – Rajula
Dist. Amreli, Gujarat - 365 560

Corporate office:

301, Trade Centre, Bandra Kurla Complex,
Bandra (East), Mumbai — 400 098

Port:

Pipavav Port at Post Ucchaiya via - Rajula
Dist. Amreli, Gujarat - 365 560

Under the Major Group and Head

1. Industries (Development & Regulation) Act, 1951;
2. Acts prescribed related to port management and such other ancillary activities;
3. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on it payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
4. Acts prescribed under prevention and control of Pollution;
5. Acts prescribed under Environmental protection;
6. Acts as prescribed under Direct Tax and Indirect Tax;
7. Land Revenue laws of respective States;
8. Labour Welfare Act of respective States;
9. Local laws as applicable to various offices, port, terminals;
10. Goods and Services Tax Act, 2017.

ANNEXURE – III

To
The Board of Directors of
Gujarat Pipavav Port Limited
Pipavav Port
At Post Rampara 2 via-Rajula, Amreli
Gujarat - 365 560

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
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Place: Mumbai
Date: 03/06/2020

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 March 2020

Introduction

The Company is presenting financial statements as per the requirement under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

The following discussion and analysis of the financial performance with respect to operational performance and activity of Gujarat Pipavav Port Limited is intended to provide an analysis of the business and the financial statements for the year under review, with selected comparative information for the year ended 31 March 2019. This section has been prepared by the Management of Gujarat Pipavav Port Limited (referred to as "APM Terminals Pipavav" or "the Port" or "the Company") and should be read in conjunction with the financial statements and the notes thereon, which follow the section.

The Company holds 38.8% shares in Pipavav Railway Corporation Limited (PRCL) and in view of the provisions of Section 2(6) of the Companies Act, 2013, PRCL is an Associate Company. Pursuant to the provisions of Section 129 of the Act, PRCL's accounts have been consolidated with the Company's accounts. In view of the country wide lockdown, PRCL's Audit of its Annual Accounts is delayed. Therefore, the Company's Consolidated Accounts are based on PRCL's Management Accounts and in that context the Auditors Report on the Company's Consolidated Accounts is Modified/ Qualified.

The Company's financial statements have been prepared on Going Concern basis and on Accrual basis of Accounting under the Historical Cost Convention and in accordance with Indian Accounting Standards.

Background

APM Terminals Pipavav, India's first private sector port, operates an all-weather port located on the Southwest coast of Gujarat at a distance of 140 kms from Bhavnagar and around 152 nautical miles North-west of Mumbai. The port lies on a strategic international maritime trade route which connects India with the Far East on one side and Middle East, Africa, Europe and the US on the other. The Port's Container handling capacity is 1.35 Million TEUs. The Bulk Cargo capacity is approximately 4 to 5 Million MT per annum depending on cargo mix and Liquid Cargo capacity is approximately 2 Million MT per annum. The Container as well as Dry Bulk berths are also used for handling the RORO vessels.

APM Terminals is the Lead Promoter and holds 43.01% of the total shareholding of the Company. APM Terminals operates one of the world's most comprehensive port networks. It is uniquely positioned to help both shipping line and landside customers grow their business and achieve better supply chain efficiency, flexibility and dependability. APM Terminals has a team of 21,000 industry professionals focused on delivering the operational excellence and solutions, businesses require to reach their potential. It operates a network of 74 terminals globally.

Economy & Port Sector

COVID-19 an infectious disease started in Wuhan, China in December 2019 and has rapidly spread globally, impacting millions of people around the world and severally disrupting the global economy. With rapid outbreak of the disease, the World Health Organisation declared it a Global Pandemic in March 2020. The Government of India announced an unprecedented nation-wide lockdown from 25th March considering that the spread of infection is driven by human-to-human transmission, maintaining social distancing is necessary to bring the disease under control. While several parts of the country were successful in gaining control over the spread of disease, most of the cities are under pressure and struggling to gain control over it. Due to continuous increase in the number of infected people, the Government has a major challenge in determining the lifting of lockdown while ensuring that the return of normalcy does not result into further increase in cases. The lockdown has severely impacted the country's manufacturing sector and the overall GDP resulting into job losses and reduction in salaries across various sectors. Companies across various sectors are taking severe cost control measures to conserve cash and to ensure survival in the Year 2020. The new orders for imports from India have not been placed due to shutdown of manufacturing facilities and the severe impact of COVID-19 on the economies of western countries has impacted the exports from India as well. In view of insufficient cargo to carry and to save on their operating costs, the shipping lines have been skipping the port calls to India.

Due to the slowdown of global economy in the second half of the Year 2018, the IMF had scaled down its growth expectations for the Year 2019. It expected the global economy to grow at 3.3% in the Year 2019 and 3.6% in the Year 2020. With the epicentre of the pandemic moving to Europe in March 2020 from China, the European countries started implementing nationwide lockdowns leading to halt of numerous industries. The global economy grew 2.9% in the Year 2019 and the latest estimates by the IMF expect the global economy to contract sharply by -3% in 2020. There is extreme uncertainty in the global growth forecast in view of several unknown factors namely the trajectory of the pandemic in the coming months, the spending pattern of the population, the restoration of demand

and the global supply chain. Meanwhile countries like Japan, Germany and the UK have already announced recession in their respective economies and the US economy is witnessing one of its sharpest decline.

The IMF expects that the impact of the pandemic would diminish during the second half of Year 2020 and depending upon the policy support that will be provided by various governments globally and how rapidly the activities normalise, the global economy may grow by 5.8% and India may grow by 7.4% in the Year 2021.

One of the biggest long-term impacts of this outbreak will be that now countries/companies will be wary of having the manufacturing facility concentrated in one country and would surely look into diversifying their supply chains. Though smaller countries like Vietnam and Indonesia have got initial success in attracting quite a few companies from China, India too has a huge opportunity to attract companies to set up their manufacturing facility. India's large captive market and its geographical location for catering to global demand can be an attractive proposition. While the Central Government has announced several measures to attract these companies, the State Governments have equally important role such as easy availability of land, improved labour laws and transparent and efficient administration at the ground level, if these companies are to set up their manufacturing facility in the country. Considering the consumption economy of the country, India has been high on imports. The setting up of manufacturing facility in India would increase Exports from the country resulting into a balanced supply chain logistics and lower logistics cost. In this context, Dholera Special Industrial Region in Gujarat has a head start because the demarcated land area is already available, and the basic infrastructure is developed/ getting developed by the State Government. The work on improvement of Road connectivity has been delayed and would need to be expedited.

A major portion of the all-important Western Dedicated Freight Corridor (DFC) is likely to become operational by end of this calendar year or early next year, depending upon how soon the authorities are able to resume the work post the lifting of COVID-19 related restrictions. The Ports in Gujarat will get connected on the Corridor and it should help in major reduction of the Inland Logistics cost for the manufacturers located in Northern India, making them competitive and helping them regain their lost market share in Exports. The DFC can also be a showcase project to the international manufacturing companies exploring to locate their facility to India. During the lockdown, the Rail evacuation has been extremely efficient, reliable and cost competitive. It should hopefully help the Railways to gain some market share from the Road evacuation and after commencement of DFC it could further strengthen the position of Railways in freight movement.

The West Coast of India handles about two-thirds of total Container business in the country. The Container market on the Indian West coast marginally increased by about 3% during the financial year 2019-20 over previous year. While the Indian trade was being mainly driven by higher imports, the last quarter of financial year remained flat in view of an extended Chinese New Year and the COVID-19 impact at the Chinese ports. The Indian ports started seeing blank sailings by shipping lines due to inadequate cargo. In these uncertain times it is difficult to gauge the outlook for Container Trade in the country but the recovery in trade would depend upon how soon the Indian Economy gets back to normalcy as it will increase imports and later as the economy of Western countries recover, the exports could also see some improvement.

The Dry Bulk Cargo on West Coast of India mainly comprises Coal and Fertiliser Imports. India being amongst the fastest growing economies, the demand for power supply will continue to rise and could create a gap between the rising demand and supply of the domestic coal. Currently, the Company continues to have logistical disadvantage for coal transportation by rail into Northern hinterland. But post commencement of DFC, depending upon the freight rates, the Company should hopefully have ability to participate in some opportunities. In the case of Fertiliser cargo, though the country is focusing on becoming self-sufficient by increasing its domestic production but in short to medium term the imports are likely to continue. However, the future growth in import of Fertiliser cargo would depend upon the Government policies and the price of cargo in international markets.

The Company's Liquid Cargo business is based on a landlord model where the tank farm operators have set up the tankage facilities inside the Port. Considering the Government's focus on increased usage of LPG for households under Pradhan Mantri Ujjwala Yojna scheme, the LPG imports may continue to see increase.

The Company has a landlord model in RORO business too wherein the customer has set up a multi-user car handling facility inside the port. The car exports from the West Coast Ports of India have been facing challenges due to subdued international demand. Mahindra has announced JV with Ford for Ford's plant in Gujarat. The Company is hopeful of participating in growth opportunities as the automobile exports improve.

Operations Review

Container volume for the year under review was 872,973 TEUs compared to 903,344 TEUs. Though the overall Container volume has decreased by 3% due to Chinese New Year and the impact of COVID-19 in China in the last quarter of the financial year, within Container business the Exim Containers have shown an increase of 4% during the year. The recovery on the Container Trade in the country would depend upon how soon the Indian Economy gets back to normalcy.

The Dry Bulk cargo volume at West Coast Ports including Pipavav mainly comprise Coal and Fertilizer Imports. The Port handled 2.33 Million MT of Dry Bulk Cargo during the year under review compared to 2.00 Million MT handled during the previous year. The increase of over 16% was from higher Minerals, Coal and Fertiliser cargo volume.

On Liquid cargo front, the Port handled about 0.82 Mn MT during the year under review compared to 0.64 Mn in the previous year. The increase of over 29% has been mainly driven by higher LPG volumes. In view of the Pradhan Mantri Ujjwala Yojna scheme, the LPG imports may continue to see increase.

The Car Exports from West Coast Ports have been facing challenge due to subdued demand in the international market. The Port handled 46,509 cars, 39% lower during the year under review against 76,163 cars in the previous year.

Impact of COVID-19 on the Company's Operations

The Company is engaged in the business of providing Port Services by way of handling imports and exports. Upon the announcement of nationwide lockdown from March 2020, the Government had declared Ports as Essential Services in order to ensure continuity in supply chain. The Company continued to carry on its operations after implementing all the precautionary measures based on the guidelines issued by the Government authorities. While wearing Face Masks and Personal Protective Equipment (PPE) the Company employees continued to handle all vessels calling at the Port. The Rail evacuation has been uninterrupted and extremely efficient during the lockdown. From that point of view there has been no major impact on the Company's Operations.

However, due to shutdown of the manufacturing facilities in accordance with the lockdown guidelines of the Government, the new orders for Imports into India have not been placed. Further, due to disruption in the economies of western countries, the Exports from India have also been impacted. In view of absence of sufficient cargo for carrying to and from India, several shipping lines have started skipping their calls into Indian Ports. As per Company estimates, if the shipping lines had not skipped their calls, the Container volume at the Port would have been higher by 5 to 7% in the last quarter of the year ended 31 March 2020. The Company believes India being a consumption economy, it is better placed to recover faster compared to many other countries.

Financial Review

Dividend declared/ recommended and the Dividend Policy

During the year under review, the Board of Directors had declared an Interim Dividend of Rs. 2.10 per share in their Meeting held on 24th October 2019 and it has been paid. The Board now recommends a Final Dividend of Rs 3.50 per share subject to the approval by the Members in the Company's Annual General Meeting proposed for Thursday 6th August 2020.

The Company's Dividend Policy states as follows:

Dividend is the Company's primary distribution of profits to its Shareholders. The Company's objective is to sustain a steady and consistent distribution of profits, by way of Dividend, to its Shareholders while considering the following:

(a) The circumstances under which the shareholders can or cannot expect dividend

The Company shall endeavour to pay Dividend to its shareholders in a steady and consistent manner except the following circumstances:

(i) During no growth or weak growth in the trade requiring the Company to retain its earnings to be able to absorb unfavourable market conditions and for meeting the business requirements;

(ii) To meet its funding requirements for expansion and growth;

(iii) The Company's Joint Venture with Indian Railways, Pipavav Railway Corporation Limited requires equity infusion from its shareholders.

During such times the Company may decide to retain the earnings instead of distributing to the shareholders. The distribution of Dividend can be by way of Interim Dividend and/or by way of Final Dividend.

(b) The financial parameters that will be considered while declaring dividend

The Company shall consider the following parameters while declaring dividend:

i) Current year's profit:

i. after setting off carried over previous losses, if any;

ii. after providing for depreciation in accordance with the provisions of Schedule II of the Act;

iii. after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

ii) The profits for any previous financial year(s):

a) after providing for depreciation in accordance with law;

b) remaining undistributed; or

iii) out of (i) or (ii) or both.

In computing the above, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary and exceptional income, generated from activities other than regular business (ii) extraordinary charges (iii) exceptional charges (iv) one off charges on account of change in law or rules or accounting policies or accounting standards (v) provisions or write offs on account of impairment in investments (long term or short term) (vi) noncash charges pertaining to amortization or ESOP or resulting from change in accounting policies or accounting standards.

(c) Internal and External factors that would be considered for declaration of dividend

The Company's Board shall always consider various Internal and External factors while considering the quantum for declaration of dividend such as the overall Economic scenario of the country, the Export Import trade of the country, the statutory and regulatory provisions, the Company's own performance, its profitability, its growth plans, the performance and funding requirements of its joint venture Rail Company and such other factors as may be deemed fit by the Board.

(d) Policy as to how the retained earnings will be utilised

The retained earnings would mainly be utilised for the purpose of the Company's growth plans, the funding requirements of its joint venture Rail Company and for all such activities that in the Board's opinion shall enhance the shareholder's value.

(e) Provisions with regard to various classes of shares

The Company currently has only one class of shares namely Equity shares. In case the Company issues any other class of shares, this Policy shall be modified suitably for stipulating the parameters for distribution of dividend to all classes of shares.

Financial Results

The Company's Revenue from Operations consists of Income from Port Services and other Operating Income. Total Revenue from Operations for the year ended 31 March 2020 grew by 5% to Rs. 7,353.69 Million as against Rs. 7,019.80 Million during the previous year.

Income from Port Services consists of Income from Marine Services, Container & Cargo Handling, Storage services as well as value-added Port Services. Income from Port Services was Rs. 6,863.25 Million during the year under review as against Rs. 6,580. 66 Million for the year ended 31 March 2019. The increase in Income is attributed mainly to increase in tariff implemented by the Company from April 2019.

Other Operating Income comprises incidental Income from Operations and lease rentals from sub-leasing of land to various Port users . Other Operating Income for the year ended 31 March 2020 was Rs. 490.44 Million as against Rs. 439.14 Million in the previous year.

Total Expenditure consists of Operating expenses, Employee benefits, Finance Cost, Depreciation and Other expenses. The Company incurred a Total Expenditure of Rs. 4,275.81 Million during the year under review as against Rs. 4,263.15 Million during the previous year. The increase is mainly due to depreciation.

Operating Expenses primarily include Equipment Hire charges, Handling expenses, Waterfront Royalty and Other direct costs. Operating expenses were Rs. 1,270.72 Million during the year under review as against Rs. 1,442.37 Million for 31 March 2019.

EBIDTA amounted to Rs. 4,974.81 Million during the year under review as against Rs. 4,341.08 Million for year ended 31 March 2019. The increase in EBIDTA can be attributed to increase in tariff implemented since April 2019, 29% increase in Liquid Cargo handled at the Port and implementation of INDAS 116 resulting into reclassifying Equipment hire cost to Depreciation.

Other Income

Other Income consists of Interest on short-term bank deposits, Gain or Loss from foreign exchange and other Miscellaneous Income. The Other Income was Rs. 508.67 Million during the year under review as against Rs. 452.43 Million for the year ended 31 March 2019.

Debt

The Company does not have any fund based facility outstanding and it continues to be debt free.

Net Profit

The Company's Net Profit increased by 44% to Rs. 2,924.04 Million during the year under review as against Rs. 2,056.26 Million for the year ended 31 March 2019. It can be attributed to increase in tariff, higher liquid cargo volume and reduction in taxes on account of re-measurement of deferred tax liability due to lower tax rate as per the new tax regime applicable to the Company in future years.

Risk Management and Internal Control

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, effective 1 April 2019 Top 500 companies listed on the Stock Exchanges are required to constitute Risk Management Committee, a Sub-committee comprising majority members as Directors of the Company. The Company's Risk Management Committee is responsible for advising the Board on high-level risk related matters. The Committee oversees the identification, mitigation and monitoring of the Company's material risks and exposures including the risk pertaining to IT security. The Risk Register provides a consistent and measurable management assurance metric on the broad risks involved and its impact on Company's objectives. The Risk Register is also reviewed by the Audit Committee and Minutes of the Risk Committee are presented to the Audit Committee and to the Board of Directors.

The Board has the overall responsibility to maintain a sound and effective internal control environment. The Company has put in place an internal control framework commensurate with the size of its business and it encompasses both robust internal controls, and an efficient and effective internal control monitoring and reporting system. The Audit Committee on behalf of the Board reviews the adequacy and integrity of the Company's internal control system. An external firm of Internal Auditors Mukesh M Shah & Co. Chartered Accountants, is retained to review the Internal Controls. The Internal Auditors report directly to the Audit Committee of the Company.

The Statutory Auditors have reviewed the adequacy of Internal Financial Controls and have found them in order and the Internal Auditors have reviewed the Business and Operational Control measures and their adequacy from time to time. Wherever suggested by the Auditors, the improved control measures have been implemented and their functioning is reviewed from time to time.

Health, Safety, Security and Environment (HSSE)

APM Terminals is committed to improving Safety performance at its Ports/Terminals. The Group's commitment to Safety has an underlying fundamental principle – *Safety is our most important license to operate*. Facilities where APM Terminals has Operational Control have implemented Global Operational Standards for Safety, a set of Minimum Controls developed to manage the Top five risks identified to be related to 90% of the most serious incidents and fatalities occurring in APM Terminals namely, Transportation, Suspended loads & lifting, Working at height, Stored energy, and Control of Contractors.

At APM Terminals Safety of our Employees and of our Business Partners is of utmost importance. It is extremely important to ensure that after completion of work everyone returns home safely to be with their families. On 8th May 2020 APM Terminals Pipavav completed 500 days of Safe Operations with Zero fatality and Lost Time Incident (LTI). This major feat in the Port Industry could not have been possible without Constant Care, Continuous Training of the Company Employees as well as of the Contractors Employees and Commitment by each one to ensure their own Safety as well as of their Colleague's Safety. The Company is committed to ensure Safe and Efficient Operations at Pipavav Port.

At the outbreak of the Coronavirus disease and announcement of the unprecedented nationwide lockdown, the Government of India had declared Port Operations as Essential Service in order to ensure continuity of the supply chain. It was imperative upon the Company to first and foremost ensure safe measures for all our colleagues while continuing the Port Operations. Based on the guidelines issued by the Government authorities, the Company prepared Posters to create awareness about the disease and precautions that need to be observed, Ensure that everyone maintains social distancing in the staff bus, in the canteen and in the office, Procuring the disposable Personal Protective Equipment (PPE) and providing it to all frontline colleagues in operations to cover them completely from top to toe, Compulsory wearing of masks by all others at the Port, Installation of the foot operated sanitising machines at various locations in the Port fabricated by our own colleagues in Engineering department, Use of thermal image camera for screening of persons entering the port, Gearing up of health and medical facility at the Port to handle the situation arising from COVID-19. With all the Safety measures in place, the Port continued to handle all vessels calling into Pipavav and ensured uninterrupted Port Operations.

Corporate Social Responsibility (CSR)

APM Terminals Pipavav sees CSR as an integrated part of the way the Company does business. In order to provide a meaningful change and contribution to the local communities and to support community development, the Port carries out a need-based assessment before taking up any initiative so that the activity once implemented is well received by the local community.

The Company has formulated policies for social development that are based on the following guiding principles:

- Adopt an approach that aims at achieving a greater balance between social development and economic development;
- Adopt new measures to accelerate and ensure the basic needs of all people including health and sanitation and working towards elimination of barriers for the social inclusion of disadvantaged groups;
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators;
- Assist in skill development by providing direction and technical expertise to the vulnerable with special focus on women thereby empowering them towards a dignified and better quality life;
- Promote an inclusive work culture;
- Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled;
- Employee participation is an important part of developing responsible citizenship. Our company encourages and motivates employees to spend time volunteering on issues pertaining to CSR;
- At the time of local or national crisis, to respond to emergency situations & disasters by providing timely help to affected victims and their families.

Our Core Focus Areas are:

- Education
- Health & Environment Sustainability
- Socio Economic Development and Social Business Projects
- Women Empowerment

During the year ended 31 March 2020 some of the key CSR Projects carried out were:

- Supply of Education Equipment, Teaching- Learning Support extension activities, Adult literacy and Upgradation of school infrastructure
- Providing Medical support to surrounding villages, Eye check-up camps, Community Tree Plantation, Safety & Environment awareness activities
- Improving health and nutritional status of children, adolescents and mothers, Skill & Entrepreneurship Development followed by placement
- Integrated Livestock development, Maintenance of RO enabled Water ATMs in the villages, Promotion of fisheries as livelihood in villages and agricultural development programme.

In order to prevent COVID 19 in surrounding villages, the Company initiated practical handwash sessions in the schools & in the village community. The poster campaign was carried out to create awareness about the disease amongst the villagers and the precautions they need to observe for prevention of the disease. During lockdown the Company has ensured smooth functioning of the 12 Water ATMs to provide fresh drinking water to the villagers, provide emergency medical services to live stocks through mobile vet clinic and counselling of students & parents through mobile technology. The Company has supplied Ration kit among the poor families in nearby villages to ensure their kitchen supplies during critical period of lock down. The Company engaged with an NGO to provide training to the ladies of the nearby villages for preparing the facial masks. The objective also is to develop a habit amongst villagers to wear the mask and take precautions amidst the pandemic. These masks have been distributed to truckers and amongst the resident villagers. Through this initiative approximately 3000 labourers from 18 villages in Rajula block of Amreli district, working under the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) scheme, were also provided the masks. Going forward mask making could help in generation of employment in these villages and make them self-reliant. The Company has been closely engaging with the district health authorities and the local administration to provide them Safety kits and other medical supplies to assist the frontline medical staff in their preparation for dealing with the outbreak of disease in Amreli District.

Outlook

The outbreak of the pandemic globally has severely disrupted the world economy and has brought extreme uncertainties in the growth forecast. The road to recovery would depend upon several unknown factors namely the trajectory of the pandemic in the coming months, the spending pattern of the population, the restoration of demand and the global supply chain. The IMF expects that the impact of the pandemic would diminish during the second half of Year 2020 and depending upon the policy support that will be provided by various governments globally and how rapidly the activities normalise, the global economy may grow by 5.8% and India may grow by 7.4% in the Year 2021.

One of the biggest long-term impacts of this outbreak will be that now countries/companies will be wary of having the manufacturing facility concentrated in one country and would surely look into diversifying their supply chains. India has a huge opportunity to attract companies to set up their manufacturing facility. India's large captive market and its geographical location for catering to global demand can be an attractive proposition. The Company believes Dholera Special Industrial Region in Gujarat has a head start because the demarcated land area is already available, and the basic infrastructure is developed/ getting developed by the State Government. Further, a major portion of the all-important Western Dedicated Freight Corridor (DFC) is likely to become operational by end of this calendar year or early next year, depending upon how soon the authorities are able to resume the work post lifting of COVID-19 related restrictions. The Ports in Gujarat will get connected on the Corridor and the DFC can be a showcase project to the international manufacturing companies exploring to locate their facility to India.

In these uncertain times it is difficult to gauge the outlook for recovery in the trade. But it would depend upon how soon the Indian Economy gets back to normalcy as it will increase imports and later as the economy of Western countries recover, the exports could also see some improvement. The Company believes that India being a large consumption economy, the recovery would be faster compared to other countries.

The Company is debt free and has a strong Balance Sheet. The Company is in an extremely competitive position to participate in growth opportunities as the macro picture of the Indian Economy shows improvement.

Human Resources/ Industrial Relations

As part of the overall Global policy APM Terminals requires all the Employees to participate in its Annual Employee Engagement Survey which is carried out entirely in confidence by an External Agency to understand the requirements at each Port/Terminal. Based on the results of the survey, feedback is provided to the Management of APM Terminals which in turn is intimated to the respective Port/ Terminal Management for necessary action.

The survey score of APM Terminals Pipavav continues to place it amongst the top quartile within the APMT portfolio. The Management encourages its 494 employees to provide feedback in all the areas in order to carry out the necessary improvements on an ongoing basis in an effort to make the Company a better place to work. The Company has been certified as Great Place to Work for the second consecutive year by Trust Index Employee Survey.

APM Terminals globally also conducts an Annual Customer and Third-Party Satisfaction Survey for all its 74 Ports/ Terminals within the Portfolio. The Survey evaluates the performance by the respective Port/Terminal in various areas of Commercial and Operational parameters. APM Terminals Pipavav has once again in the Survey achieved high scores and has maintained its position amongst the Top Quartile.

Changes in Key Financial Ratios compared to immediately previous financial year

Pursuant to the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018, the Company is required to provide details of significant changes i.e. change of over 25% or more compared to the previous year, in key financial ratios along with an explanation. The details are as follows:

(i) **Debtors Turnover:** Except the storage charges for dry bulk cargo, the Company receives its entire billing before the departure of the vessel. The storage income for dry bulk cargo is paid at the time of evacuation of the cargo, depending upon the number of days cargo has been stored at the Port. Therefore, Debtors Turnover ratio is not applicable

(ii) **Inventory Turnover:** The Company is engaged in the business of port services. The inventory maintained is for the Company's own consumption such as crane spares, fuel etc. The Company does not maintain any inventory for sale therefore, the Inventory Turnover ratio is not applicable

(iii) **Interest Coverage Ratio:** The Company is debt free, so it does not have any obligations towards interest payment. Therefore, the Interest Coverage Ratio is not applicable

(iv) **Current Ratio:** As mentioned in point no (i) above, the Company receives all its dues before the departure of vessel , so it does not have any accounts receivables. The Company does not maintain any inventory for sale since it is engaged into providing port service. The Company does not have any outstanding debt so there is no current portion of long-term debt. Considering these points, the current ratio is not applicable

(v) **Debt Equity Ratio:** As mentioned in point no (iii) above, the Company is debt free. Therefore the debt equity ratio is not applicable

(vi) **Operating Profit Margin:** The Operating Profit Margin for the year ended 31st March 2020 is at 60.73% compared to 55.40% in the previous year. The increase in Margin is mainly attributable to increase in tariff implemented by the Company from April 2019, 29% increase in Liquid Cargo handled at the Port and implementation of INDAS 116 resulting into reclassifying the equipment hire to depreciation.

(vii) **Net Profit Margin:** The Net Profit Margin for the year ended 31st March 2020 is at 39.76% compared to 29.29% in the previous year. Apart from the two reasons mentioned in point no. (vi) above, the increase in Net Profit is due to lower income tax in the year under review. The reduction in tax is on account of re-measurement of deferred tax liability due to lower rate as per the new tax regime applicable to the Company in future years.

(viii) **Return on Net Worth:** The Return on Net Worth for the year ended 31st March 2020 is at 14.47% compared to 10.21% in the previous year. The reasons for the increase can be referred in point nos. (vi) and (vii) above.

Cautionary Statement

Certain statements found in the Management Discussion and Analysis may constitute "forward-looking statements" within the meaning of applicable Securities Laws and Regulations. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are difficult to predict, and which may cause our actual results, performance or achievements to be different from any future results, performance and achievements expressed or implied by these statements.

CORPORATE GOVERNANCE REPORT

The Directors present the Annual Corporate Governance Report of Gujarat Pipavav Port Limited ("the Company" or "APM Terminals Pipavav") for the year ended 31 March 2020.

The Company's philosophy on Corporate Governance

The Company strives to follow highest standards of ethics, transparency and integrity as its philosophy on Corporate Governance while conducting business. The Company has adopted Code of Conduct for its Employees, Managing Director and Non-Executive Directors. The code is in line with the Core Values followed by its promoter APM Terminals and shares the distinctive set of the Maersk Group core values that drive the way we do business. This Code contains guiding principles for our conduct based on those values, the Group's commitment to the UN Global Compact, and our commitment to our people, customers and communities.

A Code for Prevention of Insider Trading and a Whistle Blower Policy also forms an integral part of Corporate Governance. These codes are in compliance with the requirements of Corporate Governance stipulated under the Securities and Exchange Board of India 'SEBI' (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of these codes and policies is available on Company's website https://www.apmterminals.com/en/pipavav/investors/governance

Board of Directors

The Company's Board of Directors currently comprise a total of 8 Directors. 4 Directors including the Chairman and a Woman Director are Independent, 1 is an Executive Director and 3 are Non-Executive Non-Independent Directors. This composition is in compliance with the requirements stipulated under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

None of the Directors of the Company is a Member of more than 10 Committees or Chairman of more than 5 Committees across the Companies in which they hold Directorships.

None of the Directors have any relationship between them.

The Independent Directors of the Company are in compliance with the provisions of Regulation 16(1)(b) of the Listing Regulations and are independent of the Management of the Company.

The name and category of Directors on the Board, their attendance at Board Meetings and at the last Annual General Meeting, number of directorships and committee chairmanship/ membership held by them in Audit Committee and Stakeholders' Relationship Committee is given below:

Name	Category	No. of Board Meetings attended during the year ended 31 March 2020		Whether attended last AGM	No. of Directorships in other public limited companies $	No. of Committee positions held in other public limited companies @		Number of shares held as of 31 March 2020
		Held	Attended			Chairman	Member	
Mr. Tejpreet Singh Chopra Chairman DIN:00317683	Independent Non-Executive	4	4	Yes	2	1	Nil	Nil
Mr. David Skov* DIN: 07810539	Non- Independent Non-Executive	1	1	NA	Nil	Nil	Nil	Nil
Ms. Hina Shah DIN:06664927	Independent Non-Executive	4	3	Yes	Nil	Nil	Nil	Nil
Mr. Julian Bevis DIN: 00146000	Non- Independent Non-Executive	4	4	Yes	Nil	Nil	Nil	Nil
Mr. Mukesh Kumar, IAS# DIN: 06811311	Non- Independent Non-Executive	3	Nil	No	6	Nil	Nil	Nil
Mr. Pradeep Mallick DIN:00061256	Independent Non-Executive	4	4	No	Nil	Nil	Nil	Nil
Mr. Pravin Laheri, IAS (Retd.) DIN:00499080	Independent Non-Executive	4	4	Yes	3	1	Nil	Nil

Name	Category	No. of Board Meetings attended during the year ended 31 March 2020		Whether attended last AGM	No. of Directorships in other public limited companies $	No. of Committee positions held in other public limited companies @		Number of shares held as of 31 March 2020
		Held	Attended			Chairman	Member	
Mr. Timothy Smith^ DIN: 08526373	Non- Independent Non-Executive	2	2	NA	Nil	Nil	Nil	Nil
Mr. Keld Pedersen DIN: 07144184	Managing Director**	4	4	No	Nil	Nil	Nil	Nil
Capt. Padmini Kant Mishra DIN: 07335316	Managing Director##	1	1	NA	1	Nil	Nil	Nil
Mr. Jakob Friis Sorensen DIN: 08593830	Managing Director^^	1	1	NA	1	Nil	Nil	Nil

* *Mr. David Skov resigned as Director of the Company effective 28 July 2019 as per Section 168 of the Companies Act, 2013*

\# *Mr. Mukesh Kumar, IAS- Nominee Gujarat Maritime Board ceased to be Director effective 24 October 2019 as per Section 167(1)(b) of the Companies Act, 2013*

^ *Mr. Timothy Smith was appointed as Additional Director effective 19 September 2019*

** *Mr. Keld Pedersen was Managing Director upto 31 May 2019 and became Non Independent Non Executive Director effective 1 June 2019*

\## *Capt. Padmini Kant Mishra was appointed Interim Managing Director from 24 October 2019 to 31 December 2019*

^^ *Mr. Jakob Friis Sorensen was appointed Managing Director from 1 January 2020*

$ Other Directorships do not include Directorships of Private Limited Companies, Alternate Directorships, Directorships in Section 8 Companies and in the Companies incorporated outside India.

@ Committee refers to Audit Committee and Stakeholders' Relationship Committee only.

Details of Directorships in Other Listed Companies

Name of the Director	Name of Other Listed Companies & Nature of Directorship	Details of Committees@	
		Chairman	Director
Mr. Tejpreet Singh Chopra	SRF Limited – Independent Director India Energy Exchange Limited- Independent Director	Stakeholder Relationship	Nil
Mr. Mukesh Kumar, IAS#	Adani Port & SEZ Limited- Non-Executive Non-Independent Director	Nil	Nil
Mr. Pravin Laheri, IAS (Retd.)	PI Industries Limited – Independent Director	Stakeholder Relationship	Nil

@Committee refers to Audit Committee and Stakeholders' Relationship Committee only.

#Mr. Mukesh Kumar, IAS- Nominee Gujarat Maritime Board ceased to be Director effective 24 October 2019 as per Section 167(1)(b) of the Companies Act, 2013

Except the Directors and their Nature of Directorships in Other Listed Companies as mentioned hereinabove, none of the other Directors of the Company hold any Directorships in any other Listed Companies.

The Board Composition has been done based on the requirements of expertise by the Company and the competencies of various Directors as follows:

Name of the Director	Skills/ Expertise/ Competencies
Mr. Tejpreet Singh Chopra- Chairman	Strategic Business Management
Mr. David Skov*	Port Business Management
Ms. Hina Shah	CSR activities
Mr. Julian Bevis	Public Affairs & Port Business Management
Mr. Mukesh Kumar, IAS#	Nominee- Port Regulatory Authority
Mr. Pravin Laheri, IAS (Retd.)	Corporate, Labour and Industrial Laws and CSR activities
Mr. Pradeep Mallick	Strategic Business Management and Governance
Mr. Timothy Smith	Port Business Management
Mr. Keld Pedersen	Port Business Management
Capt. Padmini Kant Mishra##	Operations & Port Business Management
Mr. Jakob Friis Sorensen	Port Business Management

** Mr. David Skov resigned as Director of the Company effective 28 July 2019 as per Section 168 of the Companies Act, 2013*

#Mr. Mukesh Kumar, IAS- Nominee Gujarat Maritime Board ceased to be Director effective 24 October 2019 as per Section 167(1)(b) of the Companies Act, 2013

Capt. Padmini Kant Mishra was appointed Interim Managing Director from 24 October 2019 to 31 December 2019

The current composition covers the aspects related to Business Management, Legal & Contractual aspects and the areas of Corporate Social Responsibility (CSR).

The Independent Directors fulfil the conditions specified in the Listing Regulations and all Independent Directors are independent of the Management.

The Company conducts Familiarisation Programmes for its Independent Directors on a regular basis. The details of such familiarisation programmes are available on the Company website https://www.apmterminals.com/en/pipavav/investors/independent-directors

The Board of Directors met 4 times during the year ended 31 March 2020 on: 15 May 2019, 8 August 2019, 24 October 2019 and 6 February 2020. The details on matters mentioned in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided to the Directors for consideration at the Board Meetings.

Except the Sitting fee and Commission paid to Independent Directors and Sitting fee to GMB Nominee, the Company does not have any pecuniary relationship with Non- Executive Directors.

None of the Directors holds any shares in the Company.

Various Committees of the Board of Directors

1. Audit Committee

The Audit Committee of the Company is constituted as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Committee comprises 4 Non-Executive Directors out of which 3 Directors including the Chairman of the Committee are Non-Executive Independent Directors and 1 Director is Non-Executive Non-Independent Director.

The Audit Committee held discussions with the Statutory Auditors as well as Internal Auditors regarding the Company's accounts, its internal control systems and reviewed the quarterly reports of Internal Auditor.

The Audit Committee reviewed the information mentioned in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Its Terms of Reference inter alia include the following:

- To monitor the integrity of the financial statements of the company, and any formal announcements relating to the company's financial performance
- To review the company's internal financial controls and the company's internal control and risk management systems
- To monitor and review the effectiveness of the company's internal audit function
- To make recommendations to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor
- To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into considerations relevant professional and regulatory requirements
- To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account the safeguarding of auditor objectivity and independence
- To review and decide upon matters related to Insider Trading and Disclosure of Unpublished Price Sensitive Information (UPSI) including the adequacy of internal controls and procedures on matters related to Insider Trading and Disclosure of UPSI. Wherever required make recommendations to the Board of Directors on matters related to Insider Trading and Disclosure of UPSI.
- The audit committee shall be provided with sufficient resources to undertake its duties and have access to the services of the company secretariat on all audit committee matters including: assisting the chairman in planning the

audit committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities, collection and distribution of information and provision of any practical support.

- The board shall make necessary funds available to the audit committee to enable it to take independent legal, accounting or other advice when the audit committee reasonably believes it necessary to do so.
- The audit committee shall hear the views of the external auditors before forwarding the annual accounts to the board for approval.
- The audit committee shall hear the views of the internal and external auditors separately at least once every year without the presence of the management.
- Considering the name of the auditor in context of their independence (particularly with reference to any other non audit services), fee and terms of engagement and recommending its name to the board for putting before AGM for appointment.
- Reviewing the audit plan and results of the audit and as to whether auditors have full access to all relevant documents.
- Checking financial fraud particularly fictitious and fraudulent portions of the financial statement. They should put in place an appropriate system to ensure adoption of appropriate accounting policies and principles leading to fairness in financial statements.
- Oversight of the internal audit function in general and with particular reference to reviewing of scope of internal audit plan for the year, reviewing the reports of internal auditors pertaining to critical areas, reviewing the efficacy of internal auditing and reviewing as to whether internal auditors have full access to all relevant documents.
- Oversight of the adequacy of the internal control system through the regular reports of the internal and external auditors. They may appoint external consultants if the need arose.
- Oversight of the financial statements in general and with particular reference to review of annual and quarterly financial statements before issue, review of qualifications in the draft financial statements and discussion of accounting principles. In particular, change in accounting principles and accounting estimates in comparison to previous year, any adoption of new accounting policy, any departure from International Financial Reporting Standards (IFRS) and non-compliance with disclosure requirements prescribed should be critically reviewed.
- Serving as a channel of communication between external auditors and the board and also internal auditors and the board.
- Reviewing risk management policies and looking into the reasons of defaults in payment obligations of the company if any.
- Reviewing proposed specific transactions with related parties for making suitable recommendations to the board.
- While the audit committee has the responsibilities and powers set forth in this manual, it is not the duty of the audit committee to plan or conduct audits or to ensure that the company's financial statements are complete and accurate and are in accordance with the generally accepted accounting principles.
- Management is responsible for the preparation, presentation, and integrity of the company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the company. The independent auditors are responsible for auditing the company's financial statements and when requoted, for reviewing the company's un-audited interim financial statements.

The audit committee shall have powers including the following:

- Seeking information from any employee of the company;
- Securing the advice and attendance of outsiders with relevant expertise if considered necessary.
- Authority to investigate into any matter and it shall have full access to information and records of the company and external professional advice.

The Audit Committee Meeting is attended by the Managing Director, CFO, Statutory Auditors and the Internal Auditors. The Company Secretary acts as Secretary of the Committee. The Minutes of Audit Committee Meeting are submitted to the Board of Directors for reference.

The details of Audit Committee Meetings held during the year and attended by Directors are as follows:

Name	Category	No. of Committee Meetings during the year ended 31 March 2020	
		Held	Attended
Mr. Pravin Laheri, IAS (Retd), Chairman	Non- Executive Independent	4	4
Ms. Hina Shah	Non- Executive Independent	4	3
Mr. Keld Pedersen**	Non- Executive Non- Independent	4	4
Mr. Pradeep Mallick	Non- Executive Independent	4	4

***Mr. Keld Pedersen was Managing Director upto 31 May 2019 and became Non Independent Non Executive Director effective 1 June 2019. He attended one meeting as Special Invitee in the capacity of Managing Director and three meetings in the capacity of Member of the Audit Committee*

The Members of Audit Committee have requisite financial, legal and management expertise. During the year 4 Audit Committee Meetings were held on: 14 May 2019, 7 August 2019, 23 October 2019 and 5 February 2020. The necessary quorum was present at the Meetings.

The Chairman of Audit Committee provides an overall update to the Board of Directors about discussions and decisions made in the Audit Committee Meeting. All recommendations made by the Audit Committee to the Board of Directors have been agreed and approved by the Board of Directors in the respective meetings.

2. Nomination and Remuneration Committee

In view of the requirements under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013, the Company has constituted Nomination and Remuneration Committee.

The Committee's role is as per Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee also has its Policy which contains the following:

- Process for the selection and appointment of Directors and Key Managerial Personnel;
- Criteria for determining remuneration of the Directors, Key Managerial Personnel and other employees of the Company;
- Board Diversity and criteria for the independence, positive attributes, qualifications and experience of directors;
- Training of independent directors; and
- Performance evaluation of directors.

The Nomination and Remuneration Committee of the Company comprises total 4 Non-Executive Directors out of which 3 Directors including the Chairman of the Committee are Non-Executive Independent Directors and 1 Director is Non-Executive Non-Independent. The details of the Meetings held during the financial year are as follows:

Name	Category	No. of Committee Meetings during the year ended 31 March 2020	
		Held	Attended
Mr. Pradeep Mallick, Chairman	Non- Executive Independent	2	2
Mr. Tejpreet Singh Chopra	Non- Executive Independent	2	2
Mr. Pravin Laheri, IAS (Retd.)	Non- Executive Independent	2	2
Mr. David Skov*	Non- Executive Non- Independent	1	1
Mr. Timothy Smith^	Non- Executive Non- Independent	1	1

** Mr. David Skov resigned as Director of the Company effective 28 July 2019 as per Section 168 of the Companies Act, 2013*
^Mr. Timothy Smith was appointed as Additional Director effective 19 September 2019

The Nomination and Remuneration Committee held its Meetings on 15 May 2019 and 23 October 2019.

The Board has approved the Nomination and Remuneration Committee Policy that provides for Evaluation of Non-Executive Directors including Independent Directors. It provides for the Evaluation of Chairman of the Board, Individual Directors and the Committees of the Board. Accordingly, the Evaluation exercise was carried out internally and was led by the Chairman of Nomination and Remuneration Committee. The evaluation process focused on various aspects such as Composition of the Board and various Committees, Degree of fulfilment of their responsibilities, Effectiveness of the Board/Committee process, information and functioning, Board/Committee Culture and Dynamics, Quality of relationship between the Board/Committees and Management, Attendance and Contribution by Individual Directors and their Guidance and Support to the Management.

The Independent Directors are evaluated on five criteria as follows:

(i) Ethics and Values

(ii) Knowledge and Proficiency

(iii) Diligence

(iv) Behavioural traits; and

(v) Efforts for Personal Development

Remuneration Policy

The remuneration payable to the Executive Directors, including the performance incentive and value of the perquisites, shall not exceed the permissible limits mentioned within the provisions of the Companies Act, 2013. They shall not be entitled to any sitting fees.

The Non-Executive Independent Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board/ Shareholders from time to time.

The Non-Executive Non-Independent Directors representing the Promoters shall neither be paid any sitting fees nor any commission.

The Non- Executive Non- Independent Director representing Gujarat Maritime Board (GMB) shall be paid sitting fee for attending Board Meeting.

A sitting fee is paid to the Directors at Rs. 100,000 per meeting per Director for the Audit Committee Meeting and for the Board Meeting. For the other Committee Meetings, the sitting fees is Rs. 50,000 per meeting per Director.

Directors Remuneration

Name	Sitting Fees for attending Board and Committee Meetings during year ended 31 March 2020	Commission Paid	Total amount Paid
Mr. Tejpreet Singh Chopra, Chairman	Rs. 0.55 Mn	Rs. 1.50 Mn	Rs. 2.05 Mn
Ms. Hina Shah	Rs. 0.85 Mn	Rs. 0.75 Mn	Rs. 1.60 Mn
Mr. Pradeep Mallick	Rs. 0.95 Mn	Rs. 0.75 Mn	Rs. 1.70 Mn
Mr. Pravin Laheri, IAS (Retd.)	Rs. 1.10 Mn	Rs. 0.75 Mn	Rs. 1.85 Mn

Managing Director

Name	Salary (Rs. Million)	Perquisites & Allowances (Rs. Million)	Performance Bonus (Rs. Million)	Total Amount (Rs. Million)
Mr. Keld Pedersen**	2.80	2.71	16.06	21.57
Capt. Padmini Kant Mishra##	0.89	2.69	NA	3.58
Mr. Jakob Friis Sorensen^^	4.28	13.08	NA	17.36

***Mr. Keld Pedersen was Managing Director upto 31 May 2019*
Capt. Padmini Kant Mishra was appointed Interim Managing Director from 24 October 2019 to 31 December 2019
^^Mr. Jakob Friis Sorensen was appointed Managing Director from 1 January 2020

Out of the total remuneration, the components of Salary, Perquisites & Allowances is fixed component and the amount of Performance Bonus is a variable component depending upon evaluation of performance. The criteria for performance evaluation include the Safety Culture within the Company, Capability Development, Strategic Transformation, Leadership, Customer Strategy and Project Development. The Notice Period of the Managing Director is two months. The Company does not have a Policy for Stock Options for its employees and has not granted any stock options to any of its Managing Director.

3. Stakeholders Relationship Committee

The Company has constituted Stakeholders Relationship Committee as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The role of the Committee is as specified in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee comprised 3 Directors out of which 2 Directors including the Chairman were Non-Executive Independent Directors and the third Member of the Committee was the Managing Director of the Company. The Board of Directors in the meeting held on 8th August 2019 reconstituted the Committee by including Ms. Hina Shah as Member of the Committee in place of the Managing Director. The Committee currently comprises 3 Directors and all of them are Non-Executive Independent Directors. The details of the Stakeholders Relationship Committee Meeting are:

Name	Category	No. of Committee Meetings during the year ended 31 March 2020	
		Held	Attended
Mr. Pradeep Mallick- Chairman	Non-Executive Independent	1	1
Mr. Tejpreet Singh Chopra	Non-Executive Independent	1	1
Ms. Hina Shah	Non-Executive Independent	1	1
Mr. Keld Pedersen**	Managing Director	NA	NA

***Mr. Keld Pedersen was Member of the Committee upto 31 May 2019 as Managing Director*

The Committee had its meeting on 6 February 2020.

The details of complaints received, cleared/ pending during the year ended 31 March 2020 are given below:

	Nature of Complaint	Opening	Received	Replied	Pending
1	Status of applications lodged for Public Issue	0	0	0	0
2	Non-receipt of Dividend	0	3	3	0
3	Non-receipt of Annual Report	0	0	0	0
4	Non-receipt of Refund order	0	0	0	0
5	Non-receipt of Securities	0	0	0	0
6	Non-receipt of Securities after Transfer	0	0	0	0
	TOTAL	**0**	**3**	**3**	**0**

There were no pending requests for share transfer/dematerialisation of shares as of 31 March 2020.

The contact details of the Compliance Officer of the Company are:

(a) Name & Designation of Compliance Officer : Mr. Manish Agnihotri, Company Secretary & Compliance Officer

(b) Email Id for correspondence : manish.agnihotri@apmterminals.com; investorrelationinppv@apmterminals.com

4. Corporate Social Responsibility (CSR) Committee

The CSR Committee formed by the Company under Section 135 of the Companies Act, 2013, formulates the policy and recommends to the Board to undertake various activities mentioned under Schedule VII of the Companies Act, 2013. It also meets to review the progress made by the Company on various CSR activities. The Company has dedicated human resources for undertaking and monitoring all the CSR activities and provide update to the CSR Committee.

The Committee comprises 3 Directors out of which 2 Directors including the Chairperson are Non-Executive Independent Directors and the third Member of the Committee is the Managing Director of the Company. The details of CSR Committee Meetings held during the year and attended by Directors are:

Name	Category	No. of Committee Meetings during the year ended 31 March 2020	
		Held	Attended
Ms. Hina Shah- Chairperson	Non-Executive Independent	4	4
Mr. Pravin Laheri, IAS (Retd.)	Non-Executive Independent	4	4
Mr. Keld Pedersen**	Managing Director	1	1
Capt. Padmini Kant Mishra##	Managing Director	NA	NA
Mr. Jakob Friis Sorensen^^	Managing Director	1	Nil

***Mr. Keld Pedersen was Managing Director and also the Member of Committee upto 31 May 2019*

Capt. Padmini Kant Mishra was appointed Interim Managing Director and Member of the Committee from 24 October 2019 to 31 December 2019

^^Mr. Jakob Friis Sorensen is Managing Director and Member of the Committee from 1 January 2020

The CSR Committee held its meetings on 7 May 2019, 25 July 2019, 18 October 2019 and 22 January 2020.

5. Risk Management Committee

Effective 1 April 2019, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 Top 500 companies based on market capitalization as at the end of immediate previous financial year are required to constitute Risk Management Committee. The Company already has a Risk Management Committee comprising of Directors. The Committee reviews the potential risk areas and steps to mitigate those risks. The Minutes of the Risk Committee Meeting are presented to the Audit Committee and to the Board of Directors.

The Risk Committee comprises 2 Directors out of which 1 Director is Non- Executive Non-Independent Director and the other is Managing Director. The details of the Committee Meetings are:

Name	Category	No. of Committee Meetings during the year ended 31 March 2020	
		Held	Attended
Mr. Julian Bevis- Chairman	Non-Executive Non-Independent	2	2
Mr. Keld Pedersen**	Managing Director	1	1
Capt Padmini Kant Mishra##	Managing Director	NA	NA
Mr. Jakob Friis Sorensen^^	Managing Director	1	1

***Mr. Keld Pedersen was Managing Director and also the Member of Committee upto 31 May 2019*

Capt. Padmini Kant Mishra was appointed Interim Managing Director and Member of the Committee from 24 October 2019 to 31 December 2019

^^Mr. Jakob Friis Sorensen is Managing Director and Member of the Committee from 1 January 2020

The Risk Committee held its Meetings on 6 May 2019 and 30 January 2020.

Independent Directors' Meeting

The Independent Directors held their Meeting on 5 February 2020. The meeting was attended by all four Independent Directors of the Company. Mr. Pradeep Mallick, Chairman of Nomination and Remuneration Committee was appointed as Lead Director by the Independent Directors. The Independent Directors in their meeting discussed inter alia about performance of the Non- Independent Directors and of the entire Board of Directors, the Performance of the Chairman of the Company, the quality, quantity and timelines of the flow of information between the Company Management and the Board of Directors in order to facilitate the Board to effectively and reasonably perform its duties.

Code of Conduct:

The Company has adopted a Code of Conduct for all employees including the Managing Director and for the Non-executive Directors. As an annual practice, the Company receives confirmation of compliance of the Code from all its employees and from Non-executive Directors. The Code of Conduct for Employees and for Non-executive Directors is available on the Company's website https://www.apmterminals.com/en/pipavav/investors/governance

Whistle Blower Policy – Vigil Mechanism

The Company has a Whistle Blower Policy that provides a formal mechanism for all employees to make disclosure about suspected fraud or unethical behaviour. It provides a designated phone number to directly report an instance. The Policy encourages its employees to immediately raise his/her concern to the respective Manager or to Head of HR whenever they notice any contravention with the Company's Code of Conduct or fraud or any unethical behaviour. In case the concerned person is not comfortable in reporting the matter to his/her Manager or to the Manager's Manager or to the Head of HR, he/she can also report to the Compliance Officer of the parent Company APM Terminals.

The policy also provides direct access to the Chairman of Audit Committee through his personal email id. The policy is available on the Company's website https://www.apmterminals.com/en/pipavav/investors/governance

The Company has constituted an Internal Complaints Committee as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules made thereunder for reporting the instances related to Sexual Harassment and deal with them in a timely manner. There were no complaints received during the year.

As part of APM Terminals, the Company shares the distinctive set of the Group's Core Values that drive the way we do business. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations, the Group's commitment to the UN Global Compact and our commitment to our people, customers and communities.

Subsidiary Companies

The Company does not have any subsidiary.

Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended 31 March 2020 were in the ordinary course of business and on an arm's length pricing basis. The details are included in the Notes to financial statements of the Annual Report. These transactions do not attract the provisions of Section 188 of the Companies Act, 2013. All the transactions have prior approval of the Audit Committee as per the requirement under the Listing Regulations. The related party transaction with Maersk Line A/S in connection with Income from Port Operations is a material transaction as per the Listing Regulations. This contract for 3 years period from 1st April 2020 to 31st March 2023 and has been approved by the shareholders through Postal Ballot on 16th March 2020. The policy of Related Party Transaction is available on the Company's website https://www.apmterminals.com/en/pipavav/investors/governance

6. Details of General Meetings

Location and time of meetings held during last 3 years

Meeting	Date	Time	Venue
AGM	10 August 2017	2:00 PM	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli- 365560
AGM	9 August 2018	2:00 PM	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli- 365560
AGM	8 August 2019	2:00 PM	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli- 365560

All resolutions were passed as follows:

(i) For the meeting held on 10 August 2017, through remote e-voting facility from Monday 7 August 2017 at 9:00 AM to Wednesday 9 August 2017 at 5:00 PM and later at the venue of the meeting

(ii) For the meeting held on 9 August 2018, through remote e-voting facility from Monday 6 August 2018 at 9:00 AM to Wednesday 8 August 2018 at 5:00 PM and later at the venue of the meeting

(iii) For the meeting held on 8 August 2019, through remote e-voting facility from Monday 5 August 2019 at 9:00 AM to Wednesday 7 August 2019 at 5:00 PM and later at the venue of the meeting

The details of Special Resolutions approved in the Annual General Meetings held during last three years are as follows:

Date of the Meeting Particulars of Special Resolution Approved

Date of the Meeting	Particulars of Special Resolution Approved
10 August 2017	No Special Resolution was proposed for approval
9 August 2018	Re-appointment of Mr. Keld Pedersen (DIN: 07144184) as Managing Director of the Company and approve payment of his remuneration
8 August 2019	No Special Resolution was proposed for approval

The following resolutions have been approved by the Members by way of Postal ballot during the year:

Matter approved on 26 June 2019:

Special Resolution: Continuation of directorship of Mr. Pradeep Mallick (DIN: 00061256) pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018, for the remaining tenure of his appointment from 1 April 2019 to 29 July 2020.

Special Resolution: Continuation of directorship of Mr. Pradeep Mallick (DIN: 00061256) pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018, for the remaining tenure of his appointment from 1 April 2019 to 29 July 2020.		
Particulars	**No. of Postal Ballot Forms/ Remote E-voting confirmations**	**No. of Shares Voted**
Votes cast through Postal Ballot Forms	64	10,665
Remote E-voting confirmations received	197	418,300,389
Total	**261**	**418,311,054**
Less: Invalid Postal Ballot Forms/ Remote E-voting	6	640
Valid Postal Ballot Forms/ Remote E-voting confirmation	**255**	**418,310,414**
Postal Ballot Forms/ Remote E-voting confirmation with assent	219	418,281,331
Percentage of Assent		**99.99%***
Postal Ballot Forms/ Remote E-voting confirmation with dissent	36	29,083
Percentage of Dissent		**0.01%**

*Rounded off to nearest decimal

Matters approved on 16 March 2020:

a. **Special Resolution:** Continuance of appointment of Mr. Pravin Laheri, IAS (Retd.) (DIN:00499080) as Independent Director of the Company for the period from 28 March 2020 to 29 July 2020		
Particulars	**No. of Postal Ballot Forms/ Remote E-voting confirmations**	**No. of Shares Voted**
Votes cast through Postal Ballot Forms	9	1,418
Remote E-voting confirmations received	159	427,660,069
Total	**168**	**427,661,487**
Less: Invalid Postal Ballot Forms/ Remote E-voting	0	0
Valid Postal Ballot Forms/ Remote E-voting confirmation	**168**	**427,661,487**
Postal Ballot Forms/ Remote E-voting confirmation with assent	148	416,883,681
Percentage of Assent		**97.48%**
Postal Ballot Forms/ Remote E-voting confirmation with dissent	20	10,777,806
Percentage of Dissent		**2.52%**

b. Special Resolution: Appointment of Capt. Padmini Kant Mishra (DIN: 07335316) as Interim Managing Director of the Company upto 31 December 2019

Particulars	No. of Postal Ballot Forms/ Remote E-voting confirmations	No. of Shares Voted
Votes cast through Postal Ballot Forms	9	1,418
Remote E-voting confirmations received	159	427,660,069
Total	**168**	**427,661,487**
Less: Invalid Postal Ballot Forms/ Remote E-voting	0	0
Valid Postal Ballot Forms/ Remote E-voting confirmation	**168**	**427,661,487**
Postal Ballot Forms/ Remote E-voting confirmation with assent	158	427,658,125
Percentage of Assent		**100%***
Postal Ballot Forms/ Remote E-voting confirmation with dissent	10	3,362
Percentage of Dissent		**0%**

c. Ordinary Resolution: Appointment of Mr. Jakob Friis Sorensen (DIN: 08593830) as Director of the Company

Particulars	No. of Postal Ballot Forms/ Remote E-voting confirmations	No. of Shares Voted
Votes cast through Postal Ballot Forms	9	1,418
Remote E-voting confirmations received	159	427,660,069
Total	**168**	**427,661,487**
Less: Invalid Postal Ballot Forms/ Remote E-voting	0	0
Valid Postal Ballot Forms/ Remote E-voting confirmation	**168**	**427,661,487**
Postal Ballot Forms/ Remote E-voting confirmation with assent	156	423,830,913
Percentage of Assent		**99.10%**
Postal Ballot Forms/ Remote E-voting confirmation with dissent	12	3,830,574
Percentage of Dissent		**0.90%**

d. Special Resolution: Appointment of Mr. Jakob Friis Sorensen (DIN: 08593830) as Managing Director for a period of three years with effect from 1 January 2020

Particulars	No. of Postal Ballot Forms/ Remote E-voting confirmations	No. of Shares Voted
Votes cast through Postal Ballot Forms	9	1,418
Remote E-voting confirmations received	153	406,039,591
Total	**162**	**406,041,009**
Less: Invalid Postal Ballot Forms/ Remote E-voting	0	0
Valid Postal Ballot Forms/ Remote E-voting confirmation	**162**	**406,041,009**
Postal Ballot Forms/ Remote E-voting confirmation with assent	100	373,584,721
Percentage of Assent		**92.01%**
Postal Ballot Forms/ Remote E-voting confirmation with dissent	62	32,456,288
Percentage of Dissent		**7.99%**

e. Ordinary Resolution: Approval of Related Party Transaction with Maersk Line A/S		
Particulars	**No. of Postal Ballot Forms/ Remote E-voting confirmations**	**No. of Shares Voted**
Votes cast through Postal Ballot Forms	9	1,418
Remote E-voting confirmations received	156	219,756,033
Total	**165**	**219,757,451**
Less: Invalid Postal Ballot Forms/ Remote E-voting	0	0
Valid Postal Ballot Forms/ Remote E-voting confirmation	**165**	**219,757,451**
Postal Ballot Forms/ Remote E-voting confirmation with assent	159	219,756,411
Percentage of Assent		**100%***
Postal Ballot Forms/ Remote E-voting confirmation with dissent	6	1,040
Percentage of Dissent		**0%**

*Rounded off to nearest decimal

f. Special Resolution: Adoption of new Articles of Association in substitution and total exclusion of the existing Articles of Association of the Company to align with the statutory requirements		
Particulars	**No. of Postal Ballot Forms/ Remote E-voting confirmations**	**No. of Shares Voted**
Votes cast through Postal Ballot Forms	9	1,418
Remote E-voting confirmations received	151	419,995,026
Total	**160**	**419,996,444**
Less: Invalid Postal Ballot Forms/ Remote E-voting	0	0
Valid Postal Ballot Forms/ Remote E-voting confirmation	**160**	**419,996,444**
Postal Ballot Forms/ Remote E-voting confirmation with assent	139	414,135,697
Percentage of Assent		**98.60%**
Postal Ballot Forms/ Remote E-voting confirmation with dissent	21	5,860,747
Percentage of Dissent		**1.40%**

All resolutions have been approved by requisite majority.

The Postal Ballot exercise on both dates mentioned above was carried out by Mr. Himanshu S. Kamdar, Partner, Rathi & Associates, Practicing Company Secretaries.

7. Disclosures

(i) Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

(ii) Compliance with Accounting Standards

The Company has followed the Indian Accounting Standards notified u/s 133 of the Companies Act, 2013 [Companies (Accounts) Rules, 2014] in the preparation of its financial statements. The significant accounting policies that have been consistently applied are mentioned in the Notes to Financial Statements.

(iii) Internal Controls

The Company has put in place an internal control framework commensurate to the size of its business and it encompasses both robust internal controls, and an efficient and effective internal control monitoring and reporting system. The Audit Committee reviews the adequacy and integrity of the Company's internal control system.

(iv) CEO and CFO Certification

The CEO and CFO certificate stating that the financial statements do not contain any untrue statement and represent true and fair view of the Company's affairs and affirmation of Code of Conduct by the Board of Directors and Senior Management of the Company, is enclosed as part of the Annual Report.

(v) Share Transfer System

The process of Share transfers is handled by the Company's Registrar and Transfer Agents KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited). The Company encourages its Members holding shares in physical form to convert them into demat mode for safety and security.

(vi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has neither issued any such instruments nor are they outstanding during the year under review.

(vii) Details of Commodity Price Risks and Hedging activities

The Company does not have any exposure towards the Commodity price risks and the Hedging activities, considering the nature of the Company's business of Port Development and Operations.

(viii) Compliances under mandatory requirement and non mandatory requirements

The Company does comply with the mandatory requirements mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With regards to the Discretionary Requirements mentioned in Part E, the reporting by Internal Auditors of the Company is directly to the Audit Committee.

(ix) Non-compliance of Corporate Governance with reasons

The Company has complied with Corporate Governance except delay in submission of intimation regarding office of Directorship of Mr. Mukesh Kumar, IAS- Nominee Director of Gujarat Maritime Board (GMB) getting vacated under the provisions of Section 167(1)(b) of the Companies Act, 2013, in view of his inability to attend any Board Meeting held during 12 months period upto 24th October 2019. The Company was required to submit this intimation to the Stock Exchanges within 24 hours, but it was inadvertently missed out. The submission has been done on 31st October 2019.

(x) Disclosures of the Compliance with requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company is in compliance with various requirements specified under Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the requirements under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018, the Annual Secretarial Compliance Report has been submitted to the Stock Exchanges within stipulated period.

(xi) Details of Directors to be re-appointed

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Keld Pedersen (DIN:07144184) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Mr. Timothy Smith (DIN: 08526373) was appointed Additional Director of the Company on 19 September 2019 and holds office till the Annual General Meeting. Being eligible he offers himself for Appointment as Director of the Company liable to retire by rotation. Your Directors recommend his appointment.

None of the Company's Independent Directors have resigned from the Company before the expiry of their tenure.

The current tenure of all four Independent Directors of the Company is upto 29 July 2020. The Company is committed to its endeavour of adhering to highest standards of Governance. The Company has a clear road map to bring changes in its Independent Directors, but it believes that a gradual change amongst its Independent Directors is important in order to ensure smooth and staggered succession on the Board. In that context, out of the four Independent Directors Mr. Pravin Laheri, IAS (Retd.) (DIN:00499080) shall vacate the office of directorship upon completion of his current tenure on 29 July 2020. Mr. Laheri has been the longest serving amongst all four Independent Directors. It is proposed to re-appoint Mr. Pradeep Mallick (DIN: 00061256) for one year from 30 July 2020 to 29 July 2021. Ms. Hina Shah (DIN: 06664927) is proposed to be re-appointed for a period of three years from 30 July 2020 to 29 July 2023 and Mr. Tejpreet Singh Chopra is proposed to be re-appointed for a period of five years from 30 July 2020 to 29 July 2025. The Company has sought shareholder approval by way of Postal Ballot for Re-appointment of Mr. Pradeep Mallick (DIN: 00061256) for one year from 30 July 2020 to 29 July 2021, Ms. Hina Shah

(DIN: 06664927) to be re-appointed for a period of three years from 30 July 2020 to 29 July 2023 and Mr. Tejpreet Singh Chopra to be re-appointed for a period of five years from 30 July 2020 to 29 July 2025.

Meanwhile, the process of identifying the potential candidates as Independent Directors replacing Mr. Laheri and Mr. Mallick has commenced.

(xii) Disclosure of Demat Suspense Account / Unclaimed Suspense Account and Undelivered Share Certificates as per Schedule V of the Listing Regulations

The Company does not have any demat Suspense Account/ Unclaimed Suspense Account. The Company does not hold any undelivered share certificates.

(xiii) List of credit ratings obtained by the entity with any revisions for all debt instruments of the entity

The Company does not have any debt instruments outstanding and therefore it is not required to obtain any credit ratings.

(xiv) Details of utilization of funds raised through preferential allotment or qualified institutional placement

The Company has not raised any funds through preferential allotment or qualified institutional placement during the financial year.

(xv) Certificate from a Practicing CS that none of the Directors have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ MCA or such other authority

The Company has received a Certificate to this effect from Rathi & Associates Practicing Company Secretaries. The Certificate is enclosed as Annexure to the Report

(xvi) If the Board has not accepted any recommendation of any committee of the board which is mandatorily required the same may be disclosed with reasons

There are no recommendations of any Committee that have not been accepted by the Company's Board of Directors during the financial year.

(xvii) Total fees paid by the listed entity and its subsidiaries on a consolidated basis to the statutory auditor and all entities in the network firm/ network entity of which statutory auditor is a part

The Company does not have any subsidiaries.

The Company has not paid any fee to the entities in the network firm/ network entity of which statutory auditor is the part. The total fees paid by the Company to its statutory auditor is as follows:

Name of the Entity	Amount Paid (INR)
Price Waterhouse Chartered Accountants LLP	4,245,391.00
Total	**4,245,391.00**

8. Means of Communication

The Company submits its Quarterly Results to the Stock Exchanges and publishes them in all editions of an English daily and in local edition of a Gujarati daily. The results are also displayed on the Company's Website https://www.apmterminals.com/en/pipavav/investors/financial-results

The Company arranges conference calls after the announcement of Quarterly results. The presentation made during the conference calls is submitted to the Stock Exchanges and is displayed on the Company's website https://www.apmterminals.com/en/pipavav/investors/financial-results

The transcript of the conference calls is also displayed on the Company's website https://www.apmterminals.com/en/pipavav/investors/financial-results

The Company regularly meets the institutional investors/ analysts from time to time and displays the information on its website https://www.apmterminals.com/en/pipavav/investors/meetings

There isn't any separate Presentation made to the Institutional Investors/ Analysts except those submitted to the Exchange and displayed on the Company Website www.pipavav.com

Various Company news is also displayed from time to time on the Company website https://www.apmterminals.com/en/pipavav/investors/disclosures

9. Secretarial Audit for Reconciliation of Capital

A Practicing Company Secretary has carried out Secretarial Audit to reconcile the total admitted capital with the two depositories namely NSDL and CDSL and in physical form against the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of shares in dematerialised form held with the two depositories namely NSDL and CDSL.

General Shareholder Information

Annual General Meeting	Through VC/ Audio Visual Means
Date and Time	Thursday 6 August 2020 at 2.00 P. M.
Venue	Not Applicable
Date of book closure	Friday 31 July 2020 to Thursday 6 August 2020 (both days inclusive)
Listing on Stock Exchanges	**BSE Limited (BSE)** Floor 14, P J Towers, Dalal Street, Mumbai 400 001 **The National Stock Exchange of India Limited (NSE)** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Dividend Payment Date	On or after 7 August 2020
Financial Year	1 April 2019- 31 March 2020

The Company has only Equity Shares listed on the Stock Exchanges and they were not suspended from trading by the Stock Exchanges during the year

Stock Code:

Stock Exchange	Equity
BSE	533248
NSE	GPPL

Status of Payment of Annual listing fees

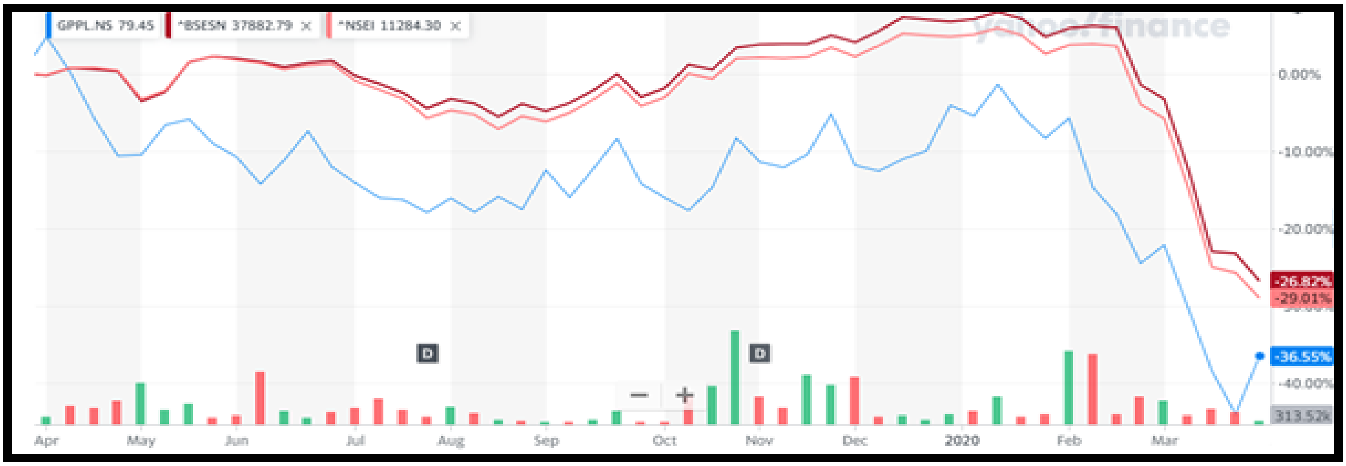
The Company has paid all its dues till date towards Annual Listing Fees to both the Stock Exchanges.

Market Information:

The monthly high and low price of the Company's shares on BSE and NSE for the year ended 31 March 2020 is as follows:

	BSE		NSE	
	High (Rs)	**Low (Rs)**	**High (Rs)**	**Low (Rs)**
Apr-2019	101.00	88.00	101.20	87.50
May-2019	93.40	80.50	93.60	80.10
Jun-2019	89.90	79.00	90.00	79.50
Jul-2019	88.00	76.50	88.50	76.40
Aug-2019	82.40	74.00	83.45	75.00
Sep-2019	93.25	76.25	93.35	77.00
Oct-2019	87.90	77.20	87.90	77.20
Nov-2019	95.00	81.65	95.00	81.60
Dec-2019	91.95	81.40	94.95	81.60
Jan- 2020	98.50	86.50	98.60	86.55
Feb- 2020	99.30	70.00	99.40	69.80
Mar- 2020	75.95	45.50	75.90	45.50

High and low are in rupees per traded share.



Distribution of Shareholder holdings:

The distribution pattern of shareholding of the Company as on 31 March 2020 by ownership and size class, respectively, is as follows:

		31-Mar-20		31-Mar-19	
		No. of Equity Shares	**Shares Held (%)**	**No. of Equity Shares**	**Shares Held (%)**
A	**Promoter and Promoter Group**				
	Bodies Corporate	207,903,931	43.01	207,903,931	43.01
	Total A:	**207,903,931**	**43.01**	**207,903,931**	**43.01**
B	**Public Shareholding**				
	Foreign Institutional Investors	97,570,122	20.18	116,300,184	24.06
	Mutual Funds /UTI	126,940,533	26.26	111,079,007	22.98
	Bodies Corporate	2,846,368	0.59	14,022,797	2.90
	Financial Institutions/ NBFCs/ Banks/Venture Capital Funds	20,530,129	4.25	7,289,503	1.51
	Individuals				
	(i) Individuals holding nominal share capital upto Rs. 2 lakh	17,161,297	3.55	16,981,241	3.51
	(ii) Individuals holding nominal share capital in excess of Rs. 2 lakh	7,033,984	1.45	6,827,362	1.41
	Trusts	10,800	0.00	43,465	0.01
	Non-Resident Indians	3,254,425	0.67	1,940,721	0.40
	Clearing Members	185,321	0.04	1,048,699	0.22
	Foreign Nationals	3,000	0.00	3,000	0.00
	Total B :	**275,535,979**	**56.99**	**275,535,979**	**56.99**
	GRAND TOTAL (A+B) :	**483,439,910**	**100.00**	**483,439,910**	**100.00**

Distribution Schedule

Shareholding of Nominal Value (INR)	No. of Shareholders	%	No. of Shares	%
1-5000	42,788	86.97	6,138,218	1.27
5001- 10000	2,876	5.85	2,342,500	0.48
10001- 20000	1,667	3.39	2,486,778	0.51
20001- 30000	668	1.36	1,680,541	0.35
30001- 40000	280	0.57	998,212	0.21
40001- 50000	227	0.46	1,062,905	0.22
50001- 100000	303	0.62	2,277,203	0.47
100001& Above	390	0.79	466,453,553	96.49
Total:	**49,199**	**100.00**	**483,439,910**	**100.00**

Registrar & Share Transfer Agents:

KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032

The Company's shares are held in dematerialised form to the extent of 99.88% with NSDL and CDSL and upto 0.12% in physical form as of 31 March 2020.

The shares are regularly traded in electronic form on both the Stock Exchanges.

Location of the Facility

The Company operates Pipavav Port located on Southwest Coast in Saurashtra Region of Gujarat at about 140 kms from Bhavnagar the nearest main Railway Station and at 80 kms from Diu the nearest Airport.

Address for correspondence: Gujarat Pipavav Port Limited
Pipavav Post, At Post Rampara-2 via Rajula,
District Amreli, Gujarat- 365560
Email: manish.agnihotri@apmterminals.com
investorrelationinppv@apmterminals.com

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors including the Independent Directors. These Codes are available on the Company's website.

I confirm that in respect of the year ended 31 March, 2020, a declaration of compliance with the Code of Conduct as applicable, has been received from Board Members and from Senior Management Personnel of the Company.

Jakob Friis Sorensen
Managing Director

9 June 2020
Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V - Para C - Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Gujarat Pipavav Port Limited
Pipavav Port,
At Post Rampara 2 via Rajula,
Amreli, Gujarat – 365 560

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gujarat Pipavav Port Limited having CIN: L63010GJ1992PLC018106, and having registered office at Pipavav Port, at Post Rampara 2 via Rajula, Amreli, Gujarat – 365 560 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V - Para C - Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Mr. Jakob Friis Sorensen	08593830	01/01/2020
2.	Mr. Pradeep Mallick	00061256	04/09/2012
3.	Mr. Julian Bevis	00146000	25/07/2014
4.	Mr. Tejpreet Singh Chopra	00317683	04/09/2012
5.	Mr. Pravin Laheri	00499080	29/08/2008
6.	Ms. Hina Shah	06664927	30/07/2013
7.	Mr. Keld Pedersen	07144184	01/05/2015
8.	Mr. Mukesh Kumar*	06811311	31/10/2018
9.	Mr. Timothy Smith	08526373	19/09/2019

Mr Mukesh Kumar, IAS – Director nominated by Gujarat Maritime Board ceased to be a Director of the Company with effect from 24 October 2019 under Section 167(1)(b) of the Companies Act, 2013.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RATHI &ASSOCIATES
COMPANY SECRETARIES

Place: Mumbai
Date: 02/06/2020

HIMANSHU S. KAMDAR
PARTNER
M. NO. FCS 5171
COP NO.3030
UDIN: F005171B000310344

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Gujarat Pipavav Port Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Pipavav Port Limited for the year ended March 31, 2020 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub -regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Regulations, 2015.

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

For and on behalf of
Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/500016

Arunkumar Ramdas
Partner
Membership No: 112433
UDIN: 20112433AAAAFR6998

Place: Mumbai
Date: June 9, 2020

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Jakob Friis Sorensen, Managing Director and Santosh Breed, Chief Financial Officer, of Gujarat Pipavav Port Limited (the Company), certify to the Board that:

A. We have reviewed the financial statements and cash flow statement for the year ended 31st March 2020 and to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2020 are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

D. We further state that:

1. There has not been any significant change in internal control over financial reporting during the year;
2. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
3. We are not aware of any instance during the year of significant fraud with involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting.

E. We further declare that all Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct and Ethics for the year ended 31st March 2020.

Santosh Breed
Chief Financial Officer

Jakob Friis Sorensen
Managing Director

Place: Mumbai
Date: 9th June 2020

Business Responsibility Report for the Financial Year 2019-20

- **Section A: General Information about the Company**

1.	Corporate Identity Number (CIN)	L63010GJ1992PLC018106
2.	Name of the Company	Gujarat Pipavav Port Limited
3.	Registered address	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli 365560
4.	Website	www.pipavav.com
5.	Email id	investorrelationinppv@apmterminals.com
6.	Financial year reported	2019-20 (for the year ended 31st March, 2020)
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	5224 Cargo Handling (as per the NIC Code)
8.	List three key products / services that the Company manufactures/ provides (as in balance sheet)	52242 Cargo handling incidental to Water Transport. The Company has only one activity namely Port Operations.
9.	Total number of locations where business activity is undertaken by the Company Number of international locations (Provide details of major five) Number of national locations	The Company has its offices at 5 locations: Registered Office at Pipavav Corporate Office at Mumbai Sales Offices at Ahmedabad, Delhi & Jaipur International- Nil National- 5 locations
10.	Markets served by the Company - Local / State / National / International	Local

- **Section B: Financial Details of the Company- As on 31.03.2020**

1.	Paid up Capital of the Company	Rs. 4,834.39 Million
2.	Total turnover	Rs. 7,862.36 Million
3.	Total profit after tax	Rs. 2,924.04 Million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Rs. 67.30 Million (2.30%)
5.	List of activities in which expenditure in 4 above was incurred:	• Supply of educational equipment, teaching learning support extension activities, adult literacy, upgradation of school infrastructure • Medical support to the surrounding villages, eye checkup camps, community tree plantation, safety & environment awareness activities • Improving health & nutritional status of children, adolescents & mothers; Skill & entrepreneurship development followed by placement • Integrated livestock development, Installation & Maintenance of RO enabled water ATMs in the villages, Promotion of Fisheries as livelihood in villages, Agriculture Development Programme etc • CSR Administration Expenses

- **Section C: Other Details**

1.	Does the Company have any Subsidiary Company / Companies?	None
2.	Does the subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	Not Applicable
3.	Does any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	None

- **Section D: BR Information**

1.	Details of Director / Directors responsible for BR		
	a)	Details of the Director / Directors responsible for the implementation of the BR policy / policies	Mr. Jakob Friis Sorensen, Managing Director DIN: 08593830
	b)	Details of the BR head:	The Executive Management of the CSR activities is carried out by the Head of HR, CSR & Admin and her details are as follows:
		DIN	NA
		Name	Ms. Harsha Mashelkar
		Designation	Head- HR, Admin & CSR
		Telephone No.	02794 242560
		E-mail ID	harsha.mashelkar@apmterminals.com

1. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility:

Principle 1	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	P2	Businesses should provide goods and services that are safe, and contribute to sustainability throughout their life cycle
Principle 3	P3	Businesses should promote the wellbeing of all employees
Principle 4	P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5	P5	Businesses should respect and promote human rights
Principle 6	P6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	P8	Businesses should support inclusive growth and equitable development
Principle 9	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for Principles 1 to 9 listed above	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y

		P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD / Owner / CEO appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link to view the policy online?	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement its policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

1. As per company practice, all the policies are approved by the concerned authority depending upon the nature of policy. The concerned authority could be either Board or MD or concerned Functional Head.
2. The Company's Code of Conduct, CSR Policy and Whistleblower Policy are available on website of the Company. The documents can be accessed on www.pipavav.com
3. Any grievance relating to any of the policy can be escalated to the concerned Functional Head or to MD

1. If answer to question at Sr. No. 1 against any principle, is 'No', please explain why? (Tick up to two options)

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	--	--	--	--	--	--	--	--	--
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	--	--	--	--	--	--	--	--	--
3.	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4.	It is planned to be done within next six months	--	--	--	--	--	--	--	--	--
5.	It is planned to be done within next one year	--	--	--	--	--	--	--	--	--
6.	Any other reason (please specify)	--	--	--	--	--	--	--	--	--

2. Governance related to BR

1.	Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The Corporate Social Responsibility (CSR) Committee met four times in the year to review the progress on various initiatives. The status on CSR initiatives is presented in every Board Meeting. The CSR Committee Report forms part of the Director's Report in the Company's Annual Report.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	The Company's Environment/ Sustainability initiatives are available on https://www.apmterminals.com/en/pipavav/CSR/environment

- **Section E: Principle wise Performance**

Principle 1: Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors /NGOs / Others?	The Company is committed to adhere to the highest level of ethical business practices as articulated by its Code of Conduct to achieve its performance with integrity by all its employees and is in line with the global practices of the parent Company. As part of the global programme of its parent, the Company has e-learning programme on Code of Conduct and on Anti-corruption and it is required to be compulsorily completed by the employees. The completion rate of these e-learnings is monitored globally and wherever it is pending each specific employee is asked to complete it within stipulated timelines. Additionally, as part of the global initiative of the parent company, the Company is required to confirm every month to the Head Office that there are no bribes/ facilitation payments made. The Company also has a separate Code of Conduct for its Non-Executive Directors including Independent Directors. The Company's policy pertaining to ethics, bribery and corruption extends to all its vendors, suppliers, contractors and service providers by way of including the relevant clauses in their agreements.
2.	How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	3 complaints were received from the investors during the financial year 1 April 2019 to 31 March 2020. All of them have been properly attended and necessary actions were taken within the stipulated timelines for their redressal. There have been no other complaints by any other stakeholder.

Principle 2: Product Lifecycle Sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1.	List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities	The Company is engaged in the service activity of operating the Port at Pipavav in Gujarat. Commensurate to its size of business and nature of activity being carried out at the Port, the Company has a full-fledged Department of Health, Safety, Security & Environment (HSSE) headed by a General Manager. The department has formulated Standard Operating Procedures (SOPs) in line with the global best practices and based on knowledge sharing amongst all the terminals within the portfolio of the parent company APM Terminals.

		1.Handling of Bulk Cargo: We at Port Pipavav handle bulk Cargo like Fertilizer, Coal, lime stone etc. in an Eco-sustainable manner. Due care is taken to address the concerns of Environmental Challenges and its Social Impact in nearby area. The equipment installed are to reduce the chances of pollution during handling of bulk cargo. **2. Handling of Liquid/ LPG:** The handling of Liquid cargo and LPG is done with utmost care with modern engineering and automatic devises for fire leak and protection. The guidelines of PESO-Nagpur for the storage of Liquid/ LPG are adhered to. **3. Handling of Hazardous Waste & Spill Management:** For handling of Hazardous waste generated from various activities at the Port, a well-defined closed Hazardous Waste Storage yard has been developed as per the guidelines of Central Pollution Control Board (CPCB)/ Gujarat Pollution Control Board (GPCB). A hazardous Waste Management Committee has been constituted at the Port for disposal of waste as by CPCB.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)	Some of the key activities are: • 50,000 saplings planted in the Year 2019. • 100% utilization of treated domestic waste water used for development of the Green belt and reducing the requirement for fresh water • Best practices in handling bulk cargo implemented to prevent spillage and protecting the marine life • Regular monitoring and protection of ambient air quality is carried out through state pollution control board approved laboratory.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so	Yes. The Company's sourcing practices are targeted at seeking cost optimization ensuring environment sustainability, societal interest and resource efficiency. The criteria used for selection of suppliers/ vendors go beyond cost relevance and include resource efficiency, product quality and lifecycle, environment impact, etc. The Company gives preference in selection of vendors complying with principles of sustainability. At the time of award of contract to vendors, various clauses are incorporated in the contract document related to health and safety, human resource practices, work environment, etc. Engagement of transporters is done based on conditions like deploying newer vehicles, drivers to carry PUC certificates, drivers and support staff to always carry safety jackets, helmets, driving license. The Port follows stringent Safety rules for the Drivers. They have to compulsorily undergo Refresher Safety training course every six months before entering into the Port.
4.	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors?	The Company is engaged in the business of operating a Port at Pipavav located in Gujarat. Since the location is of the Port is remote, depending upon the nature of product/ service requirement and its availability locally, the Company does procure them locally or from within State **Local Vendor Engagement:** The Company considers its suppliers as the important link to conducting its business efficiently. The transport suppliers are educated on safe transportation and environment friendly conduct. The Company regularly communicates with its suppliers through formal communication channels including vendor meets, group discussions, E-mails etc. During these meetings, the concerns facing the suppliers are discussed and corrective actions are taken.

		Vendor Selection & On-Boarding: Vendors are selected based on the criteria of no child labour, forced & compulsory labour, no cases of human rights violations. The Company ensures that the material supply is safe to operate and environment friendly recyclable packaging materials is used. Documentary assessment of these suppliers is conducted in coordination with operations teams, IT Teams & HSSE for various sustainability and operational aspects as per SOP. **Vendor Performance Management:** The suppliers are assessed periodically on Sustainability performance legal compliances, operations/ quality compliances, HSSE compliances. **Engagement of the Local Community:** The Company engages the local workforce in employment. The skilful job of operating the cranes in the Port is carried out by over 80% of the locals from Gujarat. The Company provides regular training to them to enhance their skills. **Engagement of the Local Community Through CSR Project:** Various CSR Projects engaging the local communities, are running successfully in the vicinity of the Port area like Enhancement of the Agriculture Product, Making of Check Dams, Water Conservation Programme, implementation of kitchen garden practises, Rural infrastructure development, Upgradation of Educational level through various awareness programmes etc. All the above said activities are running through active participation of local communities.
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so	The Company is following the 3 R Principle- Recycle, Reuse & Re-process. **1.Recycle:** The domestic waste water generated from offices as well as from Residential areas of Port, is recycled 100 % in Sewage Treatment Plant (STP) and the treated water is being re-used for Green Belt development and dust suppression. 100 % of sludge generated from STP area is being used as green manure at site. **2. Re-use:** For the recovery of Organic waste generated at the Port, the Company has taken an initiative to install Organic Waste Converter Machine (OWC). The machine will convert organic waste in to the form of green manure. **3. Re-process:** All the Hazardous waste including E-waste generated at site is channelized through proper documents at the Hazardous Waste (HW) Storage yard. From the HW Storage yard through Hazardous Waste management committee it is being sold out to GPCB/CPCB registered recyclers/re-processors within the stipulated time frame. The Company is also a member of Treatment, Storage and Disposal Facility (TSDF), and the waste is getting disposed off to these facilities as per the GPCB guidelines.

Principle 3: Employee Wellbeing

Businesses should promote the wellbeing of all employees

<table>
<tr><td>1.</td><td>Total number of employees.</td><td colspan="2">494</td></tr>
<tr><td>2.</td><td>Total number of employees hired on temporary / contractual / casual basis</td><td colspan="2">Nil</td></tr>
<tr><td>3.</td><td>Total number of permanent women employees</td><td colspan="2">14</td></tr>
<tr><td>4.</td><td>Total number of permanent employees with disabilities</td><td colspan="2">1</td></tr>
<tr><td>5.</td><td>Do you have an employee association that is recognized by the Management?</td><td colspan="2">Yes</td></tr>
<tr><td>6.</td><td>What percentage of your permanent employees are members of this recognised employee association?</td><td colspan="2">Around 58%</td></tr>
<tr><td>7.</td><td>Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year</td><td colspan="2">Nil</td></tr>
<tr><td rowspan="6">8.</td><td rowspan="6">What percentage of your under-mentioned employees that were given safety and skill up-gradation training in the last year?</td><td colspan="2"></td></tr>
<tr><td>Category</td><td>%</td></tr>
<tr><td>Permanent employees (includes classroom and e-learning)</td><td>100</td></tr>
<tr><td>Permanent women employees</td><td>100</td></tr>
<tr><td>Casual / temporary / contractual employees</td><td>100</td></tr>
<tr><td>Employees with disabilities</td><td>100</td></tr>
</table>

Principle 4: Stakeholder Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

<table>
<tr><td>1.</td><td>Has the Company mapped its internal and external stakeholders? Yes / No</td><td>Yes, the Company actively engages with its stakeholders as per the details below:
• The parent Company APM Terminals carries out a global exercise of Customer Satisfaction Survey annually for all its 74 ports including Pipavav Port wherein the customers of these ports participate to provide their ratings. The entire exercise is administered by an external agency. The Company has consistently achieved high scores and has maintained its position amongst the Top Quartile in these Customer Satisfaction Surveys;
• The engagement with Investors is through Earnings Call conducted every quarter and Attending Investor Conferences;
• The Procurement process with the vendors/ suppliers is done in a fair and transparent manner through E-bidding process conducted by the Global Procurement Department of the parent;
• Town hall meetings are regularly conducted by the Managing Director with employees
• Engagement with Government authorities is done in transparent manner and in compliance with the local laws through duly authorized company officials
• Engagement in the Industry forum is done through the Company's authorized representatives</td></tr>
</table>

		• Engagement with the local community at large including the disadvantaged groups and vulnerable sections like children / women is done directly or through NGOs in order to determine the necessities of local community and developing CSR activities around them
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	The Company has identified the disadvantaged and economically weaker sections and is carrying out either directly or through specialized NGOs the social development projects for them especially for the women and children, as part of the Company's CSR initiatives.
3.	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	Company's initiatives have been to bring meaningful difference in the lives of the disadvantaged, marginalized, weaker sections through activities in healthcare, skill development and getting them employment, education, sanitation, providing safe drinking water, women empowerment. The Company officials engage with local community to address their needs and for planning, coordinating the CSR activities in order to provide meaningful change in their day to day lives.

Principle 5: Human Rights

Businesses should respect and promote human rights

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company through its Code of Conduct expects its employees to endeavour that we do not carry out any activities that violate human rights. It also encourages to raise the concern in case they see any human rights violation.
2.	How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?	None

Principle 6: Environmental Management

Businesses should respect, protect, and make efforts to restore the environment

1.	Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The HSSE Policy of the Company is applicable to Vendors/ Suppliers/Contractors associated with it. All the guidelines of Policies applicable to Contractor/ Suppliers is closely monitored by Team HSSE on day to day basis. The Company encourages its vendors, suppliers, contractors, etc. to follow its principles envisaged in the policy by making them part of the Vendor contracts.
2.	Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.	The hyperlink on the website is https://www.apmterminals.com/en/pipavav/CSR/environment
3.	Does the Company identify and assess potential environmental risks? Y / N	Yes. The Risk Assessment Register covering Environmental Impact is prepared involving the Engineer In-charge and the Vendor at the site before starting any activity
4.	Project(s) related to Clean Development Mechanism	The details can be accessed through the hyperlink mentioned in 2 above

5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.	The hyperlink is mentioned in 2 above.
6.	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	All the monitored value of Environmental Parameters viz. Ambient Air Quality, Waste Water Quality, Drinking Water Quality, Noise Monitoring reports, Stack Emissions & Fugitive Emissions are well within the prescribed standard of CPCB/GPCB. The Environmental Monitoring at the Port is being done by MoEF & CC and NABL accredited laboratory on monthly basis and the reports are submitted to the authorities as per stipulated time lines.
7.	Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year	The Company had received following three notices/ Inspection Visit Remarks from GPCB- Bhavnagar Office: 1. GPCB\CCA-AMR13(09)/14808, dated;30/08/2019 2. XGN Generated Notice vide No. 524871 dated; 19-Oct-2019. 3. XGN generated notice vide outward no. 553930 dated;06-Feb-2020. The notice & inspection remarks of GPCB were about the Implementation of Environmental Management Systems in the Fertilizer shed. The Company has submitted its to GPCB vide letter No. APMT/ENV/GPCB/20-21/05, dated 16-March-2020. Based on the observations of GPCB, the Company has also started the work at the Fertilizer shed.

Principle 7: Public Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Does the Company represent in any trade and chambers/ association? If yes, name only those major ones that the Company deals with	The Company is a member of Confederation of Indian Industry (CII) and Indian Private Ports and Terminals Association (IPPTA)
2.	Has the Company advocated / lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others)	The Company through its authorized representative participates to provide its inputs.

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof	Yes, as a part of its CSR initiatives, the Company either directly or through NGOs specializing in activities has carried out projects in Education, Health & Sanitation, Skill development, Women Empowerment, Natural Resources Management, Fisheries, Agriculture, Livestock development, Drinking Water etc for Sustainable Rural Development.
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	The projects are undertaken through the internal teams as well as through external agencies like NGOs.
3.	Has the Company done any impact assessment for its initiative?	Impact assessment study is conducted for the CSR initiatives implemented. Based on findings from the study, the Company carries out appropriate intervention & value additions.

4.	What is the Company's direct contribution to community development projects (Amount in? and the details of the projects undertaken)?	Rs. 67.30 Million has been spent on various CSR activities. The details of the amount incurred and areas of CSR activities are mentioned in the Annexure to the report on Corporate Social Responsibility forming part of Directors' Report. Employee engagement is an integral part of the Company's CSR initiatives, activities like career counselling, cleanliness drive, tree plantation etc, carried out through active involvement of employees.
5.	Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words	Yes. The Company engages with the local community to understand their requirements and by carrying out the Need Assessment Survey. The CSR initiatives are carried out based on the findings from the Survey to ensure that the activities are adopted by them resulting in a meaningful contribution to society. Every project has a Project Management Committee comprising the village leaders and other stake holders. The Committee meets periodically to monitor progress.

Principle 9: Value for Customers

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints / consumer cases is pending, as on the end of the financial year?	Nil
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	Not applicable
3.	Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on the end of the financial year. If yes, provide details thereof, in about 50 words or so	Nil
4.	Did the Company carry out any consumer survey / consumer satisfaction trends?	The parent Company APM Terminals carries out a global exercise of Customer Satisfaction Survey annually for all its 74 ports including Pipavav Port wherein the customers of these ports participate to provide their ratings. The entire exercise is administered by an external agency. The Company has consistently achieved high scores and has maintained its position amongst the Top Quartile in these Customer Satisfaction Surveys.

INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Gujarat Pipavav Port Limited ("the Company"), which comprise of the balance sheet as at 31 March 2020, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 statements under the provisions of the Act 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.

Emphasis of matter

4. We draw attention to Note No. 33(b) to the standalone financial statements which describes the associated uncertainty and the necessary steps being taken by the Company based on external legal expert in relation to the recovery of Bank Guarantee amounting to INR 185.35 million encashed by Gujarat Maritime Board. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	**How our audit addressed the key audit matter**
Re-measurement of Deferred Tax Liability (Refer note 14a to the standalone financial statements)	
The Company has evaluated the provisions of Taxation Law (Amendment) Ordinance, 2019 ("Ordinance) which is effective 1 April, 2019 to assess its options, and have opted for the year 2022-23 in which the Company would migrate to the new tax regime.This evaluation resulted in write back of Deferred tax liability to the extent of INR 599.26 million to the statement of profit and loss.We considered the re-measurement of Deferred tax liability to be a key audit matter as the balance is material to the financial statements and there are significant judgements involved while applying	In relation to the re-measurement of Deferred tax liability, we performed procedures, including the following: • Understood and evaluated the design and tested the operating effectiveness of the Company's controls over preparation of forecasts. • Assessed the historical accuracy of the Company's Board approved forecasts by comparing the forecasts used in the prior year estimate with the actual performance in the current year and noted that those were materially comparable to the actual performance. • Tested the mathematical accuracy of the underlying calculations and comparing the forecasts with the budgets approved by the Board of Directors.

Key audit matter description	How our audit addressed the key audit matter
various assumptions in preparation of forecasts which mainly include future business growth rates.	• Compared the growth rates used in the preparation of forecasts with economic and industry growth rates. • Performed a sensitivity analysis over the assumptions used in determining the future forecasted profit. • Evaluated the Management assessment of determining the year of migrating into the new tax regime and testing the mathematical accuracy of re-measured amount of deferred tax balance. • Assessed the adequacy of presentation and disclosure Based on the above procedures performed, we did not find any material exceptions to the Management's estimation of re-measurement of Deferred Tax Liability.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises of Director's report and its annexures, Management discussion and analysis, Corporate Governance Report, Business Responsibility Report and Secretarial Audit report but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Statement, which is expected to be made available to us after that date.

7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

9. When we read the Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, management is 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 management 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 financial statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. 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.

15. 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.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

17. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comments in paragraph 18(b) above.

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33.

ii. The Company has long-term contracts as at 31 March 2020 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at 31 March 2020.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31 March 2020.

19. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAFQ9534

Mumbai
9 June 2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 18(g) of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements for the year ended 31 March 2020

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Gujarat Pipavav Port Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

6. A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAFQ9534

Mumbai
9 June 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 17 of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements as at and for the year ended 31 March 2020.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, other than self constructed properties, as disclosed in Note 3(a) on Property Plant and Equipment and Note 3(b) on Right of use Assets to the standalone financial statements, are held in the name of the Company, except for a freehold land having gross and net book value of INR 1.47 million which is registered in the name of the associate company - Pipavav Railway Corporation Limited.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and provident fund though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 33(d) to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at 31 March 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (INR million) #@	Period to which the amount relates (Financial year)	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	74.06	2014-15	Income Tax Appellate Tribunal
Finance Act, 1994	Service Tax	95.71	2008-09 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal

#Net of amounts paid under protest.
@Including interest and penalty

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Refer paragraph 19 of the Independent Auditor's Report on the standalone financial statements.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAFQ9534

Mumbai
9 June 2020

STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

(All amounts are in INR million, unless otherwise stated)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3 (a)	15,277.12	15,891.44
Right of use Assets	3 (b)	544.29	-
Capital work-in-progress	3 (c)	56.96	453.84
Intangible assets	3 (d)	3.95	9.14
Investments in an associate company	4 (a)	830.00	830.00
Financial Assets			
Other financial assets	4 (b)	220.28	31.66
Income tax assets (net)	5 (a)	156.26	141.92
Other non-current assets	6	0.43	17.55
Total non-current assets		**17,089.29**	**17,375.55**
Current assets			
Inventories	7	76.09	84.25
Financial Assets			
(i) Trade receivables	8 (a)	459.12	509.72
(ii) Cash and cash equivalents	8 (b)	189.70	108.12
(iii) Bank balance other than (ii) above	8 (c)	6,305.35	5,229.02
(iv) Loans	8 (d)	4.77	4.79
(v) Other financial assets	4 (b)	32.37	58.90
Other Current assets	9	100.38	322.30
Total current assets		**7,167.78**	**6,317.10**
Total Assets		**24,257.07**	**23,692.65**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10	4,834.40	4,834.40
Other equity			
(i) Reserves and surplus	11	16,014.08	15,375.72
Total equity		**20,848.48**	**20,210.12**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	3(b)	395.60	-
(ii) Other financial liabilities	12	34.47	27.20
Employee benefit obligations	13	32.13	19.36
Deferred tax liabilities (net)	14(b)	493.97	462.21
Other non-current liabilities	15	596.10	670.54
Total non-current liabilities		**1,552.27**	**1,179.31**
Current liabilities			
Financial Liabilities			
(i) Trade payables	16		
Dues to Micro, Small and Medium Enterprises		1.48	0.36
Other than Micro, Small and Medium Enterprises		296.93	325.11
(ii) Lease liabilities	3(b)	189.26	-
(iii) Other financial liabilities	12	169.09	369.44
Provisions	17	208.00	365.04
Employee benefit obligations	13	116.09	126.08
Income tax provisions (net)	5 (b)	14.75	12.78
Other current liabilities	18	860.72	1,104.41
Total current liabilities		**1,856.32**	**2,303.22**
Total Liabilities		**3,408.59**	**3,482.53**
Total equity and liabilities		**24,257.07**	**23,692.65**

The above standalone balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of
Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
Managing Director
DIN : 08593830

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in INR million, unless otherwise stated)

Particulars	**Note No.**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Revenue from operations	19	7,353.69	7,019.80
Other income	20	508.67	452.43
Total Income		**7,862.36**	**7,472.23**
Expenses			
Operating expenses	21	1,270.72	1,442.37
Employee benefits expense	22	566.94	596.85
Finance costs	23	73.76	3.65
Depreciation and amortisation expense	24	1,314.50	1,128.35
Other expenses	25	1,049.89	1,091.93
Total expenses		**4,275.81**	**4,263.15**
Profit before tax		**3,586.55**	**3,209.08**
Tax expense :			
For the year			
Current tax expense	14 (a)	1,258.95	1,106.77
Deferred tax (credit) / expense	14 (a)	(596.44)	46.05
Total tax expense		**662.51**	**1,152.82**
Profit for the year		**2,924.04**	**2,056.26**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Re-measurement of post-employment benefit obligations		(19.55)	(7.95)
- Less: Income tax relating to above		6.83	2.78
Other comprehensive income for the year, net of tax		**(12.72)**	**(5.17)**
Total comprehensive income for the year		**2,911.32**	**2,051.09**
Earning per equity share [face value per share INR 10 (31 March 2019: INR10)]			
Basic earnings per share		6.05	4.24
Diluted earnings per share		6.05	4.24

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes.
As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of
Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
Managing Director
DIN : 08593830

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at 31 March 2018		**4,834.40**
Changes in equity share capital	10	-
As at 31 March 2019		**4,834.40**
Changes in the equity share capital	10	-
As at 31 March 2020		**4,834.40**

B. Other equity

Particulars	Notes	Attributable to owners of Gujarat Pipavav Port Limited — Reserves & Surplus: Securities Premium Reserve	Retained Earnings	Total Other Equity
Balance at 1 April 2018	11(i)	14,288.87	1,017.32	15,306.19
Profit for the year			2,056.26	2,056.26
Less: Other Comprehensive Income			(5.17)	(5.17)
Total comprehensive income for the year ended 31 March 2019			**2,051.09**	**2,051.09**
Transaction with owners in their capacity as owners:				
Dividends paid (including dividend distribution tax)			(1,981.56)	(1,981.56)
Balance at 31 March 2019	11(i)	14,288.87	1,086.85	15,375.72
Profit for the year	11(ii)		2,924.04	2,924.04
Less: Other Comprehensive Income			(12.72)	(12.72)
Total comprehensive income for the year ended 31 March 2020			**2,911.32**	**2,911.32**
Transaction with owners in their capacity as owners:				
Dividends paid (including dividend distribution tax)			(2,272.96)	(2,272.96)
Balance at 31 March 2020		**14,288.87**	**1,725.21**	**16,014.08**

The above Standalone Statement of changes in equity should be read in conjunction with the accompanying notes.
As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of
Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
Managing Director
DIN : 08593830

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
Profit before tax	3,586.55	3,209.08
Adjustments :		
Deferred income recognised	(74.43)	(74.30)
Depreciation and amortisation expense	1,314.50	1,128.35
Finance costs	73.76	3.65
Dividend and interest income classified as investing cash flows	(413.11)	(359.11)
Loss on disposal of property, plant and equipment	0.30	0.23
Sundry balances written off / (back) (net)	(6.52)	(5.97)
Write offs / provisions for current assets, loans and advances	42.42	32.47
Foreign currency transactions and translations differences (net)	1.54	20.89
Provision for claims	(7.35)	-
	4,517.66	**3,955.29**
Operating profit before working capital changes		
Decrease/(Increase) in trade receivables	8.64	(293.29)
Decrease in inventories	6.15	39.70
Increase/(Decrease) in loans	0.02	(2.64)
Decrease/(Increase) in other financial assets	23.26	(46.77)
Decrease/(Increase) in other assets	36.57	(166.20)
(Decrease)/Increase in trade payables	(27.05)	40.84
(Decrease)/Increase in employee benefit obligations	(16.77)	10.84
Decrease in other financial liabilities	(123.34)	(68.93)
(Decrease)/Increase in non-current liabilities	(149.69)	5.98
(Decrease)/Increase in other current liabilities	(243.70)	187.74
	(485.91)	**(292.73)**
Cash generated from operations	4,031.75	3,662.56
Income taxes paid	(636.30)	(705.71)
Net cash inflow from operating activities	**3,395.45**	**2,956.85**
Cash flows from / (used in) investing activities		
Payments for property, plant and equipment	(147.50)	(313.54)
Proceeds from sale of fixed assets (net)	0.01	0.01
Dividends received from Associate company	38.00	38.00
Interest received	350.14	255.27
Increase in deposits with banks	(1,051.36)	(1,202.22)
Net cash outflow used in investing activities	**(810.71)**	**(1,222.48)**

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from / (used in) financing activities		
Interest paid	(73.76)	(3.65)
Repayment of lease liability	(157.90)	-
Dividends paid to Company's shareholders	(1,883.95)	(1,639.25)
Dividend distribution tax paid on dividend	(387.55)	(337.86)
Net cash outflow used in financing activities	**(2,503.16)**	**(1,980.76)**
Net increase / (decrease) in cash and cash equivalents	**81.58**	**(246.39)**
Cash and cash equivalents at the beginning of the period	108.12	354.51
Cash and cash equivalents at end of the period	**189.70**	**108.12**

Reconciliation of cash and cash equivalents as per the cash flow statement	**31 March 2020**	**31 March 2019**
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	189.70	108.12
Balance as per statement of cash flows	189.70	108.12

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of
Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
Managing Director
DIN : 08593830

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

1. Company overview

i. Gujarat Pipavav Port Limited, (“the Company”) was incorporated on 5 August 1992 to construct, operate and maintain an all-weather port at Pipavav, District Amreli, in the State of Gujarat.

ii. The port is designed to handle bulk, container, liquid cargo and RORO and to provide port services such as marine services, material handling and storage operations.

iii. The Company has entered into a 30 year Concession Agreement with Government of Gujarat and Gujarat Maritime Board (“GMB”) dated 30 September 1998 to engage in the business of developing, constructing, operating and maintaining the port on a BOOT (Build Own Operate Transfer) basis.

iv. During the year 2005, AP Moller-Maersk group together with certain financial investors acquired the complete shareholdings held by the original promoter viz. Seaking Infrastructure Limited (“SKIL”) group, on receipt of approval from Government of Gujarat, and GMB. Accordingly, AP Moller-Maersk group became the key promoter of the Company under the Concession agreement.

v. Pursuant to the approval of the shareholders of the Company in an extra ordinary general meeting held on 17 November 2009, the Company has issued and allotted through Initial Public Offering (IPO) 108,695,652 equity shares of INR 10 each at a premium of INR 36 per share aggregating to a total of INR 5,000 million to all categories of investors. The issue was made in accordance with the terms of the Company’s prospectus dated 30 August 2010 and the shares got listed on 9 September 2010 on Bombay Stock Exchange and National Stock Exchange.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation of financial statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the ‘Act’) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities and contingent consideration that is measured at fair value ; and
- defined benefit plans – plan assets measured at fair value

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(iii) New and Amended Standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, leases
- Uncertainty over Income tax treatments-Appendix C to Ind AS 12, Income Taxes
- Plan amendment, curtailment or settlement-Amendments to Ind AS 19, Employee benefits
- Amendment to Ind AS 12, Income Taxes

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

The Company had to change the accounting policies as a result of adopting Ind AS 116. This is disclosed in note 39. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2. Use of estimates:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the accounting period in which such revision takes place.

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Managing Director and Chief Financial Officer of the Company are the chief operating decision makers. Refer note 38 for segment information presented.

2.4. Foreign currency transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is Company’s functional and presentation currency.

Foreign currency transactions are recorded in Indian rupees using the rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date; the resultant exchange differences are recognised in the Statement of Profit and Loss.

As at the balance sheet date non-monetary items denominated in foreign currency are carried at historical cost. All non-monetary items denominated in foreign currency are carried at historical cost or other similar valuations are reported using the exchange rate that existed when the values were determined.

2.5. Revenue recognition

Company is engaged in providing port services such as marine services, material handling and storage operations. Revenue is recognized from rendering of services at a point in time upon the completion of services as per contract with customers. Revenue is measured based on the transaction price, which is the consideration as per contractual terms. The amount disclosed as revenue is exclusive of goods and service tax (GST) and net of estimated trade allowance and rebates wherever applicable.

A contract liability is the obligation to render services to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company satisfies the performance obligation as per the contract.

The Company does not expect to have any contracts where the period between the rendering of promised services to the customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Interest income on deposits with bank is recognised on a time proportion basis at applicable interest rates.

2.6. Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.7. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current tax is based on the results for the year ended 31 March, in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as deferred tax. The credit available under the said Act in respect of MAT is recognised as Deferred Tax Asset only to the extent there is convincing evidence that the Company will pay income tax in future periods and MAT credit can be carried forward to set-off against the normal tax liability. MAT credit recognised as Deferred Tax Asset is reviewed at each Balance sheet date and written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

2.8. Leases

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

As a lessor

Lease income from operating leases where the Company is a lessor was recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. Costs, including depreciation, incurred in earning the lease income are recognised as expenses.

With effect from 1 April 2019:

As a lessee

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the group under residual value guarantees
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- Payments of penalties for termination of lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the leases incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain the asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by value Ind AS Retail Limited, which does not have recent third-party financing, and
- Make adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use is depreciated over the underlying asset's useful life.

Payment associated with short term leases of equipment's and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value assets comprise hired vehicles, Hired Trailer and boats, etc.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight -line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.9. Impairment

Assets are reviewed at each reporting date to determine if there is any indication of impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit (CGU).

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the Statement of Profit and Loss.

If as at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

2.10. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11. Exceptional Items

Company recognises exceptional item when items of income and expenses within Statement of Profit and Loss from ordinary activities are such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period.

2.12. Inventories

Inventories comprise of stores, spares, loose tools, fuel and lubricants. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. These are carried at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Systematic provisioning is made for inventories held for more than a year. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

2.13. Investment and Other Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss) ; and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures its financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Equity instruments

The Company initially measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses and reversal of impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

(v) *Income recognition*

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.14. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15. *Property, plant and equipment*

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method, over the estimated useful life of each asset from the subsequent month of the date of purchase. Assets are depreciated as per useful life specified in Part 'C' of the schedule II of the Act.

The estimated useful life of assets which are those prescribed in Schedule II are as follows:

- Buildings — 5 - 60 years
- Computer Software — 3 years
- Furniture, Fittings and Leasehold Improvements — 5 - 10 years
- Motor Vehicles — 8 years
- Plant, Machinery and Equipment's — 3 - 15 years

Based on internal technical evaluation following assets have a different useful life than prescribed by schedule II of the Act.

Asset Details	Block of Assets	Technical Estimate in Years
Ship to Shore Cranes	Plant, Machinery and Equipment's	20
Power Distribution Systems	Plant, Machinery and Equipment's	15
Carpeted Roads	Port Road - External	20
Jetties	Plant, Machinery and Equipment's	30
Dredging	Dredging	50
Boundary Wall	Buildings	20
Old Residential Complex, Marine Office Building, Warehouses and Guest houses	Buildings	15
Railway sidings	Railway sidings	30

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

All assets costing individually INR 125,000 or less are depreciated fully in the year of purchase.

The useful lives are reviewed by the management at each reporting date and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/(losses).

In accordance with Concession agreement all contracted immovable and movable assets shall be transferred to and shall vest in GMB at the end of the concession period, for consideration equivalent to the Depreciated Replacement Value (DRV). Since the DRV is currently not determinable, fixed assets are depreciated based on their estimated useful life.

2.16. Acquired intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and / or any accumulated impairment loss, if any.

Intangible assets are amortised in the Statement of Profit and Loss using the straight line method over their estimated useful lives, from the date that they are available for use. Accordingly, at present, these are being amortised on straight line basis based on the period of the licence in case of licensed software or for 3 years. Such intangible assets that are not yet available for use are tested annually for impairment.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.17. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) under the Group Gratuity cum Life Assurance (Cash Accumulation) Scheme.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

(iii) Other Long term employee benefit obligation

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit obligations. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.18. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.19. Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

2.20. Earnings per share (EPS)

The basic EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

2.21. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.22. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.23 Investment in Associate company

The Company carries its investments in associate at cost less impairment losses. The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable amount in accordance with policy given in 2.9.

2.24 Financial instruments measured at fair value

Financial instruments measured at fair value can be divided into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data. Fair value of listed securities fall within level 1 of the fair value hierarchy. Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

Fair value of level 3 assets and liabilities are primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Company's profit or equity significantly.

2.25 Critical estimates and judgements

The preparation of financial statements require the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise the judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line in the financial statements.

The areas involving critical estimates or judgements are:

- Estimates of current tax expense and deferred tax expense-Refer Note 5 and 14
- Estimated useful life of Property, Plant and Equipment and Intangible assets-Refer Note 3(a) and 3(c)
- Estimation of defined benefit obligation-Refer Note 13
- Estimation of fair value of contingent liabilities-Refer Note 33

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

3(a) (i) Property, plant and equipment [1st April 2019 to 31st March 2020]]

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1 April 2019	Additions during the period	Deductions	As at 31st March 2020	1 April 2019 Depreciation	Charge on account of Depreciation for the period	Deductions	As at 31st March 2020 Depreciation	As at 31st March 2020
Land and site development	321.85	-	-	**321.85**	-	-	-	**-**	**321.85**
Buildings	5,465.96	43.05	1.32	**5,507.69**	933.50	224.68	1.02	**1,157.16**	**4,350.53**
Port Road - External	734.59	-	-	**734.59**	201.13	50.28	-	**251.41**	**483.18**
Plant, Machinery and Equipments	9,364.98	449.40	-	**9,814.38**	2,569.47	722.85	-	**3,292.32**	**6,522.06**
Dredging	3,869.19	-	-	**3,869.19**	360.83	90.52	-	**451.35**	**3,417.84**
Railway sidings	233.09	-	-	**233.09**	52.07	13.02	-	**65.09**	**168.00**
Improvements	20.64	2.54	-	**23.18**	15.12	4.92	-	**20.04**	**3.14**
Motor Vehicles	24.33	-	0.37	**23.96**	11.07	2.74	0.37	**13.44**	**10.52**
Total	**20,034.63**	**494.99**	**1.69**	**20,527.93**	**4,143.19**	**1,109.01**	**1.39**	**5,250.81**	**15,277.12**

Notes :

1 Land and site development includes

- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased in prior years for getting the rail connectivity from nearest station upto the port boundary, was awarded to PRCL (our associate company) by Western Railways under a lease arrangement for the aforementioned purpose.
- Land aggregating INR 24.99 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).
- Expenditure of INR 244.85 million incurred towards Land Filling and Site development.

2 Refer to note 31 for disclosure of capital commitments for the acquisition of property, plant and equipment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

3(b)(i) Leases

(i) Amount recognised in the Balance Sheet

The Balance Sheet shows the following amounts relating to leases:

	31 March 2020	01 April 2019
Right of Use Assets		
Land	80.37	89.83
Plant & Machinery	463.92	552.59
Total	**544.29**	**642.42**
Lease Liabilities		
Current	189.26	143.81
Non current	395.60	498.61
Total	**584.86**	**642.42**

Additions to the right-of-use assets during the current Financial year were INR 742.76

(ii) Amount recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

	31 March 2020
Depreciation charge of right of use assets	
Land	9.46
Plant & Machinery	189.01
Total	**198.47**
Interest expenses (Included in finance cost)	69.84
Expenses relating to short term leases (included in other expenses)	37.20
Expenses relating to variable lease payments not included in lease liabilities	324.22

3(c) (i) Capital work in progress

	As at 31st March 2020
Capital work in progress	56.96
Total	**56.96**

Capital work-in-progress mainly comprises of Canteen and Stay facility for the Railway Crew inside the port, Development of Railway Infrastructure for DFC Corridor Compatibility and Bulk TOS (GC TOS) Software implementation.

3(d)(i) Intangible Assets

Particulars	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount	
	As at 1 April 2019	Additions during the period	Deductions/ Adjustments during the period	As at 31st March 2020	1 April 2019 Amortisation	Charge on account of Amortisation for the period	On Deductions/ Adjustments	As at 31st March 2020 Amortisation	As at 31st March 2020
Computer Software	41.16	1.83	-	**42.99**	32.02	7.02	-	**39.04**	3.95
Total	**41.16**	**1.83**	**-**	**42.99**	**32.02**	**7.02**	**-**	**39.04**	**3.95**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

3(a)(i) Property, plant and equipment [1st April 2018 to 31st March 2019]

Particulars	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount	
	As at 1 April 2018	Additions during the Year	Deductions/ Adjustments during the Year	As at 31st March 2019	As at 1 April 2018	Charge for the Year	On Deductions/ Adjustments	As at 31st March 2019	As at 31st March 2019
Land and site development	321.85	-	-	**321.85**	-	-	-	**-**	**321.85**
Buildings	5,426.42	39.54	-	**5,465.96**	684.86	248.64	-	**933.50**	**4,532.46**
Port Road - External	734.59	-	-	**734.59**	150.85	50.28	-	**201.13**	**533.46**
Plant, Machinery and Equipments	9,247.54	120.42	2.98	**9,364.98**	1,858.92	713.29	2.74	**2,569.47**	**6,795.51**
Dredging	3,869.19	-	-	**3,869.19**	270.31	90.52	-	**360.83**	**3,508.36**
Railway sidings	233.09	-	-	**233.09**	39.05	13.02	-	**52.07**	**181.02**
Furniture, Fittings and Leasehold Improvements	17.44	3.20	-	**20.64**	11.84	3.28	-	**15.12**	**5.52**
Motor Vehicles	22.02	2.31	-	**24.33**	8.40	2.67	-	**11.07**	**13.26**
Total	**19,872.14**	**165.47**	**2.98**	**20,034.63**	**3,024.23**	**1,121.70**	**2.74**	**4,143.19**	**15,891.44**

Notes :

1 Land and site development includes

- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased in prior years for getting the rail connectivity from nearest station upto the port boundary, was awarded to PRCL (our associate company) by Western Railways under a lease arrangement for the aforementioned purpose.
- Land aggregating INR 24.98 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).

2 Refer to note 31 for disclosure of capital commitments for the acquisition of property, plant and equipment.

3(b)(i) Capital work in progress

	As at 31st March 2019
Capital work in progress	453.84
Total	**453.84**

Capital work-in-progress mainly comprises of Container handling Yard Cranes and Container Scanner.

3(c)(i) Intangible Assets

Particulars	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount	
	As at 1 April 2018	Additions during the Year	Deductions/ Adjustments during the Year	As at 31st March 2019	As at 1 April 2018	Charge for the Year	On Deductions/ Adjustments	As at 31st March 2019	As at 31st March 2019
Computer Software	40.28	0.91	0.03	**41.16**	25.40	6.65	0.03	**32.02**	9.14
Total	**40.28**	**0.91**	**0.03**	**41.16**	**25.40**	**6.65**	**0.03**	**32.02**	**9.14**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

4(a) Investments

	As at 31 March 2020	As at 31 March 2019
Investments in equity instruments (fully paid up) :		
Unquoted		
76,000,010 (31 March 2019 : 76,000,010) equity shares of INR 10 each of Pipavav Railway Corporation Limited. (Associate company of Gujarat Pipavav Port Limited)	830.00	830.00
Total investment in equity instruments	**830.00**	**830.00**
Total non-current investments	**830.00**	**830.00**
Aggregate amount of unquoted investments	830.00	830.00
Aggregate amount of impairment in the value of investments	-	-

4(b) Other financials assets

	31 March 2020		31 March 2019	
	Non-current	Current	Non-current	Current
Security deposits	34.93	13.16	31.66	8.93
Unbilled revenue	-	19.21	-	49.97
Receivable from Gujarat Maritime Board [Refer Note 33(b)]	185.35	-	-	-
Total other financials assets	**220.28**	**32.37**	**31.66**	**58.90**

5 (a) Income tax assets (net)

	As at 31 March 2020	As at 31 March 2019
Advance Tax *	156.26	141.92
Total Current tax assets (net)	**156.26**	**141.92**

* Net of provision for tax of INR 2,877.26 million (31 March 2019 : INR 2,186.01 million)

5 (b) Income tax provisions (net)

	As at 31 March 2020	As at 31 March 2019
Provision for tax #	14.75	12.78
Total Current tax provisions (net)	**14.75**	**12.78**

Net of Advance tax of INR 609.18 million (31 March 2019 : INR 678.47 million)

6 Other non-current assets

	As at 31 March 2020	As at 31 March 2019
Capital advances	0.43	17.55
Total other non-current assets	**0.43**	**17.55**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

7 Inventories

	As at 31 March 2020	As at 31 March 2019
Stores and spares	74.61	83.22
Goods-in-transit - Stores and Spares	1.48	1.03
Total inventories	**76.09**	**84.25**

Amounts recognised in Statement of Profit and Loss

Write down of Inventories to net realisable value amounted to INR 2.01 million (31 March 2019 : 12.21). These were recognised as an expense (Refer note - 25) and included in other expenses in Statement of Profit and Loss.

8(a) Trade receivables

	As at 31 March 2020	As at 31 March 2019
Trade receivables from contracts with customers	300.09	278.68
Trade receivables from contracts with customers - related parties (Refer note - 37)	244.69	277.82
Less: Allowance for doubtful debts (Refer note - 28)	(85.66)	(46.78)
Total trade receivables	**459.12**	**509.72**
Break-up of security details		
Secured, considered good	43.67	62.58
Unsecured, considered good	415.45	447.14
Credit impaired	85.66	46.78
Total	**544.78**	**556.50**
Allowance for doubtful debts	(85.66)	(46.78)
Total trade receivables	**459.12**	**509.72**

8(b) Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.20	-
Balances with banks		
- In current accounts	75.27	64.09
- In Exchange Earners' Foreign Currency accounts	114.23	44.03
Total cash and cash equivalents	**189.70**	**108.12**

8(c) Other bank balances

	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity of more than three months but less than 12 months	6,299.44	5,224.57
Unpaid dividend account	5.91	4.45
Total other bank balances	**6,305.35**	**5,229.02**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

8(d) Loans

	As at 31 March 2020	As at 31 March 2019
Loans and advances to employees	4.77	4.79
Total loans	**4.77**	**4.79**

9 Other current assets

	As at 31 March 2020	As at 31 March 2019
Advance for supplies	47.11	39.53
Prepaid expenses	23.61	17.00
Balances with government authorities	25.73	71.58
Receivable from Gujarat Maritime Board [Refer Note 33(b)]	-	185.35
Other receivables	3.93	8.84
Total other current assets	**100.38**	**322.30**

10 Equity share capital

	As at 31 March 2020	As at 31 March 2019
Authorised share capital		
600,000,000 (31 March 2019 : 600,000,000) equity shares of INR 10 each	6,000.00	6,000.00
	6,000.00	**6,000.00**
Issued, subscribed and paid up share capital		
483,439,910 (31 March 2019 : 483,439,910) equity shares of INR 10 each, fully paid-up	4,834.40	4,834.40
	4,834.40	**4,834.40**

a Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting period

	As at 31 March 2020		As at 31 March 2019	
	Number	**INR**	**Number**	**INR**
Equity shares at the commencement of the period	48,34,39,910	4,834.40	48,34,39,910	4,834.40
Issued during the period	-	-	-	-
At the end of the period	**48,34,39,910**	**4,834.40**	**48,34,39,910**	**4,834.40**

b Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity rank equally with regard to dividends and share in the Company’s residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

c Equity shares in the Company held by each shareholder holding more than 5% shares #

	As at 31 March 2020		As at 31 March 2019	
	Number	**Percentage**	**Number**	**Percentage**
APM Terminals Mauritius Limited	**20,79,03,931**	**43.01%**	**20,79,03,931**	**43.01%**
ICICI Prudential Value Fund - Series 4	**4,78,35,195**	**9.89%**	**4,16,99,875**	**8.63%**
HDFC Trustee Company Limited - Hdfc Capital Builder Fund	**4,34,82,989**	**8.99%**	**4,34,51,389**	**8.99%**

As per the records of the Company, including its register of members.

11 Reserves and surplus

	As at 31 March 2020	As at 31 March 2019
Securities premium reserve [Refer Note- (i) below]	14,288.87	14,288.87
Retained earnings [Refer Note- (ii) below]	1,725.21	1,086.85
Total reserves and surplus	**16,014.08**	**15,375.72**

(i) Securities premium reserve*

	As at 31 March 2020	As at 31 March 2019
Opening balance	14,288.87	14,288.87
Movement during the year	-	-
Closing balance	**14,288.87**	**14,288.87**

* Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(ii) Retained earnings

	As at 31 March 2020	As at 31 March 2019
Opening balance	1,086.85	1,017.32
Net profit for the year	2,924.04	2,056.26
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(12.72)	(5.17)
Dividends		
- Final dividend for the year ended	(870.19)	(821.85)
- Dividend distribution tax on final dividend for the year ended	(178.87)	(168.93)
- Interim dividend for the year ended	(1,015.22)	(821.85)
- Dividend distribution tax on interim dividend for the year ended	(208.68)	(168.93)
Closing balance	**1,725.21**	**1,086.85**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

12 Other financial liabilities

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Retention monies payable	7.27	37.47	-	98.13
Security deposits received *	27.20	65.25	27.20	62.81
Capital creditors *	-	36.38	-	101.06
Unclaimed dividend (Refer note below)	-	5.91	-	4.45
Other payables*	-	24.08	-	102.99
Total other financial liabilities	**34.47**	**169.09**	**27.20**	**369.44**

Note :

There are no amounts due for payment to Investor Education and Protection Fund under Section 125 of The Companies Act 2013 as at the year end.

* For due to related parties refer note - 37

13 Employee benefits obligations

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Compensated absences [Refer note (i) below]	-	37.14	-	29.47
Gratuity [Refer note (ii) below]	23.18	16.15	11.86	12.53
Other employee benefits payables	8.95	62.80	7.50	84.08
Total employee benefits obligations	**32.13**	**116.09**	**19.36**	**126.08**

(i) Compensated absences

The leave salary is payable to all eligible employees for each day of accumulated leave on death or on resignation or upon superannuation. Amount charged to the Statement of Profit and Loss on account of compensated absences during the year amounts to INR 8.26 million (31 March 2019: INR 5.55 million) and is included in Note 22 - 'Employee benefits expense'. Accumulated current provision for compensated absences aggregates to INR 37.14 million (31 March 2019: INR 29.47 million) (Refer note 13).

(ii) Post-employment obligations - Gratuity

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. Gratuity payments due to employees are processed disregarding the upper limits specified by Income Tax Act, 1961 and The Payment of Gratuity Act, 1972.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

The amount recognised in the balance sheet and movements in the net defined benefit obligation over the years are as follows :

	Present value of obligation	Fair value of plan assets	Net amount
Balance as at 01 April 2019	70.34	(45.95)	24.39
Current service cost	6.95	-	6.95
Interest expense / (income)	5.25	(3.43)	1.82
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Total amount recognised in the Statement of Profit and Loss	**12.20**	**(3.43)**	**8.77**
Remeasurements			
(Gain) / loss from change in demographic assumptions	0.39	-	0.39
(Gain) / loss from change in financial assumptions	5.32	-	5.32
Experience (gain) / loss	13.63	0.21	13.84
Total amount recognised in other comprehensive income	**19.34**	**0.21**	**19.55**
Employers contributions	-	(13.38)	(13.38)
Benefit payments	(0.86)	0.86	-
Balance as at 31 March 2020	**101.02**	**(61.69)**	**39.33**
Balance as at 01 April 2018	56.16	(33.80)	22.36
Current service cost	6.21	-	6.21
Interest expense / (income)	4.25	(2.55)	1.70
Return on plan assets, excluding amounts included in interest expense / (income)			
Total amount recognised in the Statement of Profit and Loss	**10.46**	**(2.55)**	**7.91**
Remeasurements			
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	0.51	-	0.51
Experience (gain) / loss	7.00	0.43	7.43
Total amount recognised in other comprehensive income	**7.51**	**0.43**	**7.94**
Employers contributions	-	(13.82)	(13.82)
Liability Transferred In / Acquisitions and Liability Transferred Out / Divestments)	(0.09)	0.09	-
Benefit payments	(3.70)	3.70	-
Balance as at 31 March 2019	**70.34**	**(45.95)**	**24.39**

The net liability disclosed above relates to funded plans are as follow :

	31 March 2020	31 March 2019
Present value of funded obligations	**(101.02)**	**(70.34)**
Fair value of plan assets	**61.69**	**45.95**
Deficit of funded plan (Gratuity)	**(39.33)**	**(24.39)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

The significant actuarial assumptions were as follows :

	31 March 2020	31 March 2019
Discount rate	6.84%	7.47%
Salary growth rate	8.00%	8.00%
Expected rate of return on plan assets	6.84%	7.47%
Attrition rate	5.00%	6.00%
Mortality	Indian Assured lives mortality (2006-08)	Indian Assured lives mortality (2006-08)

	31 March 2020	31 March 2019
Projected Benefit Obligation on Current Assumptions	101.02	70.34
Delta Effect of +1% Change in Rate of Discounting	(8.23)	(5.33)
Delta Effect of -1% Change in Rate of Discounting	9.50	6.12
Delta Effect of +1% Change in Rate of Salary Increase	9.30	6.02
Delta Effect of -1% Change in Rate of Salary Increase	(8.22)	(5.36)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.81)	(0.31)
Delta Effect of -1% Change in Rate of Employee Turnover	0.90	0.34

Category of assets	31 March 2020	31 March 2019
Insurance fund (100%)	61.69	45.95
Total	61.69	45.95

(iii) Risk exposure :

Though its defined benefits plan, the Company is exposed to a number of risks, the most significant of which are detailed below

Changes in bond yields

A decrease in bond yield will increase plan liabilities, although this will be partially offset by increase in the plan's bond holding

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are invested with the Life Insurance Corporation of India Limited. It is subject to interest rate risk. The Company intends to maintain the above investments in the continuing years.

Maturity Analysis of Projected Benefit Obligation: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting

	31 March 2020	31 March 2019
1st Following Year	6.27	4.09
2nd Following Year	6.14	4.42
3rd Following Year	7.83	6.20
4th Following Year	7.87	6.32
5th Following Year	7.73	6.29
Sum of Years 6 To 10	38.61	29.74
Sum of Years 11 and above	134.99	92.35

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

14 Taxation

a. Tax expense recognised in the Statement of Profit and Loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax		
Current year	1,258.95	1,106.77
Total	**1,258.95**	**1,106.77**
Deferred tax		
Deferred tax	(596.44)	46.05
Total	**(596.44)**	**46.05**
Total income tax expense/(credit)	**662.51**	**1,152.82**

Reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	For the year ended 31 March 2020	For the year ended 31 March 2019
Accounting profit before tax	3,586.55	3,209.08
Applicable tax rate of the reporting entity	34.944%	34.944%
Expected total tax expense	1,253.28	1,121.38
Amount charged in Statement of Profit and Loss	662.51	1,152.82
Difference	590.77	(31.44)
Tax effect of amounts which are (not deductible) / allowable in calculating taxable income:		
(i) Expenditures not deductible for tax purpose	(22.94)	(20.92)
(ii) Dividend Received (Adjusted with expense disallowed u/s 14 A)	13.28	13.24
(iii) Impact of change in tax rate*	599.26	(19.50)
(iv) Others	1.17	(4.26)
Total	**590.77**	**(31.44)**

*Pursuant to the Taxation Law (Amendment) Ordinance, 2019 (‘Ordinance’) issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 which is effective 1st April 2019, domestic Companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (‘New tax rate’) subject to certain conditions.The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilization of accumulated minimum alternative tax (MAT) credit. However, in accordance with the accounting standards, the Company has also evaluated the outstanding deferred tax liability, and written back an amount to the extent of Rs. 599.26 million to the statement of profit and loss. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the company would migrate to the new tax regime.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

b(i) Deferred tax relates to the following :

	As at 31 March 2020	As at 31 March 2019
Expenditure deductible on payment basis (including Lease Liability)	275.65	120.17
Defined benefit obligations	23.17	20.56
MAT credit entitlement	956.24	1,591.26
Total deferred tax assets	**1,255.06**	**1,731.99**
On difference between book depreciation and tax depreciation	1,749.03	2,194.20
Total deferred tax liabilities	**1,749.03**	**2,194.20**
Net deferred tax liabilities	**493.97**	**462.21**

b(ii) Movement in deferred tax assets / (liabilities)

	Expenditure deductible on Payment Basis	Defined benefit obligations	MAT credit entitlement	Lease Liability	Right-of-use asset	On difference between book depreciation and tax depreciation	Total
At 1 April 2018	**103.07**	**16.64**	**2,006.78**	-	-	**(2,129.91)**	**(3.42)**
(Charged)/credited:							
- to Statement of Profit and Loss	17.10	1.14	-	-	-	(64.29)	(46.05)
- utilisation of MAT credit#	-	-	(415.52)	-	-	-	(415.52)
- to other comprehensive income	-	2.78	-	-	-	-	2.78
At 31 March 2019	**120.17**	**20.56**	**1,591.26**	-	-	**(2,194.20)**	**(462.21)**
Adjustment on adoption of Ind AS116 (Refer note - 39)							
At 1 April 2019 (Restated)	120.17	20.56	1,591.26	224.49	(224.49)	(2,194.20)	(462.21)
(Charged)/credited:							
- to Statement of Profit and Loss	8.38	(4.22)	-	(77.39)	87.41	582.25	596.43
- utilisation of MAT credit#	-	-	(635.02)	-	-	-	(635.02)
- to other comprehensive income	-	6.83	-	-	-	-	6.83
At 31 March 2020	**128.55**	**23.17**	**956.24**	**147.10**	**(137.08)**	**(1,611.95)**	**(493.97)**

#Utilisation of deferred tax assets on carry forward MAT credit is towards current tax payable and hence not routed through the Statement of Profit and Loss.

15 Other non-current liabilities

	As at 31 March 2020	As at 31 March 2019
Deferred income on Government Grant	596.10	670.54
Total other non-current liabilities	**596.10**	**670.54**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

16 Trade payables

	As at 31 March 2020	As at 31 March 2019
Trade payables*	-	325.12
Dues to Micro, Small and Medium Enterprises (Refer note - 41)	1.48	0.36
Other than Micro, Small and Medium Enterprises	296.93	-
Total Trade payables	**298.41**	**325.47**

* Out of total trade payables, INR 41.65 pertains to related parties (31 March 2019: INR 40.45) (Refer note-37).

17 Provisions

	As at 31 March 2020	As at 31 March 2019
Claims (Refer note - 33)	208.00	365.04
Total provisions	**208.00**	**365.04**

18 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Deferred income on Government Grant	74.30	74.30
Statutory dues payables	98.75	149.19
Accruals of Incentives and Rebates [Refer note - 18(a)]	542.31	689.18
Income received in advance	0.27	1.68
Advance from customers *	145.09	190.06
Total other current liabilities	**860.72**	**1,104.41**

* Revenue recognised that was included in advance from customers at the beginning of the period INR 70.06 million (31 March 2019 : INR 87.05 million)

18(a) Movement in Accruals of Incentives and Rebates

	As at 31 March 2020	As at 31 March 2019
At the commencement of the year	**689.18**	**577.56**
Accruals made during the year	658.07	733.32
Accruals utilised during the year	(804.94)	(621.70)
At the end of the year	**542.31**	**689.18**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

19 Revenue from operations

	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from port services	6,863.25	6,580.66
Other operating revenue	490.44	439.14
Total revenue from operations	**7,353.69**	**7,019.80**

	31 March 2020	31 March 2019
Income from port services		
Marine services	1,195.57	1,274.59
Berth hire	279.25	288.85
Wharfage	352.41	379.99
Container handling	3,847.66	3,530.84
Yard operations	230.95	264.65
Stevedorage	957.41	841.74
Total - Income from port services	**6,863.25**	**6,580.66**

	31 March 2020	31 March 2019
Other operating revenue		
User rent	146.62	147.42
Reefer electricity income	242.78	234.79
Weighment	5.51	3.51
Water charges	0.62	0.63
Others	94.92	52.79
Served from India Scheme	-	-
Total - Other operating revenue	**490.44**	**439.14**

20 Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- banks	375.11	321.11
- others	1.02	1.36
Dividends received from Associate company (Refer note below)	38.00	38.00
Deferred Income recognised	74.43	74.30
Miscellaneous income	20.11	17.66
Total other income	**508.67**	**452.43**

Note :

All dividends from equity investments relates to investments held at the end of the reporting period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

21 Operating expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Handling expenses	931.92	1,141.90
Waterfront royalty (Refer note - 34)	220.28	187.81
Business support service charges	64.36	63.47
Other direct costs	54.16	49.19
Total operating expenses	**1,270.72**	**1,442.37**

22 Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	504.91	527.75
Contribution to provident fund and other funds (Refer note below)	24.56	19.99
Gratuity [Refer note 13(ii)]	8.77	7.90
Compensated absences [Refer note 13(i)]	8.26	5.55
Staff welfare expenses	20.44	35.66
Total employee benefits expense	**566.94**	**596.85**

The Company recognised INR 24.56 million (31 March 2019 : INR 19.99 million) for provident fund contribution in the Statement of Profit and Loss.

23 Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest and finance charges on lease liabilities	69.84	-
Others	3.92	3.65
Total finance costs	**73.76**	**3.65**

24 Depreciation and amortisation expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	1,109.01	1,121.69
Amortisation of intangible assets	7.02	6.66
Depreciation of right-of-use assets [refer note-3(b)]	198.47	-
Total depreciation and amortisation expense	**1,314.50**	**1,128.35**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

25 Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	246.39	249.39
Rent (Refer note - 32, 3(b) and 39)	11.65	21.59
Repairs		
- Building	71.71	29.58
- Machinery and equipment	194.91	248.30
- Others	64.73	64.36
Insurance	41.84	31.44
Rates and taxes	0.59	1.23
Travelling expenses	69.53	69.78
Legal and professional fees	62.62	66.32
Commission to Directors (Refer note - 37)	3.75	3.75
Expenditure towards Corporate Social Responsibility [Refer note - 25(a)]	67.30	106.60
Payment to auditors [Refer note - 25(b)]	4.25	4.12
Advertisement and sales promotion	14.25	11.47
Communication expenses	4.44	5.88
Loss on sale / disposal of fixed assets (net)	0.30	0.23
Loss on foreign currency transactions and translations (net)	28.64	24.13
Bad Debt Write Off	1.53	3.03
Provisions for inventory (Refer note - 7)	2.01	12.21
Provisions for doubtful debts [Refer note - 8(a)]	38.88	17.23
Freight and forwarding	1.43	2.60
Water charges expenses	18.85	22.09
Contract labour expenses	66.99	69.42
Miscellaneous expenses	33.30	27.18
Total other expenses	**1,049.89**	**1,091.93**

25(a) Corporate Social Responsibility (CSR)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Amount required to be spent as per Section 135 of the Act	67.30	69.70
Amount spent during the year@	**67.30**	**106.60**
(i) Construction/ acquisition of any asset	12.16	38.82
(ii) On purposes other than (i) above	55.14	67.78
Total corporate social responsibility expense	**67.30**	**106.60**

@ Excludes advance paid of INR 6.57 million (31 March 2019 : INR 7.85 million).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	In cash	Yet to be paid	In cash	Yet to be paid
(i) Construction/acquisition of any asset	12.16	0	31.00	7.82
(ii) On purposes other than (i) above	37.33	17.81	59.91	7.87

25(b) Details of payment to auditors

	For the year ended 31 March 2020	For the year ended 31 March 2019
Payment to auditors		
As auditor		
Audit fee	2.75	2.75
Tax audit fee	0.21	0.21
Limited review of quarterly results	1.09	1.09
Others	0.10	-
Other services		
Reimbursement of expenses	0.10	0.07
Total payment to auditor	**4.25**	**4.12**

26. Transfer Pricing

The Company's international transactions with related parties are at arm's length as per the independent accountants' report for the year ended 31 March 2019. Management believes that the Company's international transactions with related parties post 31 March 2019 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expenses and that of provision of taxation.

27. Fair Value of financial assets and liabilities carried at amortised cost

There are no financial assets and liabilities designated at fair value through profit or loss or other comprehensive income. All the Financial instruments are carried at amortised cost.

	As at 31 March 2020		As at 31 March 2019	
	Fair Value	Carrying amount	Fair Value	Carrying amount
Financial Assets				
Non- Current Other financial assets				
Security deposits	34.93	34.93	31.66	31.66
Receivable from Gujarat Maritime Board	185.35	185.35	-	-
Current Other financial assets				
Security deposits	13.16	13.16	8.93	8.93
Unbilled revenue	19.21	19.21	49.97	49.97
Loans and advances to employees	4.77	4.77	4.79	4.79
Trade receivables	459.12	459.12	509.72	509.72
Cash and cash equivalents	189.70	189.70	108.12	108.12
Other Bank balances	6,305.35	6,305.35	5,229.02	5,229.02
Total Financial Assets	**7,211.59**	**7,211.59**	**5,942.21**	**5,942.21**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	Fair Value	Carrying amount	Fair Value	Carrying amount
Financial Liabilities				
Non- Current Other financial liabilities				
Retention monies payable	7.27	7.27	-	-
Security deposits received	27.20	27.20	27.20	27.20
Lease Liability IND AS-116	395.60	395.60	-	-
Current Other financial liabilities				
Trade payables	298.41	298.41	325.47	325.47
Retention monies payable	37.47	37.47	98.13	98.13
Security deposits received	65.25	65.25	62.81	62.81
Capital creditors	36.38	36.38	101.06	101.06
Unclaimed dividend	5.91	5.91	4.45	4.45
Other payables	24.08	24.08	102.99	102.99
Lease liabilities	189.26	189.26	-	-
Total Financial Liabilities	**1,086.83**	**1,086.83**	**722.11**	**722.11**

Financial instruments carried at amortised cost

Fair value of the current financial assets and current financial liabilities carried at amortised cost is not materially different from the carrying amount. In general, fair value is determined primarily based on the present value of expected future cash flows.

28. Financial risk management

The Company's activities expose it to a variety of financial risks:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Company's financial performance. Risk management is carried out by finance department under policies approved by the Board of Directors.

(a) Credit risk

The Company has exposure to financial and commercial counterparties but has no particular concentration of customers or suppliers. To minimise the credit risk, security deposits and advance payments are taken from all major customers. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

(All amounts are in INR millions, unless otherwise stated)

Expected credit loss for trade receivables under simplified approach:

For the year ended 31 March 2020:

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	228.75	177.96	21.60	34.43	8.06	73.99	544.78
Expected credit losses	-	1.60	1.45	8.92	7.62	66.07	85.66
Carrying amount of Trade receivables	**228.75**	**176.36**	**20.15**	**25.51**	**0.44**	**7.92**	**459.12**

For the year ended 31 March 2019:

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	219.29	261.38	23.18	5.22	12.21	35.22	556.50
Expected credit losses	-	1.75	2.11	2.88	6.49	33.55	46.78
Carrying amount of Trade receivables	**219.29**	**259.63**	**21.07**	**2.34**	**5.72**	**1.67**	**509.72**

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors Company's liquidity position and cash and cash equivalents through Quarterly rolling forecasts and on the basis of expected cash flows. Company treasury maintains flexibility in funding through committed credit lines with Financial Institution.

Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date. Balances due within 12 months and more than 12 months equal their carrying balances as the impact of discounting is not significant.

	Notes	Carrying Amount	Payable on Demand	Less than 12 months	More than 12 months
As at 31 March 2020					
Trade payables	16	298.41	-	298.41	-
Retention monies payable	12	44.74	35.97	1.50	7.27
Security deposits received	12	92.45	65.25	-	27.20
Capital creditors	12	36.38	-	36.38	-
Unclaimed dividend	12	5.91	5.91	-	-
Other payables	12	24.08	-	24.08	-
As at 31 March 2019					
Trade payables	16	325.47	-	325.47	-
Retention monies payable	12	98.13	92.34	0.18	5.61
Security deposits received	12	90.01	62.81	-	27.20
Capital creditors	12	101.06	-	101.06	-
Unclaimed dividend	12	4.45	4.45	-	-
Other payables	12	102.99	-	102.99	-

As there are no committed credit facilities to meet obligations when due and to close out market positions, the Company is not exposed to liquidity risk.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Company's profit or the value of its holdings of financial instruments. Below sensitivity analyses relate to the position of financial instruments at 31 March 2020 and 31 March 2019. It is assumed that the exchange rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The sensitivity analyses show the effect on profit or loss and equity of a reasonably possible change in exchange rates and interest rates.

Foreign Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primary with respect to USD, AUD and EURO. The Company's business model incorporates assumptions on currency risk and ensures any exposure is covered through the normal business operations. As the functional reporting currency is in INR, the foreign currency risk exists for the Company.

Foreign currency exposure not covered by Forward Contracts as at 31 March 2020:

Details	**USD Exposure**		**EURO Exposure**	
	INR	**USD**	**INR**	**Euro**
Receivables/Advance to Vendor	**240.25**	**3.18**	**-**	**-**
	288.54	*4.16*	-	-
Advance from Customers	***2.08***	***0.03***		
	1.15	*0.02*		
Payables	**0.64**	**0.01**	**0.77**	**0.01**
	0.61	*0.01*	*0.02*	@
Cash and Bank Balance	**114.23**	**1.51**	**-**	**-**
	44.03	*0.64*	-	-

@ Amount is below the rounding off norm adopted by the Company

Amounts in italics represent amounts as at 31 March 2019

Details	**Impact on profit after tax**	
	31 March 2020	**31 March 2019**
USD sensitivity		
INR/USD -Increase by 10% (31 March 2019-10%)	**35.18**	33.08
INR/USD -Decrease by 10% (31 March 2019-10%)	**(35.18)**	(33.08)
EUR sensitivity		
INR/EUR -Increase by 10% (31 March 2019-10%)	**(0.08)**	(0.00)
INR/EUR -Increase by 10% (31 March 2019-10%)	**0.08**	0.00

29. Capital Management

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The Company considers the following components of its Balance Sheet to be managed capital:

1) Share Capital 2) Share Premium and 3) Retained Earnings

The Company's capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities. The capital structure of the Company is managed with a view of the overall macro-economic conditions and the risk characteristics of the underlying assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company.

The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary. The Company does not have any debt or financial covenants.

The Management monitors the return on capital as well as the level of dividend to shareholders. The Company goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future period. Refer the following table for the final and interim dividend declared and paid.

Dividends

	31 March 2020	31 March 2019
(a) Equity shares		
(i) Final dividend for the year ended 31 March 2018 of INR 1.70 per fully paid share		**821.85**
Corporate dividend tax on above		**168.93**
(ii) Final dividend for the year ended 31 March 2019 of INR 1.80 per fully paid share	**870.19**	
Corporate dividend tax on above	**178.87**	
(iii) Interim dividend for the year ended 31 March 2019 of INR 1.70 per fully paid share		**821.85**
Corporate dividend tax on above		**168.93**
(iv) Interim dividend for the year ended 31 March 2020 of INR 2.10 per fully paid share	**1,015.22**	
Corporate dividend tax on above	**208.68**	

(b) Dividends not recognised at the end of the reporting period

The directors have recommended the payment of a final dividend of INR 3.50 per fully paid equity share (31 March 2019 – INR 1.80). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

30. Traffic guarantee commitment

The Company has entered into tripartite Transportation and Traffic Guarantee Agreement with Pipavav Railway Corporation Limited (PRCL) and Indian Railways, to provide minimum volumes of 3 million metric tonnes for every Financial Year. The Company has consistently met its volume commitment from Financial Year 2010-11 till date and there is no shortfall on account of minimum traffic guarantees to be paid.

31. Capital and other commitments

(a) Capital commitments on account of Capital expenditure contracted and obligation under Export Promotion Capital Goods ('EPCG') at the end of the reporting period but not recognised as liabilities is as follows:

Particulars		31 March 2020	31 March 2019
(a)	Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances)	**72.10**	73.42
(b)	Bonds/Undertaking given by the Company under Concessional Duty / Exemption scheme to the Government Authorities (net of obligations fulfilled)	**2,949.14**	2,949.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

32. Lease

(i) The Company has given a total area of 1,111,813 Square Mtr. (31 March 2019: 1,111,813 Square Mtr.) of land on lease to various customers. The lease is up to 2028 which is the end of the concession period.

(ii) Operating lease rental income of INR 146.62 million (31 March 2019 INR 147.42 million) recognised in Statement of Profit and Loss is included in Other Operating Revenue in Note 19.

(iii) The future minimum lease payments receivable under the said non-cancellable operating lease for rented premises are as follows:

Particulars	31 March 2020	31 March 2019
Receivable within one year	**187.87**	**206.90**
Receivable between one and five years	**840.28**	**880.36**
Receivable more than five years	**847.01**	**1,177.57**

33. Provisions and Contingent liabilities

(a) Claims against Company not acknowledged as debt aggregates to INR 1,204.93 million (31 March 2019: INR 1,903.43 million). Provisions made in respect of the same aggregates to INR 208.00 million (31 March 2019: 365.04 million).

- Above claim does not includes disputed claim with the associate Company, Pipavav Railway Corporation Limited NIL (31 March 2019: INR 699.33 million). GPPL had made an offer of full and final settlement of INR 150 million under the conciliation proceedings which has been accepted by PRCL Board. During the current year, the Company has paid full and final settlement amount of INR 150 million to PRCL based on the conciliation agreement.

(b) The Company had made an application for approval of expansion plan to Gujarat Maritime Board (GMB) on 1st October 2012. The approval was received from GMB vide letter dated 10th April 2015. As per one of the conditions of the approval, the Company had issued a bank guarantee on 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB has also asked the Company to pay GST on the aforesaid bank guarantee amounting to INR 33.36 million. The Company reviewed the terms and conditions of approval and based on the management assessment and external legal expert advice, the Management believes that the amount is recoverable and is currently pursuing the matter with GMB.

(c) Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to INR 110.14 million (31 March 2019: INR 327.77 million).

Movement in provisions

	Litigations / Disputes	
Particulars	**31 March 2020**	**31 March 2019**
At the commencement of the year	**365.04**	**365.04**
Provision made during the year	-	7.00
Provision reversed during the year	(7.04)	(7.00)
Payment made during the year	(150.00)	-
At the end of the year	**208.00**	**365.04**

Future cash outflows in respect of above are determinable only on receipt of judgements/decisions pending with various authorities/forums and/or final outcome of the matters.

(d) The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act as clarity emerges on impact of the ruling.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

34. Concession Agreement with Government of Gujarat

Pursuant to the Concession agreement with the Government of Gujarat and GMB dated 30 September 1998, the Company is entitled towards government assistance and accordingly have discharged its liability towards waterfront royalty subject to the conditions led down in the aforesaid agreement.

35. Earnings per share

		For the year ended 31 March 2020	For the year ended 31 March 2019
Profit for the year	**(A)**	**2,924.04**	2,056.26
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		**483,439,910**	483,439,910
Number of equity shares at the end of the year		**483,439,910**	483,439,910
Weighted average number of equity shares outstanding during the year	**(B)**	**483,439,910**	483,439,910
Basic and diluted earnings per share (INR)	**(A/B)**	**6.05**	4.24

36. Interest in Associate company

Set out below is the associate of the Company as at 31 March 2020 which, in the opinion of the directors, is material to the Company. The entity listed below have share capital consisting solely of equity shares, which is held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entity	Place of Business	% of ownership	Relationship	Accounting method	Carrying amount	
					31 March 2020	31 March 2019
Pipavav Railway Corporation Limited	New Delhi	38.78	Associate	Equity Method	830.00	830.00

37. Related party transactions

(a) **List of related parties and their relationship**

Relation	Party
A. Party with substantial interest and its affiliates	(i) APM Terminals Mauritius Limited, Mauritius (ii) APM Terminals Management B.V., The Netherlands (iii) Maersk A/S, Denmark (formerly known as Maersk Line A/S) (iv) APM Terminals India Private Limited, India (v) Maersk Line India Private Limited, India (vi) GPRO Services India Private Limited, India (vii) Maersk Training India Private Limited, India (viii) Gateway Terminals India Private Limited, India (ix) Maersk Training Svendborg A/s, Denmark (x) Damco India Private Limited, India (xi) APM Terminals Vado Ligure S.P.A. (xii) Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft A/S & Co (xiii) APM Terminals Medport Tangier (xiv) APM Terminals India Private Limited - EMR Division

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

Relation	Party
B. Associate	Pipavav Railway Corporation Limited
C. Directors, Non-Executive Directors and Key managerial personnel	**A) Executive directors** Mr. Keld Pedersen (Managing director) Upto 31st May 2019 Capt. Padminikant Mishra (Interim Managing Director) from 24th October 2019 to 31st December 2019 Mr. Jakob Friis Sorensen (Managing Director) from 1st January 2020 **B) Non-Executive directors** Mr. Tejpreet Singh Chopra Ms. Hina Shah Mr. Pradeep Mallick Mr. Pravin Laheri Mr. David Skov (ceased to be Director from 28th July 2019)* Mr. Julian Bevis* Mr. Mukesh Kumar, IAS (Nominee of GMB) (ceased to be Director from 24th October 2019)* Mr. Timothy Smith from 19th September 2019* Mr. Keld Pedersen (Managing director up-to 31st May 2019 and Non-executive director from 1st June 2019) **C) Key managerial personnel** Mr. Santosh Breed

* No transactions during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

(b) **Related party transactions**

Transactions during the period	APM Terminals Mauritius Limited	MAERSK A/S	APM Terminals Management B.V.	GPRO Services India Private Limited	APM TERMINALS MEDPORT TANGIER S. A	Pipavav Railway Corporation Limited	Other Affiliates	Total
Income from port services	**-** -	**2,195.33** 2,138.03	**-** -	**-** -	**-** -	**-** -	**4.49** 5.23	**2,199.82** 2,143.26
Professional services received	**-** -	**(19.50)** (19.99)	**-** -	**(5.12)** (5.30)	**-** -	**-** -	**(0.27)** (1.18)	**(24.88)** (26.47)
Business support service charges	**-** -	**-** -	**(64.28)** (63.47)	**-** -	**-** -	**-** -	**-** -	**(64.28)** (63.47)
Expenses incurred on the Company's behalf	**-** -	**-** -	**(44.96)** (46.03)	**-** -	**-** -	**-** -	**(1.08)** (1.61)	**(46.04)** (47.64)
Expenses incurred on behalf of others	**-** -	**-** -	**6.36** -	**-** -	**1.40** -	**-** -	**1.89** 0.79	**9.65** 0.79
Training expenses	**-** -	**-** -	**(0.32)** -	**-** -	**-** -	**-** -	**-** (0.05)	**(0.32)** (0.05)
Manpower cost	**-** -	**-** -	**-** -	**-** -	**-** -	**(3.53)** (3.49)	**-** -	**(3.53)** (3.49)
Capital expenditure	**-** -	**-** -	**(3.14)** (2.50)	**-** -	**-** -	**-** -	**-** -	**(3.14)** (2.50)
Dividend income	**-** -	**-** -	**-** -	**-** -	**-** -	**38.00** 38.00	**-** -	**38.00** 38.00
Dividend payment	**(810.92)** (706.96)	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**(810.92)** (706.96)
Closing Balances:								
Receivable	**-** -	**238.07** 276.38	**6.36** -	**-** -	**-** -	**-** -	**0.26** 1.43	**244.69** 277.82
Trade Payable	**-** -	**10.51** 5.45	**29.69** 30.14	**-** 1.35	**-** -	**0.52** 3.49	**0.93** 0.02	**41.65** 40.45
Capital Creditors	**-** -	**-** -	**3.17** 1.27	**-** -	**-** -	**-** -	**-** -	**3.17** 1.27
Deposit received	**-** -	**40.00** 40.00	**-** -	**-** -	**-** -	**-** -	**1.55** -	**41.55** 40.00
Accruals of Incentives and Rebates	**-** -	**45.51** 24.81	**-** -	**-** -	**-** -	**-** -	**-** -	**45.51** 24.81
Investment	**-** -	**-** -	**-** -	**-** -	**-** -	**830.00** 830.00	**-** -	**830.00** 830.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

Name of Non-Executive Directors/Key Managerial personnel	Fees for attending Board/Committee meetings	Commission	Managerial Remuneration	Total
Mr. Tejpreet Singh Chopra	**0.55**	**1.50**	-	**2.05**
	0.60	*1.50*		*2.10*
Ms. Hina Shah	**0.85**	**0.75**	-	**1.60**
	0.95	*0.75*		*1.70*
Mr. Pradeep Mallick	**0.95**	**0.75**	-	**1.70**
	1.00	*0.75*		*1.75*
Mr. Pravin Laheri	**1.10**	**0.75**	-	**1.85**
	1.10	*0.75*		*1.85*
Mr. Keld Pedersen	-	-	**21.57**	**21.57**
			67.35	*67.35*
Mr. Santosh Breed	-	-	**10.82**	**10.82**
			9.53	*9.53*
Mr. Jakob Friis Sorensen	-	-	**17.36**	**17.36**
			-	-
Mr. Padminikant Mishra			**3.58**	**3.58**
			-	-

Amounts in italics represent amounts as at 31 March 2019

@ As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

38. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. Managing Director and Chief Financial Officer of the Company are the chief operating decision makers. The Company operates only in one Business Segment i.e. 'Port Services' which primarily includes services such as Marine services, Berth hire, Wharfage, Container Handling, Yard Operations, Stevedorage and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

The Company has a revenue of INR 2,199.82 (31 March 2019: INR 2,143.26) from related parties representing more than 10% of the total revenue.

39. Changes in Accounting policies

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's Financial statements.

Impact on the financial statements – lessee accounting

As indicated in note 2.1 above, the Company has adopted Ind AS 116 retrospectively from 1 April 2019 but has not restated comparatives for the year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in note 2.8.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 12%.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review -there were no onerous contracts as at 1 April 2019
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- Excluding initial direct costs for the measurement of the right-of-use asset the date of initial application, and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application.

Instead, for contracts entered into before the transition date the group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, determining whether an arrangement contains a Lease.

(ii) Measurement of Lease liabilities

Operating lease commitments disclosed at 31 March 2019	125.03
Discounted using incremental borrowing rate at the date of initial application	77.02
Add: Lease liability due to variance in lease term assumptions as per Ind AS 116 and non-cancellable period as per Ind AS 17	577.05
Less: Short term leases not recognized as a liability	(11.65)
Less: Low value assets not recognized as a liability	-
Lease liability recognized at 1st April 2019	**642.42**
Of which are Current lease liabilities	143.81
Non- current lease liabilities	498.61
	642.42

(iii) Adjustments recognised in the Balance Sheet as on 1 April 2019

The Change in Accounting policy affected the following items in the balance sheet on 1 April 2019:

- Right -of-use assets – increase by INR 642.42
- Lease liabilities – increase by INR 642.42

The net impact on retained earnings on 1 April 2019 was NIL

40. COVID-19

The Company has made a detailed assessment of COVID – 19 on its financial statements. As per Company estimates, if the shipping lines had not skipped their calls, the Container volumes at Port would have been higher by 5-7% in last quarter of the year ended 31 March 2020. The Company has also evaluated its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising mainly of property, plant and equipment, right of use asset, investments in an associate, Deferred tax assets and Trade receivables as at the balance sheet date, and has concluded that there are no adjustments required in the financial statements.

The Company has performed detailed analysis on the assumptions used on the basis of the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets. The Company will also be able to generate sufficient cash to fund its operations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020
(All amounts are in INR millions, unless otherwise stated)

Management believes that, in the preparation of the financial statements, it has taken into account all known events arising from COVID-19 pandemic. However, the assessment of the impact of COVID-19 is an ongoing process and the Company will continue to monitor any material changes to future economic conditions.

41. Other notes

Dues to Micro and Small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Company, the details of outstanding dues to the Micro and Small enterprises as defined in the MSMED Act, 2006 as set out in the following disclosures:

	31 March 2020	**31 March 2019**
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end;	1.15	0.31
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end;	0.33	0.05
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year;	11.63	1.38
d. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year;	-	-
e. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year;	-	-
f. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-

As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of
Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
Managing Director
DIN : 08593830

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Gujarat Pipavav Port Limited ("hereinafter referred to as the Company") and its associate company [refer Note (1)(B)] to the attached consolidated financial statements], comprising of the consolidated Balance Sheet as at 31 March 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31 March 2020, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

3. The consolidated financial statements include the Company's share of total comprehensive income (comprising of profit and other comprehensive income) of INR 307.93 million, based on unaudited financial statements as at and for the year ended 31 March 2020 in respect of its associate company not audited by us. The financial statements as at and for the year ended 31 March 2020 in respect of the associate company is pending audit by their auditors. Our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included for the year ended on 31 March 2020 in respect of this associate company is based solely on such financial information of the associate company for the year ended on 31 March 2020, as furnished to us by the Management of the Company.

4. Further, pending the audit of the associate company for the year ended on 31 March 2020 by their auditors, we are unable to report on the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls of the associate company incorporated in India as required to be reported by us.

5. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 statements 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 qualified opinion.

Emphasis of matter

6. We draw attention to Note No. 33(b) to the consolidated financial statements which describes the associated uncertainty and the necessary steps being taken by the Company based on external legal expert in relation to the recovery of Bank Guarantee amounting to INR 185.35 million encashed by Gujarat Maritime Board. Our opinion is not modified in respect of this matter.

Key audit matter

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter description	How our audit addressed the key audit matter
Re-measurement of Deferred Tax Liability (Refer note 14a to the standalone financial statements)	
The Company has evaluated the provisions of Taxation Law (Amendment) Ordinance, 2019 ("Ordinance) which is effective 1 April, 2019 to assess its options, and have opted for the year 2022-23 in which the Company would migrate to the new tax regime. This evaluation resulted in write back of Deferred tax liability to the extent of INR 599.26 million to the statement of profit and loss. We considered the re-measurement of Deferred tax liability to be a key audit matter as the balance is material to the financial statements and there are significant judgements involved while applying various assumptions in preparation of forecasts which mainly include future business growth rates.	In relation to the re-measurement of Deferred tax liability, we performed procedures, including the following: • Understood and evaluated the design and tested the operating effectiveness of the Company's controls over preparation of forecasts. • Assessed the historical accuracy of the Company's Board approved forecasts by comparing the forecasts used in the prior year estimate with the actual performance in the current year and noted that those were materially comparable to the actual performance. • Tested the mathematical accuracy of the underlying calculations and comparing the forecasts with the budgets approved by the Board of Directors. • Compared the growth rates used in the preparation of forecasts with economic and industry growth rates. • Performed a sensitivity analysis over the assumptions used in determining the future forecasted profit. • Evaluated the Management assessment of determining the year of migrating into the new tax regime and testing the mathematical accuracy of re-measured amount of deferred tax balance. • Assessed the adequacy of presentation and disclosure Based on the above procedures performed, we did not find any material exceptions to the Management's estimation of re-measurement of Deferred Tax Liability

Other Information

8. The Company's Board of Directors is responsible for the other information. The other information comprises of Director's report, Management discussion and analysis, Corporate Governance Report, Business Responsibility Report and Secretarial Audit report but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Statement, which is expected to be made available to us after that date.

9. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

10. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

11. When we read the Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

12. The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Company including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

13. In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its associate are responsible for assessing the ability of the Company and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management of the Company and its associate either intends to liquidate the Company or its associate respectively or to cease operations, or has no realistic alternative but to do so.

14. The respective Board of Directors of the Company and of its associate are responsible for overseeing the financial reporting process of the Company and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

15. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

16. 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 consolidated financial statements, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's 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 ability of the Company and of its associate 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 consolidated financial statements 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 auditors' report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

17. We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.
18. 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.
19. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

20. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
    a. We have sought and, except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    b. In our opinion, except for (i) the possible effects of the matter described in the paragraph Basis for Qualified Opinion, and (ii) that the backup of the books of accounts and other books and papers maintained in electronic mode of the Company has not been maintained on servers physically located in India, proper books of account as required by law maintained by the Company and its associate company incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.
    c. Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion,the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Company and its associate company incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
    d. Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion, in our opinion the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    e. Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion, on the basis of the written representations received from the directors of the Company as on 31 March 2020 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f. With regard to maintenance of accounts and other matters connected therewith reference is made to our comments in paragraph 20(b) above.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we refer to Annexure A of our report of even date on the standalone financial statements of the Company.

h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion, the consolidated financial statements disclose the impact, if any, of pending litigations as at 31 March 2020 on the consolidated financial position of the Company– Refer Note 33 to the consolidated financial statements.

   ii. Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion, the Company had long-term contracts as at 31 March 2020 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at 31 March, 2020.

   iii. Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020 ; and

   iv. Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion, the reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31 March 2020.

21. Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N-500016

Arunkumar Ramdas
Partner

Mumbai — Membership Number: 112433
9 June 2020 — UDIN: 20112433AAAAFQ9534

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(All amounts are in INR million, unless otherwise stated)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3 (a)	15,277.12	15,891.44
Right of use Assets	3 (b)	544.29	-
Capital work-in-progress	3 (c)	56.96	453.84
Intangible assets	3 (d)	3.95	9.14
Investment accounted for using the equity method	4 (a)	2,864.11	2,594.18
Financial Assets			
Other financial assets	4 (b)	220.28	31.66
Income tax assets (net)	5 (a)	156.26	141.92
Other non-current assets	6	0.43	17.55
Total non-current assets		**19,123.40**	**19,139.73**
Current assets			
Inventories	7	76.09	84.25
Financial Assets			
(i) Trade receivables	8 (a)	459.12	509.72
(ii) Cash and cash equivalents	8 (b)	189.70	108.12
(iii) Bank balance other than (ii) above	8 (c)	6,305.35	5,229.02
(iv) Loans	8 (d)	4.77	4.79
(v) Other financial assets	4 (b)	32.37	58.90
Other Current assets	9	100.38	322.30
Total current assets		**7,167.78**	**6,317.10**
Total Assets		**26,291.18**	**25,456.83**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10	4,834.40	4,834.40
Other equity			
(i) Reserves and surplus	11	18,048.19	17,139.90
Total equity		**22,882.59**	**21,974.30**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	3 (b)	395.60	-
(ii) Other financial liabilities	12	34.47	27.20
Employee benefit obligations	13	32.13	19.36
Deferred tax liabilities (net)	14 (b)	493.97	462.21
Other non-current liabilities	15	596.10	670.54
Total non-current liabilities		**1,552.27**	**1,179.31**
Current liabilities			
Financial Liabilities			
(i) Trade payables	16		
Dues to Micro, Small and Medium Enterprises		1.48	0.36
Other than Micro, Small and Medium Enterprises		296.93	325.11
(ii) Lease liabilities	3 (b)	189.26	-
(iii) Other financial liabilities	12	169.09	369.44
Provisions	17	208.00	365.04
Employee benefit obligations	13	116.09	126.08
Income tax provisions (net)	5 (b)	14.75	12.78
Other current liabilities	18	860.72	1,104.41
Total current liabilities		**1,856.32**	**2,303.22**
Total Liabilities		**3,408.59**	**3,482.53**
Total equity and liabilities		**26,291.18**	**25,456.83**

The above Consolidated balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of
Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
Managing Director
DIN : 08593830

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in INR million, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	19	7,353.69	7,019.80
Other income	20	470.67	452.43
Total Income		**7,824.36**	**7,472.23**
Expenses			
Operating expenses	21	1,270.72	1,442.37
Employee benefits expense	22	566.94	596.85
Finance costs	23	73.76	3.65
Depreciation and amortisation expense	24	1,314.50	1,128.35
Other expenses	25	1,049.89	1,091.93
Total expenses		**4,275.81**	**4,263.15**
Profit before share of net profits of investments accounted for using equity method and tax		3,548.55	3,209.08
Share of net profit of associates accounted for using the equity method	4(a)	308.38	310.54
Profit before tax		**3,856.93**	**3,519.62**
Tax expense :			
For the year			
Current tax expense	14 (a)	1,258.95	1,106.77
Deferred tax (credit) / expense	14 (a)	(596.44)	46.05
Total tax expense		**662.51**	**1,152.82**
Profit for the year		**3,194.42**	**2,366.80**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement of post-employment benefit obligations		(19.55)	(7.95)
(ii) Share of other comprehensive income of associates		(0.55)	(0.29)
(iii) Less: Income tax relating to (i) above		6.83	2.78
(iv) Less: Income tax relating to (ii) above		0.10	0.06
Other comprehensive income for the year, net of tax		**(13.17)**	**(5.40)**
Total comprehensive income for the year		**3,181.25**	**2,361.40**
Earning per equity share [face value per share INR 10 (31 March 2019: INR10)]			
Basic earnings per share		6.61	4.88
Diluted earnings per share		6.61	4.88

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.
As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
Managing Director
DIN : 08593830

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at 31 March 2018		**4,834.40**
Changes in equity share capital	10	-
As at 31 March 2019		**4,834.40**
Changes in the equity share capital	10	-
As at 31 March 2020		**4,834.40**

B. Other equity

		Attributable to owners of Gujarat Pipavav Port Limited		
		Reserves & Surplus		Total
Particulars	**Notes**	**Securities Premium Reserve**	**Retained Earnings**	**Other Equity**
Balance at 1 April 2018	11(i)	14,288.87	2,471.19	16,760.06
Profit for the year			2,366.80	2,366.80
Less: Other Comprehensive Income			(5.40)	(5.40)
Total comprehensive income for the year ended 31 March 2019			**2,361.40**	**2,361.40**
Transaction with owners in their capacity as owners:				
Dividends paid (including dividend distribution tax)			(1,981.56)	(1,981.56)
Balance at 31 March 2019	11(i)	14,288.87	2,851.03	17,139.90
Profit for the year	11(ii)		3,194.42	3,194.42
Less: Other Comprehensive Income			(13.17)	(13.17)
Total comprehensive income for the year ended 31 March 2020			**3,181.25**	**3,181.25**
Transaction with owners in their capacity as owners:				
Dividends paid (including dividend distribution tax)			(2,272.96)	(2,272.96)
Balance at 31 March 2020		**14,288.87**	**3,759.32**	**18,048.19**

The above Consolidated Statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
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Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
Profit before tax	3,856.93	3,519.62
Adjustments :		
Share of profit of associate company	(270.38)	(310.54)
Deferred income recognised	(74.43)	(74.30)
Depreciation and amortisation expense	1,314.50	1,128.35
Finance costs	73.76	3.65
Interest income classified as investing cash flows	(375.11)	(321.11)
Loss on disposal of property, plant and equipment	0.30	0.23
Sundry balances written off / (back) (net)	(6.52)	(5.97)
Write offs / provisions for current assets, loans and advances	42.42	32.47
Foreign currency transactions and translations differences (net)	1.54	20.89
Provision for claims	(7.35)	-
	4,555.66	**3,993.29**
Operating profit before working capital changes		
Decrease/(Increase) in trade receivables	8.64	(293.29)
Decrease in inventories	6.15	39.70
Increase/(Decrease) in loans	0.02	(2.64)
Decrease/(Increase) in other financial assets	23.26	(46.77)
Decrease/(Increase) in other assets	36.57	(166.20)
(Decrease)/Increase in trade payables	(27.05)	40.84
(Decrease)/Increase in employee benefit obligations	(16.77)	10.84
Decrease in other financial liabilities	(123.34)	(68.93)
(Decrease)/Increase in non-current liabilities	(149.69)	5.98
(Decrease)/Increase in other current liabilities	(243.70)	187.74
	(485.91)	**(292.73)**
Cash generated from operations	4,069.75	3,700.56
Income taxes paid	(636.30)	(705.71)
Net cash inflow from operating activities	**3,433.45**	**2,994.85**
Cash flows from / (used in) investing activities		
Payments for property, plant and equipment	(147.50)	(313.54)
Proceeds from sale of fixed assets (net)	0.01	0.01
Interest received	350.14	255.27
Increase in deposits with banks	(1,051.36)	(1,202.22)
Net cash outflow used in investing activities	**(848.71)**	**(1,260.48)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in INR millions, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from / (used in) financing activities		
Interest paid	(73.76)	(3.65)
Repayment of lease liability	(157.90)	-
Dividends paid to Company's shareholders	(1,883.95)	(1,639.25)
Dividend distribution tax paid on dividend	(387.55)	(337.86)
Net cash outflow used in financing activities	**(2,503.16)**	**(1,980.76)**
Net increase / (decrease) in cash and cash equivalents	**81.58**	**(246.39)**
Cash and cash equivalents at the beginning of the period	108.12	354.51
Cash and cash equivalents at end of the period	**189.70**	**108.12**

Reconciliation of cash and cash equivalents as per the cash flow statement	**31 March 2020**	**31 March 2019**
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	189.70	108.12
Balance as per statement of cash flows	189.70	108.12

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of
Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
Managing Director
DIN : 08593830

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

1. (A) Company overview

i. Gujarat Pipavav Port Limited, ("the Company") was incorporated on 5 August 1992 to construct, operate and maintain an all-weather port at Pipavav, District Amreli, in the State of Gujarat.

ii. The port is designed to handle bulk, container, liquid cargo and RORO and to provide port services such as marine services, material handling and storage operations.

iii. The Company has entered into a 30 year Concession Agreement with Government of Gujarat and Gujarat Maritime Board ("GMB") dated 30 September 1998 to engage in the business of developing, constructing, operating and maintaining the port on a BOOT (Build Own Operate Transfer) basis.

iv. During the year 2005, AP Moller-Maersk group together with certain financial investors acquired the complete shareholdings held by the original promoter viz. Seaking Infrastructure Limited ("SKIL") group, on receipt of approval from Government of Gujarat, and GMB. Accordingly, AP Moller-Maersk group became the key promoter of the Company under the Concession agreement.

v. Pursuant to the approval of the shareholders of the Company in an extra ordinary general meeting held on 17 November 2009, the Company has issued and allotted through Initial Public Offering (IPO) 108,695,652 equity shares of INR 10 each at a premium of INR 36 per share aggregating to a total of INR 5,000 million to all categories of investors. The issue was made in accordance with the terms of the Company's prospectus dated 30 August 2010 and the shares got listed on 9 September 2010 on Bombay Stock Exchange and National Stock Exchange.

(B) Principles of consolidation and equity accounting

(i) Associates

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(ii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in The Consolidated Statement of Profit and Loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.9 below.

(iii) Changes in ownership interests

When the Company ceases to equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in Consolidated Statement of Profit and Loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate. In addition, any amounts previously recognised in other comprehensive income in respect of that associate are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) The Associate entity considered in the consolidated financial statements is:

Sr. No.	Name of the Company	Country of incorporation	% voting power held as at March 31, 2020
1	Pipavav Railway Corporation Limited (the 'Associate Company')	India	38.78%

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation of financial statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities and contingent consideration that is measured at fair value; and
- defined benefit plans – plan assets measured at fair value

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(iii) New and Amended Standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, leases
- Uncertainty over Income tax treatments-Appendix C to Ind AS 12, Income Taxes
- Plan amendment, curtailment or settlement-Amendments to Ind AS 19, Employee benefits
- Amendment to Ind AS 12, Income Taxes
- Long term Interests in Associates and Joint ventures – Amendments to Ind AS 28, Investments in Associates and Joint Ventures.

The Company had to change the accounting policies as a result of adopting Ind AS 116. This is disclosed in note 39. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2. Use of estimates:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the accounting period in which such revision takes place.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Managing Director and Chief Financial Officer of the Company are the chief operating decision makers. Refer note 38 for segment information presented.

2.4. Foreign currency transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Foreign currency transactions are recorded in Indian rupees using the rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date; the resultant exchange differences are recognised in the Statement of Profit and Loss.

As at the balance sheet date non-monetary items denominated in foreign currency are carried at historical cost. All non-monetary items denominated in foreign currency are carried at historical cost or other similar valuations are reported using the exchange rate that existed when the values were determined.

2.5. Revenue recognition

Company is engaged in providing port services such as marine services, material handling and storage operations. Revenue is recognized from rendering of services at a point in time upon the completion of services as per contract with customers. Revenue is measured based on the transaction price, which is the consideration as per contractual terms. The amount disclosed as revenue is exclusive of goods and service tax (GST) and net of estimated trade allowance and rebates wherever applicable.

A contract liability is the obligation to render services to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company satisfies the performance obligation as per the contract.

The Company does not expect to have any contracts where the period between the rendering of promised services to the customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Interest income on deposits with bank is recognised on a time proportion basis at applicable interest rates.

2.6. Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

2.7. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current tax is based on the results for the year ended 31 March, in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as deferred tax. The credit available under the said Act in respect of MAT is recognised as Deferred Tax Asset only to the extent there is convincing evidence that the Company will pay income tax in future periods and MAT credit can be carried forward to set-off against the normal tax liability. MAT credit recognised as Deferred Tax Asset is reviewed at each Balance sheet date and written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

2.8. Leases

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor was recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. Costs, including depreciation, incurred in earning the lease income are recognised as expenses.

With effect from 1 April 2019:

As a lessee

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the group under residual value guarantees
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- Payments of penalties for termination of lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the leases incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain the asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by value Ind AS Retail Limited, which does not have recent third-party financing, and
- Make adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use is depreciated over the underlying asset's useful life.

Payment associated with short term leases of equipment's and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value assets comprise hired vehicles, Hired Trailer and boats, etc.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight -line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

2.9. Impairment

Assets are reviewed at each reporting date to determine if there is any indication of impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit (CGU).

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the Statement of Profit and Loss.

If as at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

2.10. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11. Exceptional Items

Company recognises exceptional item when items of income and expenses within Statement of Profit and Loss from ordinary activities are such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period.

2.12. Inventories

Inventories comprise of stores, spares, loose tools, fuel and lubricants. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. These are carried at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Systematic provisioning is made for inventories held for more than a year. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13. Investment and Other Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss) ; and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

(ii) Measurement

At initial recognition, the Company measures its financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Equity instruments

The Company initially measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses and reversal of impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.14. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

2.15. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method, over the estimated useful life of each asset from the subsequent month of the date of purchase. Assets are depreciated as per useful life specified in Part 'C' of the schedule II of the Act.

The estimated useful life of assets which are those prescribed in Schedule II are as follows:

- Buildings 5 - 60 years
- Computer Software 3 years
- Furniture, Fittings and Leasehold Improvements 5 - 10 years
- Motor Vehicles 8 years
- Plant, Machinery and Equipment's 3 - 15 years

Based on internal technical evaluation following assets have a different useful life than prescribed by schedule II of the Act.

Asset Details	Block of Assets	Technical Estimate in Years
Ship to Shore Cranes	Plant, Machinery and Equipment's	20
Power Distribution Systems	Plant, Machinery and Equipment's	15
Carpeted Roads	Port Road - External	20
Jetties	Plant, Machinery and Equipment's	30
Dredging	Dredging	50
Boundary Wall	Buildings	20
Old Residential Complex, Marine Office Building, Warehouses and Guest houses	Buildings	15
Railway sidings	Railway sidings	30

All assets costing individually INR 125,000 or less are depreciated fully in the year of purchase.

The useful lives are reviewed by the management at each reporting date and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/(losses).

In accordance with Concession agreement all contracted immovable and movable assets shall be transferred to and shall vest in GMB at the end of the concession period, for consideration equivalent to the Depreciated Replacement Value (DRV). Since the DRV is currently not determinable, fixed assets are depreciated based on their estimated useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

2.16. Acquired intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and / or any accumulated impairment loss, if any.

Intangible assets are amortised in the Statement of Profit and Loss using the straight line method over their estimated useful lives, from the date that they are available for use. Accordingly, at present, these are being amortised on straight line basis based on the period of the licence in case of licensed software or for 3 years. Such intangible assets that are not yet available for use are tested annually for impairment.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.17. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) under the Group Gratuity cum Life Assurance (Cash Accumulation) Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

(iii) Other Long term employee benefit obligation

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit obligations. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.18. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.19. Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

2.20. Earnings per share (EPS)

The basic EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

2.21. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.22. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.23 Investment in Associate company

The Company carries its investments in associate at cost less impairment losses. The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable amount in accordance with policy given in 2.9.

2.24 Financial instruments measured at fair value

Financial instruments measured at fair value can be divided into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data. Fair value of listed securities fall within level 1 of the fair value hierarchy. Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

Fair value of level 3 assets and liabilities are primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Company's profit or equity significantly.

2.25 Critical estimates and judgements

The preparation of financial statements require the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise the judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line in the financial statements.

The areas involving critical estimates or judgements are:

- Estimates of current tax expense and deferred tax expense-Refer Note 5 and 14
- Estimated useful life of Property, Plant and Equipment and Intangible assets-Refer Note 3(a) and 3(c)
- Estimation of defined benefit obligation-Refer Note 13
- Estimation of fair value of contingent liabilities-Refer Note 33

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

3(a) (i) Property, plant and equipment [1st April 2019 to 31st March 2020]

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1 April 2019	Additions during the period	Deductions	As at 31st March 2020	1 April 2019 Depreciation	Charge on account of Depreciation for the period	Deductions	As at 31st March 2020 Depreciation	As at 31st March 2020
Land and site development	321.85	-	-	**321.85**	-	-	-	**-**	**321.85**
Buildings	5,465.96	43.05	1.32	**5,507.69**	933.50	224.68	1.02	**1,157.16**	**4,350.53**
Port Road - External	734.59	-	-	**734.59**	201.13	50.28	-	**251.41**	**483.18**
Plant, Machinery and Equipments	9,364.98	449.40	-	**9,814.38**	2,569.47	722.85	-	**3,292.32**	**6,522.06**
Dredging	3,869.19	-	-	**3,869.19**	360.83	90.52	-	**451.35**	**3,417.84**
Railway sidings	233.09	-	-	**233.09**	52.07	13.02	-	**65.09**	**168.00**
Furniture, Fittings and Leasehold Improvements	20.64	2.54	-	**23.18**	15.12	4.92	-	**20.04**	**3.14**
Motor Vehicles	24.33	-	0.37	**23.96**	11.07	2.74	0.37	**13.44**	**10.52**
Total	**20,034.63**	**494.99**	**1.69**	**20,527.93**	**4,143.19**	**1,109.01**	**1.39**	**5,250.81**	**15,277.12**

Notes :

1 Land and site development includes

- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased in prior years for getting the rail connectivity from nearest station upto the port boundary, was awarded to PRCL (our associate company) by Western Railways under a lease arrangement for the aforementioned purpose.
- Land aggregating INR 24.99 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).
- Expenditure of INR 244.85 million incurred towards Land Filling and Site development.

2 Refer to note 31 for disclosure of capital commitments for the acquisition of property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

3(b)(i) Leases

(i) Amount recognised in the Balance Sheet

The Balance Sheet shows the following amounts relating to leases:

	31 March 2020	01 April 2019
Right of Use Assets		
Land	80.37	89.83
Plant & Machinery	463.92	552.59
Total	**544.29**	**642.42**
Lease Liabilities		
Current	189.26	143.81
Non current	395.60	498.61
Total	**584.86**	**642.42**

Additions to the right-of-use assets during the current Financial year were INR 742.76

(ii) Amount recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

	31 March 2020
Depreciation charge of right of use assets	
Land	9.46
Plant & Machinery	189.01
Total	**198.47**
Interest expenses (Included in finance cost)	69.84
Expenses relating to short term leases (included in other expenses)	37.20
Expenses relating to variable lease payments not included in lease liabilities	324.22

3(c) (i) Capital work in progress

	As at 31st March 2020
Capital work in progress	56.96
Total	**56.96**

Capital work-in-progress mainly comprises of Canteen and Stay facility for the Railway Crew inside the port, Development of Railway Infrastructure for DFC Corridor Compatibility and Bulk TOS (GC TOS) Software implementation.

3(d)(i) Intangible Assets

Particulars	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount	
	As at 1 April 2019	Additions during the period	Deductions/ Adjustments during the period	As at 31st March 2020	1 April 2019 Amortisation	Charge on account of Amortisation for the period	On Deductions/ Adjustments	As at 31st March 2020 Amortisation	As at 31st March 2020
Computer Software	41.16	1.83	-	**42.99**	32.02	7.02	-	**39.04**	3.95
Total	**41.16**	**1.83**	**-**	**42.99**	**32.02**	**7.02**	**-**	**39.04**	**3.95**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

3(a)(i) Property, plant and equipment [1st April 2018 to 31st March 2019]

	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount	
Particulars	**As at 1 April 2018**	**Additions during the Year**	**Deductions/ Adjustments during the Year**	**As at 31st March 2019**	**As at 1 April 2018**	**Charge for the Year**	**On Deductions/ Adjustments**	**As at 31st March 2019**	**As at 31st March 2019**
Land and site development	321.85	-	-	**321.85**	-	-	-	**-**	**321.85**
Buildings	5,426.42	39.54	-	**5,465.96**	684.86	248.64	-	**933.50**	**4,532.46**
Port Road - External	734.59	-	-	**734.59**	150.85	50.28	-	**201.13**	**533.46**
Plant, Machinery and Equipments	9,247.54	120.42	2.98	**9,364.98**	1,858.92	713.29	2.74	**2,569.47**	**6,795.51**
Dredging	3,869.19	-	-	**3,869.19**	270.31	90.52	-	**360.83**	**3,508.36**
Railway sidings	233.09	-	-	**233.09**	39.05	13.02	-	**52.07**	**181.02**
Furniture, Fittings and Leasehold Improvements	17.44	3.20	-	**20.64**	11.84	3.28	-	**15.12**	**5.52**
Motor Vehicles	22.02	2.31	-	**24.33**	8.40	2.67	-	**11.07**	**13.26**
Total	**19,872.14**	**165.47**	**2.98**	**20,034.63**	**3,024.23**	**1,121.70**	**2.74**	**4,143.19**	**15,891.44**

Notes :

1 Land and site development includes

- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased in prior years for getting the rail connectivity from nearest station upto the port boundary, was awarded to PRCL (our associate company) by Western Railways under a lease arrangement for the aforementioned purpose.
- Land aggregating INR 24.98 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).

2 Refer to note 31 for disclosure of capital commitments for the acquisition of property, plant and equipment.

3(b)(i) Capital work in progress

	As at 31st March 2019
Capital work in progress	453.84
Total	**453.84**

Capital work-in-progress mainly comprises of Container handling Yard Cranes and Container Scanner.

3(c)(i) Intangible Assets

	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount	
Particulars	**As at 1 April 2018**	**Additions during the Year**	**Deductions/ Adjustments during the Year**	**As at 31st March 2019**	**As at 1 April 2018**	**Charge for the Year**	**On Deductions/ Adjustments**	**As at 31st March 2019**	**As at 31st March 2019**
Computer Software	40.28	0.91	0.03	**41.16**	25.40	6.65	0.03	**32.02**	9.14
Total	**40.28**	**0.91**	**0.03**	**41.16**	**25.40**	**6.65**	**0.03**	**32.02**	**9.14**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

4(a) Investments

Set out below is the associate of the company as at 31 March 2020 which, in the opinion of the directors, are material to the group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Quoted fair value		Carrying amount #	
					31 March 2020	31 March 2019	31 March 2020	31 March 2019
Pipavav Railway Corporation Limited	India	38.78%	Associate	Equity method	*	*	2,864.11	2,594.18

Pipavav Railway Corporation Limited engages in the construction, operation, and maintenance of a railway line connecting Port of Pipavav to Surendranagar Junction of Western Railway in Gujarat. Its railway system provides single window transport solutions for the movement of bulk and containerized cargo.

* Unlisted entity – No quoted price available.

	31 March 2020	31 March 2019
Opening carrying amount	2,594.18	2,283.87
Profit for the period	308.38	310.54
Other comprehensive income	(0.55)	(0.29)
Income Tax relating to the above	0.10	0.06
Dividend from PRCL	(38.00)	-
Closing net assets	**2,864.11**	**2,594.18**

4(b) Other financials assets

	31 March 2020		31 March 2019	
	Non-current	Current	Non-current	Current
Security deposits	34.93	13.16	31.66	8.93
Unbilled revenue	-	19.21	-	49.97
Receivable from Gujarat Maritime Board [Refer Note 33(b)]	185.35	-	-	-
Total other financials assets	**220.28**	**32.37**	**31.66**	**58.90**

5(a) Income tax assets (net)

	As at 31 March 2020	As at 31 March 2019
Advance Tax *	156.26	141.92
Total Current tax assets (net)	**156.26**	**141.92**

* Net of provision for tax of INR 2,877.26 million (31 March 2019 : INR 2,186.01 million)

5(b) Income tax provisions (net)

	As at 31 March 2020	As at 31 March 2019
Provision for tax #	14.75	12.78
Total Current tax provisions (net)	**14.75**	**12.78**

Net of Advance tax of INR 609.18 million (31 March 2019 : INR 678.47 million)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

6 Other non-current assets

	As at 31 March 2020	As at 31 March 2019
Capital advances	0.43	17.55
Total other non-current assets	**0.43**	**17.55**

7 Inventories

	As at 31 March 2020	As at 31 March 2019
Stores and spares	74.61	83.22
Goods-in-transit - Stores and Spares	1.48	1.03
Total inventories	**76.09**	**84.25**

Amounts recognised in Statement of Profit and Loss

Write down of Inventories to net realisable value amounted to INR 2.01 million (31 March 2019 : 12.21). These were recognised as an expense (Refer note - 25) and included in other expenses in Statement of Profit and Loss.

8(a) Trade receivables

	As at 31 March 2020	As at 31 March 2019
Trade receivables from contracts with customers	300.09	278.68
Trade receivables from contracts with customers - related parties (Refer note - 37)	244.69	277.82
Less: Allowance for doubtful debts (Refer note - 28)	(85.66)	(46.78)
Total trade receivables	**459.12**	**509.72**
Break-up of security details		
Secured, considered good	43.67	62.58
Unsecured, considered good	415.45	447.14
Credit impaired	85.66	46.78
Total	**544.78**	**556.50**
Allowance for doubtful debts	(85.66)	(46.78)
Total trade receivables	**459.12**	**509.72**

8(b) Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.20	-
Balances with banks		
- In current accounts	75.27	64.09
- In Exchange Earners' Foreign Currency accounts	114.23	44.03
Total cash and cash equivalents	**189.70**	**108.12**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

8(c) Other bank balances

	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity of more than three months but less than 12 months	6,299.44	5,224.57
Unpaid dividend account	5.91	4.45
Total other bank balances	**6,305.35**	**5,229.02**

8(d) Loans

	As at 31 March 2020	As at 31 March 2019
Loans and advances to employees	4.77	4.79
Total loans	**4.77**	**4.79**

9 Other current assets

	As at 31 March 2020	As at 31 March 2019
Advance for supplies	47.11	39.53
Prepaid expenses	23.61	17.00
Balances with government authorities	25.73	71.58
Receivable from Gujarat Maritime Board [Refer Note 33(b)]	-	185.35
Other receivables	3.93	8.84
Total other current assets	**100.38**	**322.30**

10 Equity share capital

	As at 31 March 2020	As at 31 March 2019
Authorised share capital 600,000,000 (31 March 2019 : 600,000,000) equity shares of INR 10 each	6,000.00	6,000.00
	6,000.00	**6,000.00**
Issued, subscribed and paid up share capital 483,439,910 (31 March 2019 : 483,439,910) equity shares of INR 10 each, fully paid-up	4,834.40	4,834.40
	4,834.40	**4,834.40**

a Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting period

	As at 31 March 2020		As at 31 March 2019	
	Number	INR	Number	INR
Equity shares at the commencement of the period	48,34,39,910	4,834.40	48,34,39,910	4,834.40
Issued during the period	-	-	-	-
At the end of the period	**48,34,39,910**	**4,834.40**	**48,34,39,910**	**4,834.40**

b Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

c Equity shares in the Company held by each shareholder holding more than 5% shares #

	As at 31 March 2020		As at 31 March 2019	
	Number	**Percentage**	**Number**	**Percentage**
APM Terminals Mauritius Limited	**20,79,03,931**	**43.01%**	**20,79,03,931**	**43.01%**
ICICI Prudential Value Fund - Series 4	**4,78,35,195**	**9.89%**	**4,16,99,875**	**8.63%**
HDFC Trustee Company Limited - Hdfc Capital Builder Fund	**4,34,82,989**	**8.99%**	**4,34,51,389**	**8.99%**

As per the records of the Company, including its register of members.

11 Reserves and surplus

	As at 31 March 2020	As at 31 March 2019
Securities premium reserve [Refer Note- (i) below]	14,288.87	14,288.87
Retained earnings [Refer Note- (ii) below]	3,759.32	2,851.03
Total reserves and surplus	**18,048.19**	**17,139.90**

(i) Securities premium reserve*

	As at 31 March 2020	As at 31 March 2019
Opening balance	14,288.87	14,288.87
Movement during the year	-	-
Closing balance	**14,288.87**	**14,288.87**

* Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(ii) Retained earnings

	As at 31 March 2020	As at 31 March 2019
Opening balance	2,851.03	2,471.19
Net profit for the year	3,194.42	2,366.80
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(13.17)	(5.40)
Dividends		
- Final dividend for the year ended	(870.19)	(821.85)
- Dividend distribution tax on final dividend for the year ended	(178.87)	(168.93)
- Interim dividend for the year ended	(1,015.22)	(821.85)
- Dividend distribution tax on interim dividend for the year ended	(208.68)	(168.93)
Closing balance	**3,759.32**	**2,851.03**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

12 Other financial liabilities

	As at 31 March 2020		As at 31 March 2019	
	Non-current	**Current**	**Non-current**	**Current**
Retention monies payable	7.27	37.47	-	98.13
Security deposits received *	27.20	65.25	27.20	62.81
Capital creditors *	-	36.38	-	101.06
Unclaimed dividend (Refer note below)	-	5.91	-	4.45
Other payables*	-	24.08	-	102.99
Total other financial liabilities	**34.47**	**169.09**	**27.20**	**369.44**

Note :

There are no amounts due for payment to Investor Education and Protection Fund under Section 125 of The Companies Act 2013 as at the year end.

* For due to related parties refer note - 37

13 Employee benefits obligations

	As at 31 March 2020		As at 31 March 2019	
	Non-current	**Current**	**Non-current**	**Current**
Compensated absences [Refer note (i) below]	-	37.14	-	29.47
Gratuity [Refer note (ii) below]	23.18	16.15	11.86	12.53
Other employee benefits payables	8.95	62.80	7.50	84.08
Total employee benefits obligations	**32.13**	**116.09**	**19.36**	**126.08**

(i) Compensated absences

The leave salary is payable to all eligible employees for each day of accumulated leave on death or on resignation or upon superannuation. Amount charged to the Statement of Profit and Loss on account of compensated absences during the year amounts to INR 8.26 million (31 March 2019: INR 5.55 million) and is included in Note 22 - 'Employee benefits expense'. Accumulated current provision for compensated absences aggregates to INR 37.14 million (31 March 2019: INR 29.47 million) (Refer note 13).

(ii) Post-employment obligations - Gratuity

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. Gratuity payments due to employees are processed disregarding the upper limits specified by Income Tax Act, 1961 and The Payment of Gratuity Act, 1972.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

The amount recognised in the balance sheet and movements in the net defined benefit obligation over the years are as follows :

	Present value of obligation	Fair value of plan assets	Net amount
Balance as at 01 April 2019	70.34	(45.95)	24.39
Balance as at 01 April 2019	70.34	(45.95)	24.39
Current service cost	6.95	-	6.95
Interest expense / (income)	5.25	(3.43)	1.82
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Total amount recognised in the Statement of Profit and Loss	**12.20**	**(3.43)**	**8.77**
Remeasurements			
(Gain) / loss from change in demographic assumptions	0.39	-	0.39
(Gain) / loss from change in financial assumptions	5.32	-	5.32
Experience (gain) / loss	13.63	0.21	13.84
Total amount recognised in other comprehensive income	**19.34**	**0.21**	**19.55**
Employers contributions	-	(13.38)	(13.38)
Benefit payments	(0.86)	0.86	-
Balance as at 31 March 2020	**101.02**	**(61.69)**	**39.33**
Balance as at 01 April 2018	56.16	(33.80)	22.36
Current service cost	6.21	-	6.21
Interest expense / (income)	4.25	(2.55)	1.70
Return on plan assets, excluding amounts included in interest expense / (income)			
Total amount recognised in the Statement of Profit and Loss	**10.46**	**(2.55)**	**7.91**
Remeasurements			
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	0.51	-	0.51
Experience (gain) / loss	7.00	0.43	7.43
Total amount recognised in other comprehensive income	**7.51**	**0.43**	**7.94**
Employers contributions	-	(13.82)	(13.82)
Liability Transferred In/ Acquisitions and Liability Transferred Out/ Divestments)	(0.09)	0.09	-
Benefit payments	(3.70)	3.70	-
Balance as at 31 March 2019	**70.34**	**(45.95)**	**24.39**

The net liability disclosed above relates to funded plans are as follow :

	31 March 2020	31 March 2019
Present value of funded obligations	**(101.02)**	**(70.34)**
Fair value of plan assets	**61.69**	**45.95**
Deficit of funded plan (Gratuity)	**(39.33)**	**(24.39)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

The significant actuarial assumptions were as follows :

	31 March 2020	31 March 2019
Discount rate	6.84%	7.47%
Salary growth rate	8.00%	8.00%
Expected rate of return on plan assets	6.84%	7.47%
Attrition rate	5.00%	6.00%
Mortality	Indian Assured lives mortality (2006-08)	Indian Assured lives mortality (2006-08)

	31 March 2020	31 March 2019
Projected Benefit Obligation on Current Assumptions	101.02	70.34
Delta Effect of +1% Change in Rate of Discounting	(8.23)	(5.33)
Delta Effect of -1% Change in Rate of Discounting	9.50	6.12
Delta Effect of +1% Change in Rate of Salary Increase	9.30	6.02
Delta Effect of -1% Change in Rate of Salary Increase	(8.22)	(5.36)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.81)	(0.31)
Delta Effect of -1% Change in Rate of Employee Turnover	0.90	0.34

Category of assets	**31 March 2020**	**31 March 2019**
Insurance fund (100%)	61.69	45.95
Total	61.69	45.95

(iii) Risk exposure :

Though its defined benefits plan, the Company is exposed to a number of risks, the most significant of which are detailed below

Changes in bond yields

A decrease in bond yield will increase plan liabilities, although this will be partially offset by increase in the plan's bond holding

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are invested with the Life Insurance Corporation of India Limited. It is subject to interest rate risk. The Company intends to maintain the above investments in the continuing years.

Maturity Analysis of Projected Benefit Obligation: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting

	31 March 2020	31 March 2019
1st Following Year	6.27	4.09
2nd Following Year	6.14	4.42
3rd Following Year	7.83	6.20
4th Following Year	7.87	6.32
5th Following Year	7.73	6.29
Sum of Years 6 To 10	38.61	29.74
Sum of Years 11 and above	134.99	92.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

14 Taxation

a. Tax expense recognised in the Statement of Profit and Loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax		
Current year	1,258.95	1,106.77
Total	**1,258.95**	**1,106.77**
Deferred tax		
Deferred tax	(596.44)	46.05
Total	**(596.44)**	**46.05**
Total income tax expense/(credit)	**662.51**	**1,152.82**

Reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	For the year ended 31 March 2020	For the year ended 31 March 2019
Accounting profit before tax	3,856.93	3,519.62
Applicable tax rate of the reporting entity	34.944%	34.944%
Expected total tax expense	1,347.76	1,229.90
Amount charged in Statement of Profit and Loss	662.51	1,152.82
Difference	685.25	77.08
Tax effect of amounts which are (not deductible) /allowable in calculating taxable income:		
(i) Expenditures not deductible for tax purpose	(22.93)	(20.92)
(ii) Share of profit in associate	107.75	108.51
(iii) Impact of change in tax rate*	599.26	(19.50)
(iv) Others	1.17	8.99
Total	**685.25**	**77.08**

*Pursuant to the Taxation Law (Amendment) Ordinance, 2019 (‘Ordinance’) issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 which is effective 1st April 2019, domestic Companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (‘New tax rate’) subject to certain conditions.The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilization of accumulated minimum alternative tax (MAT) credit. However, in accordance with the accounting standards, the Company has also evaluated the outstanding deferred tax liability, and written back an amount to the extent of Rs. 599.26 million to the statement of profit and loss. This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the company would migrate to the new tax regime.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

b(i) Deferred tax relates to the following :

	As at 31 March 2020	As at 31 March 2019
Expenditure deductible on payment basis (including Lease Liability)	275.65	120.17
Defined benefit obligations	23.17	20.56
MAT credit entitlement	956.24	1,591.26
Total deferred tax assets	**1,255.06**	**1,731.99**
On difference between book depreciation and tax depreciation	1,749.03	2,194.20
Total deferred tax liabilities	**1,749.03**	**2,194.20**
Net deferred tax liabilities	**493.97**	**462.21**

b(ii) Movement in deferred tax assets / (liabilities)

	Expenditure deductible on Payment Basis	Defined benefit obligations	MAT credit entitlement	Lease Liability	Right-of-use asset	On difference between book depreciation and tax depreciation	Total
At 1 April 2018	**103.07**	**16.64**	**2,006.78**	**-**	**-**	**(2,129.91)**	**(3.42)**
(Charged)/credited:							
- to Statement of Profit and Loss	17.10	1.14	-	-	-	(64.29)	(46.05)
- utilisation of MAT credit#	-	-	(415.52)	-	-	-	(415.52)
- to other comprehensive income	-	2.78	-	-	-	-	2.78
At 31 March 2019	**120.17**	**20.56**	**1,591.26**	**-**	**-**	**(2,194.20)**	**(462.21)**
Adjustment on adoption of Ind AS116 (Refer note - 39)							
At 1 April 2019 (Restated)	**120.17**	**20.56**	**1,591.26**	**224.49**	**(224.49)**	**(2,194.20)**	**(462.21)**
(Charged)/credited:							
- to Statement of Profit and Loss	8.38	(4.22)	-	(77.39)	87.41	582.25	596.43
- utilisation of MAT credit#	-	-	(635.02)	-	-	-	(635.02)
- to other comprehensive income	-	6.83	-	-	-	-	6.83
At 31 March 2020	**128.55**	**23.17**	**956.24**	**147.10**	**(137.08)**	**(1,611.95)**	**(493.97)**

#Utilisation of deferred tax assets on carry forward MAT credit is towards current tax payable and hence not routed through the Statement of Profit and Loss.

15 Other non-current liabilities

	As at 31 March 2020	As at 31 March 2019
Deferred income on Government Grant	596.10	670.54
Total other non-current liabilities	**596.10**	**670.54**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

16 Trade payables

	As at 31 March 2020	As at 31 March 2019
Trade payables*	-	325.12
Dues to Micro, Small and Medium Enterprises (Refer note - 41)	1.48	0.36
Other than Micro, Small and Medium Enterprises	296.93	-
Total Trade payables	**298.41**	**325.47**

* Out of total trade payables, INR 41.65 pertains to related parties (31 March 2019: INR 40.45) (Refer note-37).

17 Provisions

	As at 31 March 2020	As at 31 March 2019
Claims (Refer note - 33)	208.00	365.04
Total provisions	**208.00**	**365.04**

18 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Deferred income on Government Grant	74.30	74.30
Statutory dues payables	98.75	149.19
Accruals of Incentives and Rebates [Refer note - 18(a)]	542.31	689.18
Income received in advance	0.27	1.68
Advance from customers *	145.09	190.06
Total other current liabilities	**860.72**	**1,104.41**

* Revenue recognised that was included in advance from customers at the beginning of the period INR 70.06 million (31 March 2019 : INR 87.05 million)

18(a) Movement in Accruals of Incentives and Rebates

	As at 31 March 2020	As at 31 March 2019
At the commencement of the year	**689.18**	**577.56**
Accruals made during the year	658.07	733.32
Accruals utilised during the year	(804.94)	(621.70)
At the end of the year	**542.31**	**689.18**

19 Revenue from operations

	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from port services	6,863.25	6,580.66
Other operating revenue	490.44	439.14
Total revenue from operations	**7,353.69**	**7,019.80**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

20 Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- banks	375.11	321.11
- others	1.02	1.36
Deferred Income recognised	74.43	74.30
Miscellaneous income	20.11	17.66
Total other income	**470.67**	**452.43**

Note : All dividends from equity investments relates to investments held at the end of the reporting period.

21 Operating expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Handling expenses	931.92	1,141.90
Waterfront royalty (Refer note - 34)	220.28	187.81
Business support service charges	64.36	63.47
Other direct costs	54.16	49.19
Total operating expenses	**1,270.72**	**1,442.37**

22 Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	504.91	527.75
Contribution to provident fund and other funds (Refer note below)	24.56	19.99
Gratuity [Refer note 13(ii)]	8.77	7.90
Compensated absences [Refer note 13(i)]	8.26	5.55
Staff welfare expenses	20.44	35.66
Total employee benefits expense	**566.94**	**596.85**

The Company recognised INR 24.56 million (31 March 2019 : INR 19.99 million) for provident fund contribution in the Statement of Profit and Loss.

23 Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest and finance charges on lease liabilities	69.84	-
Others	3.92	3.65
Total finance costs	**73.76**	**3.65**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

24 Depreciation and amortisation expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	1,109.01	1,121.69
Amortisation of intangible assets	7.02	6.66
Depreciation of right-of-use assets [refer note-3(b)]	198.47	-
Total depreciation and amortisation expense	**1,314.50**	**1,128.35**

25 Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	246.39	249.39
Rent (Refer note - 32, 3(b) and 39)	11.65	21.59
Repairs		
- Building	71.71	29.58
- Machinery and equipment	194.91	248.30
- Others	64.73	64.36
Insurance	41.84	31.44
Rates and taxes	0.59	1.23
Travelling expenses	69.53	69.78
Legal and professional fees	62.62	66.32
Commission to Directors (Refer note - 37)	3.75	3.75
Expenditure towards Corporate Social Responsibility [Refer note - 25(a)]	67.30	106.60
Payment to auditors [Refer note - 25(b)]	4.25	4.12
Advertisement and sales promotion	14.25	11.47
Communication expenses	4.44	5.88
Loss on sale / disposal of fixed assets (net)	0.30	0.23
Loss on foreign currency transactions and translations (net)	28.64	24.13
Bad Debt Write Off	1.53	3.03
Provisions for inventory (Refer note - 7)	2.01	12.21
Provisions for doubtful debts [Refer note - 8(a)]	38.88	17.23
Freight and forwarding	1.43	2.60
Water charges expenses	18.85	22.09
Contract labour expenses	66.99	69.42
Miscellaneous expenses	33.30	27.18
Total other expenses	**1,049.89**	**1,091.93**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

25(a) Corporate Social Responsibility (CSR)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Amount required to be spent as per Section 135 of the Act	67.30	69.70
Amount spent during the year@	**67.30**	**106.60**
(i) Construction/ acquisition of any asset	12.16	38.82
(ii) On purposes other than (i) above	55.14	67.78
Total corporate social responsibility expense	**67.30**	**106.60**

@ Excludes advance paid of INR 6.57 million (31 March 2019 : INR 7.85 million).

	As at 31 March 2020		As at 31 March 2019	
	In cash	Yet to be paid	In cash	Yet to be paid
(i) Construction/acquisition of any asset	12.16	0	31.00	7.82
(ii) On purposes other than (i) above	37.33	17.81	59.91	7.87

25(b) Details of payment to auditors

	For the year ended 31 March 2020	For the year ended 31 March 2019
Payment to auditors		
As auditor		
Audit fee	2.75	2.75
Tax audit fee	0.21	0.21
Limited review of quarterly results	1.09	1.09
Others	0.10	-
Other services		
Reimbursement of expenses	0.10	0.07
Total payment to auditor	**4.25**	**4.12**

26. Transfer Pricing

The Company's international transactions with related parties are at arm's length as per the independent accountants' report for the year ended 31 March 2019. Management believes that the Company's international transactions with related parties post 31 March 2019 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expenses and that of provision of taxation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

27. Fair Value of financial assets and liabilities carried at amortised cost

There are no financial assets and liabilities designated at fair value through profit or loss or other comprehensive income. All the Financial instruments are carried at amortised cost.

	As at 31 March 2020		As at 31 March 2019	
	Fair Value	Carrying amount	Fair Value	Carrying amount
Financial Assets				
Non- Current Other financial assets				
Security deposits	34.93	34.93	31.66	31.66
Receivable from Gujarat Maritime Board	185.35	185.35	-	-
Current Other financial assets				
Security deposits	13.16	13.16	8.93	8.93
Unbilled revenue	19.21	19.21	49.97	49.97
Loans and advances to employees	4.77	4.77	4.79	4.79
Trade receivables	459.12	459.12	509.72	509.72
Cash and cash equivalents	189.70	189.70	108.12	108.12
Other Bank balances	6,305.35	6,305.35	5,229.02	5,229.02
Total Financial Assets	**7,211.59**	**7,211.59**	**5,942.21**	**5,942.21**
Financial Liabilities				
Non- Current Other financial liabilities				
Retention monies payable	7.27	7.27	-	-
Security deposits received	27.20	27.20	27.20	27.20
Lease Liability IND AS-116	395.60	395.60	-	-
Current Other financial liabilities				
Trade payables	298.41	298.41	325.47	325.47
Retention monies payable	37.47	37.47	98.13	98.13
Security deposits received	65.25	65.25	62.81	62.81
Capital creditors	36.38	36.38	101.06	101.06
Unclaimed dividend	5.91	5.91	4.45	4.45
Other payables	24.08	24.08	102.99	102.99
Lease liabilities	189.26	189.26	-	-
Total Financial Liabilities	**1,086.83**	**1,086.83**	**722.11**	**722.11**

Financial instruments carried at amortised cost

Fair value of the current financial assets and current financial liabilities carried at amortised cost is not materially different from the carrying amount. In general, fair value is determined primarily based on the present value of expected future cash flows.

28. Financial risk management

The Company's activities expose it to a variety of financial risks:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Company's financial performance. Risk management is carried out by finance department under policies approved by the Board of Directors.

(a) Credit risk

The Company has exposure to financial and commercial counterparties but has no particular concentration of customers or suppliers. To minimise the credit risk, security deposits and advance payments are taken from all major customers. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

Expected credit loss for trade receivables under simplified approach:

For the year ended 31 March 2020:

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	228.75	177.96	21.60	34.43	8.06	73.99	544.78
Expected credit losses	-	1.60	1.45	8.92	7.62	66.07	85.66
Carrying amount of Trade receivables	**228.75**	**176.36**	**20.15**	**25.51**	**0.44**	**7.92**	**459.12**

For the year ended 31 March 2019:

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	219.29	261.38	23.18	5.22	12.21	35.22	556.50
Expected credit losses	-	1.75	2.11	2.88	6.49	33.55	46.78
Carrying amount of Trade receivables	**219.29**	**259.63**	**21.07**	**2.34**	**5.72**	**1.67**	**509.72**

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors Company's liquidity position and cash and cash equivalents through Quarterly rolling forecasts and on the basis of expected cash flows. Company treasury maintains flexibility in funding through committed credit lines with Financial Institution.

Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date. Balances due within 12 months and more than 12 months equal their carrying balances as the impact of discounting is not significant.

	Notes	Carrying Amount	Payable on Demand	Less than 12 months	More than 12 months
As at 31 March 2020					
Trade payables	16	298.41	-	298.41	-
Retention monies payable	12	44.74	35.97	1.50	7.27
Security deposits received	12	92.45	65.25	-	27.20
Capital creditors	12	36.38	-	36.38	-
Unclaimed dividend	12	5.91	5.91	-	-
Other payables	12	24.08	-	24.08	-
As at 31 March 2019					

(All amounts are in INR millions, unless otherwise stated)

	Notes	Carrying Amount	Payable on Demand	Less than 12 months	More than 12 months
Trade payables	16	325.47	-	325.47	-
Retention monies payable	12	98.13	92.34	0.18	5.61
Security deposits received	12	90.01	62.81	-	27.20
Capital creditors	12	101.06	-	101.06	-
Unclaimed dividend	12	4.45	4.45	-	-
Other payables	12	102.99	-	102.99	-

As there are no committed credit facilities to meet obligations when due and to close out market positions, the Company is not exposed to liquidity risk.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Company's profit or the value of its holdings of financial instruments. Below sensitivity analyses relate to the position of financial instruments at 31 March 2020 and 31 March 2019. It is assumed that the exchange rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The sensitivity analyses show the effect on profit or loss and equity of a reasonably possible change in exchange rates and interest rates.

Foreign Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primary with respect to USD, AUD and EURO. The Company's business model incorporates assumptions on currency risk and ensures any exposure is covered through the normal business operations. As the functional reporting currency is in INR, the foreign currency risk exists for the Company.

Foreign currency exposure not covered by Forward Contracts as at 31 March 2020:

Details	USD Exposure		EURO Exposure	
	INR	USD	INR	Euro
Receivables/Advance to Vendor	**240.25**	**3.18**	**-**	**-**
	288.54	*4.16*	*-*	*-*
Advance from Customers	***2.08***	***0.03***		
	1.15	*0.02*		
Payables	**0.64**	**0.01**	**0.77**	**0.01**
	0.61	*0.01*	*0.02*	*@*
Cash and Bank Balance	**114.23**	**1.51**	**-**	**-**
	44.03	*0.64*	*-*	*-*

@ Amount is below the rounding off norm adopted by the Company

Amounts in italics represent amounts as at 31 March 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

Details	Impact on profit after tax	
	31 March 2020	31 March 2019
USD sensitivity		
INR/USD -Increase by 10% (31 March 2019-10%)	**35.18**	33.08
INR/USD -Decrease by 10% (31 March 2019-10%)	**(35.18)**	(33.08)
EUR sensitivity		
INR/EUR -Increase by 10% (31 March 2019-10%)	**(0.08)**	(0.00)
INR/EUR -Increase by 10% (31 March 2019-10%)	**0.08**	0.00

29. Capital Management

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The Company considers the following components of its Balance Sheet to be managed capital:

1) Share Capital 2) Share Premium and 3) Retained Earnings

The Company's capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities. The capital structure of the Company is managed with a view of the overall macro-economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company.

The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary. The Company does not have any debt or financial covenants.

The Management monitors the return on capital as well as the level of dividend to shareholders. The Company goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future period. Refer the following table for the final and interim dividend declared and paid.

Dividends

	31 March 2020	31 March 2019
(a) Equity shares		
(i) Final dividend for the year ended 31 March 2018 of INR 1.70 per fully paid share		**821.85**
Corporate dividend tax on above		**168.93**
(ii) Final dividend for the year ended 31 March 2019 of INR 1.80 per fully paid share	**870.19**	
Corporate dividend tax on above	**178.87**	
(iii) Interim dividend for the year ended 31 March 2019 of INR 1.70 per fully paid share		**821.85**
Corporate dividend tax on above		**168.93**
(iv) Interim dividend for the year ended 31 March 2020 of INR 2.10 per fully paid share	**1,015.22**	
Corporate dividend tax on above	**208.68**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

(b) Dividends not recognised at the end of the reporting period

The directors have recommended the payment of a final dividend of INR 3.50 per fully paid equity share (31 March 2019-INR 1.80). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

30. Traffic guarantee commitment

The Company has entered into tripartite Transportation and Traffic Guarantee Agreement with Pipavav Railway Corporation Limited (PRCL) and Indian Railways, to provide minimum volumes of 3 million metric tonnes for every Financial Year. The Company has consistently met its volume commitment from Financial Year 2010-11 till date and there is no shortfall on account of minimum traffic guarantees to be paid.

31. Capital and other commitments

(a) Capital commitments on account of Capital expenditure contracted and obligation under Export Promotion Capital Goods (‘EPCG’) at the end of the reporting period but not recognised as liabilities is as follows:

Particulars		31 March 2020	31 March 2019
(a)	Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances)	**72.10**	73.42
(b)	Bonds/Undertaking given by the Company under Concessional Duty / Exemption scheme to the Government Authorities (net of obligations fulfilled)	**2,949.14**	2,949.14

32. Lease

(i) The Company has given a total area of 1,111,813 Square Mtr. (31 March 2019: 1,111,813 Square Mtr.) of land on lease to various customers. The lease is up to 2028 which is the end of the concession period.

(ii) Operating lease rental income of INR 146.62 million (31 March 2019 INR 147.42 million) recognised in Statement of Profit and Loss is included in Other Operating Revenue in Note 19.

(iii) The future minimum lease payments receivable under the said non-cancellable operating lease for rented premises are as follows:

Particulars	31 March 2020	31 March 2019
Receivable within one year	**187.87**	**206.90**
Receivable between one and five years	**840.28**	**880.36**
Receivable more than five years	**847.01**	**1,177.57**

33. Provisions and Contingent liabilities

(a) Claims against Company not acknowledged as debt aggregates to INR 1,204.93 million (31 March 2019: INR 1,903.43 million). Provisions made in respect of the same aggregates to INR 208.00 million (31 March 2019: 365.04 million).

- Above claim does not includes disputed claim with the associate Company, Pipavav Railway Corporation Limited NIL (31 March 2019: INR 699.33 million). GPPL had made an offer of full and final settlement of INR 150 million under the conciliation proceedings which has been accepted by PRCL Board. During the current year, the Company has paid full and final settlement amount of INR 150 million to PRCL based on the conciliation agreement.

(b) The Company had made an application for approval of expansion plan to Gujarat Maritime Board (GMB) on 1st October 2012. The approval was received from GMB vide letter dated 10th April 2015. As per one of the conditions of the approval, the Company had issued a bank guarantee on 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB has also asked the Company to pay GST on the aforesaid bank guarantee amounting to INR 33.36 million. The Company reviewed the terms and conditions of approval and based on the management assessment and external legal expert advice, the Management believes that the amount is recoverable and is currently pursuing the matter with GMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

(c) Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to INR 110.14 million (31 March 2019: INR 327.77 million).

Movement in provisions

Particulars	Litigations / Disputes 31 March 2020	Litigations / Disputes 31 March 2019
At the commencement of the year	**365.04**	**365.04**
Provision made during the year	**-**	7.00
Provision reversed during the year	(7.04)	(7.00)
Payment made during the year	(150.00)	-
At the end of the year	**208.00**	**365.04**

Future cash outflows in respect of above are determinable only on receipt of judgements/decisions pending with various authorities/forums and/or final outcome of the matters.

(d) The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act as clarity emerges on impact of the ruling.

34. Concession Agreement with Government of Gujarat

Pursuant to the Concession agreement with the Government of Gujarat and GMB dated 30 September 1998, the Company is entitled towards government assistance and accordingly have discharged its liability towards waterfront royalty subject to the conditions led down in the aforesaid agreement.

35. Earnings per share

		For the year ended 31 March 2020	For the year ended 31 March 2019
Profit for the year	**(A)**	**3,194.42**	2,366.80
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		**483,439,910**	483,439,910
Number of equity shares at the end of the year		**483,439,910**	483,439,910
Weighted average number of equity shares outstanding during the year	**(B)**	**483,439,910**	483,439,910
Basic and diluted earnings per share (INR)	**(A/B)**	**6.61**	4.88

36. Interest in Associate company

Set out below is the associate of the Company as at 31 March 2020 which, in the opinion of the directors, is material to the Company. The entity listed below have share capital consisting solely of equity shares, which is held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entity	Place of Business	% of ownership	Relationship	Accounting method	Carrying amount 31 March 2020	Carrying amount 31 March 2019
Pipavav Railway Corporation Limited	New Delhi	38.78	Associate	Equity Method	830.00	830.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

37. Related party transactions

(a) **List of related parties and their relationship**

Relation	Party
A. Party with substantial interest and its affiliates	(i) APM Terminals Mauritius Limited, Mauritius (ii) APM Terminals Management B.V., The Netherlands (iii) Maersk A/S, Denmark (formerly known as Maersk Line A/S) (iv) APM Terminals India Private Limited, India (v) Maersk Line India Private Limited, India (vi) GPRO Services India Private Limited, India (vii) Maersk Training India Private Limited, India (viii) Gateway Terminals India Private Limited, India (ix) Maersk Training Svendborg A/s, Denmark (x) Damco India Private Limited, India (xi) APM Terminals Vado Ligure S.P.A. (xii) Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft A/S & Co (xiii) APM Terminals Medport Tangier (xiv) APM Terminals India Private Limited - EMR Division
B. Associate	Pipavav Railway Corporation Limited
C. Directors, Non-Executive Directors and Key managerial personnel	**A) Executive directors** Mr. Keld Pedersen (Managing director) Upto 31st May 2019 Capt. Padminikant Mishra (Interim Managing Director) from 24th October 2019 to 31st December 2019 Mr. Jakob Friis Sorensen (Managing Director) from 1st January 2020 **B) Non-Executive directors** Mr. Tejpreet Singh Chopra Ms. Hina Shah Mr. Pradeep Mallick Mr. Pravin Laheri Mr. David Skov (ceased to be Director from 28th July 2019)* Mr. Julian Bevis* Mr. Mukesh Kumar, IAS (Nominee of GMB) (ceased to be Director from 24th October 2019)* Mr. Timothy Smith from 19th September 2019* Mr. Keld Pedersen (Managing director up-to 31st May 2019 and Non-executive director from 1st June 2019) **C) Key managerial personnel** Mr. Santosh Breed

* No transactions during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

(b) **Related party transactions**

Transactions during the period	APM Terminals Mauritius Limited	MAERSK A/S	APM Terminals Management B.V.	GPRO Services India Private Limited	APM TERMINALS MEDPORT TANGIER S. A	Pipavav Railway Corporation Limited	Other Affiliates	Total
Income from port services	- -	**2,195.33** 2,138.03	- -	- -	- -	- -	**4.49** 5.23	**2,199.82** 2,143.26
Professional services received	- -	**(19.50)** (19.99)	- -	**(5.12)** (5.30)	- -	- -	**(0.27)** (1.18)	**(24.88)** (26.47)
Business support service charges	- -	- -	**(64.28)** (63.47)	- -	- -	- -	- -	**(64.28)** (63.47)
Expenses incurred on the Company's behalf	- -	- -	**(44.96)** (46.03)	- -	- -	- -	**(1.08)** (1.61)	**(46.04)** (47.64)
Expenses incurred on behalf of others	- -	- -	**6.36** -	- -	**1.40** -	- -	**1.89** 0.79	**9.65** 0.79
Training expenses	- -	- -	**(0.32)** -	- -	- -	- -	- (0.05)	**(0.32)** (0.05)
Manpower cost	- -	- -	- -	- -	- -	**(3.53)** (3.49)	- -	**(3.53)** (3.49)
Capital expenditure	- -	- -	**(3.14)** (2.50)	- -	- -	- -	- -	**(3.14)** (2.50)
Dividend income	- -	- -	- -	- -	- -	**38.00** 38.00	- -	**38.00** 38.00
Dividend payment	**(810.92)** (706.96)	- -	- -	- -	- -	- -	- -	**(810.92)** (706.96)
Closing Balances:								
Receivable	- -	**238.07** 276.38	**6.36** -	- -	- -	- -	**0.26** 1.43	**244.69** 277.82
Trade Payable	- -	**10.51** 5.45	**29.69** 30.14	- 1.35	- -	**0.52** 3.49	**0.93** 0.02	**41.65** 40.45
Capital Creditors	- -	- -	**3.17** 1.27	- -	- -	- -	- -	**3.17** 1.27
Deposit received	- -	**40.00** 40.00	- -	- -	- -	- -	**1.55** -	**41.55** 40.00
Accruals of Incentives and Rebates	- -	**45.51** 24.81	- -	- -	- -	- -	- -	**45.51** 24.81
Investment	- -	- -	- -	- -	- -	**830.00** 830.00	- -	**830.00** 830.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in INR millions, unless otherwise stated)

Name of Non-Executive Directors/Key Managerial personnel	Fees for attending Board/Committee meetings	Commission	Managerial Remuneration	Total
Mr. Tejpreet Singh Chopra	**0.55**	**1.50**	-	**2.05**
	0.60	*1.50*		*2.10*
Ms. Hina Shah	**0.85**	**0.75**	-	**1.60**
	0.95	*0.75*		*1.70*
Mr. Pradeep Mallick	**0.95**	**0.75**	-	**1.70**
	1.00	*0.75*		*1.75*
Mr. Pravin Laheri	**1.10**	**0.75**	-	**1.85**
	1.10	*0.75*		*1.85*
Mr. Keld Pedersen	-	-	**21.57**	**21.57**
			67.35	*67.35*
Mr. Santosh Breed	-	-	**10.82**	**10.82**
			9.53	*9.53*
Mr. Jakob Friis Sorensen	-	-	**17.36**	**17.36**
			-	-
Mr. Padminikant Mishra			**3.58**	**3.58**
			-	-

Amounts in italics represent amounts as at 31 March 2019

@ As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

38. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. Managing Director and Chief Financial Officer of the Company are the chief operating decision makers. The Company operates only in one Business Segment i.e. 'Port Services' which primarily includes services such as Marine services, Berth hire, Wharfage, Container Handling, Yard Operations, Stevedorage and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

The Company has a revenue of INR 2,199.82 (31 March 2019: INR 2,143.26) from related parties representing more than 10% of the total revenue.

39. Changes in Accounting policies

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's Financial statements.

Impact on the financial statements – lessee accounting

As indicated in note 2.1 above, the Company has adopted Ind AS 116 retrospectively from 1 April 2019 but has not restated comparatives for the year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in note 2.8.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 12%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review -there were no onerous contracts as at 1 April 2019
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- Excluding initial direct costs for the measurement of the right-of-use asset the date of initial application, and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application.

Instead, for contracts entered into before the transition date the group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, determining whether an arrangement contains a Lease.

(ii) Measurement of Lease liabilities

Operating lease commitments disclosed at 31 March 2019	125.03
Discounted using incremental borrowing rate at the date of initial application	77.02
Add: Lease liability due to variance in lease term assumptions as per Ind AS 116 and non-cancellable period as per Ind AS 17	577.05
Less: Short term leases not recognized as a liability	(11.65)
Less: Low value assets not recognized as a liability	-
Lease liability recognized at 1st April 2019	**642.42**
Of which are Current lease liabilities	143.81
Non- current lease liabilities	498.61
	642.42

(iii) Adjustments recognised in the Balance Sheet as on 1 April 2019

The Change in Accounting policy affected the following items in the balance sheet on 1 April 2019:

- Right -of-use assets – increase by INR 642.42
- Lease liabilities – increase by INR 642.42

The net impact on retained earnings on 1 April 2019 was NIL

40. COVID-19

The Company has made a detailed assessment of COVID – 19 on its financial statements. As per Company estimates, if the shipping lines had not skipped their calls, the Container volumes at Port would have been higher by 5-7% in last quarter of the year ended 31 March 2020. The Company has also evaluated its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising mainly of property, plant and equipment, right of use asset, investments in an associate, Deferred tax assets and Trade receivables as at the balance sheet date, and has concluded that there are no adjustments required in the financial statements.

The Company has performed detailed analysis on the assumptions used on the basis of the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets. The Company will also be able to generate sufficient cash to fund its operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019
(All amounts are in INR millions, unless otherwise stated)

Management believes that, in the preparation of the financial statements, it has taken into account all known events arising from COVID-19 pandemic. However, the assessment of the impact of COVID-19 is an ongoing process and the Company will continue to monitor any material changes to future economic conditions.

41. Other notes

Dues to Micro and Small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Company, the details of outstanding dues to the Micro and Small enterprises as defined in the MSMED Act, 2006 as set out in the following disclosures:

	31 March 2020	31 March 2019
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end;	1.15	0.31
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end;	0.33	0.05
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year;	11.63	1.38
d. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year;	-	-
e. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year;	-	-
f. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-

42. Due to COVID 19 situation, PRCL's (Associate Company) audited financial statements for the year ended 31st March 2020 are yet to be released to the Company. Hence, Company's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 307.93 million for the year ended 31 March 2020 in respect of the associate company, included in the Consolidated Ind AS Financial Statement of Company is based on associate company's management prepared Ind AS Financial information. The statutory auditors' have qualified their audit opinion stating that Company' share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 307.93 million for the year ended 31 March 2020 in respect of the associate company is based on un-audited financial information of the associate company.

As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Arunkumar Ramdas
Partner
Membership No: 112433

Mumbai
9 June 2020

For and on Behalf of Board of Directors of
Gujarat Pipavav Port Limited
CIN: L63010GJ1992PLC018106

Jakob Friis Sorensen
Managing Director
DIN : 08593830

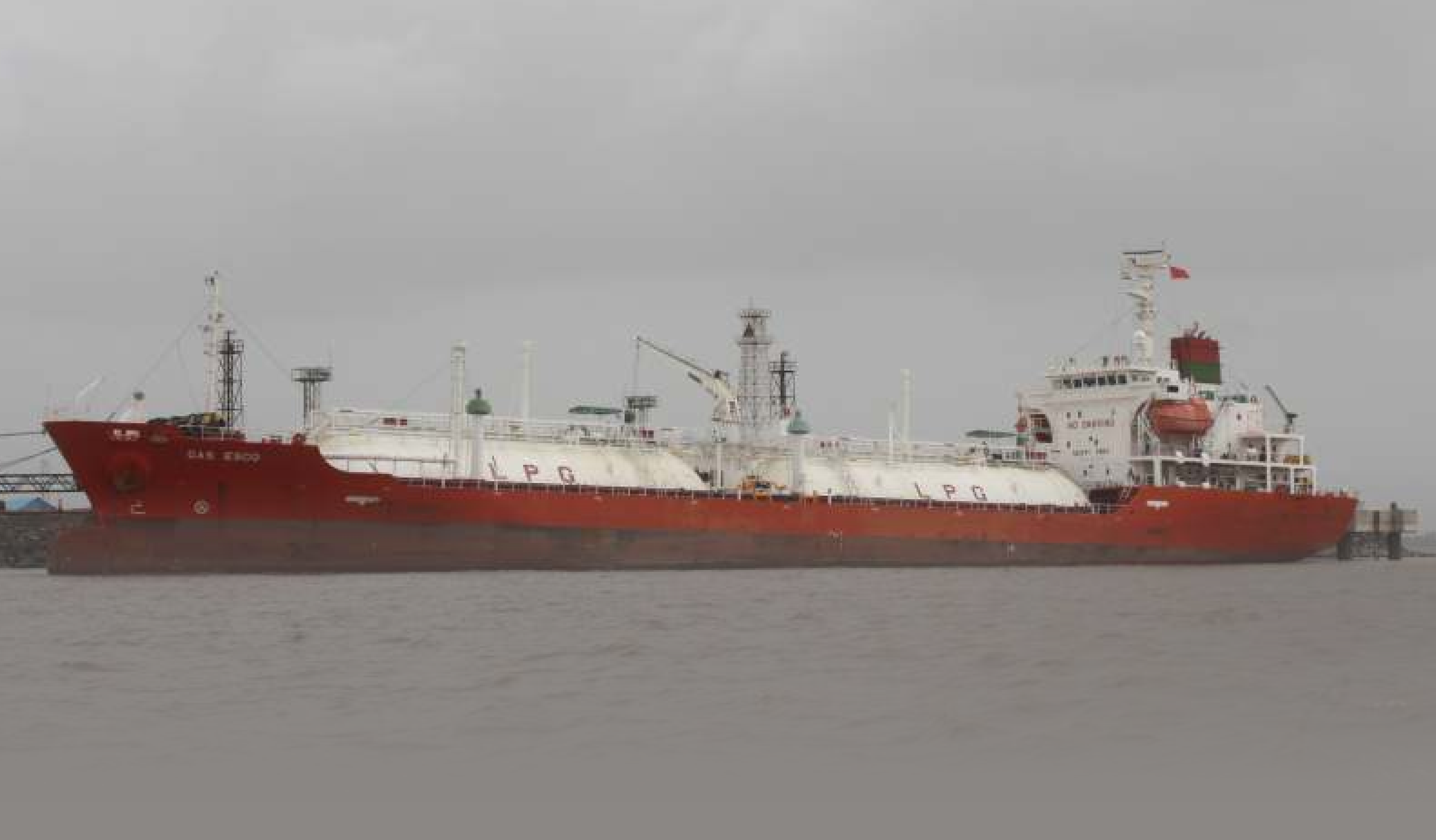
Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
9 June 2020

NOTES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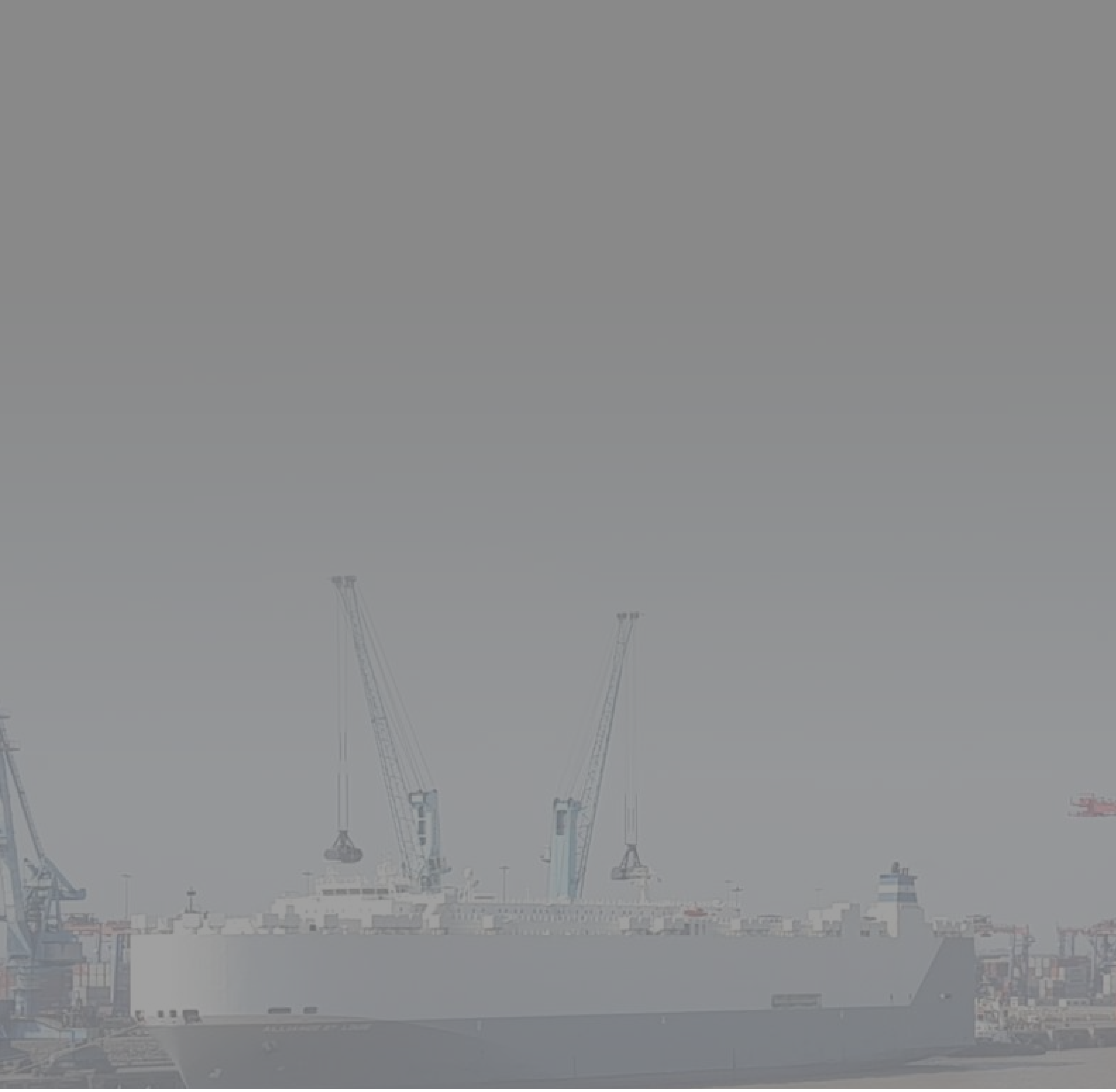

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APM TERMINALS

APM Terminals Pipavav

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