

# Gujarat Pipavav Port Limited



**ANNUAL REPORT  
2020-21**



Dear Members,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Gujarat Pipavav Port Limited for the Financial Year 2020-21. It comprises Standalone as well as the Consolidated financial statement for the year ended 31st March 2021.

During the year, your Company reported a Standalone Net Profit of Rs. 2,183.98 Million, a decrease of about 25% compared to the previous year. The previous year's Net Profit was higher due to reversal of Deferred Tax Liability accounted in the earlier years. Effective 1st April 2019 Tax laws were amended, providing an option to Domestic companies to choose between existing Corporate tax rate of 34.54% or a lower tax rate of 22.17%. The Company decided to continue with the existing tax rate to avail benefit of accumulated MAT credit and will switch to the lower tax rate post utilization of available MAT credit. The Company has re-measured its Deferred tax liability considering lower tax rate for future years, resulting into the reversal. After excluding the impact of the aforesaid reversal, the reduction in Net Profit is of 6% due to higher expenses on account of maintenance dredging and cargo handling expense.

Your Company had declared an Interim Dividend of Rs. 2.10 per share in November 2020 and it has been paid. In accordance with the past practice, the Board of Directors continue to recommend entire distributable profit by way of Dividend. The Board is pleased to recommend a Final Dividend of Rs. 2.40 per share for approval by the Members in the forthcoming Annual General Meeting (AGM). Including the amount of Interim Dividend per share, the total dividend amount for 2020-21 would be Rs. 4.50 per share.

The World continues to fight with the COVID-19 pandemic in the Year 2021. The impact of Coronavirus was expected to subside in the second half of the calendar year 2020. But the second wave of the virus hit India with unexpected speed and intensity taking a huge toll on the country's healthcare system. Considering the precarious situation, various State Governments had no other option but to declare local lockdowns. The overall economy of the country continues to be adversely impacted but the effect has been less severe compared to the previous year. In order to prevent/ reduce the impact of the potential third wave, the immunization programme in the country needs to pick up speed. At the same time, the citizens need to strictly adhere to the Covid Protocol as advised by the authorities from time to time.

The stimulus package by the US Government and by the Government of various European countries for their citizens has led to a massive surge in the spending pattern in those countries. In the US, the impact of this stimulus package coupled with reduced manpower at various ports due to Covid, has resulted in much lower productivity and congestion at US ports. It has also led to a longer lead time for turnaround of the empty containers from their inland destination back to the ports. This congestion and longer lead time has led to shortage of containers and a multi-fold increase in ocean freight rates on the Trans Pacific and Europe routes. The effect of congestion due to reduced manpower on account of Covid has also been seen at the ports in the Far East countries. In order to participate in this "once in a lifetime" opportunity, the shipping lines started deploying their maximum capacities to these most profitable ocean routes. Consequently, it has adversely impacted the Indian Exim trade because the vessel size on Indian trade lanes reduced, the availability of containers became difficult thus leading to increase in ocean freight rates to and from India. This trend is expected to continue for rest of the calendar year 2021.

During the entire period of Covid starting from March 2020, the employees of your Company continued to carry out uninterrupted Port Operations supporting the supply chain of customers. But Cyclone Tauktae had landfall about 30 kms West of Pipavav Port on the night of 17th May 2021. Based on the alerts by the Indian Metrological Department (IMD), the Port Operations were closed from the night of 16th May 2021 as a precautionary measure. Your Company's employees worked tirelessly to safely secure all the Equipment from the Cyclone. Pipavav witnessed the wind speed upto 240 kms per hour on the night of 17th May 2021 leading to complete disruption of the Grid Power Supply and also the Communication links. But thanks to the team's stupendous all round efforts, the employees were safe, the Port did not suffer any loss of life and the key infrastructure of the Port has not suffered any major loss or damage. Post the cyclone, the top most priority was to make a quick assessment of the damage and getting ready to resume the Port Operations. The team again got into the massive restoration activity of the entire port facility. Considering the uncertainty of resumption of the Grid power supply, the 11 MW mobile power pack was mobilized on hire from Mumbai and partial operations commenced within two weeks of being hit by the Cyclone. While the Dry Bulk and Liquid Berths are fully operational, for Containers only one berth is operational given the supply capacity of the mobile power pack. Within the limitations, your Company is putting its best possible efforts in supporting the supply chain of its customers. During these testing times the massive efforts by the employees of your Company shows their strong character, their discipline of the top order and deep commitment towards their professional duty. On behalf of the Board of Directors I would like to place on record our sincere appreciation for our employees. I would also like to take this opportunity to thank our customers who stood beside us and for extending all the support.

Amongst the challenges of Covid and Cyclone, your Company is pleased to inform that the rail infrastructure of its Associate Company PRCL connecting into Pipavav Port and the rail sidings inside the Port are all compliant to run Double Stack Electric Freight Trains in accordance with the Dedicated Freight Corridor (DFC) requirements. The trade community is eagerly waiting for commencement of regular operations on the DFC route, a landmark project for the country.

During last year, your Company had improved upon the evacuation capabilities for LPG by commissioning of the LPG rail siding inside the Port. I am pleased to inform that your Board of Directors have approved the Capex plan to upgrade the Liquid Berth infrastructure on the waterfront to be able to handle partially loaded Very Large Gas Carriers (VLGCs). Once the project is completed early next calendar year, the Port's waterfront infrastructure will be at par with the competition and its overall LPG product including rail evacuation is expected to provide a much stronger value proposition to the LPG importers.

During the previous year, your Board had also approved the Capex for increase in Fertiliser storage capacity. The construction work was progressing well but the structure was damaged due to the Cyclone. The Contractor would need to re-build the structure therefore the additional storage capacity would be delayed for this year's Fertiliser season. The shed will have the Solar Panels with a capacity to generate 1 MW of Green Power. The Company is also in dialogue for purchase of Green Power from the producers as part of the initiatives to reduce carbon footprint.

Your Company continues to be debt-free and is exploring for the right investment opportunities that could lead to growth of Pipavav Port. But big ticket investments will have to wait for the clarity on the extension of Concession by the Gujarat Maritime Board considering the limited time horizon in the current Concession.

Your Company continues to work closely with the District Administration by providing all the necessary support from time to time in their efforts towards Covid. The Company has also been conducting the vaccination camps and has been carrying out awareness campaign amongst the local community for observing all Covid related protocol.

On behalf of the Board of Directors, I take this opportunity to thank our Shareholders for their faith in the Company during these challenging times.

The Board of Directors join me in expressing their sincere appreciation of all our Customers for standing beside the Company during its crisis. Similarly, the Company's Vendors have moved with great speed in assisting the Company in its restoration activities post the Cyclone.

Our Associate Company Pipavav Railway Corporation Limited has continued to play crucial role in ensuring that the electrification work of the rail line connecting the port gets completed simultaneously with the main line, despite the ongoing challenges of Covid and the Cyclone.

Like I mentioned earlier and I reiterate, the strong character shown by our Employees in fulfilling their professional duty speaks volumes about their abilities and I along with my colleagues on the Board thank them for their massive efforts pre and post the Cyclone.

I also thank the State Government bodies and the Central Government for all the assistance provided to the Port in its restoration activities post the Cyclone and otherwise.

India continues to march ahead in its fight against Covid and is trying hard to bring normalcy to the economic activities at the earliest. This can also be a good time for the DFC authorities to address the initial glitches once the landmark project is commissioned anytime soon. It should help in strengthening the position of Indian Exports in the international markets. It will unleash the true potential of the country in the global trade.

With Best Wishes,

Tejpreet Singh Chopra  
Chairman

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**BOARD OF DIRECTORS**

Mr. Tejpreet Singh Chopra                      Chairman  
 Mrs. Avantika Singh Aulakh, IAS  
 Nominee Gujarat Maritime Board (from 24th September 2020)  
 Mrs. Hina Shah  
 Mr. Julian Bevis  
 Mr. Keld Pedersen  
 Mr. Maarten Degryse  
 (from 12th November 2020)  
 Mr. Pradeep Mallick  
 Mr. Pravin Laheri, IAS (Retd.)  
 (upto 29th July 2020)  
 Mr. Soren Brandt  
 (from 6th August 2020)  
 Mr. Samir Chaturvedi  
 (from 12th November 2020)  
 Mr. Timothy John Smith  
 Mr. Jakob Friis Sorensen                      Managing Director

**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  
 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

**CORPORATE OFFICE**

501-502, Godrej Two  
 Pirojshanagar,  
 Vikhroli East, Mumbai 400079  
 Tel: 022 50721324 Fax: 022 50721300

**NOTICE** is hereby given that the 29th Annual General Meeting of the Members of Gujarat Pipavav Port Limited (CIN:L63010GJ1992PLC018106) ('the Company') will be held on Friday 13th August 2021 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 2021, 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 2021, along with the Auditors Report thereon.
2. To declare a final dividend of Rs. 2.40 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 2021.
3. To appoint a Director in place of Mr. Julian Bevis (DIN: 00146000) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Timothy John Smith (DIN: 08526373) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 5. **Payment of Commission to Independent Directors of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149(9) and 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company do make payment amongst the Independent Directors of the Company on annual basis, of such remuneration by way of commission, the aggregate of which shall not exceed one percent of the Net Profit of the Company per annum computed in the manner prescribed under Section 198 of the Companies Act, 2013, subject to maximum ceiling of Rs. 7,500,000 per annum for the Financial years commencing from 2021-22 to 2025-26, in such amount and proportion and in such manner and in all such respects as may be determined by the Board of Directors (Board shall include Nomination & Remuneration Committee) from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take all such steps and do all such things including settling or resolving any doubts as may be required from time to time in connection with the aforesaid resolution and matters related thereto."

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  
27th May 2021

### Notes:

- a) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 5, 2020 and January 13, 2021 read with circulars dated April 8, 2020 and April 13, 2020 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, (collectively referred to as “said Circulars”) has allowed Companies to hold 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 said 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. However, representatives of members u/s 112 and 113 can be appointed to participate and vote at this AGM.
- d) Institutional / Corporate Shareholder (i.e. other than individuals / HUF, NRI, etc.) is required to send scanned copy (PDF/JPG Format) of its Board or Governing body’s Resolution/Authorisation etc., authorising 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](mailto:hsk@rathiandassociates.com) with copy to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- e) The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday 7th August 2021 to Friday 13th August 2021 (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 Directors seeking 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) In terms of the said Circulars and 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 2020-21 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 said Circulars.
- 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](mailto: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 2020-21 is available on the Company’s website [www.pipavav.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

### **PROCEDURE FOR ATTENDING THE AGM THROUGH VC/OAVM**

- k) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/

OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- l) 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.
- m) 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.
- n) 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.nsd.com](http://www.evoting.nsd.com) to reset the password.
- o) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and E-voting user manual available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com)

Shareholders/Members, who need assistance before or during the AGM, can contact NSDL official Ms. Sarita Mote on Toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **PROCEDURE TO ASK QUESTIONS/ SEEK CLARIFICATION REGARDING THE ANNUAL REPORT**

- p) 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](mailto:investorrelationinppv@apmterminals.com) from 9.00 AM on Thursday 5th August 2021 and latest by 5.00 PM IST on Saturday 7th August 2021. 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.
- q) 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**

- r) 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 as per SEBI’s circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 regarding the E-voting facility required to be provided by the listed companies, 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.
- s) The Remote E-voting shall commence from **Tuesday 10th August 2021 (9.00 a.m. IST)** and ends on **Thursday 12th August 2021 (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 Friday 6th August 2021, 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.
- t) 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., 6th August 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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.

- u) 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.
- v) 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 Company Secretary 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.
- w) The Results declared along with the Scrutinizer's Report will be available on the Company's website [www.pipavav.com](http://www.pipavav.com) and on NSDL's website <https://www.evoting.nsdl.com>
- x) 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).
- y) 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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "<b>Beneficial Owner</b>" icon under "Login" which is available under "<b>IDeAS</b>" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS</b>" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider (ESP) i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Login Method
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.



3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use 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 by NSDL to you, from 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](http://www.evoting.nSDL.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nSDL.com](http://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](mailto:evoting@nSDL.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- 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.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 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 16th August 2021, 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 6th August 2021.
  - (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 6th August 2021.
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](mailto:einward.ris@kfintech.com) by 31st July 2021 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 6th August 2020 have been displayed under the Investors Section on the Company's website [www.pipavav.com](http://www.pipavav.com) These have been also submitted to IEPF on its website [www.iepf.gov.in](http://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](mailto:investorrelationinppv@apmterminals.com)

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

#### Item no. 5

The provisions of Sections 149(9) and 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provide that all fees/compensation (except sitting fees within the limits prescribed under the Companies Act, 2013), paid to Non-executive Directors, including Independent Directors, shall require prior approval of Shareholders in General Meeting.

Accordingly, the approval of the members is being sought in accordance with provisions of Section 197 of the Companies Act, 2013, for payment of remuneration by way of commission to the Independent Directors of the Company, on annual basis, upto 1% of the Net profits of the Company as calculated as per the provisions of Section 198 of the Companies Act, 2013, but not exceeding Rs. 7,500,000 per annum for the Financial years commencing from 2021-22 to 2025-26. If approved by the Members, the said commission will be distributed amongst Independent Directors (other than the Managing Director(s) and / or Whole time Director(s)), on annual basis, in such amount, proportion and manner as the Board of Directors may decide.

Your Directors recommend the said resolution proposed vide Item No. 5 to be passed as a Special Resolution by the members.

None of the Promoter, Directors, Key Managerial Personnel of the Company and none of their relatives are deemed to be concerned or interested financially or otherwise in the said resolution, except the Independent Directors to the extent of the commission they may receive under authority of this resolution.

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

<b>Particulars</b>	<b>Mr. Julian Bevis</b>	<b>Mr. Timothy John Smith</b>
Date of Birth	28th April 1950	28th March 1963
Date of Appointment	25th July 2014	19th September 2019
Qualification	Masters from Oxford University	BA (Hons) first class in Geography from University of Oxford
Experience (in years)	Over 50 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	He will be paid Sitting fee for attending the Board Meeting and Board Sub-committee Meetings.	Nil
Remuneration last drawn	NA	NA
Number of Meetings of the Board attended during the year	4	4
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Gateway Terminals India Private Limited	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 29th Annual Report to the Members of the Company together with the Audited Standalone and Consolidated Statement of Accounts for the financial year ended 31 March 2021.

### 1. FINANCIAL STATEMENTS & RESULTS:

#### a. STANDALONE FINANCIAL RESULTS:

(INR Million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Operating Income	7,334.63	7,353.69
Less: Total Expenditure	3,113.42	2,887.55
Operating Profit	4,221.21	4,466.14
Add: Other Income	442.00	508.67
Profit before Interest, Depreciation, Tax and Exceptional Item	4,663.21	4,974.81
Less: Interest	63.10	73.76
Less: Depreciation	1,334.50	1,314.50
Profit Before Tax	3,265.61	3,586.55
Less: Taxes	1,081.63	662.51*
Profit for the year after Tax	2,183.98	2,924.04
Total comprehensive income for the year	2,180.77	2,911.32

\*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 2021	For the year ended 31 March 2020
Dry Bulk Cargo (Mn MT)	3.13	2.32
Liquid Cargo (Mn MT)	0.69	0.82
Containers (In TEUs)	748,722	872,973
RORO (No. of Cars)	11,017	46,509

On 17th May 2021, the Tropical Cyclone Tauktae made a landfall about 30 kms. West of Pipavav Port. Based on the weather forecast and the warnings issued by the Indian Meteorological Department (IMD), the Port Operations were suspended from the night of 16th May 2021. All the port's assets were safely secured for their protection from strong winds. Fortunately, all employees are safe and thanks to the extraordinary efforts of the Company's employees in securing the assets, there has been no major damage to the Port's infrastructure facility. The power supply from the main grid and the communication lines have been completely disrupted due to the cyclone. The Port Operations can resume only after the power supply from the grid is restored.

**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. A snapshot of the Consolidated Accounts is as follows:

(INR Million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Operating Income	7,334.63	7,353.69
Less: Total Expenditure	3,113.42	2,887.55
Operating Profit	4,221.21	4,466.14
Add: Other Income	404.00	470.67
Profit before Interest, Depreciation, Tax and Exceptional Item	4,625.21	4,936.81
Less: Interest	63.10	73.76
Less: Depreciation	1,334.50	1,314.50
Profit Before Tax	3,227.61	3,548.55
Add: Share of Net Profit of Associate Company accounted for using the Equity Method	73.55	308.38
Less: Taxes	1,081.63	662.51
Profit for the year after Tax	2,219.53	3,194.42
Total comprehensive income for the year	2,216.45	3,181.25

**d. DIVIDEND:**

The Board of Directors in their Meeting held on 12th November 2020 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. 2.40 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 13 August 2021 and will be paid on 16 August 2021, within the stipulated time limit to all Members whose Names appear in the Register of Members, as of the close of business hours on 6 August 2021. The final dividend if approved by the Members would involve a cash outflow of Rs. 1,160 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)(I) 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 has been approved by the shareholder's by way of Postal Ballot on 16 March 2020, pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) 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:**

Most of the countries around the world continue to deal with the challenge of Covid in the year 2021. The various mutants of the virus continue to adversely impact the countries and the governments are trying to balance between protecting their population and managing their country's economy. Many Western countries have been able to vaccinate a sizeable amount of their population and have been lifting the lockdown restrictions. As far as India is concerned, the speed and intensity of the second wave of Covid has taken a huge toll on the country's health infrastructure and on the frontline medical fraternity. While the Government of India has ruled out imposing a nationwide lockdown as it did in the year 2020, various State Governments did not have any option except imposing lockdowns to control the movement of people and to try and reduce to the extent possible new cases of virus infections. This challenge is likely to continue until the time a sizeable amount of the country's population gets vaccinated.

The stimulus package provided by the US Government saw a sudden surge in the buying activities by its citizens. This resulted into an unusual situation of recovery in demand much faster and in excess of anticipated volume in the Container Shipping. The ocean carriers moved capacity to the high demand Trans-Atlantic route resulting into high vessel utilisation. The Container production had decreased so the availability of containers was also scarce. As a result the ocean freight rates started increasing and the shipping lines deployed more capacity on the route to cater to the high demand. Due to shortage of manpower, the productivity at the Ports and at the Inland Container Depots in the US was lower, resulting into longer lead time and turnaround of empty containers out of the US. This situation of excess demand and short supply of containers saw multi-fold increase in the ocean freight rates of the shipping lines. Before this situation could improve, the container shipping industry saw another disruption at the Suez Canal. Though it got addressed in about a week's time, the sailing schedule of the ships is still being worked upon by the carriers to improve their reliability and for timely delivery of cargo. All these factors have created congestion at Far East ports and resulting into skip calls for the Indian ports. Though the number of skip calls has been on a decline, the sailing schedules are still far from normal and it could take another couple of quarters.

The IMF expects the global economy to grow at 5.5% in the year 2021 after contraction of -3.5% in the year 2020. The growth is expected to stabilise at 4.2% in the year 2022. But the renewed waves and the new variants of the virus pose severe concern. Also, the strength of growth is likely to vary from country to country depending upon the speed of medical intervention, quantum of policy support by the Governments and strong multi-lateral cooperation.

India's GDP growth for the financial year 2022 is entirely dependent upon how soon the second wave starts showing a downward trend and how rapidly the country's population gets vaccinated in order to bring control over the disease. Various agencies are estimating differing growth rates for India ranging from 9.8% to 8.2% but in these very uncertain times it is difficult to determine the expected growth rate for the country. The faster the State Governments are able to vaccinate the majority population combined with those who are already treated for Covid, will provide confidence to the State Governments to step up the economic activities.

The Western Dedicated Freight Corridor project was to partially commission upto Palanpur in April 2021 but the second wave of coronavirus infection has delayed its commissioning due to reduction in the labour force. The speed of work for the corridor upto Palanpur has slowed down and the line is now expected to be operational by end June 2021. Pipavav's railway line and the rail sidings inside the port will also be ready by then. While the freight for the DFC route has still not been announced by the Railways, the more competitive the freight rate, the faster shall be the shift of cargo from road to rail. The freight for DFC plays an important role in determining the success of DFC. The trade fraternity of India is excitingly looking forward to the commissioning of this landmark infrastructure project of the country as it is expected to bring reliable and faster movement of cargo at a cheaper rate than the existing rail freight.

The ports on the West Coast of India have seen a growth of about 4% in the Container business at 12.3 Million TEUs for the financial year 2020-21 as compared to 11.8 Million TEUs in 2019-20. As per the Company's estimate about 8% volume growth in 2020-21 is coming from Transshipment volume due to the congestion at Colombo Port. While it remains to be seen whether that volume will continue to be handled from the West Coast of India, excluding this volume the West Coast port volumes would have seen a decrease of about 4%. It clearly reflects the impact of Covid on the Exim trade of the country. With speedy vaccination in Western countries the economic activity of those countries will also start seeing improvement. The sooner India also improves upon its vaccination drive and correspondingly steps up the economic activity, the better opportunity it has in participating in a bigger way in the global Exim trade.



As far as Pipavav is concerned it has added two new Container services one is a direct connection to the Middle East and the other is a direct service to China. These services are commencing the call from May 2021. The Company expects to see improvement in its overall Exim volume through these services.

The other area Pipavav has been working upon is Costal shipping within the country, taking forward the Government of India's initiative of promoting the domestic costal movement of cargo. The Company has added two new costal services during the year for moving Domestic Containers through sea.

The Dry Bulk business has been doing quite well led by strong Fertiliser imports. The Company is in the process of expanding its Fertiliser storage capacity by constructing a new warehouse of 10,000 sq. mtrs.

As far as the Liquid Cargo business is concerned, the Company has taken steps to strengthen the evacuation capability of LPG cargo. The Company has commissioned the Rail Siding inside the port for facilitating rail evacuation of LPG cargo. Prior to that the LPG evacuation was happening only by Road so the hinterland was limited to the closer vicinity of the Port. With the Rail evacuation facility getting commissioned, the Port will be able to serve the extended hinterland. The Company is also commencing the work for Upgradation of liquid berth for handling of partially loaded Very Large Gas Carrier (VLGC) vessels. The West coast Ports are largely handling VLGC vessels for LPG so it is important to enhance the waterfront capabilities at Pipavav to be at par with the competition.

As far as RoRo business is concerned the Car exports is seeing some recovery. Considering the trends, the Company expects stronger improvement in Car exports in the year 2022. Ford and Mahindra had announced a JV and have subsequently parted ways. Ford on its own is expected to charter its own course in the year 2022. APM Terminals Pipavav is in all readiness to handle improved business opportunity for Car exports.

### **3. RISKS AND AREAS OF CONCERN:**

Globally the Covid situation was expected to see improvement in the second half of the Year 2020. But not only the second half of the year 2020 but even first half of year 2021 has been impacted due to the new variants of the virus. India has been one of the worst affected country due to a much faster and intense spread of infection. The only solution to have control over this uncertainty is rapid vaccination drive in the country and progressively lifting of the lockdown to improve the economic activities.

### **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) completed their tenure as Independent Directors for a period of five consecutive years on 29 July 2020. Mr. Laheri has vacated the office of Director.

During the year, the Company has obtained Shareholder's approval by way of Remote E-voting, pursuant to the requirements under SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 for Re-appointment of three of the Company's Independent Directors. Mr. Pradeep Mallick was re-appointed for one year from 30 July 2020 to 29 July 2021. Mrs. Hina Shah (DIN: 06664927) has been re-appointed for a period of three years from 30 July 2020 to 29 July 2023 and Mr. Tejpreet Singh Chopra has been re-appointed for a period of five years from 30 July 2020 to 29 July 2025. Meanwhile, the Company is in the process of appointing an Independent Director in place of Mr. Pradeep Mallick.

The Company has also obtained Shareholder's approval by way of Remote E-voting for Appointment of its fourth Independent Director Mr. Samir Chaturvedi. Additionally, the appointment of two Directors representing the Promoters APM Terminals has also been approved by the shareholders through Remote E-voting.

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.

During the financial year 2020-21, Gujarat Maritime Board (GMB) the port regulatory authority has also appointed its Nominee Mrs. Avantika Singh Aulakh, IAS as Director on the Board of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Julian Bevis (DIN:00146000) and Mr. Timothy John Smith (DIN: 08526373) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-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 details regarding the appointment of Independent Directors and their tenure have been mentioned hereinabove.

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>

In the opinion of the Board, each of the Independent Director appointed during the year under review possess requisite integrity, expertise, and experience for acting as an Independent Director of the Company.

The Independent Directors of the Company are exempt from undertaking the online proficiency test as required under Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**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 2021, 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 2021 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. Tejpreet Singh Chopra, Independent Director; and
3. Mr. Timothy John 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 and two of the five Non-Executive Non-Independent Director representing APM Terminals shall be eligible for sitting fee for attending the Board and Committee Meetings as applicable and for reimbursement of out of pocket expenses for attending the 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. Pradeep Mallick, Chairman, Independent Director
2. Mrs. Hina Shah, Independent Director
3. Mr. Samir Chaturvedi, Independent Director
4. Mr. Maarten Degryse, Non- Independent Non-Executive Director

The scope and terms of reference of the Audit Committee is in accordance with the Companies Act, 2013 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 Stakeholder's Relationship Committee comprised the following Directors:

1. Mr. Pradeep Mallick, Chairman, Independent Director,
2. Mr. Tejpreet Singh Chopra, Independent Director
3. Mrs. Hina Shah, Independent Director
4. Mr. Jakob Friis Sorensen, Managing 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. 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 for any fraud.

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, Chairman, Non- Independent Non-Executive Director
2. Mr. Soren Brandt, Non- Independent Non-Executive Director
3. 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. Mrs. Hina Shah, Chairperson, Independent Director
2. Mr. Soren Brandt, Non- Independent Non-Executive Director
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 2021 the Company was required to spend Rs. 68.13 Million towards the CSR activities and the Company has spent marginally higher amount of Rs. 69.01 Million. The Company's focus area of CSR activities are Education, Health, Safety & Environment, Women Empowerment, Skill Development and Rural Development Projects.

**i. 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. All Independent Directors were present for the Meeting. The Board also carried out the evaluation of each individual Director and various Board Committees did their respective Committee evaluation.

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

**j. 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.

**k. 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. 0.52 Million. The Managing Director's remuneration was Rs. 44.70 Million. The ratio of Managing Director's remuneration to Median Remuneration of employees is 85.96

The percentage increase in remuneration of the Key Managerial Personnel (KMPs) i.e. Managing Director, Chief Financial Officer and Company Secretary is Nil, 10% and 10% respectively. The average increase for KMPs works out to approximately 10%.

The percentage increase in the median remuneration of employees in the financial year is 10%.

The Company has a total of 476 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 increased by ~61% based on the closing price as of 31 March 2021 compared to 31 March 2020. The Net Worth is Rs. 20,321.99 Million compared to Rs. 20,886.65 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. 4.13 Million to its Independent Directors pursuant to the shareholder's approval obtained in the Annual General Meeting held on 11 August 2016.

**I. 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 2021:**

There are no Audit Observations on the Standalone and Consolidated Financial Statements of the Company for the year ended 31 March 2021.

**b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31 MARCH 2021:**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from a Practising Company Secretary. Accordingly, M/s Rath and Associates, Company Secretaries have issued the Secretarial Audit Report for the year ended 31 March 2021.

**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 Re-appointed as Statutory Auditors of the Company for a period of five years in the Annual General Meeting held on 6 August 2020.

**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. 2,278.93 Million and outgo was Rs. 220.89 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 2021 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 2021 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>

**d. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS**

Subject to the applicable provisions of the Companies Act, 2013, all documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or have been provided by the members.

**e. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is in compliance with the mandatory Secretarial Standards.

**f. UNCLAIMED AND UNPAID DIVIDENDS, AND TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

The Members who have not yet received/claimed their dividend entitlements are requested to contact the Company's Registrar and Transfer Agents.

Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), all dividends remaining unpaid or unclaimed for a period of seven years and also the shares in respect of which the dividend has not been claimed by the shareholders for seven consecutive years or more are required to be transferred to Investor Education Protection Fund in accordance with the procedure prescribed in the Rules. For the financial 2020-21 no dividend amount is due for transfer to IEPF.

**g. CORPORATE GOVERNANCE**

The report on Corporate Governance along with the report by the Statutory Auditors regarding compliance with the conditions of Corporate Governance has been furnished and forms a part of the Annual Report.

**h. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis report has been separately furnished and forms a part of the Annual Report.



**i. BUSINESS RESPONSIBILITY REPORTING**

In compliance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated December 27, 2015, the Business Responsibility Report for the financial year ended 31st March, 2021 forms a part of the Annual Report.

**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. Covid has been adversely impacting the entire world for over an year but the Company's employees have continued to carry out their job responsibilities without any compromise and have ensured the continuation of the customer's supply chain. Your Directors 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: 27 May 2021

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

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Website [www.pipavav.com](http://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. 0.52 Million

Managing Director's Remuneration: Rs. 44.70 Million

The remuneration is paid to the Managing Director only and accordingly the ratio of Managing Director's Remuneration to Median Remuneration of Employees is: 85.96

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	10%
Mr. Manish Agnihotri, Company Secretary and Compliance Officer	10%

**The percentage increase in the median remuneration of employees in the financial year: 10%**

The number of permanent employees on the rolls of the Company: 476

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

- Alignment to Business Goals by ensuring that there is a clear line from Business Objectives through Team Objectives and Individual Objectives.
- Engage & motivate our people through clear expectations, alignment and holding each other accountable for the deliverables that matter most.
- 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:** 10% Average percentile increase for employees other than Managerial Personnel and increase for the Managerial Personnel is Nil.

**Statement pursuant to Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (for the year ended March 31, 2021)**

The Annual Report is being circulated without the Statement. In case any Member requires a copy of the Statement then they can write to the Company for sending the statement.

**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. Brief Outline on CSR Policy of the Company

The CSR Policy of the Company has the following Core Focus Areas:

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

The policy is available on the Company's website and can be accessed through the link:

<https://www.apmterminals.com/en/pipavav/investors/governance>

#### 2. Composition of CSR Committee

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Hina Shah	Chairperson- Independent Director	2	2
2	Mr. Soren Brandt*	Non Executive Non Independent Director	1	1
3	Mr. Jakob Friis Sorensen	Managing Director	2	2

\* Mr. Soren Brandt has been appointed as Member of CSR Committee effective 12th November 2020

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The Composition of CSR Committee and of CSR Policy is available on the Company's website and can be accessed through the link: <https://www.apmterminals.com/en/pipavav/investors/governance>

The details of CSR Projects approved by the Board and being carried out are available on the Company's website and can be accessed through the link: <https://www.apmterminals.com/en/pipavav/CSR/csr>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable. The Company did not have CSR obligation of Rs 10 Crore or more in pursuance of Section 135(5) of the Companies Act, 2013 in the three immediately preceding financial years.

#### 5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014, and the amount required to be set off for the financial year, if any

Not applicable. The Company has not spent in excess of its CSR obligation.

#### 6. Average Net Profit of the Company as per Section 135(5):

Rs. 3,406.5 Million

#### 7(a) Two percent of Average Net Profit of the Company as per Section 135(5):

Rs. 68.13 Million

#### (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

None

**(c) Amount required to be set off for the financial year, if any:**

None

**(d) Total CSR obligation for the financial year (7a+7b-7c)**

Rs. 68.13 Million

**8(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
Rs. 69.01 Million	Nil	NA	NA	Nil	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

Not applicable

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (in Rs. Million)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Supply of educational equipment, teaching learning support, extension activities, adult literacy, up gradation of school infrastructure online and distance education, digital education, activity based teaching and learning etc.	Education	Yes	Gujarat	Amreli	10.53	No	Swadeep	CSR00000116
2.	Medical support to the surrounding villages, construction of check dams and protection wall, pond deepening community tree plantation, kitchen garden, safety & environment awareness activities	Health, Safety & Environment	Yes	Gujarat	Amreli	17.03	Yes & with NGO	VRTI	CSR00001027
3.	Improving health & nutritional status of children, adolescents & mothers; Skill & entrepreneurship development followed by placement and formation of Women Self Help Groups	Women Empowerment & Skill Development	Yes	Gujarat	Amreli	5.2	No	Swadeep, VRTI, BAIF and Ambuja Cement Foundation	Swadeep & VRTI: mentioned above BAIF: Ambuja Cement Foundation: Registration in process

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs. Million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
4.	Integrated livestock development, Operation and Maintenance of RO enabled water ATMS, fisheries as a livelihood, agriculture development programme etc.	Socio Economic Development	Yes	Gujarat	Amreli	25.54	No	AIF, VRTI, SWADEEP, Piramal Water Pvt. Ltd, CSPC	BAIF, VRTI & Swadeep: mentioned above CSPC: CSR00002590 Sarvajal: For Profit implementing agency
5.	Supporting district administration in Covid mitigation with need based medical supplies and equipments, awareness for Covid prevention, mask making and distribution	Disaster & Relief Management	Yes	Gujarat	Amreli	4.71	Yes	NA	
6.	Advanced life support ambulance	Disaster and Relief Management.	Yes	Gujarat	Amreli	3.2	Yes	NA	

(d) Amount spent in Administrative Overheads: Rs. 2.80 Million

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 69.01 Million

(g) Excess amount for set-off, if any: Nil

**9(a) Details of Unspent CSR amount for the preceding three financial years: Nil**

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil**

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**

Not applicable. No capital asset has been acquired or created in the financial year

**11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5)**

Not applicable. The Company has spent the entire amount.

**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	31 <sup>st</sup> March 2021
2. Date on Which the Associate or Joint Venture was associated or acquired	28 <sup>th</sup> 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. 2,899.79 Million
7. Profit or Loss for the year	
i. Considered in Consolidation	Rs. 73.55 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.

**ANNEXURE C**
**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on 31<sup>st</sup> March 2021**

*[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	:	5 <sup>th</sup> 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: <a href="mailto:investorrelationinppv@apmterminals.com">investorrelationinppv@apmterminals.com</a>
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad- 500032 Tel: 040 67162222 Email: <a href="mailto:murthy.psrch@kfintech.com">murthy.psrch@kfintech.com</a>

**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	
<b>A. Promoters</b>									
(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	212,738,931		212,738,931	44.01	1.00
d) Banks / FI									
e) Any other									
Sub-total (A)(2):	207,903,931		207,903,931	43.01	212,738,931		212,738,931	44.01	1.00
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>207,903,931</b>		<b>207,903,931</b>	<b>43.01</b>	<b>212,738,931</b>		<b>212,738,931</b>	<b>44.01</b>	<b>1.00</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	126,940,533	0	126,940,533	26.26	111,033,115	0	111,033,115	22.97	-3.29
b) Banks / FI	4,950,781	0	4,950,781	1.02	3,532,937	0	3,532,937	0.73	-0.29
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs	97,570,122	0	97,570,122	20.18	103,353,903	0	103,353,903	21.38	1.20
h) Foreign Venture Capital Funds									
i) Others (specify)	15,549,348	0	15,549,348	3.22	15,774,537	0	15,774,537	3.26	0.05
<b>Sub-total (B)(1):</b>	<b>245,010,784</b>	<b>0</b>	<b>245,010,784</b>	<b>50.68</b>	<b>233,694,492</b>	<b>0</b>	<b>233,694,492</b>	<b>48.34</b>	<b>-2.34</b>
(2) Non-Institutions									
a) Bodies Corporate	2,818,368	28,000	2,846,368	0.59	3,968,584	28,000	3,996,584	0.83	0.24
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	15,474,052	293,302	15,767,354	3.26	18,326,761	290,302	18,617,063	3.85	0.59
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	8,361,605	66,322	8,427,927	1.74	10,737,802	66,322	10,804,124	2.23	0.49



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	
c) Others(specify)									
Clearing Members	185,321	0	185,321	0.04	234,350	0	234,350	0.05	0.01
Foreign National	3,000	0	3,000	0.00	5,000	0	5,000	0.00	0.00
NBFC	30,000	0	30,000	0.01	30,000	0	30,000	0.01	0.00
Non Resident Indians	828,208	212,600	1,040,808	0.22	845,384	212,600	1,057,984	0.22	0.00
Non Resident Non Repatriation	2,213,617	0	2,213,617	0.46	2,257,082	0	2,257,082	0.47	0.01
Trusts	10,800	0	10,800	0.00	4,300	0	4,300	0	-0.39
d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-total(B)(2):	<b>29,924,971</b>	<b>600,224</b>	<b>30,525,195</b>	<b>6.31</b>	<b>36,409,263</b>	<b>597,224</b>	<b>37,006,487</b>	<b>7.65</b>	<b>1.34</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>274,935,755</b>	<b>600,224</b>	<b>275,535,979</b>	<b>56.99</b>	<b>270,103,755</b>	<b>597,224</b>	<b>270,700,979</b>	<b>55.99</b>	<b>-1.00</b>
<b>Total A+B</b>	<b>482,839,686</b>	<b>600,224</b>	<b>483,439,910</b>	<b>100.00</b>	<b>482,842,686</b>	<b>597,224</b>	<b>483,439,910</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by custodians against which Depository Receipts have been issued</b>									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
<b>Grand Total(A+B+C)</b>	<b>482,839,686</b>	<b>600,224</b>	<b>483,439,910</b>	<b>100.00</b>	<b>482,842,686</b>	<b>597,224</b>	<b>483,439,910</b>	<b>100.00</b>	<b>0.00</b>

**(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	212,738,931	44.01	0	1.00
<b>Total</b>	<b>207,903,931</b>	<b>43.01</b>	<b>0</b>	<b>212,738,931</b>	<b>44.01</b>	<b>0</b>	<b>1.00</b>

**(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		
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) Open Market Purchase of 4,835,000 shares on 26th June 2020	Nil	Nil	4,835,000	1.00
At the End of the year			<b>212,738,931</b>	<b>44.01</b>

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

Sr No	Type	Name of the Shareholder	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	ICICI PRUDENTIAL MIDCAP FUND	47835125	9.89	31/03/2020			47835125	9.89
	Purchase				17/04/2020	70	Transfer	47835195	9.89
	Sale				01/05/2020	-350670	Transfer	47484525	9.82
	Purchase				08/05/2020	271281	Transfer	47755806	9.88
	Sale				08/05/2020	-251470	Transfer	47504336	9.83
	Sale				15/05/2020	-108324	Transfer	47396012	9.80
	Purchase				29/05/2020	70	Transfer	47396082	9.80
	Sale				29/05/2020	-393377	Transfer	47002705	9.72
	Sale				05/06/2020	-19454	Transfer	46983251	9.72
	Sale				12/06/2020	-200000	Transfer	46783251	9.68
	Sale				19/06/2020	-197207	Transfer	46586044	9.64
	Sale				26/06/2020	-103000	Transfer	46483044	9.62
	Sale				03/07/2020	-56329	Transfer	46426715	9.60
	Sale				10/07/2020	-77215	Transfer	46349500	9.59
	Sale				17/07/2020	-83106	Transfer	46266394	9.57
	Purchase				24/07/2020	245211	Transfer	46511605	9.62
	Sale				24/07/2020	-69	Transfer	46511536	9.62
	Purchase				07/08/2020	186973	Transfer	46698509	9.66
	Sale				07/08/2020	-207	Transfer	46698302	9.66
	Purchase				14/08/2020	100000	Transfer	46798302	9.68
	Sale				14/08/2020	-22874	Transfer	46775428	9.68
	Purchase				04/09/2020	17817	Transfer	46793245	9.68
	Sale				25/09/2020	-101545	Transfer	46691700	9.66
	Purchase				30/09/2020	336128	Transfer	47027828	9.73
	Sale				30/09/2020	-8463	Transfer	47019365	9.73
	Purchase				02/10/2020	66949	Transfer	47086314	9.74
	Sale				16/10/2020	-166763	Transfer	46919551	9.71
	Sale				23/10/2020	-87581	Transfer	46831970	9.69
	Purchase				06/11/2020	36829	Transfer	46868799	9.69
	Sale				13/11/2020	-9466	Transfer	46859333	9.69
	Sale				20/11/2020	-8549	Transfer	46850784	9.69
	Purchase				27/11/2020	66	Transfer	46850850	9.69
	Sale				27/11/2020	-35529	Transfer	46815321	9.68
	Sale				04/12/2020	-10151	Transfer	46805170	9.68
	Sale				18/12/2020	-843754	Transfer	45961416	9.51
	Sale				25/12/2020	-310018	Transfer	45651398	9.44
	Sale				08/01/2021	-180304	Transfer	45471094	9.41
	Sale				15/01/2021	-315805	Transfer	45155289	9.34
	Purchase				22/01/2021	1400000	Transfer	46555289	9.63
	Sale				22/01/2021	-556635	Transfer	45998654	9.51
	Purchase				29/01/2021	303040	Transfer	46301694	9.58
	Sale				29/01/2021	-599420	Transfer	45702274	9.45
	Purchase				05/02/2021	482484	Transfer	46184758	9.55
	Sale				05/02/2021	-966051	Transfer	45218707	9.35
	Purchase				12/02/2021	1438167	Transfer	46656874	9.65

Sr No	Type	Name of the Shareholder	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				19/02/2021	741116	Transfer	47397990	9.80
	Purchase				26/02/2021	129083	Transfer	47527073	9.83
	Sale				26/02/2021	-637177	Transfer	46889896	9.70
	Sale				26/03/2021	-27300	Transfer	46862596	9.69
	Purchase				31/03/2021	67	Transfer	46862663	9.69
	Closing Balance				31/03/2021			46862663	9.69
2.	Opening Balance	HDFC TRUSTEE COMPANY LTD- HDFC EQUITY SAVING FUND	43482989	8.99	31/03/2020			43482989	8.99
	Sale				29/05/2020	-212150	Transfer	43270839	8.95
	Sale				05/06/2020	-402000	Transfer	42868839	8.87
	Sale				12/06/2020	-228500	Transfer	42640339	8.82
	Purchase				19/06/2020	3000000	Transfer	45640339	9.44
	Sale				19/06/2020	-3059000	Transfer	42581339	8.81
	Purchase				26/06/2020	1412000	Transfer	43993339	9.10
	Sale				26/06/2020	-1430500	Transfer	42562839	8.80
	Sale				18/12/2020	-2500000	Transfer	40062839	8.29
	Sale				01/01/2021	-10200	Transfer	40052639	8.28
	Purchase				08/01/2021	2000000	Transfer	42052639	8.70
	Sale				08/01/2021	-2000000	Transfer	40052639	8.28
	Sale				22/01/2021	-1800000	Transfer	38252639	7.91
	Sale				29/01/2021	-662000	Transfer	37590639	7.78
	Sale				05/02/2021	-673100	Transfer	36917539	7.64
	Closing Balance				31/03/2021			36917539	7.64
3.	Opening Balance	L AND T MUTUAL FUND TRUSTEE LTD-L AND T MID CAP FU	17730620	3.67	31/03/2020			17730620	3.67
	Sale				31/07/2020	-713870	Transfer	17016750	3.52
	Sale				07/08/2020	-540701	Transfer	16476049	3.41
	Sale				14/08/2020	-1696650	Transfer	14779399	3.06
	Sale				28/08/2020	-4751	Transfer	14774648	3.06
	Sale				04/09/2020	-660213	Transfer	14114435	2.92
	Sale				27/11/2020	-19983	Transfer	14094452	2.92
	Purchase				04/12/2020	816778	Transfer	14911230	3.08
	Sale				18/12/2020	-133147	Transfer	14778083	3.06
	Sale				31/12/2020	-1977831	Transfer	12800252	2.65
	Sale				08/01/2021	-362937	Transfer	12437315	2.57
	Sale				15/01/2021	-119357	Transfer	12317958	2.55
	Sale				22/01/2021	-136243	Transfer	12181715	2.52
	Sale				29/01/2021	-641915	Transfer	11539800	2.39
	Purchase				05/02/2021	340983	Transfer	11880783	2.46
	Sale				19/02/2021	-121902	Transfer	11758881	2.43
	Sale				26/02/2021	-91900	Transfer	11666981	2.41
	Sale				05/03/2021	-204470	Transfer	11462511	2.37

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
	Sale				12/03/2021	-159430	Transfer	11303081	2.34
	Sale				19/03/2021	-462900	Transfer	10840181	2.24
	Closing Balance				31/03/2021			10840181	2.24
4.	Opening Balance	FRANKLIN INDIA EQUITY FUND	12325350	2.55	31/03/2020			12325350	2.55
	Purchase				01/05/2020	300000	Transfer	12625350	2.61
	Sale				19/06/2020	-950508	Transfer	11674842	2.41
	Sale				26/06/2020	-857791	Transfer	10817051	2.24
	Sale				30/06/2020	-2342209	Transfer	8474842	1.75
	Purchase				03/07/2020	70000	Transfer	8544842	1.77
	Purchase				31/07/2020	36348	Transfer	8581190	1.78
	Purchase				07/08/2020	493652	Transfer	9074842	1.88
	Purchase				09/10/2020	17478	Transfer	9092320	1.88
	Purchase				16/10/2020	560627	Transfer	9652947	2.00
	Purchase				23/10/2020	70000	Transfer	9722947	2.01
	Purchase				06/11/2020	5471	Transfer	9728418	2.01
	Sale				27/11/2020	-387515	Transfer	9340903	1.93
	Sale				31/12/2020	-152925	Transfer	9187978	1.90
	Sale				01/01/2021	-228684	Transfer	8959294	1.85
	Sale				08/01/2021	-52947	Transfer	8906347	1.84
	Sale				12/02/2021	-606347	Transfer	8300000	1.72
	Sale				26/02/2021	-700000	Transfer	7600000	1.57
	Sale				05/03/2021	-1008380	Transfer	6591620	1.36
	Sale				12/03/2021	-244602	Transfer	6347018	1.31
	Sale				19/03/2021	-210553	Transfer	6136465	1.27
	Closing Balance				31/03/2021			6136465	1.27
5.	Opening Balance	HDFC LIFE INSURANCE COMPANY LIMITED	8000000	1.65	31/03/2020			8000000	1.65
	Sale				12/02/2021	-104747	Transfer	7895253	1.63
	Sale				19/02/2021	-3056	Transfer	7892197	1.63
	Sale				26/02/2021	-392197	Transfer	7500000	1.55
	Sale				05/03/2021	-511753	Transfer	6988247	1.45
	Closing Balance				31/03/2021			6988247	1.45
6.	Opening Balance	SCHRODER ASIAPACIFIC FUND PLC	7309118	1.51	31/03/2020			7309118	1.51
	Closing Balance				31/03/2021			7309118	1.51
7.	Opening Balance	VANGUARD INTERNATIONAL EXPLORER FUND	6724221	1.39	31/03/2020			6724221	1.39
	Closing Balance				31/03/2021			6724221	1.39

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	
8.	Opening Balance	EASTSPRING INVESTMENTS INDIA EQUITY OPEN LIMITED	6405342	1.32	31/03/2020			6405342	1.32	
	Sale				10/04/2020	-91908	Transfer	6313434	1.31	
	Sale				17/04/2020	-328168	Transfer	5985266	1.24	
	Sale				24/04/2020	-415775	Transfer	5569491	1.15	
	Sale				30/06/2020	-984681	Transfer	4584810	0.95	
	Sale				18/09/2020	-45319	Transfer	4539491	0.94	
	Closing Balance				31/03/2021			4539491	0.94	
	9.	Opening Balance	TATA INFRASTRUCTURE FUND	0	0.00	31/03/2020			0	0.00
		Purchase				18/12/2020	1825000	Transfer	1825000	0.38
Purchase					25/12/2020	2210000	Transfer	4035000	0.83	
Purchase					31/12/2020	1600000	Transfer	5635000	1.17	
Purchase					22/01/2021	400000	Transfer	6035000	1.25	
Purchase					12/02/2021	100000	Transfer	6135000	1.27	
Purchase					19/02/2021	110000	Transfer	6245000	1.29	
Purchase					19/03/2021	151400	Transfer	6396400	1.32	
Closing Balance					31/03/2021			6396400	1.32	
10.	Opening Balance	SCHRODER ASIAN ALPHA PLUS FUND	6357956	1.32	31/03/2020			6357956	1.32	
	Closing Balance				31/03/2021			6357956	1.32	

**(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. Jakob Friis Sorensen, Managing Director				
	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)	--	--	--	--
2	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)	---	--	---	---
3	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*

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager Mr. Jakob Friis Sorensen	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.13	17.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	27.57	27.57
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit		
	- others, specify		
5	Others, please specify -Performance Bonus/ One-time Special Payment	NA	NA
	<b>Total (A)</b>	<b>44.70</b>	<b>44.70</b>
	<b>Ceiling as per the Act</b>		<b>109.19</b>

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

Particulars of Remuneration	Name of Directors					Total Amount
<b>1. Independent Directors</b>						
	<b>Mr. Tejpreet Singh Chopra</b>	<b>Ms. Hina Shah</b>	<b>Mr. Pradeep Mallick</b>	<b>Mr. Pravin Laheri, IAS (Retd.)</b>	<b>Mr. Samir Chaturvedi</b>	
Fee for attending board / committee meetings	0.50	0.95	0.90	0.30	0.30	2.95
Commission	1.65	0.82	0.82	0.82	NA	4.12
Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>2.15</b>	<b>1.77</b>	<b>1.72</b>	<b>1.12</b>	<b>0.30</b>	<b>7.07</b>
<b>2. Other Non-Executive Directors</b>						
	<b>Mr. Soren Brandt</b>	<b>Mr. Julian Bevis</b>	<b>Mrs. Avantika Singh Aulakh, IAS</b>			
Fee for attending board / committee meetings	0.30	0.25	Nil			0.55
Commission	Nil	Nil	Nil			Nil
Others, please specify	Nil	Nil	Nil			Nil
<b>Total (2)</b>	<b>0.30</b>	<b>0.25</b>	<b>Nil</b>			<b>0.55</b>
<b>Total Managerial Remuneration</b>						<b>7.62</b>
<b>Overall Ceiling as per the Act</b>						<b>21.84</b>

**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	6.56	9.15	15.71
	(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		1.32	1.93	3.25
	<b>Total</b>		<b>7.88</b>	<b>11.08</b>	<b>18.96</b>

**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)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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 Managerial Personnel) Rules, 2014]*

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

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

Dear Sirs,

We have conducted online verification and examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice 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, 2021, 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"), for the Financial Year ended on 31st March, 2021, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- 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') to the extent applicable:
  - 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 (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and

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 — I**.

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, except the consolidated financial statements of the Company for the year ended 31st March, 2020 were prepared on the basis of unaudited financial statements of the Associate Company namely Pipavav Railway Corporation Limited for the year ended on that date, which has been mentioned vide Para 1(c) in the Board's Report for the said financial year.

**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: F005171C000381525**

**Place: Mumbai  
Date: 27/05/2021**

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

## **ANNEXURE - I**

### **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:**

501-502, Godrej Two, Pirojshanagar,  
Vikhroli East, Mumbai 400079

#### **Port:**

Pipavav Port at Post Rampara2 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 its 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 – II**

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  
MEM NO. FCS: 5171  
COP NO. : 3030**

**Place: Mumbai  
Date: 27/05/2021**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

*For the year ended 31 March 2021*

### **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 2020. 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.

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 44.01% 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 22,000 industry professionals focused on delivering the operational excellence and solutions, businesses require to reach their potential. It operates a network of 75 terminals globally.

### **Economy & Port Sector**

Most of the countries around the world continue to deal with the challenge of COVID-19 in the year 2021. The various mutants of the virus continue to adversely impact the countries and the governments are trying to balance between protecting their population and managing their country’s economy. Many Western countries have been able to vaccinate a sizeable amount of their population and have been lifting the lockdown restrictions. As far as India is concerned, the speed and intensity of the second wave of Covid has taken a huge toll on the country’s health infrastructure and on the frontline medical fraternity. While the Government of India has ruled out imposing a nationwide lockdown as it did in the year 2020, various State Governments did not have any option except imposing lockdowns to control the movement of people and to try and reduce to the extent possible new cases of virus infections. This challenge is likely to continue until the time a sizeable amount of the country’s population gets vaccinated.

The stimulus package provided by the US Government saw a sudden surge in the buying activities by its citizens. This resulted into an unusual situation of recovery in demand much faster and in excess of anticipated volume in the Container Shipping. The ocean carriers moved capacity to the high demand Trans-Atlantic route resulting into high vessel utilisation. The Container production had decreased so the availability of containers was also scarce. As a result the ocean freight rates started increasing and the shipping lines deployed more capacity on these routes to cater to the high demand. Due to shortage of manpower, the productivity at the Ports and at the Inland Container Depots in the United States was lower, resulting into longer lead time and turnaround of empty containers out of the US. This situation of excess demand and short supply of containers saw multi-fold increase in the ocean freight rates of the shipping lines. Before this situation could improve, the container shipping industry saw another disruption at the Suez Canal. Though it got addressed in about a week’s time, the sailing schedule of the ships is still being worked upon by the carriers to improve their reliability and for timely delivery of cargo. All these factors have created congestion at Far East ports and resulting into skip calls for the Indian ports. Though the number of skip calls has been on a decline, the sailing schedules are still far from normal and it could take another couple of quarters.

The IMF expects the global economy to grow at 5.5% in the year 2021 after contraction of -3.5% in the year 2020. The growth is expected to stabilise at 4.2% in the year 2022. But the renewed waves and the new variants of the virus pose severe concern. Also, the strength of growth is likely to vary from country to country depending upon the speed of medical intervention, quantum of policy support by the Governments and strong multi-lateral cooperation.

India's GDP growth for the financial year 2022 is entirely dependent upon how soon the second wave peaks out and then the trend moves downward and how rapidly the country's population gets vaccinated in order to bring control over the disease. Various agencies are estimating differing growth rates for India ranging from 9.8% to 8.2% but in these very uncertain times it is difficult to determine the expected growth rate for the country. The faster the State Governments are able to vaccinate the majority population combined with those who are already treated for Covid, it will provide confidence to the State Governments to step up the economic activities.

The Western Dedicated Freight Corridor project was to partially commission upto Palanpur in April 2021 but the second wave of coronavirus infection has delayed its commissioning due to reduction in the labour force. The speed of work for the corridor upto Palanpur has slowed down and the line is now expected to be operational by end June 2021. Pipavav's railway line and the rail sidings inside the port will also be ready by then. While the freight for the DFC route has still not been announced by the Railways, the more competitive the freight rate, the faster shall be the shift of cargo from road to rail. The freight for DFC plays an important role in determining the success of DFC. The trade fraternity of India is excitingly looking forward to the commissioning of this landmark infrastructure project of the country as it is expected to bring reliable and faster movement of cargo at a cheaper rate than the existing rail freight.

The ports on the West Coast of India have seen a growth of about 4% in the Container business at 12.3 Million TEUs for the financial year 2020-21 as compared to 11.8 Million TEUs in 2019-20. As per the Company's estimate about 8% volume growth in 2020-21 is coming from Transshipment volume due to the congestion at Colombo Port. While it remains to be seen whether that volume will continue to be handled from the West Coast of India, excluding this volume the West Coast port volumes would have seen a decrease of about 4%. It clearly reflects the impact of Covid on the Exim trade of the country. With speedy vaccination in Western countries the economic activity of those countries will also start seeing improvement. The sooner India also improves upon its vaccination drive and correspondingly steps up the economic activity, the better opportunity it has in participating in a bigger way in the global Exim trade.

As far as Pipavav is concerned it has added two new Container services one is a direct connection to the Middle East and the other is a direct service to China. These services are commencing the call from May 2021. The Company expects to see improvement in its overall Exim volume through these services.

The other area Pipavav has been working upon is Coastal shipping within the country, taking forward the Government of India's initiative of promoting the domestic coastal movement of cargo. The Company has added two new coastal services during the year for moving Domestic Containers through sea.

The Dry Bulk business has been doing quite well led by strong Fertiliser imports. The Company is in the process of expanding its Fertiliser storage capacity by constructing a new warehouse of 10,000 sq. mtrs.

As far as the Liquid Cargo business is concerned, the Company has taken steps to strengthen the evacuation capability of LPG cargo. The Company has commissioned the Rail Siding inside the port for facilitating rail evacuation of LPG cargo. Prior to that the LPG evacuation was happening only by Road so the hinterland was limited to the closer vicinity of the Port. With the Rail evacuation facility getting commissioned, the Port will be able to serve the extended hinterland. The Company is also commencing the work for Upgradation of liquid berth for handling of partially loaded Very Large Gas Carrier (VLGC) vessels. The West coast Ports are largely handling VLGC vessels for LPG so it is important to enhance the waterfront capabilities at Pipavav to be at par with the competition.

As far as RoRo business is concerned the Car exports is seeing some recovery. Considering the trends, the Company expects stronger improvement in Car exports in the year 2022. Ford and Mahindra had announced a JV and have subsequently parted ways. Ford on its own is expected to charter its own course in the year 2022. APM Terminals Pipavav is in all readiness to handle improved business opportunity for Car exports.

### **Operations Review**

Container volume for the year under review was 748,722 TEUs compared to 872,973 TEUs. The overall Container volume has decreased by 15% primarily due to the skipped calls. Pipavav is heavy on Far East shipping routes and has been more adversely affected by the skipped calls. The congestion at the Chinese Ports, has led to the increase in skipped calls. The Company is working on improving its services and has added two new services. One will be directly connecting into Middle East and the other will be directly connecting into China. Both the services shall commence the vessel calls from May 2021.

The Dry Bulk cargo volume at West Coast Ports including Pipavav mainly comprise Coal and Fertilizer Imports. The Port handled 3.13 Million MT of Dry Bulk Cargo during the year under review compared to 2.32 Million MT handled during the previous year. The increase of over 26% was mainly due to higher Fertiliser cargo volume.

On Liquid cargo front, the Port handled about 0.69 Mn MT during the year under review compared to 0.82 Mn in the previous year. The decrease of over 16% has been mainly due to reduction in LPG imports at the Port. The main bottleneck has been the port's inability to handle Very Large Gas Carriers (VLGCs) for import of LPG. The Company is working on addressing this matter. It is in the process of modifying its Liquid berth to make it capable of handling partially loaded VLGCs. The LPG rail siding inside the port has also been commissioned. It will enhance the evacuation capabilities to the extended hinterland.

The Car Export from West Coast Ports continues to be a challenge. The Port handled 11,017 cars, 76% lower during the year under review against 46,509 cars in the previous year. The Company expects the Car Exports to improve in the Year 2022.

### **Impact of COVID-19 on the Company's Operations**

As the country continued to fight with the second wave of Coronavirus, the Company has continued to provide uninterrupted Port Services ensuring efficient movement of the supply chain of its customers. All of this was being carried out without any compromise on the Safety and Security of its employees through a well coordinated effort by entire team.

The Company is not only committed to ensure continuity of supply chain, it continues to engage and work closely with the District Administration to provide necessary support in the fight against Covid.

### **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 12th November 2020 and it has been paid. The Board now recommends a Final Dividend of Rs. 2.40 per share subject to the approval by the Members in the Company's Annual General Meeting proposed for Friday 13th August 2021.

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 2021 of Rs. 7,334.63 Million is flat as against Rs. 7,353.69 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 at Rs. 6,835.50 Million during the year under review was flat as against Rs. 6,863.25 Million for the year ended 31 March 2020.

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 2021 at Rs. 499.13 Million was marginally higher as against Rs. 490.44 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. 3,113.42 Million during the year under review as against Rs. 2,887.55 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 higher by 8% at Rs. 1,374.60 Million during the year under review as against Rs. 1,270.72 Million for 31 March 2020.

Operating Profit amounted to Rs. 4,221.21 Million during the year under review as against Rs. 4,466.14 Million for year ended 31 March 2020.

### 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. 442.00 Million during the year under review as against Rs. 508.67 Million for the year ended 31 March 2020.



## 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 Rs. 2,183.98 Million during the year under review as against Rs. 2,924.04 Million for the year ended 31 March 2020. 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

Risk Management and Internal Control are two key aspects of the control framework. The Company's Risk Management Committee is a Sub-committee of the Board of Directors of the Company. The 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. Wherever necessary it deep-dives to examine the preparedness of the Company Management in dealing with those Risks. The Risk Management Committee Meetings provide a thorough insight to the Committee as well as to the Management in analysing the identified areas for effective mitigation measures. 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 reviewed by the Audit Committee and Minutes of the Risk Committee are presented to the Audit Committee and to the Board of Directors.

The Audit Committee of the Company has the overall responsibility to provide assurance to the Board about a sound and effective internal control environment in the Company. The Audit Committee reviews the adequacy and integrity of the Company's internal control system. 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, effective internal control monitoring and reporting system. Mukesh M Shah & Co. Chartered Accountants, are the Company's Internal Auditors. The Internal Auditors report directly to the Audit Committee of the Company and they carry out regular review of the effectiveness of the internal control measures and also recommend the areas that require improvement in controls.

The Statutory Auditors have reviewed the adequacy of Internal Financial Controls and have found them in order. The Internal Auditors review on an ongoing basis 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)

Safety is our most important license to operate. This continues to be a fundamental principle of all ports and terminals with the portfolio of APM Terminals. In accordance with that fundamental principle, the Company is committed to improve Safety performance at its Port on an ongoing basis. APM Terminals has 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 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. APM Terminals Pipavav has completed 828 days of Safe Operations with Zero fatality and Lost Time Incident (LTI) as of 31st March 2021. This achievement is a tribute to support and close cooperation amongst the employees of the Company and by its business partners. A consistent and constant endeavour to improvise upon the safety measures with the responsibility starting from the Top to Bottom by conducting Safety Gemba ensures Constant Care and sends a strong signal to all stakeholders about the Company's commitment towards the Culture of Safety. The Company is committed to ensure Safe and Efficient Operations at Pipavav Port.

The world continues its efforts in protecting its nationals from the Coronavirus as it spreads through its various mutants. The Western countries saw a series of waves and India is going through a more intense second wave causing huge loss to the life. The Company continues to provide uninterrupted Port Services to its customers to ensure continuity in their supply chain but without compromising on the Safety and Security of its frontline employees. The Company is also carrying on its role of a responsible Corporate Citizen with utmost sincerity by closely engaging and working with the District Administration and with the

villages in the vicinity by providing necessary support in the fight against this disease. The Company is committed to perform its duties towards its customers, its community and all the stakeholders.

### **Corporate Social Responsibility (CSR)**

The Company believes in closely working with the communities in the vicinity to determine their requirements and accordingly implementing the CSR projects that are acceptable to the community and become self sustainable over a period of time. That is possible only when a need assessment is carried out before commencement of the CSR project.

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 2021 some of the key CSR Projects carried out were:

- Supply of Education Equipment, Teaching- Learning Support, Adult literacy and Upgradation of school infrastructure, online and distance education, activity based teaching and learning
- Providing Medical support to surrounding villages, Construction of Check-dams and protection wall, Pond deepening, Community Tree Plantation, Kitchen Garden, Safety & Environment awareness activities
- Improving health and nutritional status of children, adolescents and mothers, Skill & Entrepreneurship Development followed by placement and formation of Women Self Help Groups
- Integrated Livestock development, Operation and Maintenance of RO enabled Water ATMs in the villages, Promotion of fisheries as livelihood in villages and agricultural development programme
- Supporting district administration in COVID mitigation with need based medical supplies and equipments, awareness for COVID prevention, mask making and distribution and providing Advance Life Support Ambulance to the District Health Administration

The Company has been closely working with the District Administration in providing Oxygen Concentrators, PPE kits, Medical supplies, Port Ambulance and several other support measures. The Company has been conducting vaccination camps to encourage village communities in the vicinity to take the vaccine and protect them from COVID. The company also continues to create awareness amongst the village communities to follow the protocol of handwashing and wearing mask.

## Outlook

The IMF had expected that by second half of the year 2020 the world would be free of Coronavirus. The virus with its various mutants has not only survived the second half of the year 2020 but the first half of 2021 also continues to be a struggle for the countries to protect its people from the virus and at the same time try and minimise the adverse impact on the country's economy. The only solution for the countries is to intensify the vaccination drive to cover majority of the population within shortest possible time. Only then the Governments will gain confidence in stepping up the economic activities. Most of the Western countries have been taking steps towards increased vaccination of their population. That will help them to get back to the economic activities by lifting the lockdowns. Multiple agencies have been quoting India's GDP growth rate from 9.8% to 8.2% for the financial year 2022. But in these uncertain times it is difficult to gauge the growth rate. If India wants to play a vital role in the global exim trade then it needs to vaccinate its people rapidly and correspondingly step up the economic activities.

## Human Resources/ Industrial Relations

Globally, all entities of AP Moller Maersk Group have to undergo an Employee Engagement Survey and all the Employees are encouraged to participate in the Survey. The survey is conducted in complete confidence by an external agency. The findings from those surveys are shared with the concerned Manager for discussing with their respective teams. The idea is to encourage the employees to speak out their mind and try and make each of the entity a better place to work. APM Terminals Pipavav continues to achieve high scores and has maintained its position amongst the Top Quartile.

The Company has been certified as Great Place to Work for the third consecutive year by Trust Index Employee Survey.

## 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 2021 is at 57.55% compared to 60.73% in the previous year. The decrease in Margin is mainly on account of the cargo mix handled at the Port.
- (vii) **Net Profit Margin:** The Net Profit Margin for the year ended 31st March 2021 is at 29.78% compared to 39.76% in the previous year. The decrease in the Margin is due to higher Dry Bulk cargo volume and reduction in Container volume. The Company has also incurred cost towards Maintenance Dredging during the year ended 31st March 2021.
- (viii) **Return on Net Worth:** The Return on Net Worth for the year ended 31st March 2021 is at 11.03% compared to 14.47% in the previous year. The reason for the decrease is reduction in the Company's Net Profit, due to the reasons mentioned hereinabove.

## 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 2021.

### 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 11 Directors. 4 Directors including the Chairman of the Board and a Woman Director are Independent, 1 Non-Executive Non-Independent Director represents Gujarat Maritime Board (GMB), the Port Regulatory Authority and 1 Executive Director and 5 Non-Executive Non-Independent Directors represent the Promoters. 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 2021		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 2021
		Held	Attended			Chairman	Member	
Mr. Tejpreet Singh Chopra- Chairman DIN:00317683	Independent Non-Executive	4	4	Yes	2	1	Nil	Nil
Mrs. Hina Shah DIN:06664927	Independent Non- Executive	4	4	Yes	1	Nil	1	Nil
Mr. Pradeep Mallick DIN:00061256	Independent Non-Executive	4	4	Yes	Nil	Nil	Nil	Nil
Mr. Samir Chaturvedi* DIN: 08911552	Independent Non-Executive	2	2	NA	Nil	Nil	Nil	Nil

Name	Category	No. of Board Meetings attended during the year ended 31 March 2021		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 2021
		Held	Attended			Chairman	Member	
Mr. Pravin Laheri, IAS (Retd.)# DIN:00499080	Independent Non-Executive	1	1	NA	3	1	Nil	Nil
Mrs. Avantika Singh Aulakh, IAS^ DIN: 07549438	Non-Independent Non-Executive	2	Nil	NA	6	Nil	Nil	Nil
Mr. Timothy John Smith DIN: 08526373	Non-Independent Non-Executive	4	4	Yes	Nil	Nil	Nil	Nil
Mr. Soren Brandt## DIN: 00270435	Non-Independent Non-Executive	3	3	Yes	Nil	Nil	Nil	Nil
Mr. Julian Bevis DIN: 00146000	Non-Independent Non-Executive	4	4	Yes	Nil	Nil	Nil	Nil
Mr. Keld Pedersen DIN: 07144184	Non-Independent Non-Executive	4	4	Yes	Nil	Nil	Nil	Nil
Mr. Maarten Degryse** DIN: 08925380	Non-Independent Non-Executive	2	2	NA	Nil	Nil	Nil	Nil
Mr. Jakob Friis Sorensen DIN: 08593830	Managing Director	4	4	Yes	1	Nil	Nil	Nil

\* Mr. Samir Chaturvedi has been appointed as an Independent Director effective 12th November 2020

# Mr. Pravin Laheri, IAS(Retd.) retired after completion of his tenure as an Independent Director effective 29th July 2020

^ Mrs. Avantika Singh Aulakh, IAS- Nominee Gujarat Maritime Board has been appointed Nominee Director effective 24th September 2020

## Mr. Soren Brandt was appointed as Additional Director effective 6th August 2020 and as Director effective 21st December 2020

\*\* Mr. Maarten Degryse was appointed as Additional Director effective 12th November 2020 and as Director effective 21st December 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. Pravin Laheri, IAS (Retd.)#	PI Industries Limited – Independent Director	Stakeholder Relationship	Nil
Mrs. Avantika Singh Aulakh, IAS^	Adani Port & SEZ Limited- Non-Executive Non-Independent Director	Nil	Nil

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

# Mr. Pravin Laheri, IAS(Retd.) retired after completion of his tenure as an Independent Director effective 29th July 2020

^Mrs. Avantika Singh Aulakh, IAS- Nominee Gujarat Maritime Board has been appointed Nominee Director effective 24th September 2020

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 in the areas of Strategic Business Management, Ports and Shipping, Finance and CSR. The competencies of various Directors are as follows:

<b>Name of the Director</b>	<b>Skills/ Expertise/ Competencies</b>
Mr. Tejpreet Singh Chopra- Chairman	Strategic Business Management
Mr. Samir Chaturvedi*	Strategic Business Management
Mrs. Hina Shah	CSR activities
Mr. Julian Bevis	Public Affairs & Port Business Management
Mrs. Avantika Singh Aulakh, 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
Mr. Soren Brandt##	Shipping, IT and Port Business Management
Mr. Maarten Degryse**	Finance and Port Business Management
Mr. Jakob Friis Sorensen	Port Business Management

\* Mr. Samir Chaturvedi has been appointed as an Independent Director effective 12th November 2020

^Mrs. Avantika Singh Aulakh, IAS- Nominee Gujarat Maritime Board has been appointed Nominee Director effective 24th September 2020

#Mr. Pravin Laheri, IAS(Retd.) completed his tenure as an Independent Director effective 29th July 2020

##Mr. Soren Brandt was appointed as Additional Director effective 6th August 2020 and as Director effective 21st December 2020

\*\*Mr. Maarten Degryse was appointed as Additional Director effective 12th November 2020 and as Director effective 21st December 2020

The current composition covers the aspects related to Strategic Business Management, Corporate Social Responsibility (CSR) and Finance.

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 2021 on: 9 June 2020, 6 August 2020, 12 November 2020 and 11 February 2021. 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 and to two Non-Independent Non-Executive Directors, the Company does not have any pecuniary relationship with Non- Executive Directors.

None of the Directors hold 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 in absence of Company Management 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 IND AS 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 requested, 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 2021	
		Held	Attended
Mr. Pravin Laheri, IAS (Retd), Chairman#	Independent Non- Executive	1	1
Mr. Pradeep Mallick, Chairman^	Independent Non- Executive	4	4
Mrs. Hina Shah	Independent Non- Executive	4	4
Mr. Samir Chaturvedi*	Independent Non- Executive	1	1
Mr. Keld Pedersen^^	Non- Independent Non- Executive	3	3
Mr. Maarten Degryse**	Non- Independent Non- Executive	1	1

#Mr. Pravin Laheri, IAS(Retd.) ceased to be Member of Audit Committee after completion of his tenure as an Independent Director effective 29th July 2020

^Mr. Pradeep Mallick was appointed Chairman of Audit Committee effective 5th August 2020

\*Mr. Samir Chaturvedi was appointed Member of Audit Committee effective 12th November 2020

^^Mr. Keld Pedersen ceased to be Member of Audit Committee effective 12th November 2020

\*\*Mr. Maarten Degryse was appointed Member of Audit Committee effective 12th November 2020

The Members of Audit Committee have requisite financial, legal and management expertise. During the year 4 Audit Committee Meetings were held on: 8 June 2020, 5 August 2020, 11 November 2020 and 10 February 2021. 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 3 Non-Executive Directors out of which 2 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 2021	
		Held	Attended
Mr. Pradeep Mallick, Chairman	Independent Non- Executive	1	1
Mr. Tejpreet Singh Chopra	Independent Non- Executive	1	1
Mr. Pravin Laheri, IAS (Retd.)#	Independent Non- Executive	1	1
Mr. Timothy John Smith	Non- Independent Non- Executive	1	1

#Mr. Pravin Laheri, IAS(Retd.) ceased to be Member of the Nomination & Remuneration Committee after completion of his tenure as an Independent Director effective 29th July 2020

The Nomination and Remuneration Committee held its Meeting on 26 May 2020.

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.

Two of the Non-Executive Non-Independent Directors representing the Promoters shall be paid sitting fees only for attending the meeting of the Board or committees thereof. They are retired from the Group but continue to represent the Promoters on the Company's Board. The other Non-Executive Non-Independent Directors representing the Promoters shall not be paid sitting fee or 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 2021	Commission Paid	Total amount Paid
Mr. Tejpreet Singh Chopra, Chairman	Rs. 0.50 Mn	Rs. 1.65 Mn	Rs. 2.15 Mn
Mrs. Hina Shah	Rs. 0.95 Mn	Rs. 0.82 Mn	Rs. 1.77 Mn
Mr. Pradeep Mallick	Rs. 0.90 Mn	Rs. 0.82 Mn	Rs. 1.72 Mn
Mr. Pravin Laheri, IAS (Retd.)#	Rs. 0.30 Mn	Rs. 0.82 Mn	Rs. 1.12 Mn
Mr. Samir Chaturvedi*	Rs. 0.30 Mn	--	Rs. 0.30 Mn
Mr. Soren Brandt	Rs. 0.30 Mn	--	Rs. 0.30 Mn
Mr. Julian Bevis	Rs. 0.25 Mn	--	Rs. 0.25 Mn

# Mr. Pravin Laheri, IAS(Retd.) retired after completion of his tenure as an Independent Director effective 29th July 2020

\*Mr. Samir Chaturvedi has been appointed as an Independent Director effective 12th November 2020

**Managing Director**

Name	Salary (Rs. Million)	Perquisites & Allowances (Rs. Million)	Performance Bonus (Rs. Million)	Total Amount (Rs. Million)
Mr. Jakob Friis Sorensen	17.13	27.57	--*	44.70

\*He was appointed effective 1st January 2020 hence Performance Bonus is not paid

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 comprises 4 Directors out of which 3 Directors including the Chairman are Non-Executive Independent Directors and the fourth Member of the Committee is Managing Director of the Company. The details of the Stakeholders Relationship Committee Meeting are:

Name	Category	No. of Committee Meetings during the year ended 31 March 2021	
		Held	Attended
Mr. Pradeep Mallick- Chairman	Independent Non-Executive	1	1
Mr. Tejpreet Singh Chopra	Independent Non-Executive	1	1
Ms. Hina Shah	Independent Non-Executive	1	1
Mr. Jakob Friis Sorensen\$	Managing Director	1	1

*\$Mr. Jakob Friis Sorensen became Member of the Committee from 9th June 2020*

The Committee had its meeting on 15 January 2021.

The details of complaints received, cleared/ pending during the year ended 31 March 2021 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	35	35	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
	<b>TOTAL</b>	<b>0</b>	<b>35</b>	<b>35</b>	<b>0</b>

There were no pending requests for share transfer/dematerialisation of shares as of 31 March 2021.

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](mailto:manish.agnihotri@apmterminals.com);  
[investorrelationinppv@apmterminals.com](mailto: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 1 Director who is also the Chairperson is Independent Non-Executive Director, 1 Non-Independent Non-Executive Director 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 2021	
		Held	Attended
Mrs. Hina Shah- Chairperson	Independent Non-Executive	2	2
Mr. Pravin Laheri, IAS (Retd.)@	Independent Non-Executive	1	1
Mr. Soren Brandt\$	Non-Independent Non-Executive	1	1
Mr. Jakob Friis Sorensen	Managing Director	2	2

@Mr. Pravin Laheri, IAS (Retd.) ceased to be Member of CSR Committee after completion of his tenure as an Independent Director effective 29th July 2020

\$Mr. Soren Brandt was appointed Member of CSR Committee effective 12th November 2020

The CSR Committee held its meetings on 23 July 2020 and 25 February 2021.

## 5. Risk Management Committee

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 the Company has constituted Risk Management Committee comprising of Directors. The Committee reviews the potential risk areas and steps to mitigate those risks. The Minutes of the Risk Management Committee Meeting are presented to the Audit Committee and to the Board of Directors.

The Risk Committee comprises 3 Directors out of which 2 Directors are Non-Independent Non- Executive Directors and the third Member is Managing Director of the Company. The details of the Committee Meetings are:

Name	Category	No. of Committee Meetings during the year ended 31 March 2021	
		Held	Attended
Mr. Julian Bevis- Chairman	Non-Independent Non-Executive	3	3
Mr. Soren Brandt\$	Non-Independent Non-Executive	1	1
Mr. Jakob Friis Sorensen	Managing Director	3	3

\$Mr. Soren Brandt was appointed Member of Risk Management Committee effective 12th November 2020

The Risk Committee held its Meetings on 4 June 2020, 11 September 2020 and 13 January 2021.

### Independent Directors' Meeting

The Independent Directors held their Meeting on 11 February 2021. 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 timeliness 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 2021 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 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	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
AGM	6 August 2020	2:00 PM	Through Video Conferencing or Other Audio Visual Means

All resolutions were passed as follows:

- (i) 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
- (ii) 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
- (iii) For the meeting held on 6 August 2020, through remote e-voting facility from Monday 3 August 2020 at 9:00 AM to Wednesday 5 August 2020 at 5:00 PM and on the date of the meeting the Remote E-voting facility was available until 15 minutes from the conclusion of the meeting.

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

<b>Date of the Meeting</b>	<b>Particulars of Special Resolution Approved</b>
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
6 August 2020	No Special Resolution was proposed for approval

The following resolutions have been approved by the Members by way of Remote E-voting only during the financial year. In view of the Covid restrictions and country-wide lockdown the Ministry of Corporate Affairs and the Securities & Exchange Board of India had exempt the companies from printing and dispatch of physical ballots:

**Matters approved on 13 July 2020:**

**Special Resolution:** Re-appointment of Mr. Pradeep Mallick (DIN: 00061256) as Independent Director of the Company for a period of one year commencing from 30th July 2020 to 29th July 2021

<b>Particulars</b>	<b>No. of Remote E-voting confirmations</b>	<b>No. of Shares Voted</b>
Remote E-voting confirmations received	330	430,983,589
<b>Total</b>	<b>330</b>	<b>430,983,589</b>
Less: Invalid Remote E-voting	0	0
<b>Valid Remote E-voting confirmation</b>	<b>330</b>	<b>430,983,589</b>
Remote E-voting confirmation with assent	298*	429,782,819
<b>Percentage of Assent</b>		<b>99.72</b>
Remote E-voting confirmation with dissent	32	1,200,770
<b>Percentage of Dissent</b>		<b>0.28</b>

\* includes such shareholders who have casted votes partly in favour and partly against the resolution

**Special Resolution:** Re-appointment of Ms. Hina Shah (DIN:06664927) as Independent Director of the Company for second term of three consecutive years commencing from 30th July 2020 to 29th July 2023

<b>Particulars</b>	<b>No. of Remote E-voting confirmations</b>	<b>No. of Shares Voted</b>
Remote E-voting confirmations received	329	430,983,588
<b>Total</b>	<b>329</b>	<b>430,983,588</b>
Less: Invalid Remote E-voting	0	0
<b>Valid Remote E-voting confirmation</b>	<b>329</b>	<b>430,983,588</b>
Remote E-voting confirmation with assent	295*	429,856,696
<b>Percentage of Assent</b>		<b>99.74</b>
Remote E-voting confirmation with dissent	34	1,126,892
<b>Percentage of Dissent</b>		<b>0.26</b>

\* includes such shareholders who have casted votes partly in favour and partly against the resolution

**Special Resolution:** Re-appointment of Mr. Tejpreet Singh Chopra (DIN:00317683) as Independent Director of the Company for second term of five consecutive years from 30th July 2020 to 29th July 2025

Particulars	No. of Remote E-voting confirmations	No. of Shares Voted
Remote E-voting confirmations received	329	430,983,588
<b>Total</b>	<b>329</b>	<b>430,983,588</b>
Less: Invalid Remote E-voting	0	0
<b>Valid Remote E-voting confirmation</b>	<b>329</b>	<b>430,983,588</b>
Remote E-voting confirmation with assent	296*	430,403,779
<b>Percentage of Assent</b>		<b>99.87</b>
Remote E-voting confirmation with dissent	33	579,809
<b>Percentage of Dissent</b>		<b>0.13</b>

\* includes such shareholders who have casted votes partly in favour and partly against the resolution

**Matters approved on 21 December 2020:**

**Ordinary Resolution:** Appointment of Mr. Samir Chaturvedi (DIN: 08911552) as an Independent Director for a period of five consecutive years commencing from 12th November 2020 to 11th November 2025

Particulars	No. of Remote E-voting confirmations	No. of Shares Voted
Remote E-voting confirmations received	234	432,368,047
<b>Total</b>	<b>234</b>	<b>432,368,047</b>
Less: Invalid Remote E-voting	0	0
<b>Valid Remote E-voting confirmation</b>	<b>234</b>	<b>432,368,047</b>
Remote E-voting confirmation with assent	220*	431,738,235
<b>Percentage of Assent</b>		<b>99.85</b>
Remote E-voting confirmation with dissent	14	629,812
<b>Percentage of Dissent</b>		<b>0.15</b>

\*includes such shareholders who have casted votes partly in favour and partly against the resolution

**Ordinary Resolution:** Appointment of Mr. Soren Brandt (DIN: 00270435) as Director of the Company

Particulars	No. of Remote E-voting confirmations	No. of Shares Voted
Remote E-voting confirmations received	235	432,368,247
<b>Total</b>	<b>235</b>	<b>432,368,247</b>
Less: Invalid Remote E-voting	0	0
<b>Valid Remote E-voting confirmation</b>	<b>235</b>	<b>432,368,247</b>
Remote E-voting confirmation with assent	222*	431,201,246
<b>Percentage of Assent</b>		<b>99.73</b>
Postal Ballot Forms/ Remote E-voting confirmation with dissent	13	1,167,001
<b>Percentage of Dissent</b>		<b>0.27</b>

\*includes such shareholders who have casted votes partly in favour and partly against the resolution

**Ordinary Resolution: Appointment of Mr. Maarten Degryse (DIN: 08925380) as Director of the Company**

Particulars	No. of Remote E-voting confirmations	No. of Shares Voted
Remote E-voting confirmations received	234	432,368,248
<b>Total</b>	<b>234</b>	<b>432,368,248</b>
Less: Invalid Remote E-voting	0	0
<b>Valid Remote E-voting confirmation</b>	<b>234</b>	<b>432,368,248</b>
Remote E-voting confirmation with assent	215*	430,978,737
<b>Percentage of Assent</b>		<b>99.68</b>
Remote E-voting confirmation with dissent	19	1,389,511
<b>Percentage of Dissent</b>		<b>0.32</b>

\*includes such shareholders who have casted votes partly in favour and partly against the resolution

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. 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**

There are no Non-compliances of Corporate Governance.

**(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. Julian Bevis (DIN:00146000) and Mr. Timothy John Smith (DIN:08526373) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

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

Mr. Pravin Laheri, IAS (Retd.) (DIN:00499080) retired after completion of his tenure as an Independent Director on 29 July 2020.

The three Independent Directors Mr. Pradeep Mallick (DIN: 00061256) has been re-appointed for one year upto 29 July 2021. Mrs. Hina Shah (DIN: 06664927) has been re-appointed for three years upto 29 July 2023 and Mr. Tejpreet Singh Chopra has been re-appointed for five years upto 29 July 2025.

**(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	7,423,675.42
<b>Total</b>	<b>7,423,675.42</b>

## 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](http://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 as 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

<b>Annual General Meeting</b>	Through VC/ Audio Visual Means
<b>Date and Time</b>	Friday 13 August 2021 at 2.00 P. M.
<b>Venue</b>	Not Applicable
<b>Date of book closure</b>	Saturday 7 August 2021 to Friday 13 August 2021 (both days inclusive)
<b>Listing on Stock Exchanges</b>	<b>BSE Limited (BSE)</b>
	Floor 14, P J Towers,
	Dalal Street, Mumbai 400 001
	<b>The National Stock Exchange of India Limited (NSE)</b>
	Exchange Plaza, Bandra Kurla Complex,
	Bandra (E), Mumbai 400 051
<b>Dividend Payment Date</b>	On 16 August 2021
<b>Financial Year</b>	1 April 2020- 31 March 2021

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 2021 is as follows:

	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
<b>Apr-2020</b>	65.50	53.35	60.00	53.00
<b>May-2020</b>	66.40	53.00	66.40	52.80
<b>Jun-2020</b>	90.00	61.65	82.40	61.25
<b>Jul-2020</b>	89.40	73.80	89.75	73.60
<b>Aug-2020</b>	90.90	73.60	87.70	73.75
<b>Sep-2020</b>	94.70	75.45	94.70	78.00
<b>Oct-2020</b>	96.75	81.55	96.75	81.75
<b>Nov-2020</b>	105.85	86.55	105.90	85.05
<b>Dec-2020</b>	101.70	85.70	101.75	85.55
<b>Jan- 2021</b>	98.40	86.20	97.60	86.20
<b>Feb- 2021</b>	101.50	86.15	101.70	86.00
<b>Mar- 2021</b>	117.75	92.95	117.90	93.00

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 2021 by ownership and size class, respectively, is as follows:

	31-Mar-21		31-Mar-20	
	No. of Equity	Shares Held	No. of Equity	Shares Held
<b>A Promoter and Promoter Group</b>				
Bodies Corporate	212,738,931	44.01	207,903,931	43.01
<b>Total A:</b>	<b>212,738,931</b>	<b>44.01</b>	<b>207,903,931</b>	<b>43.01</b>
<b>B Public Shareholding</b>				
Foreign Institutional Investors	103,353,903	21.38	97,570,122	20.18
Mutual Funds /UTI	111,033,115	22.97	126,940,533	26.26
Bodies Corporate	3,996,584	0.83	2,846,368	0.59
Financial Institutions/ NBFCs/ Banks/Venture Capital Funds	19,337,474	4.00	20,530,129	4.25
<b>Individuals</b>				
(i) Individuals holding nominal share capital upto Rs. 2 lakh	20,522,124	4.25	17,161,297	3.55
(ii) Individuals holding nominal share capital in excess of Rs. 2 lakh	8,899,063	1.84	7,033,984	1.45
Trusts	4,300	0.00	10,800	0.00
Non-Resident Indians	3,315,066	0.69	3,254,425	0.67
Clearing Members	234,350	0.05	185,321	0.04
Foreign Nationals	5,000	0.00	3,000	0.00
<b>Total B :</b>	<b>270,700,979</b>	<b>55.99</b>	<b>275,535,979</b>	<b>56.99</b>
<b>GRAND TOTAL (A+B) :</b>	<b>483,439,910</b>	<b>100.00</b>	<b>483,439,910</b>	<b>100.00</b>

**Distribution Schedule**

Shareholding of Nominal Value (INR)	No. of Shareholders	%	No. of Shares	%
1-5000	64,318	89.63	7,315,704	1.51
5001- 10000	3,500	4.88	2,857,643	0.59
10001- 20000	1,853	2.58	2,834,009	0.59
20001- 30000	712	0.99	1,812,382	0.37
30001- 40000	298	0.42	1,074,533	0.22
40001- 50000	270	0.38	1,282,946	0.27
50001- 100000	355	0.49	2,612,968	0.54
100001& Above	451	0.63	463,649,725	95.91
<b>Total:</b>	<b>71,757</b>	<b>100.00</b>	<b>483,439,910</b>	<b>100.00</b>

**Registrar & Share Transfer Agents:**

KFin Technologies 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 2021.

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](mailto:manish.agnihotri@apmterminals.com)  
[investorrelationinppv@apmterminals.com](mailto:investorrelationinppv@apmterminals.com)

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**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, 2021, 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

27 May 2021  
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) readwith 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, 2021, 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. Tejpreet Singh Chopra	00317683	04/09/2012
2.	Mr. Jakob Friis Sorensen	08593830	01/01/2020
3.	Mrs. Hina Shah	06664927	30/07/2013
4.	Mr. Pradeep Mallick	00061256	04/09/2012
5.	Mr. Samir Chaturvedi	08911552	12/11/2020
6.	Mr. Pravin Laheri, IAS (Retd.) *	00499080	29/08/2008
7.	Mrs. Avantika Singh Aulakh, IAS	07549438	24/09/2020
8.	Mr. Timothy John Smith	08526373	19/09/2019
9.	Mr. Soren Brandt	00270435	06/08/2020
10.	Mr. Julian Bevis	00146000	25/07/2014
11.	Mr. Keld Pedersen	07144184	01/05/2015
12.	Mr. Maarten Degryse	08925380	12/11/2020

**\*Mr. Pravin Laheri, IAS(Retd.) retired after completion of his tenure as an Independent Director effective 29th July 2020**

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: 27/05/2021**

**HIMANSHU S. KAMDAR**  
**PARTNER**  
**M. NO. FCS 5171**  
**COP NO.3030**  
**UDIN: F005171C000381591**  
Annual Report 2020 - 2021

**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 31 March 2021 as stipulated in Regulations 17, 17A, 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing 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/N500016

Arunkumar Ramdas  
Partner  
Membership No: 112433  
UDIN: 21112433AAAACS4438

Place: Mumbai  
Date: 27 May 2021

### 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 2021 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 2021 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 2021.

**Santosh Breed**  
Chief Financial Officer

**Jakob Friis Sorensen**  
Managing Director

Place: Mumbai  
Date: 27th May 2021



## Business Responsibility Report for the Financial Year 2020-21

• **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	2020-21 (for the year ended 31st March, 2021)
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 31.03.2021**

1.	Paid up Capital of the Company	Rs. 4,834.39 Million
2.	Total turnover	Rs. 7,776.63 Million
3.	Total profit after tax	Rs. 2,183.98 Million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Rs. 69.01 Million (3.16%)
5.	List of activities in which expenditure in 4 above was incurred:	<ul style="list-style-type: none"> <li>• Supply of educational equipment, teaching learning support extension activities, adult literacy, upgradation of school infrastructure, online and distance education, digital education, activity based teaching and learning</li> <li>• Medical support to the surrounding villages, construction of check dams and protection wall, pond deepening, community tree plantation, kitchen garden, safety &amp; environment awareness activities</li> <li>• Improving health &amp; nutritional status of children, adolescents &amp; mothers; Skill &amp; entrepreneurship development followed by placement and formation of Women Self Help Groups</li> <li>• Integrated livestock development, Operation &amp; Maintenance of RO enabled water ATMs, Promotion of Fisheries as livelihood in villages, Agriculture Development Programme etc</li> <li>• Supporting district administration in COVID mitigation with need based medical supplies and equipments, awareness for COVID prevention, mask making and distribution and Advance Life Support Ambulance</li> <li>• CSR Administration Expenses</li> </ul>

• **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 and the details are as follows:
	DIN	NA
	Name	Capt. Padmini Kant Mishra
	Designation	Acting Head- HR & CSR
	Telephone No.	02794 242560
	E-mail ID	<a href="mailto:padminikant.mishra@apmterminals.com">padminikant.mishra@apmterminals.com</a>

**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**

- 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.
- 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](http://www.pipavav.com)
- 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 two 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 <a href="https://www.apmterminals.com/en/pipavav/CSR/environment">https://www.apmterminals.com/en/pipavav/CSR/environment</a>

• **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?	No. 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.	35 complaints were received from the investors during the financial year 1 April 2020 to 31 March 2021. 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	<p>The Company is engaged in the business of providing Port Services by operating the Port at Pipavav in Gujarat. The Company has a full-fledged Department of Health, Safety, Security &amp; 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. These SOPs cover the areas pertaining to:</p> <ul style="list-style-type: none"> <li>(i) Handling of Dry Bulk Cargo comprising Fertiliser, Coal and Minerals;</li> <li>(ii) Handling of Liquid Cargo comprising LPG and Liquid Cargo; and</li> <li>(iii) Handling of Hazardous Waste &amp; Spill Management</li> </ul> <p>The Company employees conduct Process Confirmation review to verify whether the SOPs are actually being implemented or not and based on the review the report is submitted online. Improvement measures if any, are also suggested while carrying out Process Confirmation review.</p>
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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)	<p>Some of the key activities are:</p> <ul style="list-style-type: none"> <li>• The maintenance of Green Belt is done entirely through treated domestic waste water.</li> <li>• In order to protect the marine life, Dry Bulk cargo spillage is prevented through certain handling measures</li> <li>• Ambient air quality is regularly monitored through State Pollution Control Board approved laboratory.</li> </ul>
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	<p>Yes. The Company does follow sustainable sourcing wherever possible. In the case of Transportation, the condition of vehicles to be deployed is examined, their PUC validity is checked and Refresher Safety training is provided to the drivers every six months.</p> <p>The drivers and support staff is required to always carry safety jackets, helmets and driving license.</p>
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?	<p>The Company is engaged in the business of operating a Port at Pipavav in Gujarat State. The location of the Port is remote. Depending upon the nature of product/ service required and its availability locally, the Company prefers to procure them locally.</p> <p>In terms of improvement areas, the drivers hired locally are trained for adhering to safety norms while driving. The adherence to statutory compliances by the vendors is examined and wherever improvement is required, necessary guidance and support is provided to them.</p>
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	<p>In terms of Recycle, the domestic waste water generated at the Port is recycled 100 % in Sewage Treatment Plant (STP) and the treated water is re-used for maintenance of Green Belt at the Port and for dust suppression. The sludge generated from STP is used as green manure at site.</p> <p>All Hazardous waste including E-waste generated at the Port and its disposal is channelized according to the guidelines of Pollution Control Board. The Company is also a member of Treatment, Storage and Disposal Facility (TSDF), and the waste is getting disposed off to these facilities.</p>

**Principle 3: Employee Wellbeing**
**Businesses should promote the wellbeing of all employees**

1.	Total number of employees.	476		
2.	Total number of employees hired on temporary / contractual / casual basis	Additionally 349 have been employed on contractual basis considering their nature of work.		
3.	Total number of permanent women employees	12		
4.	Total number of permanent employees with disabilities	1		
5.	Do you have an employee association that is recognized by the Management?	Yes		
6.	What percentage of your permanent employees are members of this recognised employee association?	Around 58%		
7.	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	Nil		
8.	What percentage of your under-mentioned employees that were given safety and skill up-gradation training in the last year?	<b>Category</b>	<b>Safety</b>	<b>Skill Upgradation</b>
		Permanent employees (includes classroom and e-learning)	100%	43%
		Permanent women employees	100%	33%
		Casual / temporary / contractual employees	100%	Nil
		Employees with disabilities	100%	100%

**Principle 4: Stakeholder Engagement**
**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

1.	Has the Company mapped its internal and external stakeholders? Yes / No	<p>Yes, the Company actively engages with its stakeholders as per the details below:</p> <ul style="list-style-type: none"> <li>The parent Company APM Terminals carries out a global exercise of Customer Satisfaction Survey annually to get their feedback for all its facilities including Pipavav Port. The Survey is administered by an external agency;</li> <li>Regarding the Investors, Earnings Call is conducted every quarter and Investor Conference is attended to address their questions;</li> <li>The Procurement from vendors/ suppliers is done through a Global Procurement Department of the parent company;</li> <li>The Managing Director regularly conducts Town hall meetings with employees to understand their requirements</li> <li>The authorized Company representatives engage with Government authorities in transparent manner and in compliance with the applicable laws</li> <li>Engagement in the Industry forum is done through the Company's authorized representatives</li> <li>NGOs having expertise are engaged to carry out CSR projects on behalf of the Company for the local community.</li> </ul>
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2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Yes. The Company has identified the disadvantaged and economically weaker sections and carries out social development projects 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?	Yes. As mentioned above

**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's Code of Conduct requires all its employees to ensure that none of its activities violate the human rights. In case of any violation, the Code encourages to raise them.
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 Environment matters forming part of the HSSE Policy of the Company extend to its Vendors/ Suppliers/Contractors as part of their 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 <a href="https://www.apmterminals.com/en/pipavav/CSR/environment">https://www.apmterminals.com/en/pipavav/CSR/environment</a>
3.	Does the Company identify and assess potential environmental risks? Y / N	Yes. The Company is conscious of its obligations towards the Environment where it operates and Environmental Impact is done by 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?	The Environmental Parameters namely the Ambient Air Quality, Waste Water Quality, Drinking Water Quality, Noise Monitoring reports, Stack Emissions & Fugitive Emissions are monitored and are within the permissible limits of CPCB/GPCB. This Environmental Monitoring at the Port is being done on monthly basis by the laboratory accredited by the Pollution Control Board.
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	None

**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's authorized representative participates and provides the 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. The Company does support inclusive growth and equitable development through its various CSR projects such as Skill development, Women Empowerment, Natural Resources Management, Fisheries, Agriculture, Livestock 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 external NGOs.
3.	Has the Company done any impact assessment for its initiative?	The Company does an internal impact assessment before starting a CSR Project.
4.	What is the Company's direct contribution to community development projects (Amount in? and the details of the projects undertaken)?	Rs. 69.01 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.
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's CSR Projects are based on its own assessment. That brings the community together in getting involved in these Projects.

**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 facilities including Pipavav Port. The entire exercise is administered by an external agency.



## 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 2021, 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 2021, 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 39 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
Assessment and re-measurement of Deferred Tax Liability (Refer note 14a to the standalone financial statements)	
<p>The Company had evaluated the provisions of Taxation Law (Amendment) Act, 2019 which became effective 01 April 2019 to assess its option, and had opted to continue with the existing tax rate structure until the utilisation of accumulated MAT credit.</p> <p>This being a continuous assessment, the Company has reassessed its judgement as at the year end by evaluating its forecasts and taxable profits, and expect to migrate to the new tax regime in the financial year 2022-23.</p>	<p>In relation to the re-measurement of Deferred tax liability, we performed procedures, including the following:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the design and tested the operating effectiveness of the Company's controls over preparation of forecasts.</li> <li>• 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.</li> <li>• Tested the mathematical accuracy of the underlying calculations and comparing the forecasts with the budgets approved by the Board of Directors.</li> </ul>

Key audit matter description	How our audit addressed the key audit matter
<p>We considered the re-measurement of Deferred tax liability to be a key audit matter as the estimate was critical in view of the management's assessment of migration to the new tax regime and considering that the likely impact on its Deferred Tax and Minimum Alternate Tax balance is material to the financial statements. Further, there are significant judgements involved while applying various assumptions in preparation of forecasts which mainly include future business growth rates and taxable profits.</p>	<ul style="list-style-type: none"> <li>• Compared the growth rates used in the preparation of forecasts with economic and industry growth rates.</li> <li>• Performed a sensitivity analysis over the assumptions used in determining the future forecasted profit.</li> <li>• Tested the mathematical accuracy of re-measured amount of deferred tax balance.</li> <li>• Assessed the adequacy of presentation and disclosure.</li> </ul> <p>Based on the above procedures performed, we did not find any material exceptions to the assessment and re-measurement of Deferred Tax Liability.</p>

#### Other Information

6. 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 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 statements 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 2021 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at 31 March 2021.
    - 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 2021.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31 March 2021.
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: 21112433AAAACU5260

Mumbai  
27 May, 2021

## **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 2021

### **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 2021 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 2021, 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: 21112433AAAACU5260

Mumbai  
27 May, 2021

**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 2021.

- 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.
- 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 regular in depositing undisputed statutory dues in respect of income tax, provident fund, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
- (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 2021 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 mentioned in the demand

- 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: 21112433AAAACU5260

Mumbai  
27 May, 2021



**STANDALONE BALANCE SHEET AS AT 31 MARCH 2021**

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

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3 (a)	14,255.10	15,277.12
Right of use Assets	3 (b)	396.79	544.29
Capital work-in-progress	3 (c)	527.77	56.96
Intangible assets	3 (d)	20.67	3.95
Investments in an associate company	4 (a)	830.00	830.00
<b>Financial Assets</b>			
Other financial assets	4 (b)	223.88	220.28
Income tax assets (net)	5 (a)	179.72	156.26
Other non-current assets	6	20.26	0.43
<b>Total non-current assets</b>		<b>16,454.19</b>	<b>17,089.29</b>
<b>Current assets</b>			
Inventories	7	104.91	76.09
<b>Financial Assets</b>			
(i) Trade receivables	8 (a)	441.17	459.12
(ii) Cash and cash equivalents	8 (b)	63.42	189.70
(iii) Bank balance other than (ii) above	8 (c)	7,190.26	6,305.35
(iv) Loans	8 (d)	4.91	4.77
(v) Other financial assets	4 (b)	52.86	32.37
Other Current assets	9	108.48	100.38
<b>Total current assets</b>		<b>7,966.01</b>	<b>7,167.78</b>
<b>Total Assets</b>		<b>24,420.20</b>	<b>24,257.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	10	4,834.40	4,834.40
Other equity			
Reserves and surplus	11	15,487.59	16,014.08
<b>Total equity</b>		<b>20,321.99</b>	<b>20,848.48</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	3(b)	244.72	395.60
(ii) Other financial liabilities	12	69.20	34.47
Employee benefit obligations	13	40.37	32.13
Deferred tax liabilities (net)	14(b)	1,006.68	493.97
Other non-current liabilities	15	521.01	596.10
<b>Total non-current liabilities</b>		<b>1,881.98</b>	<b>1,552.27</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade payables	16		
Dues to Micro, Small and Medium Enterprises		5.01	1.48
Other than Micro, Small and Medium Enterprises		334.44	296.93
(ii) Lease liabilities	3(b)	220.56	189.26
(iii) Other financial liabilities	12	379.91	169.09
Provisions	17	208.00	208.00
Employee benefit obligations	13	127.10	116.09
Income tax provisions (net)	5 (b)	6.62	14.75
Other current liabilities	18	934.59	860.72
<b>Total current liabilities</b>		<b>2,216.23</b>	<b>1,856.32</b>
<b>Total Liabilities</b>		<b>4,098.21</b>	<b>3,408.59</b>
<b>Total equity and liabilities</b>		<b>24,420.20</b>	<b>24,257.07</b>

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

27 May 2021

Annual Report 2020 - 2021

**For and on Behalf of Board of Directors of**
**Gujarat Pipavav Port Limited**
**CIN: L63010GJ1992PLC018106**
**Jakob Friis Sorensen**
*Managing Director*

DIN : 08593830

**Santosh Breed**
*Chief Financial Officer*

Mumbai

27 May 2021

**Pradeep Mallick**
*Director*

DIN: 00061256

**Manish Agnihotri**
*Company Secretary*

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021**

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

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	19	7,334.63	7,353.69
Other income	20	442.00	508.67
<b>Total Income</b>		<b>7,776.63</b>	<b>7,862.36</b>
<b>Expenses</b>			
Operating expenses	21	1,374.60	1,270.72
Employee benefits expense	22	671.50	566.94
Finance costs	23	63.10	73.76
Depreciation and amortisation expense	24	1,334.50	1,314.50
Other expenses	25	1,067.32	1,049.89
<b>Total expenses</b>		<b>4,511.02</b>	<b>4,275.81</b>
<b>Profit before tax</b>		<b>3,265.61</b>	<b>3,586.55</b>
<b>Tax expense :</b>			
For the year			
Current tax expense	14 (a)	1,179.68	1,258.95
Deferred tax (credit) / expense	14 (a)	(18.23)	(596.44)
For earlier year			
Current tax expense reversed		(1.35)	-
Deferred tax credit	14 (a)	(78.47)	-
<b>Total tax expense</b>		<b>1,081.63</b>	<b>662.51</b>
<b>Profit for the year</b>		<b>2,183.98</b>	<b>2,924.04</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Re-measurement of post-employment benefit obligations		(4.94)	(19.55)
- Less: Income tax relating to above		1.73	6.83
<b>Other comprehensive income for the year, net of tax</b>		<b>(3.21)</b>	<b>(12.72)</b>
<b>Total comprehensive income for the year</b>		<b>2,180.77</b>	<b>2,911.32</b>
Earning per equity share [face value per share INR 10 (31 March 2020: INR10 )]			
Basic earnings per share		4.52	6.05
Diluted earnings per share		4.52	6.05

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

**For and on Behalf of Board of Directors of  
 Gujarat Pipavav Port Limited**  
**CIN: L63010GJ1992PLC018106**
**Arunkumar Ramdas**  
*Partner*  
 Membership No: 112433

**Jakob Friis Sorensen**    **Pradeep Mallick**  
*Managing Director*        *Director*  
 DIN : 08593830                DIN: 00061256

**Santosh Breed**                **Manish Agnihotri**  
*Chief Financial Officer*    *Company Secretary*  
 Mumbai  
 27 May 2021

 Mumbai  
 27 May 2021

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

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

**A. Equity share capital**

	Notes	Amount
<b>As at 31 March 2019</b>		<b>4,834.40</b>
Changes in equity share capital	10	-
<b>As at 31 March 2020</b>		<b>4,834.40</b>
Changes in the equity share capital	10	-
<b>As at 31 March 2021</b>		<b>4,834.40</b>

**B. Other equity**

Particulars	Notes	Attributable to owners of Gujarat Pipavav Port Limited		
		Reserves & Surplus		Total Other Equity
		Securities Premium Reserve	Retained Earnings	
<b>Balance at 1 April 2019</b>	11(i)	14,288.87	1,086.85	15,375.72
Profit for the year			2,924.04	2,924.04
Less: Other Comprehensive Income			(12.72)	(12.72)
<b>Total comprehensive income for the year ended 31 March 2020</b>			<b>2,911.32</b>	<b>2,911.32</b>
<b>Transaction with owners in their capacity as owners:</b>				
Dividends paid (including dividend distribution tax)			(2,272.96)	(2,272.96)
<b>Balance at 31 March 2020</b>	11(i)	14,288.87	1,725.21	16,014.08
Profit for the year	11(ii)		2,183.98	2,183.98
Less: Other Comprehensive Income			(3.21)	(3.21)
<b>Total comprehensive income for the year ended 31 March 2021</b>			<b>2,180.77</b>	<b>2,180.77</b>
<b>Transaction with owners in their capacity as owners:</b>				
Dividends paid (including dividend distribution tax)			(2,707.26)	(2,707.26)
<b>Balance at 31 March 2021</b>		<b>14,288.87</b>	<b>1,198.72</b>	<b>15,487.59</b>

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

27 May 2021

**For and on Behalf of Board of Directors of**
**Gujarat Pipavav Port Limited**
**CIN: L63010GJ1992PLC018106**
**Jakob Friis Sorensen Pradeep Mallick**
*Managing Director*

DIN : 08593830

*Director*

DIN: 00061256

**Santosh Breed**
*Chief Financial Officer*

Mumbai

27 May 2021

**Manish Agnihotri**
*Company Secretary*

**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flows from operating activities</b>		
Profit before tax	3,265.61	3,586.55
<b>Adjustments :</b>		
Deferred income recognised	(74.70)	(74.43)
Depreciation and amortisation expense	1,334.50	1,314.50
Finance costs	63.10	73.76
Dividend and interest income classified as investing cash flows	(322.29)	(413.11)
(Profit) / loss on disposal of property, plant and equipment	(4.47)	0.30
Sundry balances written off/ (back) (net)	0.10	(6.52)
Provisions for doubtful debts and inventory / (written back)	(34.69)	-
Bad Debt Write Off	13.55	42.42
Foreign currency transactions and translations differences	2.98	1.54
Provision for claims	-	(7.35)
	<b>4,243.69</b>	<b>4,517.66</b>
<b>Operating profit before working capital changes</b>		
Decrease in trade receivables	28.92	8.64
(Increase) / Decrease in inventories	(21.62)	6.15
(Increase) / Decrease in loans	(0.14)	0.02
(Increase) / Decrease in other financial assets	(24.09)	23.26
(Increase) / Decrease in other assets	(8.10)	36.57
Increase / (Decrease) in trade payables	41.04	(27.05)
Increase / (Decrease) in employee benefit obligations	14.31	(16.77)
Increase / (Decrease) in other financial liabilities	92.07	(123.34)
Increase / (Decrease) in non-current liabilities	-	(149.69)
Increase / (Decrease) in other current liabilities	73.46	(243.70)
	<b>195.85</b>	<b>(485.91)</b>
<b>Cash generated from operations</b>	4,439.54	4,031.75
Income taxes paid	(598.78)	(636.30)
<b>Net cash inflow from operating activities</b>	<b>3,840.76</b>	<b>3,395.45</b>
<b>Cash flows from / (used in) investing activities</b>		
Payments for property, plant and equipment	(454.78)	(147.50)
Proceeds from sale of fixed assets (net)	7.22	0.01
Dividends received from Associate company	38.00	38.00
Interest received	376.26	350.14
Increase in deposits with banks	(976.89)	(1,051.36)
<b>Net cash outflow used in investing activities</b>	<b>(1,010.19)</b>	<b>(810.71)</b>

**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flows from / (used in) financing activities</b>		
Interest paid	(63.10)	(73.76)
Repayment of lease liability	(188.29)	(157.90)
Dividends paid to Company's shareholders	(2,705.46)	(1,883.95)
Dividend distribution tax paid on dividend	-	(387.55)
<b>Net cash outflow used in financing activities</b>	<b>(2,956.85)</b>	<b>(2,503.16)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(126.28)</b>	<b>81.58</b>
Cash and cash equivalents at the beginning of the period	189.70	108.12
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>63.42</b>	<b>189.70</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	63.42	189.70
Balance as per statement of cash flows	63.42	189.70

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

27 May 2021

**For and on Behalf of Board of Directors of  
Gujarat Pipavav Port Limited**

**CIN: L63010GJ1992PLC018106**

**Jakob Friis Sorensen Pradeep Mallick**

*Managing Director*

DIN : 08593830

*Director*

DIN: 00061256

**Santosh Breed**

*Chief Financial Officer*

Mumbai

27 May 2021

**Manish Agnihotri**

*Company Secretary*

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

(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 are 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 amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The 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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**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 except for revenue from storage operations which is recognised on a time proportion basis. 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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

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 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
- amounts expected to be payable by the Company 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 terminating the lease, if the lease term reflects the Company exercising that option.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021

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

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 lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an 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 the 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 the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the company entities use that rate as a starting point to determine the incremental borrowing rate.

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.

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 asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment 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.

### *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. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021

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

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 of 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.

#### (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.

#### (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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

(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.

**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 |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

Based on internal technical evaluation following assets have a different useful life than prescribed by schedule II of the Act.

<b>Asset Details</b>	<b>Block of Assets</b>	<b>Technical Estimate in Years</b>
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.

**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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

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.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021

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

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.

### 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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**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 2.16, 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 company 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 2021**

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

**3(a)(i) Property, plant and equipment [1 April 2020 to 31 March 2021]**

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1 April 2020	Additions during the year	Deductions	As at 31st March 2021	As at 1 April 2020	Charge on account of Depreciation for the year	Deductions	As at 31st March 2021	As at 31st March 2021
Land and site development	321.85	-	1.48	<b>320.37</b>	-	-	-	-	<b>320.37</b>
Buildings	5,507.69	50.01	0.42	<b>5,557.28</b>	1,157.16	220.20	0.08	1,377.28	<b>4,180.00</b>
Port Road - External	734.59	-	-	<b>734.59</b>	251.41	50.28	-	301.69	<b>432.90</b>
Plant, Machinery and Equipments	9,814.38	39.84	17.25	<b>9,836.97</b>	3,292.32	733.16	16.79	4,008.69	<b>5,828.28</b>
Dredging	3,869.19	-	-	<b>3,869.19</b>	451.35	90.52	-	541.87	<b>3,327.32</b>
Railway sidings	233.09	-	-	<b>233.09</b>	65.09	13.02	-	78.11	<b>154.98</b>
Furniture, Fittings and Leasehold Improvements	23.18	4.34	1.48	<b>26.04</b>	20.04	3.64	1.47	22.21	<b>3.83</b>
Motor Vehicles	23.96	0.12	2.95	<b>21.13</b>	13.44	2.76	2.49	13.71	<b>7.42</b>
<b>Total</b>	<b>20,527.93</b>	<b>94.31</b>	<b>23.58</b>	<b>20,598.66</b>	<b>5,250.81</b>	<b>1,113.58</b>	<b>20.83</b>	<b>6,343.56</b>	<b>14,255.10</b>

**Notes :**
**1** Land and site development includes

- Freehold land of INR 50.55 million
- 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 244.83 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 2021**

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

**3(a)(ii) Property, plant and equipment [1 April 2019 to 31 March 2020]**

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1 April 2019	Additions during the year	Deductions	As at 31st March 2020	As at 1 April 2019	Charge on account of Depreciation for the year	Deductions	As at 31st March 2020	As at 31st March 2020
Land and site development	321.85	-	-	<b>321.85</b>	-	-	-	-	<b>321.85</b>
Buildings	5,465.96	43.05	1.32	<b>5,507.69</b>	933.50	224.68	1.02	1,157.16	<b>4,350.53</b>
Port Road - External	734.59	-	-	<b>734.59</b>	201.13	50.28	-	251.41	<b>483.18</b>
Plant, Machinery and Equipments	9,364.98	449.40	-	<b>9,814.38</b>	2,569.47	722.85	-	3,292.32	<b>6,522.06</b>
Dredging	3,869.19	-	-	<b>3,869.19</b>	360.83	90.52	-	451.35	<b>3,417.84</b>
Railway sidings	233.09	-	-	<b>233.09</b>	52.07	13.02	-	65.09	<b>168.00</b>
Furniture, Fittings and Leasehold Improvements	20.64	2.54	-	<b>23.18</b>	15.12	4.92	-	20.04	<b>3.14</b>
Motor Vehicles	24.33	-	0.37	<b>23.96</b>	11.07	2.74	0.37	13.44	<b>10.52</b>
<b>Total</b>	<b>20,034.63</b>	<b>494.99</b>	<b>1.69</b>	<b>20,527.93</b>	<b>4,143.19</b>	<b>1,109.01</b>	<b>1.39</b>	<b>5,250.81</b>	<b>15,277.12</b>

**Notes :**
**1** Land and site development includes

- Freehold land of INR 50.55 million
- Land aggregating INR 1.48 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 244.83 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 2021**

(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 2021	31 March 2020
<b>Right of Use Assets</b>		
Land	70.92	80.37
Plant & Machinery	311.72	463.92
Administration Building	14.15	-
<b>Total</b>	<b>396.79</b>	<b>544.29</b>
<b>Lease Liabilities</b>		
Current	220.56	189.26
Non current	244.72	395.60
<b>Total</b>	<b>465.28</b>	<b>584.86</b>

Additions to the right-of-use assets during the year were INR 69.10 (31 March 2020: 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 2021	31 March 2020
<b>Depreciation charge of right of use assets</b>		
Land	9.46	9.46
Plant & Machinery	204.32	189.01
Administration Building	2.83	-
<b>Total</b>	<b>216.61</b>	<b>198.47</b>
Interest expenses ( Included in finance cost)	59.22	69.84
Expenses relating to short term leases (included in other expenses)	12.92	37.20
Expenses relating to variable lease payments not included in lease liabilities	314.77	324.22

The total cash outflow for leases for the year was INR 188.69 (31 March 2020 was INR 157.90)

The company has recovered depreciation on Administration Building and Finance Cost of INR 0.40 and INR 0.24 respectively from related party

**3(c) (i) Capital work in progress**

	As at 31st March 2021
Capital work in progress	527.77
<b>Total</b>	<b>527.77</b>

Capital work-in-progress mainly comprises of Development of Railway Infrastructure for DFC Corridor Compatibility, Construction of Warehouse for Fertiliser Storage, Restoration of Rock Bund B and C (Phase I), GP01 New Crane rail installation work, Upgradation of existing liquid jetty to handle VLGC Vessels, Upgradation of CCTV Network etc.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**3(c) (ii) Capital work in progress**

	<b>As at 31st March 2020</b>
Capital work in progress	56.96
<b>Total</b>	<b>56.96</b>

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 Amortisation				Net Carrying Amount
	As at 1 April 2020	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2021	As at 1 April 2020	Charge on account of Amortisation for the year	On Deductions/ Adjustments	As at 31st March 2021	As at 31st March 2021
Computer Software	42.99	21.44	-	64.43	39.04	4.72	-	43.76	20.67
<b>Total</b>	<b>42.99</b>	<b>21.44</b>	<b>-</b>	<b>64.43</b>	<b>39.04</b>	<b>4.72</b>	<b>-</b>	<b>43.76</b>	<b>20.67</b>

**3(d)(ii) Intangible Assets**

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at 1 April 2019	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2020	As at 1 April 2019	Charge on account of Amortisation for the year	On Deductions/ Adjustments	As at 31st March 2020	As at 31st March 2020
Computer Software	41.16	1.83	-	42.99	32.02	7.02	-	39.04	3.95
<b>Total</b>	<b>41.16</b>	<b>1.83</b>	<b>-</b>	<b>42.99</b>	<b>32.02</b>	<b>7.02</b>	<b>-</b>	<b>39.04</b>	<b>3.95</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**4(a) Investments**

	As at 31 March 2021	As at 31 March 2020
<b>Investments in equity instruments (fully paid up) :</b>		
<b>Unquoted</b>		
76,000,010 (31 March 2020 : 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
<b>Total investment in equity instruments</b>	<b>830.00</b>	<b>830.00</b>
<b>Total non-current investments</b>	<b>830.00</b>	<b>830.00</b>
Aggregate amount of unquoted investments	830.00	830.00
Aggregate amount of impairment in the value of investments	-	-

**4(b) Other financial assets**

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Security deposits	38.53	11.04	34.93	13.16
Unbilled revenue	-	41.82	-	19.21
Receivable from Gujarat Maritime Board [Refer Note 39]	185.35	-	185.35	-
<b>Total other financial assets</b>	<b>223.88</b>	<b>52.86</b>	<b>220.28</b>	<b>32.37</b>

**5 (a) Income tax assets (net)**

	As at 31 March 2021	As at 31 March 2020
Advance Tax *	179.72	156.26
<b>Total Current tax assets (net)</b>	<b>179.72</b>	<b>156.26</b>

\* Net of provision for tax of INR 3,499.85 million (31 March 2020 : INR 2,877.26 million)

**5 (b) Income tax provisions (net)**

	As at 31 March 2021	As at 31 March 2020
Provision for tax #	6.62	14.75
<b>Total Current tax provisions (net)</b>	<b>6.62</b>	<b>14.75</b>

# Net of Advance tax of INR 561.91 million (31 March 2020 : INR 609.18 million)

**6 Other non-current assets**

	As at 31 March 2021	As at 31 March 2020
Capital advances	20.26	0.43
<b>Total other non-current assets</b>	<b>20.26</b>	<b>0.43</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**7 Inventories**

	As at 31 March 2021	As at 31 March 2020
Stores and spares	98.97	74.61
Goods-in-transit - Stores and Spares	5.94	1.48
<b>Total inventories</b>	<b>104.91</b>	<b>76.09</b>

**Amounts recognised in Statement of Profit and Loss**

Write back of Inventories net of scrap amounts to INR 7.19 million (Write down of Inventories for the year ended 31 March 2020 : 2.01 million). These were recognised as other income (Refer note - 20) [As at 31 March 2020 included in other expenses in Statement of Profit and Loss (Refer note - 25)].

**8(a) Trade receivables**

	As at 31 March 2021	As at 31 March 2020
Trade receivables from contracts with customers	245.50	300.09
Trade receivables from contracts with customers - related parties (Refer note - 37)	253.83	244.69
Less: Allowance for doubtful debts (Refer note - 28)	(58.16)	(85.66)
<b>Total trade receivables</b>	<b>441.17</b>	<b>459.12</b>
<b>Break-up of security details</b>		
Secured, considered good	41.15	43.67
Unsecured, considered good	400.02	415.45
Credit impaired	58.16	85.66
<b>Total</b>	<b>499.33</b>	<b>544.78</b>
Allowance for doubtful debts	(58.16)	(85.66)
<b>Total trade receivables</b>	<b>441.17</b>	<b>459.12</b>

**8(b) Cash and cash equivalents**

	As at 31 March 2021	As at 31 March 2020
Cash on hand	-	0.20
Balances with banks		
- In current accounts	17.51	75.27
- In Exchange Earners' Foreign Currency accounts	45.91	114.23
<b>Total cash and cash equivalents</b>	<b>63.42</b>	<b>189.70</b>

**8(c) Other bank balances**

	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity of more than three months but less than 12 months	7,182.55	6,299.44
Unpaid dividend account	7.71	5.91
<b>Total other bank balances</b>	<b>7,190.26</b>	<b>6,305.35</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**8(d) Loans**

	As at 31 March 2021	As at 31 March 2020
Loans and advances to employees	4.91	4.77
<b>Total loans</b>	<b>4.91</b>	<b>4.77</b>

**9 Other current assets**

	As at 31 March 2021	As at 31 March 2020
Advance for supplies	33.61	47.11
Prepaid expenses	26.04	23.61
Balances with government authorities	30.82	25.73
Other receivables	18.01	3.93
<b>Total other current assets</b>	<b>108.48</b>	<b>100.38</b>

**10 Equity share capital**

	As at 31 March 2021	As at 31 March 2020
<b>Authorised share capital</b>		
600,000,000 (31 March 2020 : 600,000,000) equity shares of INR 10 each	6,000.00	6,000.00
	<b>6,000.00</b>	<b>6,000.00</b>
<b>Issued, subscribed and paid up share capital</b>		
483,439,910 (31 March 2020 : 483,439,910) equity shares of INR 10 each, fully paid-up	4,834.40	4,834.40
	<b>4,834.40</b>	<b>4,834.40</b>

**a Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting period**

	As at 31 March 2021		As at 31 March 2020	
	Number	INR	Number	INR
Equity shares at the commencement of the year	483,439,910	4,834.40	483,439,910	4,834.40
Issued during the year	-	-	-	-
At the end of the year	<b>483,439,910</b>	<b>4,834.40</b>	<b>483,439,910</b>	<b>4,834.40</b>

**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 2021**

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

**c Equity shares in the Company held by each shareholder holding more than 5% shares #**

Name of the Shareholder	As at 31 March 2021		As at 31 March 2020	
	Number	Percentage	Number	Percentage
APM Terminals Mauritius Limited	212,738,931	44.01%	207,903,931	43.01%
ICICI Prudential Value Fund - Series 4	46,862,663	9.69%	47,835,195	9.89%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	36,917,539	7.64%	43,482,989	8.99%

# As per the records of the Company, including its register of members.

**11 Reserves and surplus**

	As at 31 March 2021	As at 31 March 2020
Securities premium reserve [Refer Note- (i) below]	14,288.87	14,288.87
Retained earnings [Refer Note- (ii) below]	1,198.72	1,725.21
<b>Total reserves and surplus</b>	<b>15,487.59</b>	<b>16,014.08</b>

**(i) Securities premium reserve\***

	As at 31 March 2021	As at 31 March 2020
Opening balance	14,288.87	14,288.87
Movement during the year	-	-
<b>Closing balance</b>	<b>14,288.87</b>	<b>14,288.87</b>

\* 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 2021	As at 31 March 2020
Opening balance	1,725.21	1,086.85
Net profit for the year	2,183.98	2,924.04
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
- Remeasurements of post employment benefit obligation, net of tax	(3.21)	(12.72)
<b>Dividends</b>		
- Final dividend for the year ended	(1,692.04)	(870.19)
- Dividend distribution tax on final dividend for the year ended	-	(178.87)
- Interim dividend for the year ended	(1,015.22)	(1,015.22)
- Dividend distribution tax on interim dividend for the year ended	-	(208.68)
<b>Closing balance</b>	<b>1,198.72</b>	<b>1,725.21</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**12 Other financial liabilities**

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Retention monies payable	41.65	44.51	7.27	37.47
Security deposits received *	27.55	64.47	27.20	65.25
Capital creditors *	-	187.94	-	36.38
Unclaimed dividend (Refer note below)	-	7.71	-	5.91
Other payables*	-	75.28	-	24.08
<b>Total other financial liabilities</b>	<b>69.20</b>	<b>379.91</b>	<b>34.47</b>	<b>169.09</b>

**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 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Compensated absences [Refer note (i) below]	-	42.57	-	37.14
Gratuity [Refer note (ii) below]	24.77	15.51	23.18	16.15
Other employee benefits payables	15.60	69.02	8.95	62.80
<b>Total employee benefits obligations</b>	<b>40.37</b>	<b>127.10</b>	<b>32.13</b>	<b>116.09</b>

**(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 7.91 million (31 March 2020: INR 8.26 million) and is included in Note 22 - 'Employee benefits expense'. Accumulated current provision for compensated absences aggregates to INR 42.57 million (31 March 2020: INR 37.14 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 2021**

(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
<b>Balance as at 01 April 2020</b>	101.02	(61.69)	39.33
Current service cost	9.36	-	9.36
Interest expense / (income)	6.91	(4.22)	2.69
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
<b>Total amount recognised in the Statement of Profit and Loss</b>	<b>16.27</b>	<b>(4.22)</b>	<b>12.05</b>
<b>Remeasurements</b>			
(Gain) / loss from change in demographic assumptions		-	-
(Gain) / loss from change in financial assumptions	3.96	-	3.96
Experience (gain) / loss	2.35	(1.37)	0.98
<b>Total amount recognised in other comprehensive income</b>	<b>6.31</b>	<b>(1.37)</b>	<b>4.94</b>
Employers contributions	-	(16.05)	(16.05)
Benefit payments	(1.95)	1.95	-
<b>Balance as at 31 March 2021</b>	<b>121.65</b>	<b>(81.38)</b>	<b>40.27</b>
<b>Balance as at 01 April 2019</b>	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)	-	-	-
<b>Total amount recognised in the Statement of Profit and Loss</b>	<b>12.20</b>	<b>(3.43)</b>	<b>8.77</b>
<b>Remeasurements</b>			
(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
<b>Total amount recognised in other comprehensive income</b>	<b>19.34</b>	<b>0.21</b>	<b>19.55</b>
Employers contributions	-	(13.38)	(13.38)
Benefit payments	(0.86)	0.86	-
<b>Balance as at 31 March 2020</b>	<b>101.02</b>	<b>(61.69)</b>	<b>39.33</b>

The net liability disclosed above relates to funded plans are as follow :

	31 March 2021	31 March 2020
Present value of funded obligations	(121.65)	(101.02)
Fair value of plan assets	81.38	61.69
<b>Deficit of funded plan (Gratuity)</b>	<b>(40.27)</b>	<b>(39.33)</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

The significant actuarial assumptions were as follows :

	31 March 2021	31 March 2020
Discount rate	6.44%	6.84%
Salary growth rate	8.00%	8.00%
Expected rate of return on plan assets	6.44%	6.84%
Attrition rate	5.00%	5.00%
Mortality	Indian Assured lives mortality (2006-08)	Indian Assured lives mortality (2006-08)

	31 March 2021	31 March 2020
Projected Benefit Obligation on Current Assumptions	121.65	101.02
Delta Effect of +1% Change in Rate of Discounting	(9.50)	(8.23)
Delta Effect of -1% Change in Rate of Discounting	10.94	9.50
Delta Effect of +1% Change in Rate of Salary Increase	10.67	9.30
Delta Effect of -1% Change in Rate of Salary Increase	(9.45)	(8.22)
Delta Effect of +1% Change in Rate of Employee Turnover	(1.14)	(0.81)
Delta Effect of -1% Change in Rate of Employee Turnover	1.27	0.90

Category of assets	31 March 2021	31 March 2020
Insurance fund (100%)	81.38	61.69
<b>Total</b>	<b>81.38</b>	<b>61.69</b>

**(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 2021	31 March 2020
1st Following Year	11.64	6.27
2nd Following Year	6.64	6.14
3rd Following Year	9.02	7.83
4th Following Year	8.83	7.87
5th Following Year	7.31	7.73
Sum of Years 6 To 10	47.70	38.61
Sum of Years 11 and above	142.42	134.99

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

(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 2021	For the year ended 31 March 2020
<b>Current tax</b>		
Current year	1,179.68	1,258.95
Earlier years	(1.35)	-
<b>Total</b>	<b>1,178.33</b>	<b>1,258.95</b>
<b>Deferred tax</b>		
Current year	(18.23)	(596.44)
Earlier years	(78.47)	-
<b>Total</b>	<b>(96.70)</b>	<b>(596.44)</b>
<b>Total income tax expense/(credit)</b>	<b>1,081.63</b>	<b>662.51</b>

**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 2021	For the year ended 31 March 2020
Accounting profit before tax	3,265.61	3,586.55
Applicable tax rate of the reporting entity	34.944%	34.944%
Expected total tax expense	1,141.13	1,253.28
Amount charged in Statement of Profit and Loss	1,081.63	662.51
Difference	59.50	590.77
Tax effect of amounts which are (not deductible) / allowable in calculating taxable income:		
(i) Expenditures not deductible for tax purpose	(24.16)	(22.94)
(ii) Dividend Received (Adjusted with expense disallowed u/s 14 A)	-	13.28
(iii) Impact of change in tax rate*	-	599.26
(iv) Tax credit of earlier years	79.82	-
(v) Others	3.84	1.17
<b>Total</b>	<b>59.50</b>	<b>590.77</b>

Pursuant to the Taxation Law (Amendment), 2019 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.

In previous year, the Company had made an assessment of the impact of the amendment 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 had 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 in the previous year. This was due to the re-measurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime. Consequently, the profit after tax for the year ended March 31, 2021 is not strictly comparable with the corresponding figures for the year ended March 31, 2020.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**b(i) Deferred tax relates to the following :**

	As at 31 March 2021	As at 31 March 2020
Expenditure deductible on payment basis (including Lease Liability)	228.83	275.65
Defined benefit obligations	34.46	23.17
MAT credit entitlement	423.57	956.24
<b>Total deferred tax assets</b>	<b>686.86</b>	<b>1,255.06</b>
<b>On difference between book depreciation and tax depreciation</b>	<b>1,693.54</b>	<b>1,749.03</b>
<b>Total deferred tax liabilities</b>	<b>1,693.54</b>	<b>1,749.03</b>
<b>Net deferred tax liabilities</b>	<b>1,006.68</b>	<b>493.97</b>

**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
<b>At 1 April 2019</b>	<b>120.17</b>	<b>20.56</b>	<b>1,591.26</b>	<b>224.49</b>	<b>(224.49)</b>	<b>(2,194.20)</b>	<b>(462.21)</b>
<b>(Charged)/credited:</b>							
- 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
<b>At 31 March 2020</b>	<b>128.55</b>	<b>23.17</b>	<b>956.24</b>	<b>147.10</b>	<b>(137.08)</b>	<b>(1,611.95)</b>	<b>(493.97)</b>
<b>Adjustment on adoption of Ind AS116 (Refer note - 39)</b>							
<b>At 1 April 2020 (Restated)</b>	<b>128.55</b>	<b>23.17</b>	<b>956.24</b>	<b>147.10</b>	<b>(137.08)</b>	<b>(1,611.95)</b>	<b>(493.97)</b>
<b>(Charged)/credited:</b>							
- to Statement of Profit and Loss	(16.82)	9.56	78.47	(30.00)	35.84	19.65	96.70
- utilisation of MAT credit#	-	-	(611.14)	-	-	-	(611.14)
- to other comprehensive income	-	1.73	-	-	-	-	1.73
<b>At 31 March 2021</b>	<b>111.73</b>	<b>34.46</b>	<b>423.57</b>	<b>117.10</b>	<b>(101.24)</b>	<b>(1,592.30)</b>	<b>(1,006.68)</b>

#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 2021	As at 31 March 2020
Deferred income on Government Grant	521.01	596.10
<b>Total other non-current liabilities</b>	<b>521.01</b>	<b>596.10</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**16 Trade payables**

	As at 31 March 2021	As at 31 March 2020
Trade payables*		
Dues to Micro, Small and Medium Enterprises (Refer note - 41)	5.01	1.48
Other than Micro, Small and Medium Enterprises	334.44	296.93
<b>Total Trade payables</b>	<b>339.45</b>	<b>298.41</b>

\* Out of total trade payables, INR 50.56 pertains to related parties ( 31 March 2020: INR 41.65) (Refer note-37).

**17 Provisions**

	As at 31 March 2021	As at 31 March 2020
Claims (Refer note - 33)	208.00	208.00
<b>Total provisions</b>	<b>208.00</b>	<b>208.00</b>

**18 Other current liabilities**

	As at 31 March 2021	As at 31 March 2020
Deferred income on Government Grant	74.70	74.30
Statutory dues payables	97.12	98.75
Accruals of Incentives and Rebates [Refer note - 18(a)]	619.00	542.31
Income received in advance	0.12	0.27
Advance from customers (contract liabilities) *	143.65	145.09
<b>Total other current liabilities</b>	<b>934.59</b>	<b>860.72</b>

\* Revenue recognised that was included in advance from customers at the beginning of the period INR 56.36 million (31 March 2020 : INR 70.06 million)

**18(a) Movement in Accruals of Incentives and Rebates**

	As at 31 March 2021	As at 31 March 2020
At the commencement of the year	<b>542.31</b>	<b>689.18</b>
Accruals made during the year	748.08	658.07
Accruals utilised during the year	(671.39)	(804.94)
<b>At the end of the year</b>	<b>619.00</b>	<b>542.31</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**19 Revenue from operations**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Income from port services	6,835.50	6,863.25
Other operating revenue	499.13	490.44
<b>Total revenue from operations</b>	<b>7,334.63</b>	<b>7,353.69</b>

**20 Other income**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
- banks	284.29	375.11
- others	2.43	1.02
Dividends received from Associate company (Refer note below)	38.00	38.00
Deferred Income recognised	74.70	74.43
Gain on sale / disposal of fixed assets (net)	4.47	-
Provisions for inventory written back (Refer note - 7)	7.19	-
Provision for doubtful debts written back [Refer note - 8(a)]	27.50	-
Miscellaneous income	3.42	20.11
<b>Total other income</b>	<b>442.00</b>	<b>508.67</b>

**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 2021	For the year ended 31 March 2020
Handling expenses	1,076.87	931.92
Waterfront royalty (Refer note - 34)	194.53	220.28
Business support service charges	58.77	64.36
Other direct costs	44.43	54.16
<b>Total operating expenses</b>	<b>1,374.60</b>	<b>1,270.72</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**22 Employee benefits expense**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	598.15	504.91
Contribution to provident fund and other funds (Refer note below)	27.73	24.56
Gratuity [Refer note 13(ii)]	12.05	8.77
Compensated absences [Refer note 13(i)]	7.91	8.26
Staff welfare expenses	25.66	20.44
<b>Total employee benefits expense</b>	<b>671.50</b>	<b>566.94</b>

The Company recognised INR 27.73 million (31 March 2020 : INR 24.56 million) for provident fund contribution in the Statement of Profit and Loss.

**23 Finance costs**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest and finance charges on lease liabilities	58.98	69.84
Others	4.12	3.92
<b>Total finance costs</b>	<b>63.10</b>	<b>73.76</b>

**24 Depreciation and amortisation expense**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment	1,113.57	1,109.01
Amortisation of intangible assets	4.72	7.02
Depreciation of right-of-use assets [refer note-3(b)]	216.21	198.47
<b>Total depreciation and amortisation expense</b>	<b>1,334.50</b>	<b>1,314.50</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**25 Other expenses**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	221.29	246.39
Rent	2.82	11.65
Repairs		
- Building	38.26	71.71
- Machinery and equipment	301.52	194.91
- Others	64.76	64.73
Insurance	43.58	41.84
Rates and taxes	1.31	0.59
Travelling expenses	50.28	69.53
Legal and professional fees	48.59	62.62
Commission to Directors (Refer note - 37)	4.13	3.75
Expenditure towards Corporate Social Responsibility [Refer note - 25(a)]	69.15	67.30
Payment to auditors [Refer note - 25(b)]	7.42	4.25
Advertisement and sales promotion	5.24	14.25
Communication expenses	3.03	4.44
Loss on sale / disposal of fixed assets (net)	-	0.30
Loss on foreign currency transactions and translations (net)	52.95	28.64
Bad Debt Write Off	13.55	1.53
Provisions for inventory (Refer note - 7)	-	2.01
Provisions for doubtful debts [Refer note - 8(a)]	-	38.88
Freight and forwarding	3.94	1.43
Water charges expenses	20.50	18.85
Contract labour expenses	72.58	66.99
Miscellaneous expenses	42.42	33.30
<b>Total other expenses</b>	<b>1,067.32</b>	<b>1,049.89</b>

**25(a) Corporate Social Responsibility (CSR)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount required to be spent as per Section 135 of the Act	68.13	67.30
<b>Amount spent during the year@</b>	<b>69.15</b>	<b>67.30</b>
(i) Construction/ acquisition of any asset	2.94	12.16
(ii) On purposes other than (i) above	66.21	55.14
<b>Total corporate social responsibility expense</b>	<b>69.15</b>	<b>67.30</b>

@ Excludes advance paid of INR 2.95 million (31 March 2020 : INR 6.57 million).



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

	As at 31 March 2021		As at 31 March 2020	
	In cash	Yet to be paid In cash	In cash	Yet to be paid In cash
(i) Construction/acquisition of any asset	2.94	-	12.16	-
(ii) On purposes other than (i) above	56.53	9.68	37.33	17.81

**25(b) Details of payment to auditors**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Payment to auditors</b>		
<b>As auditor</b>		
Audit fee	3.26	2.75
Tax audit fee	0.24	0.21
Limited review of quarterly results	1.35	1.09
Others	0.10	0.10
Group Audit fees	2.47	-
<b>Other services</b>		
Reimbursement of expenses	@	0.10
<b>Total payment to auditor</b>	<b>7.42</b>	<b>4.25</b>

@ Amount is below the rounding off norm adopted by the Company

**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 2020. Management believes that the Company's international transactions with related parties post 31 March 2020 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 2021		As at 31 March 2020	
	Fair Value	Carrying amount	Fair Value	Carrying amount
<b>Financial Assets</b>				
<b>Non- Current</b>				
Security deposits	38.53	38.53	34.93	34.93
Receivable from Gujarat Maritime Board	185.35	185.35	185.35	185.35
<b>Current</b>				
Security deposits	11.04	11.04	13.16	13.16
Unbilled revenue	41.82	41.82	19.21	19.21
Loans and advances to employees	4.91	4.91	4.77	4.77
Trade receivables	441.17	441.17	459.12	459.12
Cash and cash equivalents	63.42	63.42	189.70	189.70
Other Bank balances	7,190.26	7,190.26	6,305.35	6,305.35
<b>Total Financial Assets</b>	<b>7,976.50</b>	<b>7,976.50</b>	<b>7,211.59</b>	<b>7,211.59</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

	As at 31 March 2021		As at 31 March 2020	
	Fair Value	Carrying amount	Fair Value	Carrying amount
<b>Financial Liabilities</b>				
<b>Non- Current</b>				
Retention monies payable	41.65	41.65	7.27	7.27
Security deposits received	27.55	27.55	27.20	27.20
Lease Liability IND AS-116	244.72	244.72	395.60	395.60
<b>Current</b>				
Trade payables	339.45	339.45	298.41	298.41
Retention monies payable	44.51	44.51	37.47	37.47
Security deposits received	64.47	64.47	65.25	65.25
Capital creditors	187.94	187.94	36.38	36.38
Unclaimed dividend	7.71	7.71	5.91	5.91
Other payables	75.28	75.28	24.08	24.08
Lease liabilities	220.56	220.56	189.26	189.26
<b>Total Financial Liabilities</b>	<b>1,253.84</b>	<b>1,253.84</b>	<b>1,086.83</b>	<b>1,086.83</b>

**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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

Expected credit loss for trade receivables under simplified approach:

**For the year ended 31 March 2021:**

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	195.57	222.80	16.84	0.35	2.09	61.68	499.33
Expected credit losses	-	1.56	0.76	0.15	0.55	55.14	58.16
<b>Carrying amount of Trade receivables</b>	<b>195.57</b>	<b>221.24</b>	<b>16.08</b>	<b>0.20</b>	<b>1.54</b>	<b>6.54</b>	<b>441.17</b>

**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
<b>Carrying amount of Trade receivables</b>	<b>228.75</b>	<b>176.36</b>	<b>20.15</b>	<b>25.51</b>	<b>0.44</b>	<b>7.92</b>	<b>459.12</b>

**(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
<b>As at 31 March 2021</b>					
Trade payables	16	339.45	-	339.45	-
Retention monies payable	12	86.16	32.73	11.78	41.65
Security deposits received	12	92.02	64.47	-	27.55
Capital creditors	12	187.94	-	187.94	-
Unclaimed dividend	12	7.71	7.71	-	-
Other payables	12	75.28	75.28	-	-
<b>As at 31 March 2020</b>					
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 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 2021

(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 2021 and 31 March 2020. 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 2021:

Details	USD Exposure		EURO Exposure	
	INR	USD	INR	Euro
Receivables/Advance to Vendor	<b>252.28</b>	<b>3.45</b>	-	-
	<i>240.25</i>	<i>3.18</i>	-	-
Advance from Customers	<b>2.43</b>	<b>0.03</b>	-	-
	<i>2.08</i>	<i>0.03</i>	-	-
Payables	<b>49.73</b>	<b>0.68</b>	<b>0.32</b>	@
	<i>0.64</i>	<i>0.01</i>	<i>0.77</i>	<i>0.01</i>
Cash and Bank Balance	<b>45.91</b>	<b>0.63</b>	-	-
	<i>114.23</i>	<i>1.51</i>	-	-

@ Amount is below the rounding off norm adopted by the Company

Amounts in italics represent amounts as at 31 March 2020

Details	Impact on profit after tax	
	31 March 2021	31 March 2020
<b>USD sensitivity</b>		
INR/USD -Increase by 10% (31 March 2020-10%)	<b>24.60</b>	35.18
INR/USD -Decrease by 10% (31 March 2020-10%)	<b>(24.60)</b>	(35.18)
<b>EUR sensitivity</b>		
INR/EUR -Increase by 10% (31 March 2020-10%)	<b>(0.03)</b>	(0.08)
INR/EUR -Decrease by 10% (31 March 2020-10%)	<b>0.03</b>	0.08

## 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 2021

(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 2021	31 March 2020
<b>(a) Equity shares</b>		
(i) 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
(ii) Final dividend for the year ended 31 March 2020 of INR 3.50 per fully paid share	1,692.04	
(iii) Interim dividend for the year ended 31 March 2020 of INR 2.10 per fully paid share		1015.22
Corporate dividend tax on above		208.68
(iv) Interim dividend for the year ended 31 March 2021 of INR 2.10 per fully paid share	1,015.22	

### (b) Dividends not recognised at the end of the reporting period

The directors have recommended the payment of a final dividend of INR 2.40 per fully paid equity share (31 March 2020 – INR 3.50). 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 2021	31 March 2020
(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances)	481.93	72.10
(b) Bonds/Undertaking given by the Company under Concessional Duty / Exemption scheme to the Government Authorities. (The Company has fulfilled the obligations and is in the process of obtaining confirmation of fulfillment from the authorities)	2,949.14	2,949.14

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021

(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 2020: 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 186.97 million (31 March 2020 INR 146.62 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 2021	31 March 2020
Receivable within one year	190.43	187.87
Receivable between one and five years	880.60	840.28
Receivable more than five years	603.88	847.01

### 33. Provisions and Contingent liabilities

- (a) Claims against Company not acknowledged as debt aggregates to INR 1,231.00 million (31 March 2020: INR 1,204.93 million). Provisions made in respect of the same aggregates to INR 208.00 million (31 March 2020: INR 208.00 million).

#### Movement in provisions

Particulars	Litigations / Disputes	
	31 March 2021	31 March 2020
At the commencement of the year	208.00	365.04
Provision made during the year	-	-
Provision reversed during the year	-	(7.04)
Payment made during the year	-	(150.00)
At the end of the year	208.00	208.00

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.

- (b) Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to INR 110.14 million (31 March 2020: INR 110.14 million).

### 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021

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

### 35. Earnings per share

		For the year ended 31 March 2021	For the year ended 31 March 2020
Profit for the year	(A)	2,183.98	2,924.04
<i>Calculation of weighted average number of equity shares</i>			
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
<b>Basic and diluted earnings per share (INR)</b>	<b>(A/B)</b>	<b>4.52</b>	<b>6.05</b>

### 36. Interest in Associate company

Set out below is the associate of the Company as at 31 March 2021 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 2021	31 March 2020
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. Where control exists	(i) Maersk A/S, Denmark (formerly known as Maersk Line A/S) (Ultimate Holding Company) (from 6th August, 2020)
	(ii) APM Terminals Mauritius Limited, Mauritius
B. Party with substantial interest and its affiliates	(i) APM Terminals India Private Limited, India
	(ii) Maersk Line India Private Limited, India
	(iii) GPRO Services India Private Limited, India
	(iv) Maersk Training India Private Limited, India
	(v) Gateway Terminals India Private Limited, India
	(vi) Maersk Training Svendborg A/s, Denmark
	(vii) Damco India Private Limited, India
	(viii) APM Terminals Vado Ligure S.P.A.
	(ix) Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft A/S & Co
	(x) APM Terminals Medport Tangier
	(xi) APM Terminals India Private Limited - EMR Division
	(xii) A.P.Moller - Maersk A/S

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

<b>Relation</b>	<b>Party</b>
	(xiii) APM Terminals Apapa Limited (xiv) Maersk Line Fleet Management and Technology (I) Private Limited (xv) APM Terminals Crane & Engineering Services (Shanghai) Co. Ltd (xvi) APM Terminals Management B.V., The Netherlands
C. Associate	Pipavav Railway Corporation Limited
D. Directors, Non-Executive Directors and Key managerial personnel	<b>A) Executive directors</b> Mr. Jakob Friis Sorensen (Managing Director) <b>B) Non-Executive directors</b> Mr. Tejpreet Singh Chopra Ms. Hina Shah Mr. Pradeep Mallick Mr. Pravin Laheri (upto 29th July, 2020) Mr. Julian Bevis Mr. Timothy Smith Mr. Keld Pedersen Mr. Soren Brandt (from 6th August, 2020) Mrs. Avantika Singh Aulakh, IAS (from 24th September, 2020) Mr. Samir Chaturvedi (from 12th November, 2020) Mr. Maarten Degryse (from 12th November, 2020) <b>C) Key managerial personnel</b> Mr. Santosh Breed

\* No transactions during the year.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

(b) Related party transactions	APM Terminals Mauritius Limited	MAERSK A/S	Gateway Terminals India Private Limited	APM Terminals Management B.V.	GPRO Services India Private Limited	Pipavav Railway Corporation Limited	Other Affiliates	Total
Income from port services	-	1,968.28	-	-	-	-	2.66	1,970.94
Professional services received	-	2,195.33	0.02	-	-	-	4.47	2,199.82
Business support service charges	-	(21.58)	-	-	(5.42)	-	(1.28)	(28.28)
Expenses incurred on the Company's behalf	-	(19.50)	-	(58.77)	(5.12)	-	(0.27)	(24.88)
Expenses incurred on behalf of others	-	-	-	(64.28)	-	-	-	(68.77)
Training expenses	-	-	-	-	-	-	-	(64.28)
Manpower cost	-	-	-	(58.07)	(0.24)	-	(2.02)	(60.33)
Capital expenditure	-	-	1.34	(44.96)	-	-	(1.08)	(46.04)
Dividend income	-	-	-	16.46	-	-	0.30	18.10
Dividend payment	-	-	-	6.36	-	-	3.29	9.65
Closing Balances:	-	-	-	-	-	-	-	-
Receivable	-	250.69	1.34	1.59	-	-	0.21	253.83
Advance from customers	-	238.07	0.04	6.36	-	-	0.22	244.69
Trade Payable	-	5.80	-	2.43	-	-	-	2.43
Capital Creditors	-	10.51	-	40.79	1.21	0.55	2.21	50.56
Deposit received	-	40.00	-	29.69	-	0.52	0.93	41.65
Deposit made	-	-	-	3.17	-	-	-	3.17
Advance to vendor	-	-	0.04	-	-	-	-	0.04
Accruals of Incentives and Rebates	-	47.47	-	-	-	-	-	47.47
Investment	-	45.51	-	-	-	-	-	45.51
	-	-	-	-	-	830.00	-	830.00
	-	-	-	-	-	830.00	-	830.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

<b>Name of Non-Executive Directors/Key Managerial personnel</b>	<b>Fees for attending Board/Committee meetings</b>	<b>Commission</b>	<b>Managerial Remuneration</b>	<b>Total</b>
Mr. Tejpreet Singh Chopra	<b>0.50</b> <i>0.55</i>	<b>1.65</b> <i>1.50</i>	-	<b>2.15</b> <i>2.05</i>
Ms. Hina Shah	<b>0.95</b> <i>0.85</i>	<b>0.83</b> <i>0.75</i>	-	<b>1.78</b> <i>1.60</i>
Mr. Pradeep Mallick	<b>0.90</b> <i>0.95</i>	<b>0.83</b> <i>0.75</i>	-	<b>1.73</b> <i>1.70</i>
Mr. Pravin Laheri	<b>0.30</b> <i>1.10</i>	<b>0.83</b> <i>0.75</i>	-	<b>1.13</b> <i>1.85</i>
Mr. Soren Brandt	<b>0.30</b> -	-	-	<b>0.30</b> -
Mr. Julian Bevis	<b>0.25</b> -	-	-	<b>0.25</b> -
Mr. Samir Chaturvedi	<b>0.30</b> -	-	-	<b>0.30</b> -
Mr. Keld Pedersen@	-	-	-	-
			<i>21.57</i>	<i>21.57</i>
Mr. Santosh Breed@	-	-	<b>11.15</b> <i>10.82</i>	<b>11.15</b> <i>10.82</i>
Mr. Jakob Friis Sorensen@	-	-	<b>44.70</b> <i>17.36</i>	<b>44.70</b> <i>17.36</i>
Mr. Padminikant Mishra@	-	-	-	-
			<i>3.58</i>	<i>3.58</i>

Amounts in italics represent amounts as at 31 March 2020

@As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, amount pertaining to key managerial persons are not included.

On 6 August 2020, majority of Directors in the Board were representative of APM Terminals Mauritius Limited (shareholder) which provided the shareholder an ability to control the decision making. Accordingly, the Company became a subsidiary of APM Terminals Mauritius Limited w.e.f. 6 August, 2020.

### 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 1,970.94 million (31 March 2020: INR 2,199.82 million) from related parties representing more than 10% of the total revenue.

39. 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 STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**40. COVID-19**

The Company has carried out a detailed assessment of the impact of COVID-19, including the current wave, on its liquidity position and on the recoverability and carrying values of its assets. Based on this assessment the company has concluded that there is no significant impact on its financial results as at 31st March 2021. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.

**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:

<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	3.85	1.15
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.66	0.33
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	76.77	11.63
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. Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.66	0.33
g. Further interest remaining due and payable for earlier years.	0.50	0.17

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

27 May 2021

**For and on Behalf of Board of Directors of**

**Gujarat Pipavav Port Limited**

**CIN: L63010GJ1992PLC018106**

**Jakob Friis Sorensen**

*Managing Director*

DIN : 08593830

**Santosh Breed**

*Chief Financial Officer*

Mumbai

27 May 2021

**Pradeep Mallick**

*Director*

DIN: 00061256

**Manish Agnihotri**

*Company Secretary*

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Gujarat Pipavav Port Limited (hereinafter referred to as the 'Company') and its associate (refer Note (1)(B)) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31 March 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including 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, 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 2021, 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 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 Consolidated Financial Statements section of our report. We are independent of the Company and its associate in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act 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. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matters

4. We draw attention to Note No. 39 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.
5. The audit report on the Consolidated Ind AS Financial Statements of Pipavav Railway Corporation Limited ('PRCL' or 'Associate'), an associate of the Company, issued by the independent firm of Chartered Accountants vide its report dated 21 May 2021 contains the following emphasis of matters, which are reproduced as under:
  - A. Note No. 4 - The physical verification of the intangibles (amortizable) railway assets of PRCL is conducted by the Bhavnagar division of Western Railway who is the custodian of these assets as per railway rules and regulations. The capital costs incurred on development of the assets taken over from the Railways at the beginning of the concessionaire agreement had been grouped into mainly in four categories i.e. Permanent Ways, Formation, Bridge & Buildings and Plant & Machinery. Individual details with regard to the location/cost were not maintained of asset wise for these assets except for Plant & Machinery items. However, details like location and the cost of the assets acquired thereafter had been maintained individually. The quantitative details of these assets are maintained in the computerized system of accounting for fixed assets and it is relied upon. PRCL maintains the book value of these assets in its accounts. Note 4 as described above is reproduced as note 42a to the consolidated financial statements.
  - B. Note No. 39.1- Western Railway makes apportionment of freight to the Company using actual distance carried by freight trains and not on the basis of booked route distance (i.e. distance for which freight is charged by Indian Railways). The actual distance carried by freight train differs from the booked route distance where Railways run the freight trains

through diverted route due to its operation requirements. The Company has also booked its share of freight earnings worked out on carried route basis. Current Year figure of revenue includes INR 65.86 lakhs being the Company's claims on account of downward calculation of PRCL' share of freight earning by WR due to taking incorrect distance of PRCL line. The same is under reconciliation at the end of WR. Note 39.1 as described above is reproduced as note 42b to the consolidated financial statements.

- C. Note No. 36(ii)(b) - PRCL is registered under GST Act for its registered office at New Delhi and for its office at Bhavnagar. GST Returns are filed as recipients under GST Rules for both offices. We find that GST Returns do not contain the taxable or taxed portion of freight received from Railways as turnover of the month. As per the information provided by PRCL, there is no obligation to pay GST because apportionment of freight is already taxed in the hands of Railways. The share of freight whether taxable in the hands of PRCL is a matter of incidence of GST Law and dependent upon the orders of GST authorities, which is awaited. In that event, of such levy, liability that may arise to PRCL. The Corporation has represented again to the Ministry of Railways vide the representation dated 19 March 2019 for clarification from the Finance Ministry. Ministry of Railways has also represented the same to the Ministry of Finance Government of India. However, there is no significant progress in getting the clarification on the matter. In case the exemption is denied, it will result in additional liability of GST from 01 July 2017, which has not been quantified. Note 36(ii)(b) as described above is reproduced as note 42c to the consolidated financial statements.
- D. Note No. 5: The work of the electrification of the PRCL Rail section had been completed on 03 March 2021. In absence of the availability of the final bills and relevant details as well as certain work still remaining incomplete, the amount billed and accounted for to the tune of 274.52 Crores had been capitalised and amortized. Once the final bills are received for the work done as well as for the work under completion by the Corporation from CORE and other parties, the final cost shall be worked out and necessary adjustment in the amount capitalised shall be made accordingly. The additional cost of the project on this account shall be amortized prospectively during the remaining period of the concession. Note 5 as described above is reproduced as note 42d to the consolidated financial statements.
- E. In absence of details, the whole cost of the Electrification cost has been capitalised under one head although it consists of assets of various nature.
- F. The insurance claim for loss of project assets of PRCL section and for loss of profit of Rs. 493.74 Lakhs and Rs. 1159.07 Lakhs on account of floods on the PRCL's section in June, 2015 have now been settled by the Insurance Corporation for Rs. 128.95 Lakhs and Rs. 24.26 Lakhs respectively. The Corporation has accepted these claims under protest and still pursuing with the Insurance Corporation accepting these payments as part payment.
- G. Note No. 4- Western Railway is running additional passenger trains on the PRCL Section to the number of passenger trains running at the time of handing over the line to PRCL. As per the Concession Agreement, Railways has to obtain written consent of the Corporation for running any additional passenger trains on PRCL section. However, Railways has neither sought such consent of the Corporation for running additional passenger trains on the PRCL section nor given any compensation by way of sharing revenue or sharing of additional costs for running of these additional trains. The Corporation has taken up the matter with the Railways and to form a joint committee to work out a methodology to work out access charge payable to PRCL for running on additional passenger trains. However, PRCL has so far not raised any firmed up claim on Railways for the additional costs being incurred by the Corporation due to running of these additional passenger trains on this section. Note 4 as described above is reproduced as note 42a to the consolidated financial statements.
- H. PRCL is formed as Public to Private Service Joint Sector Company of MOR and conferred with the rights of "Railway Administration" under the Railway Act and is bound under the service concession Agreement with the MOR for broad gauge Railway line from Surendranagar to Pipavav Project Railway. Upon expiry of the concession agreement in June 2034, all the assets created in the project area shall be returned back to MOR as per the terms & conditions of the Agreement at the Depreciated Replacement Value (DRV) at that time. These assets are considered as intangible assets and the assets to be maintained at serviceable level during the operation by providing for replacements. MOR controls the residual interest of the assets of the project Railway at the end of the concession Agreement. In absence of any estimate of DRV, the total cost being amortized during the concession period.

- I. Note No. 38.2(i) — Fixed Material Costs: The railways based on the survey conducted every 5 years fixes the annual fixed material costs to be charged on the Corporation. The last survey was conducted in 2015-16 and rates for the period were revised from Rs. 2.03 Crores to Rs. 4.27 crores which were valid up to the financial year 2019-20. As per the initial cost data provided by the Railways, the annual Fixed Material Costs should be Rs. 21.59 Crores. However, data is under discussion and the Corporation has submitted its preliminary observations on the same. Pending the completion of assessment and the revision process, WR has raised bill of Rs. 4.61 Crores on account of Fixed Material Costs for the year and the same has been accounted for.

As per the management, the impact of revision in the Fixed Material Costs is not ascertainable at present, therefore, the difference of the cost arising out of the revision if any shall be accounted as and when the same is finalised. Note 38.2(i) as described above is reproduced as note 42e(i) to the consolidated financial statements.

- J. Note No. 38.2(iv): The Corporation has booked capital expenditure to the tune of Rs. 556.29 lakhs during the current year for the work completed in the financial year 2015-16. Amortization of the same had been considered from 1st April 2020. Note 38.2(iv) as described above is reproduced as note 42e(ii) to the consolidated financial statements.
- K. Note no 38.2(iii): The Railways has raised claim of Rs. 2.55 Crores for the additional works taken up by them with a total estimated costs of Rs. 12.43 Crores. The Corporation has not accepted these claims for the reasons that these jobs had been undertaken by the Railways without prior consent of the Corporation. These costs have not been accounted by the Corporation during the current financial year. Note 38.2(iii) as described above is reproduced as note 42e(iii) to the consolidated financial statements.
- L. Note no. 38.2(v): The Corporation has not booked any expenditure for Permanent Way Material (Store) Imprest for the current year (Previous Year Rs. 3.53 Crores) in absence of any information for the same from the Railways. Costs on this account relating to the current financial year if any shall be accounted for on receipt of information from Railways and verification of the same by the Corporation. Note 38.2(v) as described above is reproduced as note 42e(iv) to the consolidated financial statements.
- M. Note No. 38.2(vi): The Corporation has disputed certain costs like Reimbursement of Medical costs to the Railway staff deputed on the PRCL's section etc although the same have been accounted for by the Corporation based on the claims raised by the Railways. Any downward revision on the settlement of these issues shall be accounted for in the year when the same is finalised an agreed with the Railways. Note 38.2(vi) as described above is reproduced as note 42e(v) to the consolidated financial statements.
- N. Note NO. 38.2(vii): An amount of Rs. 3.54 Crores has been accounted for during the year under review on account of "Track Machine Operations" carried out by the Railways during the period September, 2017 to June, 2019. However, in absence of any such operations during the period beyond June, 2019, no costs on this account, has been provided for in the accounts. Note 38.2(vii) as described above is reproduced as note 42e(vi) to the consolidated financial statements.
- O. Note No. 38.3 - Variable Costs: The Corporation has raised issue of steep rise in the cost of crew with the Railways which the Corporation has claimed the same had not been calculated properly. In absence of availability of the requisite data, the excess amount charged by the Railways is not ascertainable. However, the Corporation has accounted the cost of crew as claimed by the Railways. The difference if any in the costs shall also be accounted for as and when the cost on account of crew cost is revised.

Further, in absence of Joint Procedure Order (JPO) with regard to the Electrified operations on the PRCL section, the various variable costs have been claimed by the Railways and accounted by the Corporation on the basis of JPO for the Diesel Operations. The additional / reduction in costs shall be accounted for at the time of finalisation of the costs for the Electrified operations and the JPO. Note 38.3 as described above is reproduced as note 42f to the consolidated financial statements.

- P. Note No 38.4- Regarding booking of certain costs/adjustments related to the previous years during the year under review. Note 38.4 as described above is reproduced as note 42g to the consolidated financial statements.

- Q. Note No. 38.5- Regarding no insurance cover of the Project Assets of the Corporation since 20 June 2020. The last insurance cover for the Project Assets under Standard Fire and Special Peril Risk Policy was for Rs. 825.36 Crores. Note 38.5 as described above is reproduced as note 42h to the consolidated financial statements.
- R. Our opinion is according to information and explanation given to us by the management and on the basis of Report on Internal Controls Over Financial Reporting (IFCS) issued by Internal Auditors appointed for the purpose of reporting on the Ind AS financial statements.

Internal controls are generally commensurate with the size of the Corporation and nature of its business. However, in certain areas of transactions with Western Railway, according to our opinion, internal controls as a continuous process needs further strengthening and improvement particularly with regard to monitoring and reconciliation of traffic and its diversion, the rationalization of O&M costs, determining the unpaid dues beyond the due dates; the technical verification of estimates; the timely settlement of the advances made to Railways for various works and physical verification of the work (Capex as well Other additional works) as carried out by Railways, accounting and control over the scrap generated on replacement of old assets.

Our opinion is not modified in respect of these above matters.

### Key audit matters

6. 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.

Key audit matter description	How our audit addressed the key audit matter
<b>Assessment and re-measurement of Deferred Tax Liability</b> (Refer note 14a to the consolidated financial statements)	
<p>The Company had evaluated the provisions of Taxation Law (Amendment) Act, 2019 which became effective 01 April 2019 to assess its option, and had opted to continue with the existing tax rate structure until the utilisation of accumulated MAT credit.</p> <p>This being a continuous assessment, the Company has reassessed its judgement as at the year end by evaluating its forecasts and taxable profits, and expect to migrate to the new tax regime in the financial year 2022-23.</p> <p>We considered there-measurement of Deferred tax liability to be a key audit matter as the estimate was critical in view of the management's assessment of migration to the new tax regime and considering that the likely impact on its Deferred Tax and Minimum Alternate Tax balance is material to the financial statements. Further, there are significant judgements involved while applying various assumptions in preparation of forecasts which mainly include future business growth rates and taxable profits.</p>	<p>In relation to the re-measurement of Deferred tax liability, we performed procedures, including the following:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the design and tested the operating effectiveness of the Company's controls over preparation of forecasts.</li> <li>• 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.</li> <li>• Tested the mathematical accuracy of the underlying calculations and comparing the forecasts with the budgets approved by the Board of Directors.</li> <li>• Compared the growth rates used in the preparation of forecasts with economic and industry growth rates.</li> <li>• Performed a sensitivity analysis over the assumptions used in determining the future forecasted profit.</li> <li>• Tested the mathematical accuracy of re-measured amount of deferred tax balance.</li> <li>• Assessed the adequacy of presentation and disclosure.</li> </ul> <p>Based on the above procedures performed, we did not find any material exceptions to the assessment and re-measurement of Deferred Tax Liability.</p>

### Other Information

7. The Company's Board of Directors is responsible for the other information. The other information comprises the 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 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.
8. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
9. 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.
10. 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.
11. The following paragraph on Other Information was included in the audit report dated 21 May 2021, containing an unmodified audit opinion on the financial statements of Pipavav Railway Corporation Limited, an associate of the Company issued by an independent firm of Chartered Accountants reproduced by us as under:

The Corporation's Board of Directors is responsible for the other information. The other information comprises the Director's report and Annexures thereto, (but does not include the financial statements and our auditor's report thereon). The Director's Report is expected to be made available after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and appropriate action, if required.

### 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 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 its associate, 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 management 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 auditor's 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 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.

#### Other Matter

20. The consolidated financial statements also includes the Company's share of total comprehensive income (comprising of profit and other comprehensive income) of INR 73.67 million for the year ended 31 March 2021 as considered in the consolidated financial statements, in respect of the associate – Pipavav Railway Corporation Limited, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it related to the amounts and disclosure included in respect of associate, is based solely on the reports of these auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

21. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the backup of 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.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated 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 of the Company as on 31 March 2021 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its associate incorporated in India, none of the directors of the Company and its associate is disqualified as on 31 March, 2021 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 21(b) above.
  - (g) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and its associate, 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at 31 March 2021 on the consolidated financial position of the Company and its associate– Refer Note 33 to the consolidated financial statements.
    - ii. The Company and its associate had long-term contracts as at 31 March 2021 for which there were no material foreseeable losses. The Company and its associate did not have any derivative contracts as at 31 March 2021.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the

Company and its associate incorporated in India during the year ended 31 March 2021.

- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company and its associate for the year ended 31 March 2021.
22. The Company and its associate 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  
Chartered Accountants

Arunkumar Ramdas  
Partner  
Membership Number: 112433  
UDIN: 21112433AAAACT4173

Mumbai  
27 May, 2021

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 21(g) of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the consolidated financial statements for the year ended 31 March 2021.

### 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. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of Gujarat Pipavav Port Limited (hereinafter referred to as "the Company") and its associate which is a company incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Company and its associate, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 the respective 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.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matter paragraph below, 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 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 and its associate which is a company incorporated in India, have, 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 2021, 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.
9. The report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the associate issued by the independent firm of Chartered Accountants vide its report dated 21 May 2021 contains the following opinion, which is reproduced as under:

"In our opinion, the Corporation has, in all material respects, an adequate internal financial controls systems with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Notes on Audit of Internal Financial Control over the Financial reporting issued by the Institute of Chartered Accountants of India, read with our Independent Auditor's report item no. 6(r) of "Emphasis of Matter" of the report of even date on the financial statements".

Note 6(r) as described above is reproduced as note 5(R) in the report of even date on the consolidated financial statements.

**Other Matters**

10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the associate, which is a company incorporated in India, is based on the corresponding reports of the auditor of the associate. Our opinion is not qualified in respect of this matter.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/ N500016  
Chartered Accountants

Arunkumar Ramdas  
Partner

Membership Number: 112433  
UDIN: 21112433AAAACT4173

Mumbai  
27 May, 2021

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021**

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

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3 (a)	14,255.10	15,277.12
Right of use Assets	3 (b)	396.79	544.29
Capital work-in-progress	3 (c)	527.77	56.96
Intangible assets	3 (d)	20.67	3.95
"Investment accounted for using the equity method"	4 (a)	2,899.79	2,864.11
<b>Financial Assets</b>			
Other financial assets	4 (b)	223.88	220.28
Income tax assets (net)	5 (a)	179.72	156.26
Other non-current assets	6	20.26	0.43
<b>Total non-current assets</b>		<b>18,523.98</b>	<b>19,123.40</b>
<b>Current assets</b>			
Inventories	7	104.91	76.09
<b>Financial Assets</b>			
(i) Trade receivables	8 (a)	441.17	459.12
(ii) Cash and cash equivalents	8 (b)	63.42	189.70
(iii) Bank balance other than (ii) above	8 (c)	7,190.26	6,305.35
(iv) Loans	8 (d)	4.91	4.77
(v) Other financial assets	4 (b)	52.86	32.37
Other Current assets	9	108.48	100.38
<b>Total current assets</b>		<b>7,966.01</b>	<b>7,167.78</b>
<b>Total Assets</b>		<b>26,489.99</b>	<b>26,291.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	10	4,834.40	4,834.40
Other equity			
Reserves and surplus	11	17,557.38	18,048.19
<b>Total equity</b>		<b>22,391.78</b>	<b>22,882.59</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	3(b)	244.72	395.60
(ii) Other financial liabilities	12	69.20	34.47
Employee benefit obligations	13	40.37	32.13
Deferred tax liabilities (net)	14(b)	1,006.68	493.97
Other non-current liabilities	15	521.01	596.10
<b>Total non-current liabilities</b>		<b>1,881.98</b>	<b>1,552.27</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade payables	16		
Dues to Micro, Small and Medium Enterprises		5.01	1.48
Other than Micro, Small and Medium Enterprises		334.44	296.93
(ii) Lease liabilities	3(b)	220.56	189.26
(iii) Other financial liabilities	12	379.91	169.09
Provisions	17	208.00	208.00
Employee benefit obligations	13	127.10	116.09
Income tax provisions (net)	5 (b)	6.62	14.75
Other current liabilities	18	934.59	860.72
<b>Total current liabilities</b>		<b>2,216.23</b>	<b>1,856.32</b>
<b>Total Liabilities</b>		<b>4,098.21</b>	<b>3,408.59</b>
<b>Total equity and liabilities</b>		<b>26,489.99</b>	<b>26,291.18</b>

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

27 May 2021

**For and on Behalf of Board of Directors of**
**Gujarat Pipavav Port Limited**
**CIN: L63010GJ1992PLC018106**
**Jakob Friis Sorensen**
*Managing Director*

DIN : 08593830

**Santosh Breed**
*Chief Financial Officer*

Mumbai

27 May 2021

**Pradeep Mallick**
*Director*

DIN: 00061256

**Manish Agnihotri**
*Company Secretary*

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021**

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

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	19	7,334.63	7,353.69
Other income	20	404.00	470.67
<b>Total Income</b>		<b>7,738.63</b>	<b>7,824.36</b>
<b>Expenses</b>			
Operating expenses	21	1,374.60	1,270.72
Employee benefits expense	22	671.50	566.94
Finance costs	23	63.10	73.76
Depreciation and amortisation expense	24	1,334.50	1,314.50
Other expenses	25	1,067.32	1,049.89
<b>Total expenses</b>		<b>4,511.02</b>	<b>4,275.81</b>
Profit before share of net profits of investments accounted for using equity method and tax		3,227.61	3,548.55
Share of net profit of associates accounted for using the equity method	4(a)	73.55	308.38
<b>Profit before tax</b>		<b>3,301.16</b>	<b>3,856.93</b>
<b>Tax expense :</b>			
For the year			
Current tax expense	14 (a)	1,179.68	1,258.95
Deferred tax (credit) / expense	14 (a)	(18.23)	(596.44)
For earlier year			
Current tax expense reversed		(1.35)	
Deferred tax credit		(78.47)	-
<b>Total tax expense</b>		<b>1,081.63</b>	<b>662.51</b>
<b>Profit for the year</b>		<b>2,219.53</b>	<b>3,194.42</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(i) Re-measurement of post-employment benefit obligations		(4.94)	(19.55)
(ii) Share of other comprehensive income of associates		0.16	(0.55)
(iii) Less: Income tax relating to (i) above		1.73	6.83
(iv) Less: Income tax relating to (ii) above		(0.03)	0.10
<b>Other comprehensive income for the year, net of tax</b>		<b>(3.08)</b>	<b>(13.17)</b>
<b>Total comprehensive income for the year</b>		<b>2,216.45</b>	<b>3,181.25</b>
Earning per equity share [face value per share INR 10 (31 March 2020: INR10 )]			
Basic earnings per share		4.59	6.61
Diluted earnings per share		4.59	6.61

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

**For and on Behalf of Board of Directors of  
 Gujarat Pipavav Port Limited**  
**CIN: L63010GJ1992PLC018106**
**Arunkumar Ramdas**  
*Partner*  
 Membership No: 112433

**Jakob Friis Sorensen** **Pradeep Mallick**  
*Managing Director* *Director*  
 DIN : 08593830 DIN: 00061256

 Mumbai  
 27 May 2021

**Santosh Breed** **Manish Agnihotri**  
*Chief Financial Officer* *Company Secretary*  
 Mumbai  
 27 May 2021

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

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

**A. Equity share capital**

	Notes	Amount
<b>As at 31 March 2019</b>		<b>4,834.40</b>
Changes in equity share capital	10	-
<b>As at 31 March 2020</b>		<b>4,834.40</b>
Changes in the equity share capital	10	-
<b>As at 31 March 2021</b>		<b>4,834.40</b>

**B. Other equity**

Particulars	Attributable to owners of Gujarat Pipavav Port Limited			
	Notes	Reserves & Surplus		Total Other Equity
Securities Premium Reserve		Retained Earnings		
<b>Balance at 1 April 2019</b>	11(i)	14,288.87	2,851.03	17,139.90
Profit for the year			3,194.42	3,194.42
Less: Other Comprehensive Income			(13.17)	(13.17)
<b>Total comprehensive income for the year ended 31 March 2020</b>			<b>3,181.25</b>	<b>3,181.25</b>
<b>Transaction with owners in their capacity as owners:</b>				
Dividends paid (including dividend distribution tax)			(2,272.96)	(2,272.96)
<b>Balance at 31 March 2020</b>	11(i)	14,288.87	3,759.32	18,048.19
Profit for the year	11(ii)		2,219.53	2,219.53
Less: Other Comprehensive Income			(3.08)	(3.08)
<b>Total comprehensive income for the year ended 31 March 2021</b>			<b>2,216.45</b>	<b>2,216.45</b>
<b>Transaction with owners in their capacity as owners:</b>				
Dividends paid (including dividend distribution tax)			(2,707.26)	(2,707.26)
<b>Balance at 31 March 2021</b>		<b>14,288.87</b>	<b>3,268.51</b>	<b>17,557.38</b>

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

27 May 2021

**For and on Behalf of Board of Directors of  
Gujarat Pipavav Port Limited**
**CIN: L63010GJ1992PLC018106**
**Jakob Friis Sorensen**
*Managing Director*

DIN : 08593830

**Pradeep Mallick**
*Director*

DIN: 00061256

**Santosh Breed**
*Chief Financial Officer*

Mumbai

27 May 2021

**Manish Agnihotri**
*Company Secretary*



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flows from operating activities</b>		
Profit before tax	3,301.16	3,856.93
<b>Adjustments :</b>		
Share of profit of associate company (net of dividends received)	(35.55)	(270.38)
Deferred income recognised	(74.70)	(74.43)
Depreciation and amortisation expense	1,334.50	1,314.50
Finance costs	63.10	73.76
Interest income classified as investing cash flows	(284.29)	(375.11)
(Profit) / loss on disposal of property, plant and equipment	(4.47)	0.30
Sundry balances written off/ (back) (net)	0.10	(6.52)
Provisions for doubtful debts and inventory / (written back)	(34.69)	-
Bad Debt Write Off	13.55	42.42
Foreign currency transactions and translations differences	2.98	1.54
Provision for claims	-	(7.35)
	<b>4,281.69</b>	<b>4,555.66</b>
<b>Operating profit before working capital changes</b>		
Decrease in trade receivables	28.92	8.64
(Increase) / Decrease in inventories	(21.62)	6.15
(Increase) / Decrease in loans	(0.14)	0.02
(Increase) / Decrease in other financial assets	(24.09)	23.26
(Increase) / Decrease in other assets	(8.10)	36.57
Increase / (Decrease) in trade payables	41.04	(27.05)
Increase / (Decrease) in employee benefit obligations	14.31	(16.77)
Increase / (Decrease) in other financial liabilities	92.07	(123.34)
Increase / (Decrease) in non-current liabilities	-	(149.69)
Increase / (Decrease) in other current liabilities	73.46	(243.70)
	<b>195.85</b>	<b>(485.91)</b>
<b>Cash generated from operations</b>	4,477.54	4,069.75
Income taxes paid	(598.78)	(636.30)
<b>Net cash inflow from operating activities</b>	<b>3,878.76</b>	<b>3,433.45</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flows from / (used in) investing activities</b>		
Payments for property, plant and equipment	(454.78)	(147.50)
Proceeds from sale of fixed assets (net)	7.22	0.01
Interest received	376.26	350.14
Increase in deposits with banks	(976.89)	(1,051.36)
<b>Net cash outflow used in investing activities</b>	<b>(1,048.19)</b>	<b>(848.71)</b>
<b>Cash flows from / (used in) financing activities</b>		
Interest paid	(63.10)	(73.76)
Repayment of lease liability	(188.29)	(157.90)
Dividends paid to Company's shareholders	(2,705.46)	(1,883.95)
Dividend distribution tax paid on dividend	-	(387.55)
<b>Net cash outflow used in financing activities</b>	<b>(2,956.85)</b>	<b>(2,503.16)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(126.28)</b>	<b>81.58</b>
Cash and cash equivalents at the beginning of the period	189.70	108.12
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>63.42</b>	<b>189.70</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	63.42	189.70
Balance as per statement of cash flows	63.42	189.70

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  
 27 May 2021

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

**Jakob Friis Sorensen** **Pradeep Mallick**  
*Managing Director* *Director*  
 DIN : 08593830 DIN: 00061256

**Santosh Breed** **Manish Agnihotri**  
*Chief Financial Officer* *Company Secretary*  
 Mumbai  
 27 May 2021

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021

(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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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, 2021
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 are 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 amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The 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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

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 except for revenue from storage operations which is recognised on a time proportion basis. 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**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 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
- amounts expected to be payable by the Company 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 terminating the 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 lessee's incremental borrowing rate is used, being the rate that

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

the individual lessee would have to pay to borrow the funds necessary to obtain an 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 the 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 the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the company entities use that rate as a starting point to determine the incremental borrowing rate.

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.

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 asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment 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.

*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. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021

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

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 of 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.

#### (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.

#### (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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

(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.

**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 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

<b>Asset Details</b>	<b>Block of Assets</b>	<b>Technical Estimate in Years</b>
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

Based on internal technical evaluation following assets have a different useful life than prescribed by schedule II of the Act.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

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.

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**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 2.16, 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 company and that are believed to be reasonable under the circumstances.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**3(a)(i) Property, plant and equipment [1 April 2020 to 31 March 2021]**

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1 April 2020	Additions during the year	Deductions	As at 31st March 2021	As at 1 April 2020	Charge on account of Depreciation for the year	Deductions	As at 31st March 2021	As at 31st March 2021
Land and site development	321.85	-	1.48	<b>320.37</b>	-	-	-	-	<b>320.37</b>
Buildings	5,507.69	50.01	0.42	<b>5,557.28</b>	1,157.16	220.20	0.08	1,377.28	<b>4,180.00</b>
Port Road - External	734.59	-	-	<b>734.59</b>	251.41	50.28	-	301.69	<b>432.90</b>
Plant, Machinery and Equipments	9,814.38	39.84	17.25	<b>9,836.97</b>	3,292.32	733.16	16.79	4,008.69	<b>5,828.28</b>
Dredging	3,869.19	-	-	<b>3,869.19</b>	451.35	90.52	-	541.87	<b>3,327.32</b>
Railway sidings	233.09	-	-	<b>233.09</b>	65.09	13.02	-	78.11	<b>154.98</b>
Furniture, Fittings and Leasehold Improvements	23.18	4.34	1.48	<b>26.04</b>	20.04	3.64	1.47	22.21	<b>3.83</b>
Motor Vehicles	23.96	0.12	2.95	<b>21.13</b>	13.44	2.76	2.49	13.71	<b>7.42</b>
<b>Total</b>	<b>20,527.93</b>	<b>94.31</b>	<b>23.58</b>	<b>20,598.66</b>	<b>5,250.81</b>	<b>1,113.58</b>	<b>20.83</b>	<b>6,343.56</b>	<b>14,255.10</b>

**Notes :**
**1** Land and site development includes

- Freehold land of INR 50.55 million
- 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 Marchitime Board (GMB).
- Expenditure of INR 244.83 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 31ST MARCH 2021**

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

**3(a)(ii) Property, plant and equipment [1 April 2019 to 31 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	Charge on account of Depreciation for the period	Deductions	As at 31st March 2020	As at 31st March 2020
Land and site development	321.85	-	-	<b>321.85</b>	-	-	-	-	<b>321.85</b>
Buildings	5,465.96	43.05	1.32	<b>5,507.69</b>	933.50	224.68	1.02	1,157.16	<b>4,350.53</b>
Port Road - External	734.59	-	-	<b>734.59</b>	201.13	50.28	-	251.41	<b>483.18</b>
Plant, Machinery and Equipments	9,364.98	449.40	-	<b>9,814.38</b>	2,569.47	722.85	-	3,292.32	<b>6,522.06</b>
Dredging	3,869.19	-	-	<b>3,869.19</b>	360.83	90.52	-	451.35	<b>3,417.84</b>
Railway sidings	233.09	-	-	<b>233.09</b>	52.07	13.02	-	65.09	<b>168.00</b>
Furniture, Fittings and Leasehold Improvements	20.64	2.54	-	<b>23.18</b>	15.12	4.92	-	20.04	<b>3.14</b>
Motor Vehicles	24.33	-	0.37	<b>23.96</b>	11.07	2.74	0.37	13.44	<b>10.52</b>
<b>Total</b>	<b>20,034.63</b>	<b>494.99</b>	<b>1.69</b>	<b>20,527.93</b>	<b>4,143.19</b>	<b>1,109.01</b>	<b>1.39</b>	<b>5,250.81</b>	<b>15,277.12</b>

**Notes :**

- 1 Land and site development includes
  - Freehold land of INR 50.55 million
  - Land aggregating INR 1.48 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 Marchitime Board (GMB).
  - Expenditure of INR 244.83 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 31ST MARCH 2021**

(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 2021	31 March 2020
<b>Right of Use Assets</b>		
Land	70.92	80.37
Plant & Machinery	311.72	463.92
Administration Building	14.15	-
<b>Total</b>	<b>396.79</b>	<b>544.29</b>
<b>Lease Liabilities</b>		
Current	220.56	189.26
Non current	244.72	395.60
<b>Total</b>	<b>465.28</b>	<b>584.86</b>

Additions to the right-of-use assets during the year were INR 69.10 (31 March 2020: 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 2021	31 March 2020
<b>Depreciation charge of right of use assets</b>		
Land	9.46	9.46
Plant & Machinery	204.32	189.01
Administration Building	2.83	-
<b>Total</b>	<b>216.61</b>	<b>198.47</b>
Interest expenses ( Included in finance cost)	59.22	69.84
Expenses relating to short term leases (included in other expenses)	12.92	37.20
Expenses relating to variable lease payments not included in lease liabilities	314.77	324.22

The total cash outflow for leases for the year was INR 188.69 (31 March 2020 was INR 157.90)

The company has recovered depreciation on Administration Building and Finance Cost of INR 0.40 and INR 0.24 respectively from related party

**3(c) (i) Capital work in progress**

	As at 31st March 2021
Capital work in progress	527.77
<b>Total</b>	<b>527.77</b>

Capital work-in-progress mainly comprises of Development of Railway Infrastructure for DFC Corridor Compatibility, Construction of Warehouse for Fertiliser Storage, Restoration of Rock Bund B and C (Phase I), GP01 New Crane rail installation work, Upgradation of existing liquid jetty to handle VLGC Vessels, Upgradation of CCTV Network etc.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**3(c) (ii) Capital work in progress**

	As at 31st March 2020
Capital work in progress	56.96
<b>Total</b>	<b>56.96</b>

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 Amortisation				Net Carrying Amount
	As at 1 April 2020	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2021	As at 1 April 2020	Charge on account of Amortisation for the year	On Deductions/ Adjustments	As at 31st March 2021	As at 31st March 2021
Computer Software	42.99	21.44	-	64.43	39.04	4.72	-	43.76	20.67
<b>Total</b>	<b>42.99</b>	<b>21.44</b>	<b>-</b>	<b>64.43</b>	<b>39.04</b>	<b>4.72</b>	<b>-</b>	<b>43.76</b>	<b>20.67</b>

**3(d)(ii) Intangible Assets**

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at 1 April 2019	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2020	As at 1 April 2019	Charge on account of Amortisation for the year	On Deductions/ Adjustments	As at 31st March 2020	As at 31st March 2020
Computer Software	41.16	1.83	-	42.99	32.02	7.02	-	39.04	3.95
<b>Total</b>	<b>41.16</b>	<b>1.83</b>	<b>-</b>	<b>42.99</b>	<b>32.02</b>	<b>7.02</b>	<b>-</b>	<b>39.04</b>	<b>3.95</b>

**4 (a) Interests in Associates**

Set out below is the associate of the company as at 31 March 2021 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 2021	31 March 2020	31 March 2021	31 March 2020
Pipavav Railway Corporation Limited	India	38.78%	Associate	Equity method	*	*	2,899.79	2,864.11

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**Reconciliation to carrying amounts**

	31 March 2021	31 March 2020
Opening carrying amount	2,864.11	2,594.18
Profit for the period	73.55	308.38
Other comprehensive income	0.16	(0.55)
Income Tax relating to the above	(0.03)	0.10
Dividend from PRCL	(38.00)	(38.00)
<b>Closing net assets</b>	<b>2,899.79</b>	<b>2,864.11</b>

**4(b) Other financial assets**

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Security deposits	38.53	11.04	34.93	13.16
Unbilled revenue	-	41.82	-	19.21
Receivable from Gujarat Maritime Board [Refer Note 39]	185.35	-	185.35	-
<b>Total other financial assets</b>	<b>223.88</b>	<b>52.86</b>	<b>220.28</b>	<b>32.37</b>

**5 (a) Income tax assets (net)**

	As at 31 March 2021	As at 31 March 2020
Advance Tax *	179.72	156.26
<b>Total Current tax assets (net)</b>	<b>179.72</b>	<b>156.26</b>

\* Net of provision for tax of INR 3,499.85 million (31 March 2020 : INR 2,877.26 million)

**5 (b) Income tax provisions (net)**

	As at 31 March 2021	As at 31 March 2020
Provision for tax #	6.62	14.75
<b>Total Current tax provisions (net)</b>	<b>6.62</b>	<b>14.75</b>

# Net of Advance tax of INR 561.91 million (31 March 2020 : INR 609.18 million)

**6 Other non-current assets**

	As at 31 March 2021	As at 31 March 2020
Capital advances	20.26	0.43
<b>Total other non-current assets</b>	<b>20.26</b>	<b>0.43</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**7 Inventories**

	As at 31 March 2021	As at 31 March 2020
Stores and spares	98.97	74.61
Goods-in-transit - Stores and Spares	5.94	1.48
<b>Total inventories</b>	<b>104.91</b>	<b>76.09</b>

**Amounts recognised in Statement of Profit and Loss**

Write back of Inventories net of scrap amounts to INR 7.19 million (Write down of Inventories for the year ended 31 March 2020 : 2.01 million). These were recognised as other income (Refer note - 20) [As at 31 March 2020 included in other expenses in Statement of Profit and Loss (Refer note - 25)].

**8(a) Trade receivables**

	As at 31 March 2021	As at 31 March 2020
Trade receivables from contracts with customers	245.50	300.09
Trade receivables from contracts with customers - related parties (Refer note - 37)	253.83	244.69
Less: Allowance for doubtful debts (Refer note - 28)	(58.16)	(85.66)
<b>Total trade receivables</b>	<b>441.17</b>	<b>459.12</b>
<b>Break-up of security details</b>		
Secured, considered good	41.15	43.67
Unsecured, considered good	400.02	415.45
Credit impaired	58.16	85.66
<b>Total</b>	<b>499.33</b>	<b>544.78</b>
Allowance for doubtful debts	(58.16)	(85.66)
<b>Total trade receivables</b>	<b>441.17</b>	<b>459.12</b>

**8(b) Cash and cash equivalents**

	As at 31 March 2021	As at 31 March 2020
Cash on hand	-	0.20
Balances with banks		
- In current accounts	17.51	75.27
- In Exchange Earners' Foreign Currency accounts	45.91	114.23
<b>Total cash and cash equivalents</b>	<b>63.42</b>	<b>189.70</b>

**8(c) Other bank balances**

	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity of more than three months but less than 12 months	7,182.55	6,299.44
Unpaid dividend account	7.71	5.91
<b>Total other bank balances</b>	<b>7,190.26</b>	<b>6,305.35</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**8(d) Loans**

	As at 31 March 2021	As at 31 March 2020
Loans and advances to employees	4.91	4.77
<b>Total loans</b>	<b>4.91</b>	<b>4.77</b>

**9 Other current assets**

	As at 31 March 2021	As at 31 March 2020
Advance for supplies	33.61	47.11
Prepaid expenses	26.04	23.61
Balances with government authorities	30.82	25.73
Other receivables	18.01	3.93
<b>Total other current assets</b>	<b>108.48</b>	<b>100.38</b>

**10 Equity share capital**

	As at 31 March 2021	As at 31 March 2020
<b>Authorised share capital</b>		
600,000,000 (31 March 2020 : 600,000,000) equity shares of INR 10 each	6,000.00	6,000.00
	<b>6,000.00</b>	<b>6,000.00</b>
<b>Issued, subscribed and paid up share capital</b>		
483,439,910 (31 March 2020 : 483,439,910) equity shares of INR 10 each, fully paid-up	4,834.40	4,834.40
	<b>4,834.40</b>	<b>4,834.40</b>

**a Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting period**

	As at 31 March 2021		As at 31 March 2020	
	Number	INR	Number	INR
Equity shares at the commencement of the year	483,439,910	4,834.40	483,439,910	4,834.40
Issued during the year	-	-	-	-
At the end of the year	<b>483,439,910</b>	<b>4,834.40</b>	<b>483,439,910</b>	<b>4,834.40</b>

**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 31ST MARCH 2021**

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

**c Equity shares in the Company held by each shareholder holding more than 5% shares #**

Name of the Shareholder	As at 31 March 2021		As at 31 March 2020	
	Number	Percentage	Number	Percentage
APM Terminals Mauritius Limited	212,738,931	44.01%	207,903,931	43.01%
ICICI Prudential Value Fund - Series 4	46,862,663	9.69%	47,835,195	9.89%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	36,917,539	7.64%	43,482,989	8.99%

# As per the records of the Company, including its register of members.

**11 Reserves and surplus**

	As at 31 March 2021	As at 31 March 2020
Securities premium reserve [Refer Note- (i) below]	14,288.87	14,288.87
Retained earnings [Refer Note- (ii) below]	3,268.51	3,759.32
<b>Total reserves and surplus</b>	<b>17,557.38</b>	<b>18,048.19</b>

**(i) Securities premium reserve\***

	As at 31 March 2021	As at 31 March 2020
Opening balance	14,288.87	14,288.87
Movement during the year	-	-
<b>Closing balance</b>	<b>14,288.87</b>	<b>14,288.87</b>

\* 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 2021	As at 31 March 2020
Opening balance	3,759.32	2,851.03
Net profit for the year	2,219.53	3,194.42
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
- Remeasurements of post employment benefit obligation, net of tax	(3.08)	(13.17)
<b>Dividends</b>		
- Final dividend for the year ended	(1,692.04)	(870.19)
- Dividend distribution tax on final dividend for the year ended	-	(178.87)
- Interim dividend for the year ended	(1,015.22)	(1,015.22)
- Dividend distribution tax on interim dividend for the year ended	-	(208.68)
<b>Closing balance</b>	<b>3,268.51</b>	<b>3,759.32</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**12 Other financial liabilities**

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Retention monies payable	41.65	44.51	7.27	37.47
Security deposits received *	27.55	64.47	27.20	65.25
Capital creditors *	-	187.94	-	36.38
Unclaimed dividend (Refer note below)	-	7.71	-	5.91
Other payables*	-	75.28	-	24.08
<b>Total other financial liabilities</b>	<b>69.20</b>	<b>379.91</b>	<b>34.47</b>	<b>169.09</b>

**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 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Compensated absences [Refer note (i) below]	-	42.57	-	37.14
Gratuity [Refer note (ii) below]	24.77	15.51	23.18	16.15
Other employee benefits payables	15.60	69.02	8.95	62.80
<b>Total employee benefits obligations</b>	<b>40.37</b>	<b>127.10</b>	<b>32.13</b>	<b>116.09</b>

**(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 7.91 million (31 March 2020: INR 8.26 million) and is included in Note 22 - 'Employee benefits expense'. Accumulated current provision for compensated absences aggregates to INR 42.57 million (31 March 2020: INR 37.14 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 31ST MARCH 2021**

(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
<b>Balance as at 01 April 2020</b>	101.02	(61.69)	39.33
Current service cost	9.36	-	9.36
Interest expense / (income)	6.91	(4.22)	2.69
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
<b>Total amount recognised in the Statement of Profit and Loss</b>	<b>16.27</b>	<b>(4.22)</b>	<b>12.05</b>
<b>Remeasurements</b>			
(Gain) / loss from change in demographic assumptions		-	-
(Gain) / loss from change in financial assumptions	3.96	-	3.96
Experience (gain) / loss	2.35	(1.37)	0.98
<b>Total amount recognised in other comprehensive income</b>	<b>6.31</b>	<b>(1.37)</b>	<b>4.94</b>
Employers contributions	-	(16.05)	(16.05)
Benefit payments	(1.95)	1.95	-
<b>Balance as at 31 March 2021</b>	<b>121.65</b>	<b>(81.38)</b>	<b>40.27</b>
<b>Balance as at 01 April 2019</b>	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)	-	-	-
<b>Total amount recognised in the Statement of Profit and Loss</b>	<b>12.20</b>	<b>(3.43)</b>	<b>8.77</b>
<b>Remeasurements</b>			
(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
<b>Total amount recognised in other comprehensive income</b>	<b>19.34</b>	<b>0.21</b>	<b>19.55</b>
Employers contributions	-	(13.38)	(13.38)
Benefit payments	(0.86)	0.86	-
<b>Balance as at 31 March 2020</b>	<b>101.02</b>	<b>(61.69)</b>	<b>39.33</b>

The net liability disclosed above relates to funded plans are as follow :

	31 March 2021	31 March 2020
Present value of funded obligations	(121.65)	(101.02)
Fair value of plan assets	81.38	61.69
<b>Deficit of funded plan (Gratuity)</b>	<b>(40.27)</b>	<b>(39.33)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

The significant actuarial assumptions were as follows :

	31 March 2021	31 March 2020
Discount rate	6.44%	6.84%
Salary growth rate	8.00%	8.00%
Expected rate of return on plan assets	6.44%	6.84%
Attrition rate	5.00%	5.00%
Mortality	Indian Assured lives mortality (2006-08)	Indian Assured lives mortality (2006-08)

	31 March 2021	31 March 2020
Projected Benefit Obligation on Current Assumptions	121.65	101.02
Delta Effect of +1% Change in Rate of Discounting	(9.50)	(8.23)
Delta Effect of -1% Change in Rate of Discounting	10.94	9.50
Delta Effect of +1% Change in Rate of Salary Increase	10.67	9.30
Delta Effect of -1% Change in Rate of Salary Increase	(9.45)	(8.22)
Delta Effect of +1% Change in Rate of Employee Turnover	(1.14)	(0.81)
Delta Effect of -1% Change in Rate of Employee Turnover	1.27	0.90

Category of assets	31 March 2021	31 March 2020
Insurance fund (100%)	81.38	61.69
<b>Total</b>	<b>81.38</b>	<b>61.69</b>

**(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 2021	31 March 2020
1st Following Year	11.64	6.27
2nd Following Year	6.64	6.14
3rd Following Year	9.02	7.83
4th Following Year	8.83	7.87
5th Following Year	7.31	7.73
Sum of Years 6 To 10	47.70	38.61
Sum of Years 11 and above	142.42	134.99



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

(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 2021	For the year ended 31 March 2020
<b>Current tax</b>		
Current year	1,179.68	1,258.95
Earlier years	(1.35)	-
<b>Total</b>	<b>1,178.33</b>	<b>1,258.95</b>
<b>Deferred tax</b>		
Current year	(18.23)	-
Earlier years	(78.47)	(596.44)
<b>Total</b>	<b>(96.70)</b>	<b>(596.44)</b>
<b>Total income tax expense/(credit)</b>	<b>1,081.63</b>	<b>662.51</b>

**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 2021	For the year ended 31 March 2020
Accounting profit before tax	3,301.16	3,856.93
Applicable tax rate of the reporting entity	34.944%	34.944%
Expected total tax expense	1,153.56	1,347.76
Amount charged in Statement of Profit and Loss	1,081.63	662.51
Difference	71.93	685.25
Tax effect of amounts which are (not deductible) /allowable in calculating taxable income:		
(i) Expenditures not deductible for tax purpose	(24.16)	(22.93)
(ii) Share of profit in associate (net of dividend income in current year)	12.43	107.75
(iii) Impact of change in tax rate*	-	599.26
(iv) Tax credit of earlier years	79.82	-
(v) Others	3.84	1.17
<b>Total</b>	<b>71.93</b>	<b>685.25</b>

Pursuant to the Taxation Law (Amendment), 2019 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.

In previous year, the Company had made an assessment of the impact of the amendment 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 had 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 in the previous year. This was due to the re-measurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime. Consequently, the profit after tax for the year ended March 31, 2021 is not strictly comparable with the corresponding figures for the year ended March 31, 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**b(i) Deferred tax relates to the following :**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenditure deductible on payment basis (including Lease Liability)	228.83	275.65
Defined benefit obligations	34.46	23.17
MAT credit entitlement	423.57	956.24
<b>Total deferred tax assets</b>	<b>686.86</b>	<b>1,255.06</b>
<b>On difference between book depreciation and tax depreciation</b>	<b>1,693.54</b>	<b>1,749.03</b>
<b>Total deferred tax liabilities</b>	<b>1,693.54</b>	<b>1,749.03</b>
<b>Net deferred tax liabilities</b>	<b>1,006.68</b>	<b>493.97</b>

**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
<b>At 1 April 2019</b>	<b>120.17</b>	<b>20.56</b>	<b>1,591.26</b>	<b>224.49</b>	<b>(224.49)</b>	<b>(2,194.20)</b>	<b>(462.21)</b>
<b>(Charged)/credited:</b>							
- 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
<b>At 31 March 2020</b>	<b>128.55</b>	<b>23.17</b>	<b>956.24</b>	<b>147.10</b>	<b>(137.08)</b>	<b>(1,611.95)</b>	<b>(493.97)</b>
<b>Adjustment on adoption of Ind AS116 (Refer note - 39)</b>							
<b>At 1 April 2020 (Restated)</b>	<b>128.55</b>	<b>23.17</b>	<b>956.24</b>	<b>147.10</b>	<b>(137.08)</b>	<b>(1,611.95)</b>	<b>(493.97)</b>
<b>(Charged)/credited:</b>							
- to Statement of Profit and Loss	(16.82)	9.56	78.47	(30.00)	35.84	19.65	96.70
- utilisation of MAT credit#	-	-	(611.14)	-	-	-	(611.14)
- to other comprehensive income	-	1.73	-	-	-	-	1.73
<b>At 31 March 2021</b>	<b>111.73</b>	<b>34.46</b>	<b>423.57</b>	<b>117.10</b>	<b>(101.24)</b>	<b>(1,592.30)</b>	<b>(1,006.68)</b>

#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 2021	As at 31 March 2020
Deferred income on Government Grant	521.01	596.10
<b>Total other non-current liabilities</b>	<b>521.01</b>	<b>596.10</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**16 Trade payables**

	As at 31 March 2021	As at 31 March 2020
Trade payables*		
Dues to Micro, Small and Medium Enterprises (Refer note - 41)	5.01	1.48
Other than Micro, Small and Medium Enterprises	334.44	296.93
<b>Total Trade payables</b>	<b>339.45</b>	<b>298.41</b>

\* Out of total trade payables, INR 50.56 pertains to related parties ( 31 March 2020: INR 41.65) (Refer note-37).

**17 Provisions**

	As at 31 March 2021	As at 31 March 2020
Claims (Refer note - 33)	208.00	208.00
<b>Total provisions</b>	<b>208.00</b>	<b>208.00</b>

**18 Other current liabilities**

	As at 31 March 2021	As at 31 March 2020
Deferred income on Government Grant	74.70	74.30
Statutory dues payables	97.12	98.75
Accruals of Incentives and Rebates [Refer note - 18(a)]	619.00	542.31
Income received in advance	0.12	0.27
Advance from customers (contract liabilities) *	143.65	145.09
<b>Total other current liabilities</b>	<b>934.59</b>	<b>860.72</b>

\* Revenue recognised that was included in advance from customers at the beginning of the period INR 56.36 million (31 March 2020 : INR 70.06 million)

**18(a) Movement in Accruals of Incentives and Rebates**

	As at 31 March 2021	As at 31 March 2020
At the commencement of the year	<b>542.31</b>	<b>689.18</b>
Accruals made during the year	748.08	658.07
Accruals utilised during the year	(671.39)	(804.94)
<b>At the end of the year</b>	<b>619.00</b>	<b>542.31</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**19 Revenue from operations**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Income from port services	6,835.50	6,863.25
Other operating revenue	499.13	490.44
<b>Total revenue from operations</b>	<b>7,334.63</b>	<b>7,353.69</b>

**20 Other income**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
- banks	284.29	375.11
- others	2.43	1.02
Deferred Income recognised	74.70	74.43
Gain on sale / disposal of fixed assets (net)	4.47	-
Write back of Inventories (Refer note - 7)	7.19	-
Provision for doubtful debts written back [Refer note - 8(a)]	27.50	-
Miscellaneous income	3.42	20.11
<b>Total other income</b>	<b>404.00</b>	<b>470.67</b>

**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 2021	For the year ended 31 March 2020
Handling expenses	1,076.87	931.92
Waterfront royalty (Refer note - 34)	194.53	220.28
Business support service charges	58.77	64.36
Other direct costs	44.43	54.16
<b>Total operating expenses</b>	<b>1,374.60</b>	<b>1,270.72</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**22 Employee benefits expense**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	598.15	504.91
Contribution to provident fund and other funds (Refer note below)	27.73	24.56
Gratuity [Refer note 13(ii)]	12.05	8.77
Compensated absences [Refer note 13(i)]	7.91	8.26
Staff welfare expenses	25.66	20.44
<b>Total employee benefits expense</b>	<b>671.50</b>	<b>566.94</b>

The Company recognised INR 27.73 million (31 March 2020 : INR 24.56 million) for provident fund contribution in the Statement of Profit and Loss.

**23 Finance costs**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest and finance charges on lease liabilities	58.98	69.84
Others	4.12	3.92
<b>Total finance costs</b>	<b>63.10</b>	<b>73.76</b>

**24 Depreciation and amortisation expense**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment	1,113.57	1,109.01
Amortisation of intangible assets	4.72	7.02
Depreciation of right-of-use assets [refer note-3(b)]	216.21	198.47
<b>Total depreciation and amortisation expense</b>	<b>1,334.50</b>	<b>1,314.50</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**25 Other expenses**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	221.29	246.39
Rent	2.82	11.65
Repairs		
- Building	38.26	71.71
- Machinery and equipment	301.52	194.91
- Others	64.76	64.73
Insurance	43.58	41.84
Rates and taxes	1.31	0.59
Travelling expenses	50.28	69.53
Legal and professional fees	48.59	62.62
Commission to Directors (Refer note - 37)	4.13	3.75
Expenditure towards Corporate Social Responsibility [Refer note - 25(a)]	69.15	67.30
Payment to auditors [Refer note - 25(b)]	7.42	4.25
Advertisement and sales promotion	5.24	14.25
Communication expenses	3.03	4.44
Loss on sale / disposal of fixed assets (net)	-	0.30
Loss on foreign currency transactions and translations (net)	52.95	28.64
Bad Debt Write Off	13.55	1.53
Provisions for inventory (Refer note - 7)	-	2.01
Provisions for doubtful debts [Refer note - 8(a)]	-	38.88
Freight and forwarding	3.94	1.43
Water charges expenses	20.50	18.85
Contract labour expenses	72.58	66.99
Miscellaneous expenses	42.42	33.30
<b>Total other expenses</b>	<b>1,067.32</b>	<b>1,049.89</b>

**25(a) Corporate Social Responsibility (CSR)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount required to be spent as per Section 135 of the Act	68.13	67.30
<b>Amount spent during the year@</b>	<b>69.15</b>	<b>67.30</b>
(i) Construction/ acquisition of any asset	2.94	12.16
(ii) On purposes other than (i) above	66.21	55.14
<b>Total corporate social responsibility expense</b>	<b>69.15</b>	<b>67.30</b>

@ Excludes advance paid of INR 2.95 million (31 March 2020 : INR 6.57 million).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

	As at 31 March 2021		As at 31 March 2020	
	In cash	Yet to be paid In cash	In cash	Yet to be paid In cash
(i) Construction/acquisition of any asset	2.94	-	12.16	-
(ii) On purposes other than (i) above	56.53	9.68	37.33	17.81

**25(b) Details of payment to auditors**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Payment to auditors</b>		
<b>As auditor</b>		
Audit fee	3.26	2.75
Tax audit fee	0.24	0.21
Limited review of quarterly results	1.35	1.09
Others	0.10	0.10
Group Audit fees	2.47	-
<b>Other services</b>		
Reimbursement of expenses	@	0.10
<b>Total payment to auditor</b>	<b>7.42</b>	<b>4.25</b>

@ Amount is below the rounding off norm adopted by the Company

**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 2020. Management believes that the Company's international transactions with related parties post 31 March 2020 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 2021		As at 31 March 2020	
	Fair Value	Carrying amount	Fair Value	Carrying amount
<b>Financial Assets</b>				
<b>Non- Current</b>				
Security deposits	38.53	38.53	34.93	34.93
Receivable from Gujarat Maritime Board	185.35	185.35	185.35	185.35
<b>Current</b>				
Security deposits	11.04	11.04	13.16	13.16
Unbilled revenue	41.82	41.82	19.21	19.21
Loans and advances to employees	4.91	4.91	4.77	4.77
Trade receivables	441.17	441.17	459.12	459.12
Cash and cash equivalents	63.42	63.42	189.70	189.70
Other Bank balances	7,190.26	7,190.26	6,305.35	6,305.35
<b>Total Financial Assets</b>	<b>7,976.50</b>	<b>7,976.50</b>	<b>7,211.59</b>	<b>7,211.59</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

	As at 31 March 2021		As at 31 March 2020	
	Fair Value	Carrying amount	Fair Value	Carrying amount
<b>Financial Liabilities</b>				
<b>Non- Current</b>				
Retention monies payable	41.65	41.65	7.27	7.27
Security deposits received	27.55	27.55	27.20	27.20
Lease Liability IND AS-116	244.72	244.72	395.60	395.60
<b>Current</b>				
Trade payables	339.45	339.45	298.41	298.41
Retention monies payable	44.51	44.51	37.47	37.47
Security deposits received	64.47	64.47	65.25	65.25
Capital creditors	187.94	187.94	36.38	36.38
Unclaimed dividend	7.71	7.71	5.91	5.91
Other payables	75.28	75.28	24.08	24.08
Lease liabilities	220.56	220.56	189.26	189.26
<b>Total Financial Liabilities</b>	<b>1,253.84</b>	<b>1,253.84</b>	<b>1,086.83</b>	<b>1,086.83</b>

**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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

Expected credit loss for trade receivables under simplified approach:

**For the year ended 31 March 2021:**

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	195.57	222.80	16.84	0.35	2.09	61.68	499.33
Expected credit losses	-	1.56	0.76	0.15	0.55	55.14	58.16
<b>Carrying amount of Trade receivables</b>	<b>195.57</b>	<b>221.24</b>	<b>16.08</b>	<b>0.20</b>	<b>1.54</b>	<b>6.54</b>	<b>441.17</b>

**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
<b>Carrying amount of Trade receivables</b>	<b>228.75</b>	<b>176.36</b>	<b>20.15</b>	<b>25.51</b>	<b>0.44</b>	<b>7.92</b>	<b>459.12</b>

**(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
<b>As at 31 March 2021</b>					
Trade payables	16	339.45	-	339.45	-
Retention monies payable	12	86.16	32.73	11.78	41.65
Security deposits received	12	92.02	64.47	-	27.55
Capital creditors	12	187.94	-	187.94	-
Unclaimed dividend	12	7.71	7.71	-	-
Other payables	12	75.28	75.28	-	-
<b>As at 31 March 2020</b>					
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 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 CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

(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 2021 and 31 March 2020. 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 2021:

Details	USD Exposure		EURO Exposure	
	INR	USD	INR	Euro
Receivables/Advance to Vendor	<b>252.28</b>	<b>3.45</b>	-	-
	<i>240.25</i>	<i>3.18</i>	-	-
Advance from Customers	<b>2.43</b>	<b>0.03</b>	-	-
	<i>2.08</i>	<i>0.03</i>	-	-
Payables	<b>49.73</b>	<b>0.68</b>	<b>0.32</b>	@
	<i>0.64</i>	<i>0.01</i>	<i>0.77</i>	<i>0.01</i>
Cash and Bank Balance	<b>45.91</b>	<b>0.63</b>	-	-
	<i>114.23</i>	<i>1.51</i>	-	-

@ Amount is below the rounding off norm adopted by the Company

Amounts in italics represent amounts as at 31 March 2020

Details	Impact on profit after tax	
	31 March 2021	31 March 2020
<b>USD sensitivity</b>		
INR/USD -Increase by 10% (31 March 2020-10%)	<b>24.60</b>	35.18
INR/USD -Decrease by 10% (31 March 2020-10%)	<b>(24.60)</b>	(35.18)
<b>EUR sensitivity</b>		
INR/EUR -Increase by 10% (31 March 2020-10%)	<b>(0.03)</b>	(0.08)
INR/EUR -Decrease by 10% (31 March 2020-10%)	<b>0.03</b>	0.08

**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 CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

(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 2021	31 March 2020
<b>(a) Equity shares</b>		
(i) 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
(ii) Final dividend for the year ended 31 March 2020 of INR 3.50 per fully paid share	1,692.04	
(iii) Interim dividend for the year ended 31 March 2020 of INR 2.10 per fully paid share		1015.22
Corporate dividend tax on above		208.68
(iv) Interim dividend for the year ended 31 March 2021 of INR 2.10 per fully paid share	1,015.22	

**(b) Dividends not recognised at the end of the reporting period**

The directors have recommended the payment of a final dividend of INR 2.40 per fully paid equity share (31 March 2020 – INR 3.50). 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 2021	31 March 2020
(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances)	481.93	72.10
(b) Bonds/Undertaking given by the Company under Concessional Duty / Exemption scheme to the Government Authorities. (The Company has fulfilled the obligations and is in the process of obtaining confirmation of fulfillment from the authorities)	2,949.14	2,949.14

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

(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 2020: 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 186.97 million (31 March 2020: INR 146.62 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:

<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Receivable within one year	<b>190.43</b>	<b>187.87</b>
Receivable between one and five years	<b>880.60</b>	<b>840.28</b>
Receivable more than five years	<b>603.88</b>	<b>847.01</b>

**33. Provisions and Contingent liabilities**

- (a) Claims against Company not acknowledged as debt aggregates to INR 1,231.00 million (31 March 2020: INR 1,204.93 million). Provisions made in respect of the same aggregates to INR 208.00 million (31 March 2020: INR 208.00 million).

**Movement in provisions**

<b>Particulars</b>	<b>Litigations / Disputes</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
At the commencement of the year	<b>208.00</b>	<b>365.04</b>
Provision made during the year	-	-
Provision reversed during the year	-	(7.04)
Payment made during the year	-	(150.00)
At the end of the year	<b>208.00</b>	<b>208.00</b>

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.

- (b) Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to INR 110.14 million (31 March 2020: INR 110.14 million).

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**35. Earnings per share**

		For the year ended 31 March 2021	For the year ended 31 March 2020
Profit for the year	(A)	2,219.53	3,194.42
<i>Calculation of weighted average number of equity shares</i>			
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
<b>Basic and diluted earnings per share (INR)</b>	<b>(A/B)</b>	<b>4.59</b>	<b>6.61</b>

**36. Interest in Associate company**

Set out below is the associate of the Company as at 31 March 2021 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 2021	31 March 2020
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. Where control exists	(i) Maersk A/S, Denmark (formerly known as Maersk Line A/S) (Ultimate Holding Company) (from 6th August, 2020)
	(ii) APM Terminals Mauritius Limited, Mauritius
B. Party with substantial interest and its affiliates	(i) APM Terminals India Private Limited, India
	(ii) Maersk Line India Private Limited, India
	(iii) GPRO Services India Private Limited, India
	(iv) Maersk Training India Private Limited, India
	(v) Gateway Terminals India Private Limited, India
	(vi) Maersk Training Svendborg A/s, Denmark
	(vii) Damco India Private Limited, India
	(viii) APM Terminals Vado Ligure S.P.A.
	(ix) Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft A/S & Co
	(x) APM Terminals Medport Tangier
	(xi) APM Terminals India Private Limited - EMR Division
	(xii) A.P.Moller - Maersk A/S

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

<b>Relation</b>	<b>Party</b>
	(xiii) APM Terminals Apapa Limited (xiv) Maersk Line Fleet Management and Technology (I) Private Limited (xv) APM Terminals Crane & Engineering Services (Shanghai) Co. Ltd (xvi) APM Terminals Management B.V., The Netherlands
C. Associate	Pipavav Railway Corporation Limited
D. Directors, Non-Executive Directors and Key managerial personnel	<b>A) Executive directors</b> Mr. Jakob Friis Sorensen (Managing Director) <b>B) Non-Executive directors</b> Mr. Tejpreet Singh Chopra Ms. Hina Shah Mr. Pradeep Mallick Mr. Pravin Laheri (upto 29th July, 2020) Mr. Julian Bevis Mr. Timothy Smith Mr. Keld Pedersen Mr. Soren Brandt (from 6th August, 2020) Mrs. Avantika Singh Aulakh, IAS (from 24th September, 2020) Mr. Samir Chaturvedi (from 12th November, 2020) Mr. Maarten Degryse (from 12th November, 2020) <b>C) Key managerial personnel</b> Mr. Santosh Breed

\* No transactions during the year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**  
 (All amounts are in INR millions, unless otherwise stated)

**(b) Related party transactions**

Transactions during the period	APM Terminals Mauritius Limited	MAERSK A/S	Gateway Terminals India Private Limited	APM Terminals Management B.V.	GPRO Services India Private Limited	Pipavav Railway Corporation Limited	Other Affiliates	Total
Income from port services	-	1,968.28	-	-	-	-	2.66	1,970.94
Professional services received	-	2,195.33	0.02	-	-	-	4.47	2,199.82
Business support service charges	-	(21.58)	-	-	(5.42)	-	(1.28)	(28.28)
Expenses incurred on the Company's behalf	-	(19.50)	-	(58.77)	(5.12)	-	(0.27)	(24.88)
Expenses incurred on behalf of others	-	-	-	(64.28)	-	-	-	(68.77)
Training expenses	-	-	-	-	-	-	-	(64.28)
Manpower cost	-	-	-	(58.07)	(0.24)	-	(2.02)	(60.33)
Capital expenditure	-	-	1.34	(44.96)	-	-	(1.08)	(46.04)
Dividend income	-	-	-	16.46	-	-	0.30	18.10
Dividend payment	-	-	-	6.36	-	-	3.29	9.65
Closing Balances:	-	-	-	-	-	-	-	-
Receivable	-	250.69	1.34	1.59	-	-	0.21	253.83
Advance from customers	-	238.07	0.04	6.36	-	-	0.22	244.69
Trade Payable	-	5.80	-	2.43	-	-	-	2.43
Capital Creditors	-	10.51	-	40.79	1.21	0.55	2.21	50.56
Deposit received	-	40.00	-	29.69	-	0.52	0.93	41.65
Deposit made	-	-	-	3.17	-	-	-	3.17
Advance to vendor	-	-	0.04	-	-	-	-	0.04
Accruals of Incentives and Rebates	-	47.47	-	-	-	-	-	47.47
Investment	-	45.51	-	-	-	-	-	45.51
	-	-	-	-	-	830.00	-	830.00
	-	-	-	-	-	830.00	-	830.00

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

<b>Name of Non-Executive Directors/Key Managerial personnel</b>	<b>Fees for attending Board/Committee meetings</b>	<b>Commission</b>	<b>Managerial Remuneration</b>	<b>Total</b>
Mr. Tejpreet Singh Chopra	<b>0.50</b> <i>0.55</i>	<b>1.65</b> <i>1.50</i>	-	<b>2.15</b> <i>2.05</i>
Ms. Hina Shah	<b>0.95</b> <i>0.85</i>	<b>0.83</b> <i>0.75</i>	-	<b>1.78</b> <i>1.60</i>
Mr. Pradeep Mallick	<b>0.90</b> <i>0.95</i>	<b>0.83</b> <i>0.75</i>	-	<b>1.73</b> <i>1.70</i>
Mr. Pravin Laheri	<b>0.30</b> <i>1.10</i>	<b>0.83</b> <i>0.75</i>	-	<b>1.13</b> <i>1.85</i>
Mr. Soren Brandt	<b>0.30</b> -	-	-	<b>0.30</b> -
Mr. Julian Bevis	<b>0.25</b> -	-	-	<b>0.25</b> -
Mr. Samir Chaturvedi	<b>0.30</b> -	-	-	<b>0.30</b> -
Mr. Keld Pedersen@	-	-	-	-
			<i>21.57</i>	<i>21.57</i>
Mr. Santosh Breed@	-	-	<b>11.15</b> <i>10.82</i>	<b>11.15</b> <i>10.82</i>
Mr. Jakob Friis Sorensen@	-	-	<b>44.70</b> <i>17.36</i>	<b>44.70</b> <i>17.36</i>
Mr. Padminikant Mishra@	-	-	-	-
			<i>3.58</i>	<i>3.58</i>

Amounts in italics represent amounts as at 31 March 2020

@As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, amount pertaining to key managerial persons are not included.

On 6 August 2020, majority of Directors in the Board were representative of APM Terminals Mauritius Limited (shareholder) which provided the shareholder an ability to control the decision making. Accordingly, the Company became a subsidiary of APM Terminals Mauritius Limited w.e.f. 6 August, 2020.

**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 1,970.94 million (31 March 2020: INR 2,199.82 million) from related parties representing more than 10% of the total revenue.

- 39.** 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 31ST MARCH 2021**

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

**40. COVID-19**

The Company has carried out a detailed assessment of the impact of COVID-19, including the current wave, on its liquidity position and on the recoverability and carrying values of its assets. Based on this assessment the company has concluded that there is no significant impact on its financial results as at 31st March 2021. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.

**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:

<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	3.85	1.15
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.66	0.33
c. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	76.77	11.63
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. Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.66	0.33
g. Further interest remaining due and payable for earlier years.	0.50	0.17

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

**42. Extracts of Notes to Accounts of Associate**
**(a) Other Intangible assets**

(Amount in Rs. Lakhs)

Particulars	Freight sharing right	License fee	Others	Total
<b>Other Intangible assets (1st April 2019 to 31st March 2020)</b>				
<b>At Cost</b>				
As at 1st April 2019	34,181.73	1,000.00	21.52	<b>35,203.25</b>
Additions	137.89	-	-	<b>137.89</b>
Disposals/Adjustments	-	-	-	-
<b>As at 31st March 2020</b>	<b>34,319.62</b>	<b>1,000.00</b>	<b>21.52</b>	<b>35,341.14</b>
<b>Accumulated Amortization and impairment At 1st April 2019</b>				
Amortization	20,308.73	261.91	12.88	<b>20,583.52</b>
Impairment	-	738.09	-	<b>738.09</b>
	<b>20,308.73</b>	<b>1,000.00</b>	<b>12.88</b>	<b>21,321.61</b>
<b>Charged during the financial year 2019-20</b>				
Amortization	917.58	-	2.12	<b>919.70</b>
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-	-
<b>Amortization and impairment</b>	<b>917.58</b>	<b>-</b>	<b>2.12</b>	<b>919.70</b>
<b>At 31st March 2020</b>				
Amortization	<b>21,226.31</b>	<b>261.91</b>	<b>15.00</b>	<b>21,503.22</b>
Impairment	-	<b>738.09</b>	-	<b>738.09</b>
	<b>21,226.31</b>	<b>1,000.00</b>	<b>15.00</b>	<b>22,241.31</b>
<b>Net book value 31st March 2020</b>	<b>13,093.31</b>	<b>-</b>	<b>6.52</b>	<b>13,099.83</b>
<b>Other Intangible assets (1st April 2020 to 31st March 2021)</b>				
<b>At Cost</b>				
As at 1st April 2020	34,319.62	1,000.00	21.52	<b>35,341.14</b>
Additions	28,011.71	-	-	<b>28,011.71</b>
Disposals/Adjustments	-	-	-	-
<b>As at 31st March 2021</b>	<b>62,331.33</b>	<b>1,000.00</b>	<b>21.52</b>	<b>63,352.85</b>
<b>Accumulated Amortization and impairment At 1st April 2020</b>				
Amortization	21,226.31	261.91	15.00	<b>21,503.22</b>
Impairment	-	738.09	-	<b>738.09</b>
	<b>21,226.31</b>	<b>1,000.00</b>	<b>15.00</b>	<b>22,241.31</b>
<b>Charged during the financial year 2020-21</b>				
Amortization	1,554.68	-	2.12	<b>1,556.80</b>
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-	-
<b>Amortization and impairment</b>	<b>1,554.68</b>	<b>-</b>	<b>2.12</b>	<b>1,556.80</b>
<b>At 31st March 2021</b>				
Amortization	<b>22,780.99</b>	<b>261.91</b>	<b>17.13</b>	<b>23,060.02</b>
Impairment	-	<b>738.09</b>	-	<b>738.09</b>
	<b>22,780.99</b>	<b>1,000.00</b>	<b>17.13</b>	<b>23,798.11</b>
<b>Net book value 31st March 2021</b>	<b>39,550.35</b>	<b>-</b>	<b>4.40</b>	<b>39,554.74</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

- (1) Amortization on other intangible assets are included in Note 26 on Depreciation and Amortization.
  - (2) During the current year, electrified rail operations have started on the Project Railway on electrification of PRCL line. Electrified rail operations on a portion of PRCL line from Surendranagar to Botad Junction were commenced on 10/6/2020 and on the remaining portion upto Pipavav Station, electrified rail operations were commenced on 03/03/2021. Accordingly, cost of Rail Electrification Project was partially capitalized at Rs.84.00 crores on 10/06/2020 and remaining cost was capitalized on 03/03/2021. The amortization of Rail Electrification cost has been done on capitalized cost from the date of capitalization of cost in the books for the current year. On capitalization, the Company has classified cost of electrification works as "Intangible assets" from "Intangible Assets under Development" effectively from the dates of start of the electrified rail operations on PRCL line. The cost has been capitalized based on the expenditures booked by the Company as per advices / information received from the agency. Capitalized cost is being amortized over the remaining useful life of the asset from the date of start of operations. Since, final cost of the work is yet to be ascertained by the agency, therefore, capitalized cost is subject to adjustments on receipt of the final cost of the electrification work from the agency. Accordingly, adjusted capitalized cost as per final bill will be amortized over the remaining useful life of the assets. Value of new assets created on Project assets of the Company on electrification of PRCL line has been added to the book value of the Project assets as a part thereof irrespective of the nature of individual assets so created, and the same have been shown as single Intangible asset (i.e. Freight Sharing Rights)
  - (3) The Company obtained permission to undertake container operations from MOR by paying the license fee of Rs.1,000.00 lakhs on 20th January 2006. The Company signed the Concession Agreement on 4th January 2007 in this regard. Date of commencement of actual operation was 20th August 2009. License Fee of Rs.1,000.00 lakhs paid to MOR has been shown as Intangible asset. The carrying amount (net after the impact of impairment) is equally amortized over the term of license in accordance with Concession agreement with MOR for container train operation. The provision for impairment loss equal to net carrying amount of license fee (i. e. Rs. 738.09 lakhs) was already made in respect of the license fee in the year 2013-14, as a result of which, the carrying amount of the license had become nil in that year. Accordingly, net carrying amount of license fee is being shown at nil amount. However, in case there are the indications in the future that the impairment loss is required to be reversed considering economic performance of the Company from the use of license, the impairment loss shall be reassessed and accordingly, be reversed on the basis of re-assessment and the carrying amount of the license fee shall be increased to that extent.
  - (4) The Company has adopted Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs, Government of India, vide Notification Reference No:GSR:111(E) dated 16/02/2015, for reporting period (year) ended 31st March 2017 and onwards. On adoption of Ind AS, the Company has adopted to continue with carrying value of its intangible assets as recognized in the financial statements as at the date of transition to Ind AS measured as per previous GAAP in accordance with Ind-AS 101.
  - (5) Additions during the current year also include expenditures of Rs.556.29 lakhs (Previous Year: Rs.38.53 lakhs), which have been accounted for based on latest claims/ advices received during the year for the works which had already been capitalized in the earlier year(s) on their completion. These additional expenditures are amortized prospectively over the remaining concession period.
- (b) Apportioned Freight earnings from Indian Railways:**
- (i) Indian Railways collect freight in respect of freight train operations on the Project Railway. Under the terms of the Operation and Maintenance agreement (O&M agreement), Western Railway (WR) carries out the operation and maintenance of the Project Railway and maintains the records of freight generated from freight train operation on the Project Railway. Based on these records, WR makes apportionment of the freight earning on monthly basis and pays to the Company its share of freight earning in proportion of the distance traversed on Project Railway to the total distance traversed by the freight trains using Indian Railways' rules of Financial Adjustments. The Company also maintains records of freight trains movement on the basis of railway receipts extracted from Freight Operating Information System (FOIS) maintained by Centre for Railway Information Systems (CRIS) of Indian Railways. The Company recognises its share of freight earning as Contract Revenue from Operation on the basis of records maintained by it. These records are reconciled by the Company with WR and the differences observed on reconciliation are adjusted in the books of accounts in the period of completion of reconciliation process.
  - (ii) Western Railway makes apportionment of freight to the Company using actual distance carried by freight trains and not on

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

the basis of booked route distance (i.e. distance for which freight is charged by Indian Railways). The actual distance carried by freight train differs from the booked route distance where Railways run the freight trains through diverted route due to its operation requirements. The Company has also booked its share of freight earnings worked out on carried route basis. Current Year' figure of revenue includes Rs.65.86 lakhs being the Company's claims on account of downward calculation of PRCL' share of freight earning by WR due to taking incorrect distance of PRCL line. The same is under reconciliation at the end of WR.

- (iii) In the past, the Company had raised certain issues with Railways related to freight apportionment e.g. downwards rounding off of the percentage of distance by WR in freight apportionment etc. These issues were decided and settled by Railways and wherever applicable Railways had given the benefit, arising out of settlement, to the Company. Accordingly, the Company had already recognised the revenue accrued on receipt of benefit from WR. However, WR had implemented these decisions with prospective effects and accordingly, the claims prior to the settlement/decision have not been recognized by the Company in accordance with Ind AS 115 "Revenue from Contract with Customers".

(iv) Other disclosures

(Amount in Rs. Lakhs)

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Disaggregation of Revenue</b>		
Income From Railway Operation (including arrears)	22,068.35	22,964.52
Construction Contract Revenue (under Service Concession Arrangement)	7,459.48	14,564.86
Other contract revenue	0.10	-
<b>Total</b>	<b>29,527.93</b>	<b>37,529.38</b>
<b>Contract balances</b>		
Trade receivables	2,458.89	1,036.40
Contract assets	-	-
Contract liabilities	-	-
<b>Trade Receivables</b>		
Trade Receivables at the beginning of the year	1030.23	2,938.73
Total Revenue Recognized during the year	22,068.45	22,964.52
Adjustments	10.53	3.74
Less: Payment received during the year	(20,650.32)	(24,876.76)
<b>Closing Balance of the Trade Receivables</b>	<b>2,458.89</b>	<b>1,030.23</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

- (c) The Company has received following Show Cause Notices (SCNs) from service tax authorities in the matter of applicability of service tax on the Company in respect of apportioned freight earning received by the Company from Railway:

<b>Period of the Show Cause Notices</b>	<b>Amount of tax involved</b>	<b>Forum where Dispute is pending</b>
April 2009 to March 2014	Rs.7,639.48 lakhs plus interest & penalties	Principle Commissioner of Service Tax, New Delhi
April 2014 to March 2015	Rs.2,800.51 lakhs plus interest & penalties	Principle Commissioner of Service Tax, New Delhi
April 2015 to June 2017 (received in April 2018)	Rs.7,418.19 lakhs plus interest & penalties	Commissioner of Central Tax Central Excise & Service Tax, Delhi-South
<b>Total</b>	<b>Rs 17,858.18 Lakhs plus interest &amp; penalties</b>	

The Company has not agreed with the department's contention and submitted detailed replies to the above SCNs requesting the adjudicating authorities to withdraw said SCNs. The Company has not received any adjudication order in the matter till date. Further, the matter was also referred to Ministry of Railways for taking up the case with the Finance Ministry for issuance of necessary clarifications/ confirmation and resolution of issue in the best interest both for Railways and SVPs. in this regard.

With effect from 1st July 2017, service tax had been subsumed by the Goods and Service Tax (GST). The Company has maintained the same stand, as was taken in the matter of service tax, with respect to applicability of the GST on the share of the freight earning received by the Company from Railways and the Operation & Maintenance Costs recovered by Railways from the Company. The Company is of the view that no supply is involved by the Company to Railways and vis-a-versa in sharing of freight revenue & costs by Railways with the Company. Therefore, there are no GST obligations on the Company in respect of sharing of the freight revenue & costs by Railways with the Company including furnishing of the particulars & details for the same. Ministry of Railways has also taken up the issue with Finance Ministry for issuing clarification/exemption.

Furthermore, Indian Railways charges and collects GST on freight amount and deposits the same with the concerned tax authorities. Thereafter, the Company gets its share out of net freight amount from Railways. Therefore, in view of this, the Company has also contended that tax cannot be levied twice on the same amount (i.e. once on the Railways and again on the Company)

- (d) **Intangible assets under development**  
(Including Railway Electrification Project)

(Amount in Rs. Lakhs)

<b>Intangible Assets (i.e. Project Railway) under development (1st April 2019 to 31st March 2020)</b>	
Balance as at 1st April 2019	<b>6,359.05</b>
Additions	14,427.69
Less: Capitalized to Intangible Assets	(0.72)
	-
<b>Balance as at 31st March 2020</b>	<b>20,786.02</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

(Amount in Rs. Lakhs)

<b>Intangible assets (i.e. Project Railway) under development (1st April 2020 to 31st March 2021)</b>	
Balance as at 1st April 2020	<b>20,786.02</b>
Additions	6,899.48
Less: Railway electrification Project capitalized during the year as Intangible Assets	(27,451.71)
	-
<b>Balance (other than Rail electrification Project) as at 31st March 2021</b>	<b>233.79</b>

- (1) "Intangible Assets under Development" include expenditure incurred by the Company on the development or up-gradation of the Project Railway or to create additional facility thereon which give rise to future economic benefits to the Company.
- (2) During ongoing development or up-gradation of Project Railway, progress of the work performed which has resulted in the Contract Asset of the Company has been recognised as "Intangible Assets under the Development". On completion of the development or upgradation work, the contract asset shown as "Intangible Assets under Development" has been re-classified as the "Intangible Assets" in accordance with the Appendix - D to Ind AS 115.
- (3) During the current year, electrified rail operations have started on the Project Railway on electrification of PRCL line. Therefore, the Company has capitalized cost of electrification works and accounted as "Intangible assets" on a provisional basis by reclassifying the same from "Intangible Assets under Development" effectively from the dates of commencement of the electrified rail operations on PRCL line. Any additional amount on account of bills not received/ works not completed shall be accounted for on receipt of the final bill/ completion of works, and shall accordingly be amortized prospectively during the remaining concession period. In view of this, balance under "Intangible Assets under Development" as on 31st March 2021 does not include any amount incurred in connection with Electrification of the Project Railway (Previous year: Rs.20712.31 lakhs).

**(e) Fixed Cost (Material):**

- (i) As per the O&M agreement, Fixed Cost Material (FMC), a component of O&M costs, is to be reassessed for every five years based on the cost survey. Last survey was conducted in the year 2015-16 and based thereon, annual FMC was fixed at Rs. 4.27 Crores (prior to this, assessed FMC was of Rs.2.03 Crores). During the current year, the next survey was due for reassessment of FMC using the actual cost data for the year 2019-20. For this purpose, Railway provided initial cost data for amounting to Rs.21.59 crores, which is on a very high side. Having noticed discrepancies, the Company has submitted its preliminary observations on the same. At present, the finalization of FMC is in process and is subject to series of discussions/analysis and mutual consent from both parties. Therefore, quantum of FMC amount is not ascertainable/ estimated at this stage. However, pending the completion of the assessment process, WR has raised bills for the Fixed Cost Material amounting to Rs.4.62 Crores to the Company for the current year by inflating the previously assessed Fixed Cost Material of Rs. 4.27 crores (mentioned herein above) and the Company has recognised the same in the books during the current year (Previous Year: Rs.4.57 crores) [Refer to Note 23(i)(a)]. The impact of the revision in the cost is not ascertainable at present due to involvement of number of technical and other issues. Therefore, difference of the cost arising out of the revision of the same shall be booked in year of finalization of Fixed Material Cost.
- (ii) During the current year, additional cost to the tune of Rs.556.29 lakhs have been booked as per the advice received from Railways towards balance of the final cost of loop lines works carried out at Kundli and Lathidad on PRCL section, which had been completed in the year 2015-16. The amortization of this capital expense has been considered from the 1st April 2020
- (iii) Western Railway has proposed some works, which PRCL has not sanctioned. However, WR has started carrying out these works without obtaining PRCL' prior consent and therefore, the Company has not agreed to the same. The estimated total cost of these works is Rs. 12.43 crores approx. Amount incurred on these works as per bill received from WR is Rs.2.55 crores. Due to disagreement on these works, the same has not been recognized by the Company

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021**

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

in the books.

- (iv) The Company has not booked any expenditure for Permanent Way Material (Store Imprest) for the current year (Previous Year: Rs.3.53 Crores) in absence of any intimation for the same from WR, and also in the light of certain unresolved observations at the end of WR raised by the Company in the bills recognised for previous year(s). Cost on this account, if any for the current year, shall be accounted for as per the intimation by Railways and verified by the Company.
- (v) In case of the certain costs like medical reimbursement to the Railway staff deputed on the PRCL's section have although been accounted for based on the bills raised by the Railways. However, the same have been contested with the Railways. Any downward revision on the settlement of the issue shall be accounted for in the year when the same is finalized and agreed with the Railways.
- (vi) An amount of Rs.354.14 lakhs has been accounted for on account of "Track machine Operations" carried out by the Railways during the period September 2017 to June 2019. However, in absence of any information of any such operations beyond June, 2019, no cost on this account has been provided for in the accounts.

**(f) Variable Costs**

The Company has booked the Variable Costs as per bills received from WR. In preparation of the bills of Variable Costs, WR uses the reconciled operating data (e.g. GTKM, wagon hours etc.) and applies unit costs with the reconciled operating data in computation of various components of Variable Costs. The cost has been recognised based on the available data/information in case bill(s) are not received.

During the current year, the Company has observed steep increase in the one of the components of the variable costs (i.e. cost of crew) due to the fact that, effectively from July-2020, units costs are calculated after dividing the combined WR' costs of crew (i.e. cost both for Passenger and Goods traffic) by GTKMs of WR' for Goods Traffic only. The Company has raised this issue. In absence of availability of requisite data, the excess amount charged by the Railways on this account is not determinable. Therefore, the difference in costs shall also be accounted for as and when the cost is revised by the Railways.

During the current year, PRCL section was electrified and the electric goods trains operations have started on the PRCL line. However, a Joint Procedure Order (JPO) for billing for costs of operation and maintenance of new (TRD) assets emerged from electrification has not been finalized with the Railways. Pending the finalization of JPO, WR has charged the cost of electric goods trains operations (i.e. energy consumption costs, etc) using existing billing methodology applicable for diesel operations. The Company has booked the cost as per the amounts charged by WR based on the existing arrangement for the diesel operations for the current year. During the current year, the electrified operations are not substantial (about 5% only of the total operations). The impact of the same in cost is not quantifiable due to unavailability of cost factors relevant for the current year.

Therefore, necessary adjustments if any; shall be made in the books at the time of revision of the cost as per signed JPO.

- (g) During the current year, expenses relating to earlier period(s) recognised/(reversed) by the Company on receipt of the bills/ advices from WR are as under:

Sr. No	Particulars	Amount (Rs. in Lakhs)	Period to which expense relates	Accounting Head (Note reference)
1.	Productivity Linked Bonus (Railway Staff)	383.08	FYs 2017-18 to 2019-20	Manpower Cost [ Note No: 23(1)(a)]
2.	Track Machine Operations	354.14	September- 2017 to June- 2019	Cost of additional works [Note No: 23(1)(c)]
3.	Refund of Overpayment	(39.37)	April-2016 to March-2020	Manpower Cost [ Note No: 23(1)(a)]
4.	Loop lines work (Kundli & Lathidad)	556.29	FY 2015-16	Other Intangible assets [Note No: 4.5]

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2021

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

- (h) The Insurance cover for the Project Assets primarily comprising of Formations, Building, Plant & Machinery, Permanent ways including Rail and Sleepers expired on 19th June 2020. As per the decision of the Board of Directors in its meeting dated 20th August, 2020, the Company is obtaining an actuarial valuation of probable claim scenario for the purpose of assessing the risk. The actuarial report is under process and due to this the project assets remain without insurance cover till date.

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#### For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/ N-500016

#### Arunkumar Ramdas

*Partner*

Membership No: 112433

Mumbai

27 May 2021

#### For and on Behalf of Board of Directors of

**Gujarat Pipavav Port Limited**

**CIN: L63010GJ1992PLC018106**

#### Jakob Friis Sorensen

*Managing Director*

DIN : 08593830

#### Santosh Breed

*Chief Financial Officer*

Mumbai

27 May 2021

#### Pradeep Mallick

*Director*

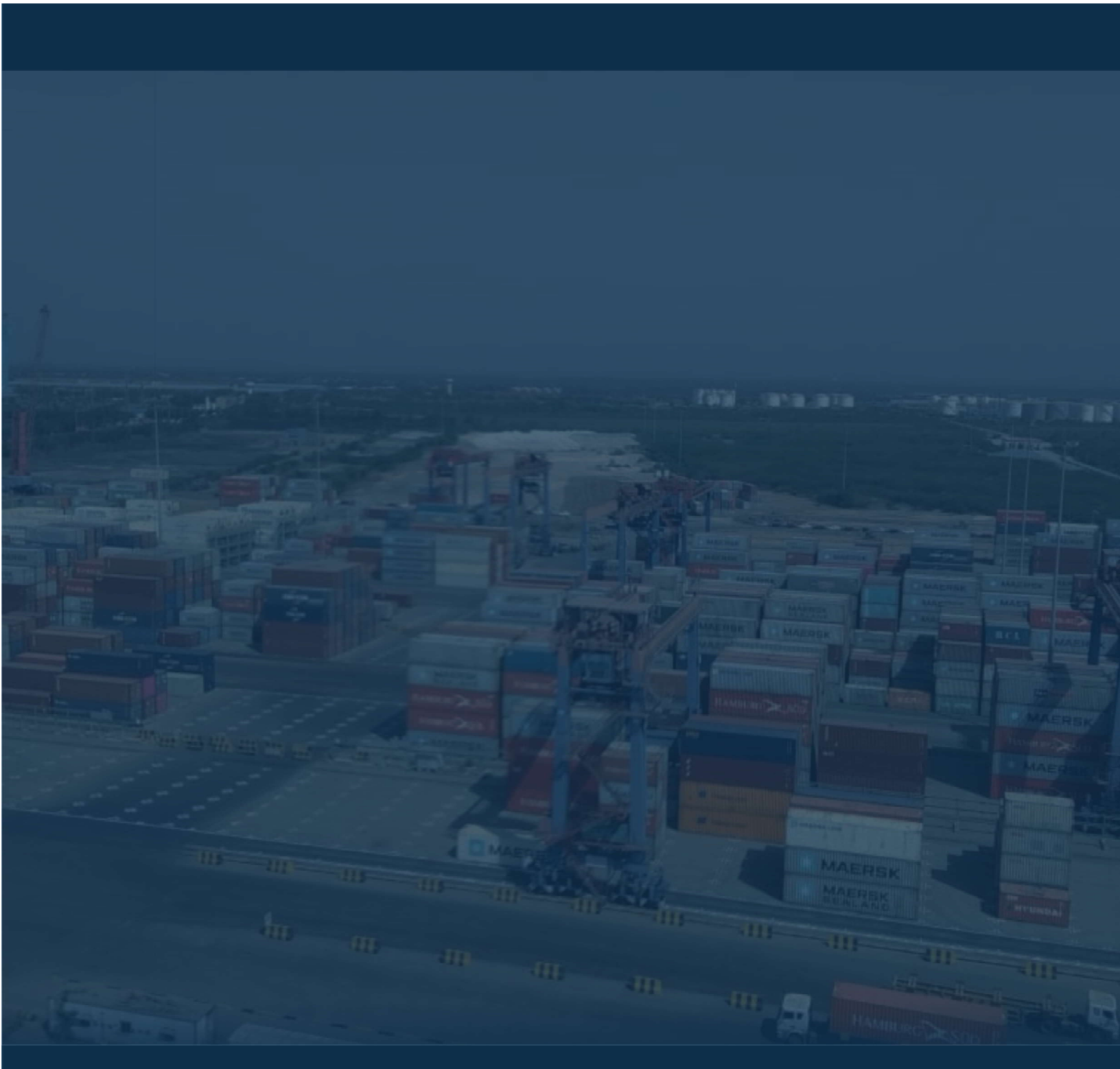
DIN: 00061256

#### Manish Agnihotri

*Company Secretary*







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