Lifting Global Trade SM

APM TERMINALS

APM Terminals Pipavav

Gujarat Pipavav Port Limited

ANNUAL REPORT 2018-19

CHAIRMAN'S STATEMENT

Dear Members,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Gujarat Pipavav Port Limited for the year ended 31st March 2019. It comprises Standalone as well as the Consolidated financial statement for the year ended 31st March 2019.

During the year, your Company reported a Standalone Net Profit of Rs. 2,056.26 Million, higher by about 4% compared to the previous year. The increase in Net Profit is on account of higher container volume compared to the previous year. The Company had declared and has paid an Interim Dividend of Rs. 1.70 per share in October 2018. In accordance with its objective of a sustained and consistent distribution of profits, the Company is pleased to recommend a Final Dividend to the shareholders of Rs. 1.80 per share for approval in the forthcoming Annual General Meeting taking the total dividend amount to Rs. 3.50 per share.

Your Company holds 38.8% shares in Pipavav Railway Corporation Limited (PRCL), an Associate Company as per the provisions of the Companies Act, 2013. PRCL has provided its Audited Annual Accounts for the year ended 31st March 2019 for the purpose of their consolidation into the Company's Accounts. As per the Consolidated financial statement enclosed, the Company's share of profit in PRCL for the year ended 31st March 2019 is Rs. 310.54 Million, an increase of about 38% compared to the previous year.

During the year 2018, the global economy was expected to grow by 3.9% as per the IMF estimates. But it witnessed a slowdown particularly in the second half of Year 2018 and it is expected to continue during the Year 2019. Accordingly, the IMF has scaled down its growth expectations and has estimated the world economy to grow at 3.3% during 2019 and at 3.6% in the Year 2020. The IMF expects that the growth will come from the two fastest growing economies in the world, namely China and India. But it expects growth in China to eventually soften to 6.3% and 6.1% in Years 2019 and 2020 respectively while India is expected to grow to 7.3% and 7.5% in those two respective years.

The consolidation process within the Global Shipping Industry appears to have settled with the completion of various Mergers and Takeovers though further consolidation amongst the carriers cannot be ruled out. The consolidation process has resulted in reduction in the number of shipping lines, but supply continues to be higher than demand in terms of cargo carrying capacity thus keeping ocean freight rates under pressure. This consolidation process and forming of alliances by the global shipping lines strengthens the bargaining position of the shipping lines vis-à-vis the ports for negotiating port calls more so in the case of West Coast of India which is witnessing over-capacity at ports handling container vessels. However, the outlook for the overall port handling remains positive for India supported by expected strong GDP growth.

The West Coast of India handles almost two- thirds of the country's container business and grew at ~11%. This growth has been mainly driven by strong imports into the country though growth in exports continues to remain a challenge causing a trade imbalance. The newly elected Government at the Centre recognises the necessity for increase in Exports from the country and has set it as one of its priority areas. Meanwhile, the ongoing trade war between the United States of America and China and the trade protectionist practices by countries could have an adverse impact on the global economic growth.

As far as dry bulk cargo is concerned, the West Coast of India handles two main commodities namely, Coal and Fertiliser. In case of Coal the Government's focus has been on increasing domestic production and reducing imports. But inspite of higher Coal production in the country the gap between demand for Coal and its supply is high and requires the country to import. In case of Fertiliser, the Government aims to make the country self-sufficient for Urea in the near term. So, the import of Urea is likely to reduce going forward, but the import of DAP and MOP is likely to continue.

Regarding Liquified Petroleum Gas (LPG), the Government is promoting households to switch to the cleaner fuel and is supporting this initiative through a subsidy programme under the Government of India's Pradhan Mantri Ujjwala Yojana scheme. As a result, the LPG imports are likely to remain strong in the coming years.

The RORO business for Car Exports from India has been currently facing certain challenges in the international markets. But from a long-term perspective the RORO business appears to be promising considering that Gujarat has developed into an automobile hub.

The Ministry of Railways is developing the Dedicated Rail Freight Corridor (DFC) on the Western and Eastern part of the country. These lines are being developed to improve rail connectivity for efficient evacuation of cargo between the Northern Region of the country with the ports on the Western and Eastern coast of India. Pipavav Railway Corporation Limited (PRCL) the Associate Company of your Company that provides rail connectivity to the Port is incurring the capital expenditure for making the port connectivity DFC compliant. Your Company is also incurring capital expenditure inside the port to make DFC complaint rail sidings. This DFC compliant rail line connecting your Port to the Northern hinterland is likely to be operational by mid-2020. The implementation of this most critical project will be a game changer and a landmark development in the country's logistics sector. It will not only improve the rail connectivity of all the ports to the northern hinterland, it will also make the rail evacuation of cargo much more reliable as well as time and cost efficient. It should also hopefully ease pressure on the road traffic and reduce congestion by shifting some of the road cargo to rail. This development should be able to strengthen the position of Indian manufacturers and make them more competent in the international export markets.

Like every year, this year too your Company along with all entities within AP Moller- Maersk Group observed Global Safety Day on 30th April 2019. This year's theme was Safety Differently: Learning from the way we work. The aim was to learn from workers doing the work and making the entire organisation safer through these safe practices rather than through controls, rules and procedures. At Pipavav Port several events were organised in different departments and at different locations inside the port over four days from 30th April 2019 to 3rd May 2019 covering all the Company employees as well as the Contractor's employees. Those events were followed with a Spot Quiz and the winner of that Quiz was felicitated. The events were a huge success amongst all the employees.

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

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

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

India is moving ahead with great hope and a sense of renewed optimism for a sustainable growth. The country has very exciting times ahead.

With Best Wishes,

Yours truly,
Tejpreet Singh Chopra
Chairman

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BOARD OF DIRECTORS

Mr. Tejpreet Singh Chopra Chairman
Mr. David Skov
Ms. Hina Shah
Mr. Jan Damgaard Sorensen (upto 29 January 2019)
Mr. Julian Bevis
Mr. Mukesh Kumar, IAS (from 31 October 2018)
Mr. Pradeep Mallick
Mr. Pravin Laheri, IAS (Retd.)
Mr. Keld Pedersen Managing Director (upto 31 May 2019)
Director (from 1 June 2019)

CHIEF FINANCIAL OFFICER

Mr. Santosh Breed (from 2 November 2018)

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

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

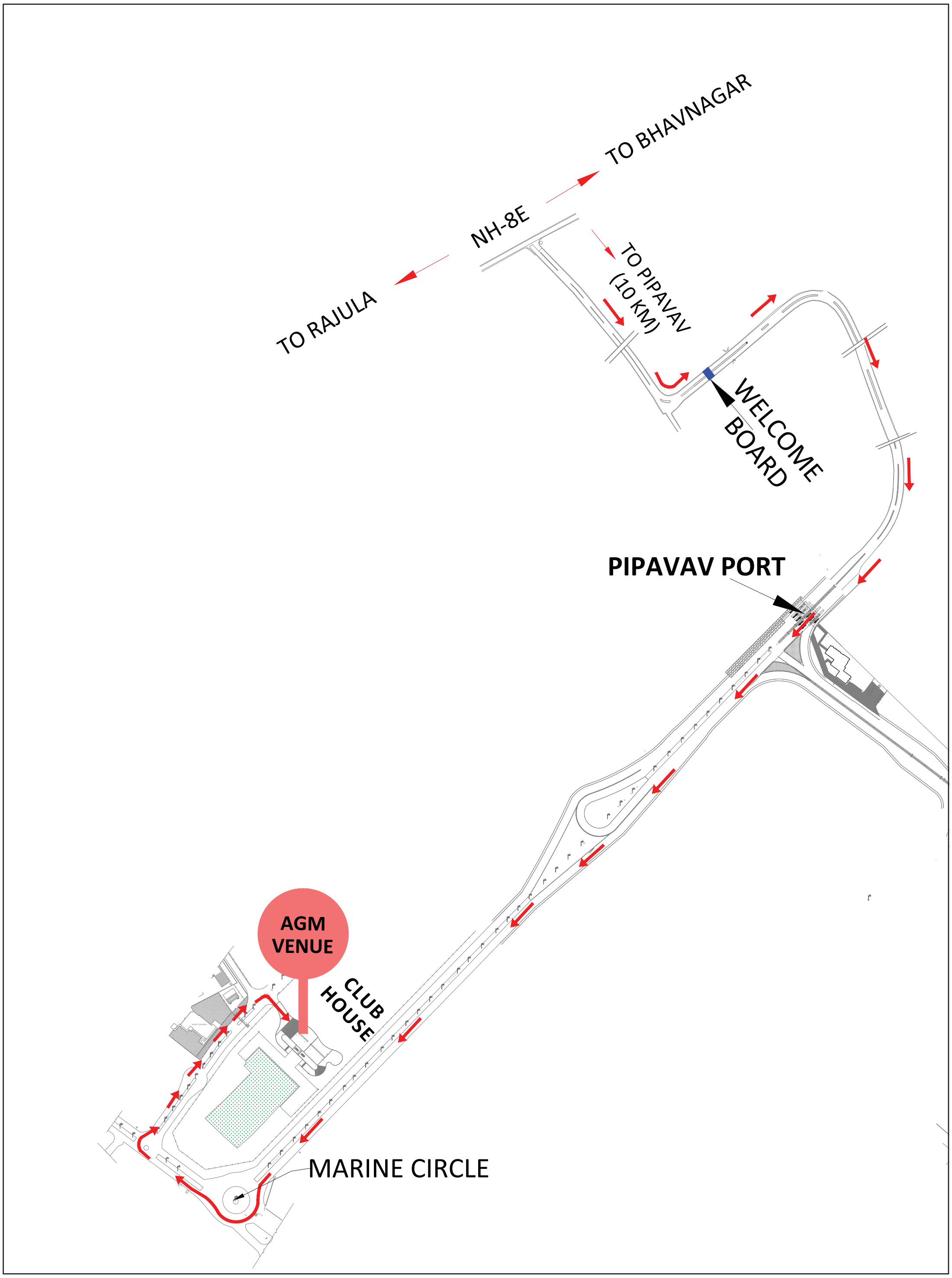
REGISTERED OFFICE

Pipavav Port, At Post Ramapara- 2 Via Rajula
District Amreli, Gujarat 365560
CIN: L63010GJ1992PLC018106
Website: www.pipavav.com
Tel: 02794 302400
Fax: 02794 302413

CORPORATE OFFICE

301, Trade Centre
Bandra Kurla Complex, Bandra (East),
Mumbai 400098
Tel: 022 30011300
Fax: 022 26522422

ROUTE MAP TO THE VENUE OF THE AGM



NOTICE is hereby given that the 27th Annual General Meeting of the Members of Gujarat Pipavav Port Limited (CIN:L63010GJ1992PLC018106) ('the Company') will be held at its Registered Office at Pipavav Port, At Post Rampara-2 via Rajula, District Amreli- 365 560 on Thursday 8th August 2019 at 2.00 p.m. 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 2019, 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 2019, along with the Reports of the Auditors thereon.
2. To declare a final dividend of Rs. 1.80 per equity share and to confirm the interim dividend of Rs. 1.70 per equity share already paid during the year, for the financial year ended 31st March 2019.
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.

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
1st June 2019

Notes:

a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM" or "Meeting") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   Proxies in order to be effective, must be received by the Company, duly filled, stamped and signed, at its Registered Office not less than 48 hours before the Meeting.

   Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable, issued on behalf of the nominating organisation.

   A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

b) Corporate Members intending to send their authorised representative to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representative to attend and vote at the AGM.

c) 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.

d) Members / Proxies / Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.

e) Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, and Sundays during business hours up to the date of the Meeting.

f) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 1st August 2019 to Thursday 8th August 2019 (both days inclusive).

g) If the Final Dividend recommended by the Board of Directors is approved at the AGM, the payment of such dividend will be made on or after 9th August 2019, within the stipulated time limit as under:

 (i) To all Beneficial Owners in respect of shares held in dematerialized 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 31st July 2019.

 (ii) To all Members holding shares in physical form after giving effect to share transfer requests received as of the close of business hours on 31st July 2019.

h) 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 Karvy Fintech Private Limited (Karvy) in case of holdings in physical form, mentioning your correct reference folio number.

i) 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. Members can contact Karvy for assistance in this regard.

j) 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.

k) 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 Karvy 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.

l) The Annual Report 2018-19 of the Company along with the Notice convening the AGM is being circulated in electronic mode to the Members whose email address is registered with Karvy/ Depositories unless the Member has asked for a physical copy of the Report. The Members who have not yet registered their email address, the physical copies are being sent to them. The Annual Report along with the Notice will also be made available on the Company's website www.pipavav.com

m) Members desirous of getting any information about the Accounts of the Company are requested to write to the Company at least seven days in advance of the Meeting, so that the information can be kept ready at the Meeting.

n) Voting Options:

Remote E-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013 ("the Act") Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Karvy Fintech Pvt Ltd (Karvy), on all resolutions set forth in this Notice.

Voting at AGM: The Members who have not casted their vote electronically can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the venue.

The instructions for Remote E-voting are as under:

A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:

 i. Launch internet browser by typing the URL: https://evoting.karvy.com.

 ii. Enter the login credentials (i.e.,**User ID and password aforesaid in this letter**). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

 iii. After entering these details appropriately, Click on "LOGIN".

 iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one uppercase (A-Z), one lowercase (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the “EVENT” i.e.,(Gujarat Pipavav Port Limited).

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on “Submit”.

xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: associates.rathi8@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_EVENT NO.”

xiii. In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 31st July 2019, they may write to Karvy on the email Id: evoting@karvy.com or to Mrs. C Shobha Anand, Dy.Gen.Manager, Contact No. 040-67162222, at Karvy Fintech Private Limited [Unit: Gujarat Pipavav Port Ltd.], Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.

B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:

i. User ID and initial password as aforesaid in this letter

ii. Please follow all steps from Sr. No. (i) to (xiii) as mentioned in (A) above, to cast your vote.

C. The remote e-voting period commences on **Monday, 5th August 2019 (9.00 a.m. IST)** and ends on **Wednesday, 7th August 2019 (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 Wednesday 31st July 2019, may cast their vote by electronic means in the manner and process set out herein above. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not be allowed to vote at the Meeting.

D. In case of any query pertaining to remote e-voting, please visit Help & FAQ’s section of https://evoting.karvy.com.(Karvy’s website).

E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being **Wednesday 31st July 2019.**

F. **Voting at AGM:** The Members who have not cast their vote electronically can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue.

G. 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 Messrs Rathi and Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.

H. The Scrutinizer shall unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company and the Company shall submit it to the Stock Exchanges within Forty-eight hours of conclusion of the AGM.

I. The resolution(s) will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolution(s).

J. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company www.pipavav.com and Karvy website https://evoting.karvy.com and the communication will be sent to the BSE Limited and the National Stock Exchange of India Limited.

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

Particulars	**Mr. Julian Bevis**
Date of Birth	28th April 1950
Date of Appointment	25th July 2014
Qualification	Masters from Oxford University
Expertise in specific functional areas	Business Management
Disclosure of Relationship between the Directors inter- se	None. He represents the Promoter APM Terminals Mauritius Limited
Directorships in other Public Listed companies in India	None
Membership of Committees held in other Public Listed companies in India	None
Shares held in the Company	Nil
Terms and conditions of appointment	He is Non-Executive Non-Independent Director representing the Promoter Company.
Details of remuneration sought to be paid	Nil
Remuneration last drawn	NA
Number of Meetings of the Board attended during the year	4
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Gateway Terminals India Private Limited- Director; Star Track Terminals Private Limited- Director; APM Terminals India Private Limited- Director

DIRECTORS' REPORT

To

The Members,
Gujarat Pipavav Port Limited

The Directors of Gujarat Pipavav Port Limited ('the Company') have pleasure in submitting their 27th Annual Report to the Members of the Company together with the Audited Standalone and Consolidated Statement of Accounts for the year ended 31 March, 2019.

1. FINANCIAL STATEMENTS & RESULTS:

a. STANDALONE FINANCIAL RESULTS:

(Rs. In Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Operating Income	7,019.80	6,489.00
Less: Total Expenditure	3,131.15	2,748.29
Operating Profit	3,888.65	3,740.71
Add: Other Income	452.43	370.45
Profit before Interest, Depreciation, Tax and Exceptional Item	4,341.08	4,111.16
Less: Interest	3.65	3.48
Less: Depreciation	1,128.35	1,035.64
Profit Before Tax	3,209.08	3,072.04
Less: Taxes	1,152.82	1,087.44
Profit for the year after Tax	2,056.26	1,984.60
Total comprehensive income for the year	2,051.09	1,982.23

b. OPERATIONS:

The Company is engaged in the business of Port Development and Operations at Pipavav Port, in the 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 2019	For the year ended 31 March 2018
Bulk Cargo Handled (In MT)	2,009,512	1,821,237
Containers Handled (In TEUs)	903,344	702,862
Liquid Handled (In MT)	639,529	1,023,616
RORO (No. of Cars)	76,163	98,384

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, PRCL's audited annual accounts have been consolidated into the Company's accounts. A snapshot of the Consolidated Accounts is as follows:

(Rs. In Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Operating Income	7,019.80	6,489.00
Less: Total Expenditure	3,131.15	2,748.29
Operating Profit	3,888.65	3,740.71
Add: Other Income	452.43	370.45
Profit before Interest, Depreciation, Tax and Exceptional Item	4,341.08	4,111.16
Less: Interest	3.65	3.48
Less: Depreciation	1,128.35	1,035.64
Profit Before Tax	3,209.08	3,072.04
Add: Share of Net Profit of Associate Company accounted for using the Equity Method	310.54	225.54
Less: Taxes	1,152.82	1,087.44
Profit for the year after Tax	2,366.80	2,210.14
Total comprehensive income for the year	2,361.40	2,207.87

d. **DIVIDEND:**

The Board of Directors in their Meeting held on 31 October 2018 declared Interim Dividend of Rs. 1.70 per share and it has been paid. The Board is pleased to recommend a Final Dividend of Rs. 1.80 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 8 August 2019 and will be paid on or after 9 August 2019, within the stipulated time limit to all Members whose Name appears in the Register of Members, as of the close of business hours on 31 July 2019. The final dividend if approved by the Members would involve a cash outflow of Rs. 1,047.34 Million including the Dividend Distribution Tax of Rs. 177.15 Million which will be borne by the Company.

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 period under review. Hence, the entire amount of profit has been carried forward to the Statement of Profit and Loss.

f. **REVISION OF FINANCIAL STATEMENT:**

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

g. **DEPOSITS:**

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

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

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial period 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 renewed for three years from 1 April 2017 to 31 March 2020 and shareholder's approval was obtained in the Annual General Meeting held on 10 August 2017, pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The details of Related Party Transactions are mentioned in Note 37(b) of the financial statements.

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

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

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

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

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

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

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

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

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

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

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

2. OUTLOOK:

The IMF had predicted the global economy to grow by 3.9% in Year 2018. But the global economy slowed down particularly during the second half of Year 2018 and it is expected to remain slow during the Year 2019. Accordingly, the IMF has scaled down its expectation of growth in the global economy to 3.3% in Year 2019 and expects it to get back to 3.6% in the Year 2020. There are several factors leading to the decline in the global growth during the Year 2019 namely, Increase in trade tensions between the United States of America and China, decline in China's growth due to regulatory tightening of its banking industry, disruption in car production in Germany with introduction of new emission standards, loss of momentum in the European economy due to weakening consumer and business confidence, softening of demand from Asia and natural disasters in Japan. The outlook expects the global economy to return to 3.6% sustained by robust growth from China and India compared to slow growing advanced and emerging market economies even though it expects the Chinese growth also to eventually moderate. As per the IMF Projections, the two fastest growing economies of the world namely India and China are expected to grow by 7.3% and 6.3% respectively in Year 2019 and by 7.5% and 6.1% in Year 2020. The growth in India is expected to come from continued implementation of structural reforms, easing of infrastructure bottlenecks, continued recovery in investment and robust consumption and some expected impetus from the fiscal policy.

The growth in Container trade on the West Coast of India reflects IMF's outlook on the country's growth prospects. The Container market on the Indian West coast increased by about 11% during the financial year 2018-19 over previous year mainly driven by strong imports.

The dry bulk cargo on West Coast of India mainly comprises Coal and Fertiliser Imports. With Government's endeavour to have 100% electrification, the demand for power supply will increase and is likely to result into a gap between demand and supply of domestic coal. The Coal imports into West Coast of India have seen an increase of about 25% during the financial year 2018-19 over previous year. But it remains to be seen whether this strong increase is sustainable or is only a gap fulfilment arrangement for the short term. But as far as the Company is concerned it continues to have logistical disadvantage for coal transportation by rail into Northern hinterland and therefore it has not been able to participate in the increased coal volume imports. In case of Fertiliser the country is focusing on becoming self-sufficient by increasing its domestic production but in short to medium term the imports are likely to continue. Fertiliser imports on the West Coast of India increased by about 26% during the financial year 2018-19 over previous year but the future growth would depend upon the Government policies and the price of cargo in the international markets.

In case of Liquid cargo, LPG continues to be the main contributor for the Company and is likely to remain so in the medium term considering the Government's focus on encouraging usage of LPG in the interiors of the country. The Company has a landlord model wherein its customers have set up storage tank farms inside the port and the Company provides them the waterfront services.

In case of RORO Gujarat is developing into a major auto hub with car manufacturing companies setting up their facilities. Here too the Company has a landlord model wherein the customer has set up a multi-user car handling facility inside the port.

The Company will nevertheless continue its endeavours to participate in all the growth opportunities for better asset utilization and for filling up its existing capacity.

3. RISKS AND AREAS OF CONCERN:

While the imports into India have been strong due to increased consumption, a weaker outlook of the global economy poses a challenge for growth in exports from India. This Import-Export imbalance poses a challenge for all stakeholders in the logistics chain. Any improvement in Exports from India will provide a strong boost to growth in international trade for the Indian economy.

Moreover, with US exemption to India for oil imports from Iran going away, the crude oil imports could become expensive for the country.

4. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Mr. Tejpreet Singh Chopra (DIN: 00317683), Ms. Hina Shah (DIN: 06664927), Mr. Pradeep Mallick (DIN: 00061256) and Mr. Pravin Laheri, IAS (Retd.)(DIN:00499080) are the Company's Independent Directors for a period of five consecutive years from 30 July 2015.

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.

Gujarat Maritime Board (GMB) the port regulator has nominated Mr. Mukesh Kumar, IAS as its representative on the Company's Board.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Julian Bevis (DIN:00146000) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

The Board also approved the change in designation of Mr. Keld Pedersen (DIN: 07144184) from Managing Director of the Company upto 31st May 2019 to Non-Executive Non-Independent Director from 1st June 2019.

The Company has obtained Shareholders approval for Appointment of its Independent Directors upto 29th July 2020. Out of the four Independent Directors, one Independent Director Mr. Pradeep Mallick has crossed 75 years of age. Pursuant to the requirements under SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 effective from 1st April 2019, the Company has initiated the process for obtaining Shareholders approval by way of Postal Ballot for Continuance of Mr. Mallick as Independent Director on the Company's Board from 1st April 2019 till the end of his tenure i.e. upto 29th July 2020.

b. DECLARATION BY INDEPENDENT DIRECTORS:

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

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

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

5. **DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:**

a. **BOARD MEETINGS:**

The Board of Directors met four times during the year ended 31 March 2019 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 2019, 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 2019 and of the profit of the Company for that period;

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

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

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

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

c. **NOMINATION AND REMUNERATION COMMITTEE:**

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

1. Mr. Pradeep Mallick Chairman, Independent Director
2. Mr. Pravin Laheri, IAS (Retd.) Independent Director
3. Mr. Tejpreet Singh Chopra, Independent Director; and
4. Mr. David Skov, 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 employees.

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 and Key Managerial Personnel, 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/ salary from the Company. However, Non-Executive Independent Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board/ Shareholders from time to time. They shall also be eligible for reimbursement of out of pocket expenses for attending Board/ Committee Meetings. The Non-Executive Non-Independent Director representing Gujarat Maritime Board shall be eligible for sitting fee for attending the Board Meeting and for reimbursement of out of pocket expenses for attending Board/ Committee Meetings.

d. AUDIT COMMITTEE:

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

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

Mr. Jan Damgaard Sorensen's office of Directorship on the Company's Board and consequently his Membership of the Audit Committee stands vacated with effect from 30 January 2019 as per the provisions of Section 167(1)(b) of the Companies Act, 2013.

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

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

The Company Secretary acts as Secretary of the Committee.

e. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

1. Mr. Pradeep Mallick, Chairman, Independent Director,
2. Mr. Tejpreet Singh Chopra, Independent Director and
3. Mr. Keld Pedersen, 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 or unethical behaviour. It provides a designated phone number to directly report an instance. The Policy encourages its employees to immediately raise his/her concern to the respective Manager or to Head of HR whenever they notice any contravention with the Company’s Code of Conduct, the Code for Prevention of Insider Trading or fraud or any unethical behaviour. In case the concerned person is not comfortable in reporting the matter to his/her Manager or to the Manager’s Manager or to the Head of HR, he/she can also report to the Chief Compliance Officer of the parent Company APM Terminals. The policy also provides direct access to the Chairman of Audit Committee through his personal email id. During the year under review, no complaints have been reported.

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

g. RISK MANAGEMENT POLICY:

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

h. CORPORATE SOCIAL RESPONSIBILITY POLICY:

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

1. Ms. Hina Shah, Chairperson, Independent Director
2. Mr. Pravin Laheri, IAS (Retd.), Independent Director and
3. Mr. Keld Pedersen, 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 2019 the Company was required to spend Rs. 69.86 Million towards the CSR activities and the Company has spent Rs. 107.37 Million. The Company’s focus areas of CSR activities are Education, Health, Safety & Environment, Women Empowerment and Skill Development and Rural Development Projects.

The Company has been awarded the GACL Gujarat State CSR Award 2019 for its "Cohesive & Strategic CSR Partnership" in the recently concluded GACL Gujarat State CSR Awards 2019. The company received this award in recognition for its project "Water & Natural Resources Management for Sustainable Agriculture".

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. The Board also carried out the evaluation of each individual Director and the various Board Committees did their respective Committee evaluation.

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

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. 473,030 and the Managing Director's remuneration is Rs. 67,349,454.

The percentage increase in remuneration of the Key Managerial Personnel (KMPs) i.e. Managing Director, Chief Financial Officer and Company Secretary is 4%, 8% and 8% respectively. The average increase for KMPs works out to approximately 6.7%.

The percentage increase in the median remuneration of employees in the financial year is 13.11%.

The Company has a total of 491 permanent employees on its rolls.

The Company follows the global practice of its parent wherein the Company's Objectives and the individual employee's objectives are set against which their actual performance is appraised which in turn determines the percentage increase in their remuneration and also the performance incentive.

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

The Company's Market Capitalization has reduced by ~31% based on the closing price as of 31 March 2019 compared to 31 March 2018. The Net Worth is Rs. 20,208.47 Million compared to Rs. 20,140.59 Million as of the previous year.

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

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

l. 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 2019:

There are no Audit Observations on the Standalone and Consolidated Financial Statements of the Company for the year ended 31 March 2019.

b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31 MARCH 2019:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from a Practicing Company Secretary. Accordingly, M/s Rathi and Associates, Company Secretaries have issued the Secretarial Audit Report for the year ended 31 March 2019.

The Report issued in Form MR-3 and forming part of Directors Report mentions that "The Consolidated Financial Statements of the Company for the year ended 31st March 2018 were prepared on the basis of Unaudited financial statements of Pipavav Railway Corporation Limited, an Associate Company, for the year ended on that date."

In this connection as already mentioned by the Company in its Directors Report for the year ended 31st March 2018, more than 50% of shareholding of Pipavav Railway Corporation Limited (PRCL) is held by Government and Public-sector Undertakings. PRCL is therefore required to accomplish Statutory Audit followed with the CAG Audit. As on the date of the Directors Report for the year ended 31st March 2018, PRCL's Audited Financial Statements were not available. Therefore, the Company prepared its Consolidated Financial Statement based on Unaudited Financial Statement provided by PRCL Management.

The Report issued in Form MR-3 also mentions that "Intimation under Regulation 30(6) read with Schedule III Para A - Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to appointment of Mr. Mukesh Kumar, IAS as Director (Nominee of Gujarat Maritime Board) made in the Board meeting held on 31st October, 2018, which was submitted to BSE Limited and the National Stock Exchange of India Limited on 5th November, 2018."

In this connection the Company would like to mention that the intimation to the Stock Exchanges regarding the Appointment of Mr. Mukesh Kumar, IAS required to be made within 24 hours from 31st October 2018 was inadvertently missed and has been done on 5th November 2018.

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 have been appointed as the Statutory Auditors of the Company for a period of five years in the Annual General Meeting held on 30 July 2015.

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. 2,389.93 Million and outgo was Rs. 336.89 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 2019 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 31 March 2019 made under the provisions of Section 92(3) of the Act is attached as Annexure C to this Report. The same is available on https://www.apmterminals.com/en/pipavav/investors/financial-results

8. ACKNOWLEDGEMENT AND APPRECIATION:

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

For and on behalf of the Board

TEJPREET SINGH CHOPRA
CHAIRMAN
DIN: 00317683

Date: 1 June 2019
Place: New Delhi

Registered Office

Pipavav Port,
At Post Rampara-2 via Rajula
District Amreli 365560
CIN: L63010GJ1992PLC018106
Tel No. 02794 302400 Fax No. 02794 302413
Email investorrelationinppv@apmterminals.com
Website www.pipavav.com

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

Median Remuneration: Rs. 473,030

Managing Director's Remuneration: Rs.67,349,454

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. Keld Pedersen, Managing Director	4%
Mr. Santosh Breed, CFO	8%
Mr. Manish Agnihotri, Company Secretary and Compliance Officer	8%

The percentage increase in the median remuneration of employees in the financial year:13.11%

The number of permanent employees on the rolls of the Company: 491

The Company has a comprehensive Performance Appraisal process which is based on the appraisal process carried out by the parent company APM Terminals, globally. Under the process, the concerned Manager and the employee agree on the Objectives. The performance is appraised through mid-term appraisals where the concerned Manager provides feedback to the employee and the final appraisal at the end of the year. Thereafter the appraisal scores are agreed between the Manager and the employee.

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: 7% Average percentile increase for employees other than Managerial Personnel and 3% increase for the Managerial Personnel.

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

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

ANNEXURE A

Annual Report on CSR Activities

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programmes.**

   The CSR Policy is stated on the Company website: https://www.apmterminals.com/en/pipavav/investors/governance

2. **Composition of the CSR Committee:**

   Ms. Hina Shah, Chairperson, Independent Director

   Mr. Pravin Laheri, IAS (Retd.), Independent Director and

   Mr. Keld Pedersen, Managing Director

3. **Average Net Profit of the Company for last three financial years**.

   Rs. 3,493.17 Million

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

   Rs. 69.86 Million

5. **Details of CSR spent during the financial year**;

   (a) Total amount to be spent for the financial year: Rs. 69.86 Million

   (b) Amount spent: Rs. 107.37 Million

   (c) Amount unspent if any: Nil

   (d) Manner in which the amount spent during the financial year is detailed below: Rs. In Million

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CSR Project or activity identified	Sector in which the project is covered	Project or programmes (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes sub heads: (1) Direct Expenditure on projects and programmes (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
1	Supply of educational equipments, teaching learning support extension activities, adult literacy, upgradation of school infrastructure	Education	24 villages of Rajula block	16.17	16.17	16.17	NGO: SWADEEP
2	Medical support to the surrounding villages, community tree plantation, safety & environment awareness activities	Health, Safety & Environment	170 villages of Rajula block	3.07	3.07	3.07	Direct and NGO: Gayatri Parivar Trust & Sudarshan Netralaya, Amreli
3	Improving health & nutritional status of children, adolescents & mothers; Skill & entrepreneurship development followed by placement.	Women Empowerment & Skill Development	72 villages of Rajula block	22.18	22.18	22.18	NGO: CHETNA & ACF
4	Integrated livestock development, Installation & Maintenance of RO enabled water ATM in villages, Promotion of fisheries as livelihood in villages, agriculture development programme etc.	Socio Economic Development (Rural Development)	34 villages of Rajula Block	61.31	61.31	61.31	BAIF, VRTI, SWADEEP, Piramal Water Pvt. Ltd, CSPC
5	Administration	Admin		4.64	4.64	4.64	Direct

** Details of the Implementing Agency:*

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

   Not Applicable

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

   We hereby declare that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the company.

Keld Pedersen
Managing Director

Hina Shah
Chairperson, Corporate Social Responsibility Committee

Annexure B

FORM AOC-1

Part B Associates and Joint Ventures

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

Name of Associates or Joint Ventures	Pipavav Railway Corporation Limited
1. Latest audited Balance Sheet Date	31st March 2019
2. Date on Which the Associate or Joint Venture was associated or acquired	28th March 2001
3. Shares of Associate or Joint Ventures held by the Company on the year end	
Number	76,000,010
Amount of Investment in Associates or Joint Venture	Rs. 830 Million
Extent of Holding (in percentage)	38.8%
4. Description of how there is significant influence	Based on the Company's shareholding and voting power
5. Reason why the associate/joint venture is not consolidated	The share of profit has been consolidated in the Consolidated Profit & Loss Account
6. Networth attributable to shareholding as per latest audited Balance Sheet	Rs. 8,506.35 Million
7. Profit or Loss for the year	
i. Considered in Consolidation	Rs. 310.54 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 31st March 2019

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

I. **REGISTRATION AND OTHER DETAILS:**

CIN	:	L63010GJ1992PLC018106
Registration Date	:	5th August 1992
Name of the Company	:	Gujarat Pipavav Port Limited
Category / Sub-Category of the Company	:	Company having Share Capital
Address of the Registered office and contact details	:	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli, Gujarat 365560 Tel: 02794 302400 Fax: 02794 302413 Email: investorrelationinppv@apmterminals.com
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032 Tel: 040 67162222 Email: murthy.psrch@karvy.com

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a)Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corporate									
e) Banks / FI									
f) Any other									
Sub-total(A)(1):									
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corporate	207,903,931		207,903,931	43.01	207,903,931		207,903,931	43.01	
d) Banks / FI									
e) Any other									
Sub-total (A)(2):	207,903,931		207,903,931	43.01	207,903,931		207,903,931	43.01	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**207,903,931**		**207,903,931**	**43.01**	**207,903,931**		**207,903,931**	**43.01**	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	92,487,424		92,487,424	19.13	112,913,910		112,913,910	23.36	4.23
b) Banks / FI	5,581,538		5,581,538	1.15	5,415,335		5,415,335	1.12	-0.03
c) Central Govt									
d) State Govt(s)									
e)Venture Capital Funds									
f)Insurance Companies									
g) FIIs	139,493,704		139,493,704	28.86	116,300,184		116,300,184	24.06	-4.80
a) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):	237,562,666		237,562,666	49.14	234,629,429		234,629,429	48.53	-0.59
(2)Non-Institutions									
a) Bodies Corporate									
i) Indian	14,664,021	28,000	14,692,021	3.04	14,034,062	28,000	14,062,062	2.91	-0.13
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	15,312,161	376,941	15,689,102	3.25	15,221,498	330,092	15,551,590	3.22	-0.03
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,635,099	66,322	5,701,421	1.18	8,193,691	66,322	8,260,013	1.71	0.53
c) Others (specify)									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	167,590		167,590	0.03	1,048,699		1,048,699	0.22	0.18
Non Resident Indians	901,227	217,600	1,118,827	0.23	879,270	212,600	1,091,870	0.23	-0.01
Non Resident Non Repatriation	583,282		583,282	0.12	848,851		848,851	0.18	0.05
Trusts	21,070		21,070	0.00	43,465		43,465	0.01	0.00
d) Qualified Foreign Investor									
Sub-total(B)(2):	37,284,450	688,863	37,973,313	7.85	40,269,536	637,014	40,906,550	8.46	0.59
Total Public Shareholding (B)=(B)(1)+(B)(2)	**274,847,116**	**688,863**	**275,535,979**	**56.99**	**274,898,965**	**637,014**	**275,535,979**	**56.99**	**0.00**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**482,751,047**	**688,863**	**483,439,910**	**100**	**482,802,896**	**637,014**	**483,439,910**	**100**	

(ii) **SHAREHOLDING OF PROMOTERS:**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
APM Terminals Mauritius Ltd	207,903,931	43.01		207,903,931	43.01		
Total	**207,903,931**	**43.01**		**207,903,931**	**43.01**		

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

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

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

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)			Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	Date	Increase/ Decrease in Share holding	Reason	No of Shares	% of total shares of the Company
1	ICICI Prudential Value Fund-Series 3	35,005,553	7.24%				35,005,553	7.24%
				6/4/2018	276	Transfer	35,005,829	7.24%
				13/4/2018	112,112	Transfer	35,117,941	7.26%

Sr. No	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
				20/4/2018	97,010	Transfer	35,214,951	7.28%
				27/4/2018	48,758	Transfer	35,263,709	7.29%
				4/5/2018	10,096	Transfer	35,273,805	7.30%
				11/5/2018	466	Transfer	35,274,271	7.30%
				25/5/2018	656,505	Transfer	35,930,776	7.43%
				25/5/2018	-144	Transfer	35,930,632	7.43%
				8/6/2018	457,223	Transfer	36,387,855	7.53%
				22/6/2018	167,893	Transfer	36,555,748	7.56%
				22/6/2018	-4	Transfer	36,555,744	7.56%
				29/6/2018	1,529,798	Transfer	38,085,542	7.88%
				13/7/2018	4035	Transfer	38,089,577	7.88%
				27/7/2018	711	Transfer	38,090,288	7.88%
				27/7/2018	-144	Transfer	38,090,144	7.88%
				24/8/2018	320,000	Transfer	38,410,144	7.95%
				31/8/2018	3,109,789	Transfer	41,519,933	8.59%
				21/9/2018	2379	Transfer	41,522,312	8.59%
				28/9/2018	700,227	Transfer	42,222,539	8.73%
				28/9/2018	-3	Transfer	42,222,536	8.73%
				5/10/2018	21,343	Transfer	42,243,879	8.74%
				12/10/2018	303,153	Transfer	42,547,032	8.80%
				19/10/2018	15,187	Transfer	42,562,219	8.80%
				26/10/2018	70,000	Transfer	42,632,219	8.82%
				2/11/2018	171,033	Transfer	42,803,252	8.85%
				30/11/2018	499,270	Transfer	43,302,522	8.96%
				28/12/2018	-2	Transfer	43,302,520	8.96%
				18/1/2019	5471	Transfer	43,307,991	8.96%
				25/1/2019	12,868	Transfer	43,320,859	8.96%
				1/2/2019	9324	Transfer	43,330,183	8.96%
				8/2/2019	200,000	Transfer	43,530,183	9.00%
				22/2/2019	-55,268	Transfer	43,474,915	8.99%
				22/3/2019	-766,935	Transfer	42,707,980	8.83%
				29/3/2019	-279,554	Transfer	42,428,426	8.78%
	Closing Bal			30/3/2019			42,428,426	8.78%
2	HDFC Trustee Company Ltd- HDFC Infrastructure Fund	29,913,819	6.19%				29,913,819	6.19%
				11/5/2018	200,570	Transfer	30,114,389	6.23%
				18/5/2018	30,000	Transfer	30,144,389	6.24%
				29/6/2018	700,000	Transfer	30,844,389	6.38%
				6/7/2018	3,383,000	Transfer	34,227,389	7.08%
				13/7/2018	975,000	Transfer	35,202,389	7.28%
				20/7/2018	500,000	Transfer	35,702,389	7.39%

Sr. No	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
				3/8/2018	800,000	Transfer	36,507,889	7.55%
				10/8/2018	342,000	Transfer	36,849,889	7.62%
				31/8/2018	2,950,000	Transfer	39,799,889	8.23%
				7/9/2018	500,000	Transfer	40,299,889	8.34%
				14/9/2018	1,000,000	Transfer	41,299,889	8.54%
				28/9/2018	1,250,000	Transfer	42,549,889	8.80%
				5/10/2018	710,000	Transfer	43,259,889	8.95%
				19/10/2018	41,500	Transfer	43,301,389	8.96%
				26/10/2018	150,000	Transfer	43,451,389	8.99%
	Closing Bal			30/3/2019			43,451,389	8.99%
3	Matthews Asia Dividend Fund	21,381,946	4.42%				21,381,946	4.42%
				31/8/2018	-3,682,464	Transfer	17,699,482	3.66%
				7/9/2018	-444,994	Transfer	17,254,488	3.57%
				14/9/2018	-902,931	Transfer	16,351,557	3.38%
				21/9/2018	-361,008	Transfer	15,990,549	3.31%
				28/9/2018	-1,144,172	Transfer	14,846,377	3.07%
				5/10/2018	-866,385	Transfer	13,979,992	2.89%
				12/10/2018	-24,180	Transfer	13,955,812	2.89%
				19/10/2018	-133,980	Transfer	13,821,832	2.86%
				26/10/2018	-1,238,820	Transfer	12,583,012	2.60%
				2/11/2018	-277,148	Transfer	12,305,864	2.55%
				9/11/2018	-32,372	Transfer	12,273,492	2.54%
				16/11/2018	-100,948	Transfer	12,172,544	2.52%
				23/11/2018	-45,794	Transfer	12,126,750	2.51%
				30/11/2018	-604,031	Transfer	11,522,719	2.38%
				7/12/2018	-461,813	Transfer	11,060,906	2.29%
				14/12/2018	-213,569	Transfer	10,847,337	2.24%
				21/12/2018	-112,542	Transfer	10,734,795	2.22%
				28/12/2018	-13,619	Transfer	10,721,176	2.22%
				4/1/2019	-69,839	Transfer	10,651,337	2.20%
				11/1/2019	-28,464	Transfer	10,622,873	2.20%
				18/1/2019	-1,714,136	Transfer	8,908,737	1.84%
				25/1/2019	-1,121,658	Transfer	7,787,079	1.61%
				1/2/2019	-927,078	Transfer	6,860,001	1.42%
				8/2/2019	-1,185,440	Transfer	5,674,561	1.17%
				15/2/2019	-487,307	Transfer	5,187,254	1.07%
				22/2/2019	-295,212	Transfer	4,892,042	1.01%
				1/3/2019	-4,892,042	Transfer	0	0.00%
	Closing Bal			30/3/2019	Nil			

Sr. No	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
4	Kotak Mahindra (International) Ltd	16,480,233	3.41%				16,480,233	3.41%
				19/10/2018	-32,361	Transfer	16,447,872	3.40%
				26/10/2018	-105,341	Transfer	16,342,531	3.38%
				2/11/2018	-42,298	Transfer	16,300,233	3.37%
				16/11/2018	-4596	Transfer	16,295,637	3.37%
				11/1/2019	-48,943	Transfer	16,246,694	3.36%
				18/1/2019	-131,205	Transfer	16,115,489	3.33%
				25/1/2019	-99,278	Transfer	16,016,211	3.31%
				1/2/2019	-36,606	Transfer	15,979,605	3.31%
				8/2/2019	-53,892	Transfer	15,925,713	3.29%
				15/2/2019	-9967	Transfer	15,915,746	3.29%
				22/2/2019	-331,770	Transfer	15,583,976	3.22%
				1/3/2019	-2,978,322	Transfer	12,605,654	2.61%
				8/3/2019	-1,500,000	Transfer	11,105,654	2.30%
				29/3/2019	-11,673	Transfer	11,093,981	2.29%
	Closing Bal			30/3/2019			11,093,981	2.29%
5	Franklin Templeton Mutual Fund	15,654,298	3.24%				15,654,298	3.24%
				6/4/2018	166,164	Transfer	15,820,462	3.27%
				6/4/2018	-585,032	Transfer	15,235,430	3.15%
				13/4/2018	-55,000	Transfer	15,180,430	3.14%
				20/4/2018	-555,293	Transfer	14,625,137	3.03%
				27/4/2018	-2176	Transfer	14,622,961	3.02%
				4/5/2018	-205,000	Transfer	14,417,961	2.98%
				13/7/2018	-2,200,000	Transfer	12,217,961	2.53%
				27/7/2018	-1,000,000	Transfer	11,217,961	2.32%
				3/8/2018	-200,000	Transfer	11,017,961	2.28%
				24/8/2018	-400,000	Transfer	10,617,961	2.20%
				30/11/2018	-920,000	Transfer	9,697,961	2.10%
				21/12/2018	-250,000	Transfer	9,447,961	1.95%
				18/1/2019	1,000,000	Transfer	10,447,961	2.16%
				25/1/2019	400,000	Transfer	10,847,961	2.24%
				1/3/2019	2,470,000	Transfer	13,317,961	2.75%
	Closing Bal			30/3/2019			13,317,961	2.75%
6	HDFC Standard Life Insurance Co Ltd	4,565,417	0.94%				4,565,417	0.94%
				8/6/2018	456,141	Transfer	5,021,558	1.04%
				15/6/2018	36,392	Transfer	5,057,950	1.05%

Sr. No	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
				22/6/2018	7467	Transfer	5,065,417	1.05%
				3/8/2018	24,135	Transfer	5,089,552	1.05%
				10/8/2018	34,153	Transfer	5,123,705	1.06%
				17/8/2018	83,349	Transfer	5,207,054	1.08%
				24/8/2018	976	Transfer	5,208,030	1.08%
				31/8/2018	41,178	Transfer	5,249,208	1.09%
				7/9/2018	16,209	Transfer	5,265,417	1.09%
				21/9/2018	7,468	Transfer	5,272,885	1.09%
				28/9/2018	80,171	Transfer	5,353,056	1.11%
				5/10/2018	112,361	Transfer	5,465,417	1.13%
				2/11/2018	25,000	Transfer	5,490,417	1.14%
				7/12/2018	1,104,825	Transfer	6,595,242	1.36%
				31/12/2018	7122	Transfer	6,602,364	1.37%
				4/1/2019	63,053	Transfer	6,665,417	1.38%
				18/1/2019	400,000	Transfer	7,065,417	1.46%
				15/2/2019	500,000	Transfer	7,565,417	1.56%
	Closing Bal			30/3/2019			7,565,417	1.56%
7	JP Morgan SICAV Investment Company (Mauritius) Ltd	7,549,818	1.56%				7,549,818	1.56%
	Closing Bal						7,549,818	1.56%
8	Axis Mutual Fund	6,973,115	1.44%				6,973,115	1.44%
				6/4/2018	-365,000	Transfer	6,608,115	1.37%
				18/5/2018	-64,757	Transfer	6,543,358	1.35%
				25/5/2018	-676,130	Transfer	5,867,228	1.21%
				1/6/2018	-467,228	Transfer	5,400,000	1.12%
				29/6/2018	-5,400,000	Transfer	0	0.00%
	Closing Bal			30/3/2019	Nil			
9	Eastspring Investments India Equity Open Limited	5,117,763	1.06%				5,117,763	1.06%
				6/7/2018	1,291,470	Transfer	6,409,233	1.33%
				13/7/2018	4419	Transfer	6,413,652	1.33%
				1/3/2019	1,402,384	Transfer	7,816,036	1.62%
				29/3/2019	-931,388	Transfer	6,884,648	1.42%
	Closing Bal						6,884,648	1.42%
10	Vanguard International Explorer Fund	6,724,221	1.39%				6,724,221	1.39%
	Closing Bal						6,724,221	1.39%

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Keld Pedersen, Managing Director				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	--
	At the End of the year	--	--	--	--
2	Mr. Santosh Breed, Chief Financial Officer				
	At the beginning of the year	80	--	80	---
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	---	--	---	---
	At the End of the year	80	--	80	---
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	--

V. 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)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Mr. Keld Pedersen	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 10.34 Mn	Rs. 10.34 Mn
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs. 46.12 Mn	Rs. 46.12 Mn
	(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	Rs. 10.89 Mn	Rs. 10.89 Mn
	Total (A)	**Rs. 67.35 Mn**	**Rs. 67.35 Mn**
	Ceiling as per the Act	**Rs. 102.81 Mn**	**Rs. 102.81 Mn**

B. Remuneration to Other Directors:

Particulars of Remuneration	Name of Director				Total Amount
1. Independent Directors					
	Mr. Tejpreet Singh Chopra	**Ms. Hina Shah**	**Mr. Pradeep Mallick**	**Mr. Pravin Laheri, IAS (Retd.)**	
• Fee for attending board / committee meetings	Rs. 600,000	Rs. 950,000	Rs. 1,000,000	Rs. 1,100,000	Rs. 3,650,000
• Commission	Rs. 1,500,000	Rs. 750,000	Rs. 750,000	Rs. 750,000	Rs. 3,750,000
• Others, please specify	---	---	---	---	---
Total (1)	Rs. 2,100,000	Rs. 1,700,000	Rs. 1,750,000	Rs. 1,850,000	Rs. 7,400,000
2. Other Non-Executive Directors					
	Mr. Jan Damgaard Sorensen*	**Mr. David Skov**	**Mr. Julian Bevis**	**Mr. Mukesh Kumar, IAS***	
• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	
• Commission	Nil	Nil	Nil	Nil	
• Others, please specify	Nil	Nil	Nil	Nil	
Total (2)	Nil	Nil	Nil	Nil	
Total (B)=(1+2)	Rs. 2,100,000	Rs. 1,700,000	Rs. 1,750,000	Rs. 1,850,000	Rs. 7,400,000
Total Managerial Remuneration	**Rs. 2,100,000**	**Rs. 1,700,000**	**Rs. 1,750,000**	**Rs. 1,850,000**	**Rs. 7,400,000**
Overall Ceiling as per the Act					**Rs. 20,560,000**

**Held Directorship for part of the year*

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

	Particulars of Remuneration	**Key Managerial Personnel**			
		CEO	**Company Secretary**	**CFO**	**Total**
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	Rs. 5.59 Mn	Rs. 7.53 Mn	Rs. 13.12 Mn
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		NA	NA	NA
2	Stock Option		NA	NA	NA
3	Sweat Equity		NA	NA	NA
4	Commission		NA	NA	NA
	- as % of profit				
	- others, specify				
5	Others, please Specify- Bonus		Rs. 1.11 Mn	Rs. 2.00 Mn	Rs. 3.11 Mn
	Total		**Rs. 6.70 Mn**	**Rs. 9.53 Mn**	**Rs. 16.23 Mn**

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

To,

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

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Gujarat Pipavav Port Limited** (herein after called **"the Company"**). 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, Minutes 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 financial year ended 31st March, 2019, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Gujarat Pipavav Port Limited ("the Company") as given in **Annexure I**, for the financial year ended on 31st March, 2019, according to the provisions of:
   - (i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent applicable;
   - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
   - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
     - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
     - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
     - iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. 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:-
   - i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
   - iv. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
   - v. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999;
   - vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

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

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

   - The consolidated financial statements of the Company for the year ended 31st March, 2018 were prepared on the basis of unaudited financial statements of Pipavav Railway Corporation Limited, an Associate Company, 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
   - Intimation under Regulation 30(6) read with Schedule III Para A - Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to appointment of Mr. Mukesh Kumar,IAS as Director (Nominee of Gujarat Maritime Board) made in the Board meeting held on 31st October, 2018, which was submitted to BSE Limited and the National Stock Exchange of India Limited on 5th November, 2018.

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 out in compliance with the provisions 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 the 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
FCS No. 5171
COP No. 3030

Date : 15th May, 2019
Place: Mumbai

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

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2018.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Independent Directors meeting and Corporate Social Responsibility Committee held during the financial year under report along with the respective Attendance Registers.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
   - Register of Directors & Key Managerial Personnel
   - Register of loans, guarantees and security and acquisition made by the Company
   - Register of Renewed and Duplicate Share Certificate
6. Agenda papers submitted to all the Directors/members for the Board Meetings and Committee Meetings.
7. Declarations/ Disclosures received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and 149(7) of the Companies Act, 2013.
8. Intimations received from Directors under the Prohibition of Insider Trading Code.
9. E-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreements with the stock exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report.
11. Filings made with the Reserve Bank of India under the Foreign Direct Investment Guidelines.
12. Various Policies made under the Companies Act, 2013, Listing Agreements with the stock exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
13. Internal Code of Conduct for prevention of Insider Trading by Employees / Directors / Designated Persons of the Company;
14. E-mails evidencing dissemination of information related to closure of trading window;
15. E-mails evidencing notice of Board and Committee meetings circulated to Board and Committee members;
16. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards.
17. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

ANNEXURE - II

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

Registered office:

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

Corporate office:

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

Port:

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

Under the Major Group and Head

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

ANNEXURE III

To,
The Members
Gujarat Pipavav Port Limited
Mumbai

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 reason able 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,we followed provide are as on able basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever 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
FCS No. 5171
COP No. 3030

Date : 15th May, 2019
Place : Mumbai

Management Discussion and Analysis

For the year ended 31 March 2019

Introduction

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

The following discussion and analysis of the financial 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 2018. 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 and pursuant to the provisions of Section 129 of the Act, PRCL's audited annual accounts have been consolidated with the Company's accounts.

The financial statements have been prepared on Going Concern basis and on Accrual basis of Accounting under the Historical Cost Convention and in accordance with Ind AS.

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, Middle East, Africa, Europe and the US. The Port's Container handling capacity is 1.35 Million TEUs. The Bulk Cargo capacity is approximately 4 to 5 Million MT per annum depending on cargo mix and Liquid Cargo capacity is approximately 2 Million MT per annum. The Container as well as Dry Bulk berths are also used for handling the RORO vessels.

APM Terminals is the Lead Promoter and holds 43.01% of the total shareholding of the Company. APM Terminals operates a Global Terminal Network of 22,000 professionals serving 76 Port and Terminal facilities and 100 Inland Services Operations in 58 Countries around the Globe and provides Port Management and Operations to Shipping Companies which serve the world's leading Importers and Exporters.

Economy & Port Sector

The IMF had predicted the global economy to grow by 3.9% in Year 2018. But the global economy slowed down particularly during the second half of Year 2018 and it is expected to remain slow during the Year 2019. Accordingly, the IMF has scaled down its expectation of growth in the global economy to 3.3% in Year 2019 and expects it to get back to 3.6% in the Year 2020. There are several factors leading to the decline in the global growth during the Year 2019 namely, Increase in trade tensions between the United States of America and China, decline in China's growth due to regulatory tightening of its banking industry, disruption in car production in Germany with introduction of new emission standards, loss of momentum in the European economy due to weakening consumer and business confidence, softening of demand from Asia and natural disasters in Japan. The outlook expects the global economy to return to 3.6% sustained by robust growth from China and India compared to slow growing advanced and emerging markets economies. However, it expects the Chinese growth also to eventually soften. As per IMF Projections, the two fastest growing economies of the world namely India and China are expected to grow by 7.3% and 6.3% respectively in Year 2019 and by 7.5% and 6.1% in Year 2020. The growth in India is expected to come from continued implementation of structural reforms, easing of infrastructure bottlenecks, continued recovery in investment and robust consumption and some expected impetus from the fiscal policy.

The West Coast of India handles almost two-thirds of India's Container volume and it has shown year on year increase of 11% for the financial year 2018-19 over previous year. There is ample waterfront capacity on the West Coast and Port capacity is not a constraint for India's trade growth. The bottleneck is lack of efficient and cost-competitive connectivity for inland transportation. The Container trade growth has been mainly driven by Imports into India. Any improvement in Exports from India will address the trade imbalance and will benefit all stakeholders in the logistics chain. But in order to make the Indian Exports competitive in the global markets, an efficient inland transportation system connecting the ports is critical.

A major stretch of the Dedicated Freight Corridor from Rewari in National Capital Region to Vadodara in Gujarat is likely to be commissioned by middle of Calendar Year 2020. This should hopefully reduce the transit time of container trains to and from National Capital Region and bring in much needed efficiencies into logistics to a great extent. Once it happens and the benefits get reflected, the Rail operators should be able to increase their market share and move back cargo from Road to Rail.

The consolidation process that commenced in the global shipping industry a couple of years back appears to have settled with completion of various Mergers and Takeovers. This consolidation process has reduced the number of operational shipping lines and has made them larger players, but the overall vessel capacity continues to remain within the system and continues to pressurise the ocean freight. This in turn positions the shipping lines for some hard bargaining with the ports on the Indian West Coast because of the large over-capacity. Nevertheless, India is one of the very few markets globally that continues to report a consistently healthy growth in container business albeit driven by the India consumption story and is a critical market for the shipping lines. APM Terminals Pipavav has high operational standards comparable with the best global container terminal facilities with sharp focus on Safe and Efficient Operations. Being a part of APM Terminals the global port operator, the Company continues to remain focused on incorporating the best practices shared amongst the terminals within the APMT portfolio.

Dry bulk cargo mainly comprises Coal and Fertiliser imported on the West Coast of the country. With Government's endeavour to have 100% electrification, the demand for power supply will increase and is likely to result in a gap between demand and supply of domestic coal. The Coal imports into West Coast of India have seen an increase of about 25% during the financial year 2018-19 over previous year. But it remains to be seen whether this strong increase is sustainable or is only a gap fulfilment arrangement for the short term. But the Company per se continues to have logistical disadvantage for coal transportation by rail into Northern hinterland and therefore it has not been able to participate in the increased coal volume imports. In case of Fertiliser, the country is focusing on becoming self-sufficient by increasing its domestic production but in short to medium term the imports are likely to continue. Its imports on the West Coast of India increased by about 26% during the financial year 2018-19 over previous year but the future growth would depend upon the Government policies and the price of the cargo in the international markets.

Operations Review

Container volume throughput for the year under review was 903,344 TEUs as against 702,862 TEUs in the previous year. The increase in volume has been on account of ramping of the new service added in the last year and handling of transhipment volume from the port. Indian Ports are Gateway Ports, but certain empty containers are required to be positioned from Import heavy markets to the Exporting countries. This movement is being carried out by the shipping lines by way of transhipment of containers through India. Though a transhipment container provides a much lower realization per TEU compared to an Exim container because it is a cost to the shipping lines, the Company continues to handle transhipment volume as it helps in better capacity utilization and provides an incremental revenue.

The Dry Bulk cargo volumes at Pipavav mainly comprise Coal and Fertilizer. The Port handled 2.00 Million MT during the year ended 31 March 2019 compared to 1.82 Million MT handled during the previous year. The rail freight challenges for evacuation of coal from Pipavav to Northern hinterland continues. So, despite West Coast of India seeing strong growth in Coal volume of about 25% compared to previous financial year, the Company has not seen any increase. On the contrary, the Company handled about 11% less coal at 0.52 Mn MT from 0.58 Mn MT in the previous year.

On Liquid cargo front, the Port handled about 0.64 Mn MT compared to 1.02 Mn MT in the previous year. The reduction was on account of reduced LPG volumes but this trend is likely to reverse with increased LPG imports basis the Government's focus on providing LPG gas connection in the rural areas of the country.

Although the port handled 76,163 cars against 98,384 in the previous year, the RORO business continues to look promising in the long term.

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. 1.70 per share in their Meeting held on 31 October 2018 and it has been paid. The Board now recommends a Final Dividend of Rs. 1.80 per share subject to the approval by the Members in the Company's Annual General Meeting proposed for Thursday 8 August 2019.

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 2019 grew to Rs. 7,019.80 Million as against Rs. 6,489.00 Million during the previous year.

Income from Port Services consists of Income from Marine Services, Container & Cargo Handling, Storage services as well as value-added Port Services. Income from Port Services was Rs. 6,580. 66 Million as against Rs. 5,952.78 Million for the year ended 31 March 2018.

Other Operating Income comprises lease rentals from sub-leasing of land to various Port users and other incidental Income from Operations. Other Operating Income for the year ended 31 March 2019 was Rs. 439.14 Million against Rs. 536.22 Million for the year ended 31 March 2018. The amount is lower because of reduction in Offshore income during the year ended 31 March 2019.

Total Expenditure consists of Operating expenses, Employee benefits, Depreciation and Other expenses. The Company incurred a Total Expenditure of Rs. 4,263.15 Million for the year ended 31 March 2019 against Rs. 3,787.41 Million for the year ended 31 March 2018. The increase is mainly due to higher operating expenses on the back of higher container volume.

Operating Expenses primarily include Equipment Hire charges, Handling expenses, Waterfront Royalty and Other direct costs. Operating expenses totaled Rs. 1,442.37 Million for 31 March 2019 as against Rs. 1,185.08 Million for the year ended 31 March 2018.

EBITDA amounted to Rs. 3,871.08 Million for year ended 31 March 2019 as against Rs. 3,740.72 Million for the year ended 31 March 2018. The Company saw higher Container volume by about 29% but the Liquid and RORO volume declined by about 38% and 23% respectively. The Company expects the Liquid cargo volume to improve mainly driven by LPG cargo in view of the Government's focus on increasing the supply of LPG for households.

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. 452.43 Million for the year ended 31 March 2019 as against Rs. 370.45 Million for the year ended 31 March 2018.

Debt

The Company continues to be debt free and is in a position to leverage its strong Balance Sheet for future growth opportunities as and when they arise depending upon the market conditions.

Net Profit

The Company has reported a marginal increase of about 4% in its Net Profit of Rs. 2,056.26 Million for the year ended 31 March 2019 as against Rs. 1,984.60 Million for the year ended 31 March 2018.

Risk Management and Internal Control

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulates Top 100 companies to constitute a Risk Management Committee of the Board and as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective 1 April 2019, the requirement is applicable to Top 500 companies listed on the Stock Exchanges. The Company has already voluntarily set up a Board Sub-committee for review of the Risks and 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. The Risk Register provides a consistent and measurable management assurance metric on the broad risks involved and its impact on Company's objectives. The Risk Register is also reviewed by the Audit Committee and Minutes of the Risk Committee are presented to the Audit Committee and to the Board of Directors.

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

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

Health, Safety, Security and Environment (HSSE)

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

As a part of the Global initiative by APM Terminals all terminals within its portfolio observe Global Safety Day. This year too the Global Safety Day was observed on 30 April 2019. The theme was " SAFETY DIFFERENTLY- LEARNING FROM THE WAY WE WORK" with the aim of engaging with the colleagues on the ground on each and every aspect and to understand the improvement areas for making the port a safe place to work and to ensure that all the Company employees as well as the Contractor's employees working inside the port return to their homes safely day after day. Several Programmes were organized for three days starting from 30 April 2019 within each department. Spot Quiz was also conducted in the departments and the winners were felicitated. During discussions with the teams from various departments, certain key risks were brought up and work groups have been formed to come up with an action plan for elimination of the risk or minimizing its impact. Once the plan is finalized it will be implemented in a time bound manner. The entire Global Safety Day event was very well received and appreciated by the employees, the Company's Contractors and their employees as it demonstrates the Company's commitment to the Safety and Security of all the stakeholders.

Corporate Social Responsibility (CSR)

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

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

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

Our Core Focus Areas are:

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

During the year ended 31 March 2019 some of the key CSR Projects carried out were:

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

The Company been awarded the GACL Gujarat State CSR Award 2019 for its “Cohesive & Strategic CSR Partnership” in the recently concluded GACL Gujarat State CSR Awards 2019. The company received this award in recognition for its project “Water & Natural Resources management for Sustainable Agriculture”.

Outlook

The IMF expects the global economy to return to 3.6% in Year 2020 after a dip in Year 2019, sustained by robust growth from China and India compared to slow growing advanced and emerging markets economies even though it expects the Chinese growth also to eventually moderate. As per the IMF Projections, India is expected to grow by 7.3% in Year 2019 and by 7.5% in Year 2020. The growth in India is expected to come from continued implementation of structural reforms, easing of infrastructure bottlenecks, continued recovery in investment and robust consumption and some expected impetus from the fiscal policy.

Human Resources/ Industrial Relations

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

The survey score of APM Terminals Pipavav continues to place it amongst the top quartile within the APMT portfolio. The Management encourages its 491 employees to provide feedback in all the areas in order to carry out the necessary improvements on an ongoing basis in an effort to make the Company a better place to work.

APM Terminals globally also conducts an Annual Customer and Third-Party Satisfaction Survey for all its 76 Ports/ Terminals within the Portfolio. The Survey evaluates the performance by the respective Port/Terminal in various areas of Commercial and Operational parameters. APM Terminals Pipavav has once again in the Survey achieved high scores and has maintained its position amongst the Top Quartile.

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 2019.

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 also in compliance with the requirements of Corporate Governance stipulated under 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 structure of the Company's Board of Directors comprises a total of 9 Directors, out of which 1 is an Executive Director, 4 are Independent Directors including the Chairman of the Board, 3 are Non-Executive Non-Independent Directors and 1 is a Non-Executive Non-Independent Director as Nominee of Gujarat Maritime Board "GMB" under the Concession Agreement dated 30 September 1998 between the Company and GMB. However, with the cessation of one Non-Executive Non-Independent Director on 30 January 2019, the current Board strength is 8 and includes 2 Non-Executive Non-Independent Directors.

The Independent Directors also include a Woman Director. The 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 Director 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, 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 2019		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 2019
		Held	Attended			Chairman	Member	
Mr. Tejpreet Singh Chopra-Chairman DIN:00317683	Independent Non-Executive	4	4	Yes	2	1	Nil	Nil
Mr. David Skov DIN: 07810539	Non- Independent Non-Executive	4	2	No	Nil	Nil	Nil	Nil
Ms. Hina Shah DIN:06664927	Independent Non-Executive	4	4	Yes	Nil	Nil	Nil	Nil
Mr. Jan Damgaard Sorensen# DIN: 06408939	Non- Independent Non-Executive	4	Nil	No	Nil	Nil	Nil	Nil
Mr. Julian Bevis DIN: 00146000	Non- Independent Non-Executive	4	4	Yes	Nil	Nil	Nil	Nil

Name	Category	No. of Board Meetings attended during the year ended 31 March 2019		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 2019
		Held	Attended			Chairman	Member	
Mr. Mukesh Kumar, IAS* DIN: 06811311	Non- Independent Non-Executive	2	Nil	NA	7	Nil	Nil	Nil
Mr. Pradeep Mallick DIN:00061256	Independent Non-Executive	4	4	Yes	Nil	Nil	Nil	Nil
Mr. Pravin Laheri, IAS (Retd.) DIN:00499080	Independent Non-Executive	4	4	Yes	5	1	Nil	Nil
Mr. Keld Pedersen DIN: 07144184	Managing Director	4	4	Yes	1	Nil	Nil	Nil

Directorship of Mr. Jan Damgaard Sorensen stands vacated effective 30 January 2019 as per Section 167(1)(b) of the Companies Act, 2013

*Mr. Mukesh Kumar, IAS- Nominee Gujarat Maritime Board was appointed as Director effective 31 October 2018

$ 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	Stakeholder Relationship	Nil
Mr. Mukesh Kumar, IAS	Adani Port & SEZ Limited- Non-Executive Non-Independent Director	Nil	Nil
Mr. Pravin Laheri, IAS (Retd.)	PI Industries Limited – Independent Director Sintex Plastic Technology Limited- Independent Director	Stakeholder Relationship	Nil

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

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

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

Name of the Director	Skills/ Expertise/ Competencies
Mr. Tejpreet Singh Chopra- Chairman	Strategic Business Management
Mr. Pravin Laheri, IAS (Retd.)	Corporate, Labour and Industrial Laws and CSR activities
Mr. Pradeep Mallick	Strategic Business Management and Governance
Ms. Hina Shah	CSR activities
Mr. Mukesh Kumar, IAS	Nominee- Port Regulatory Authority
Mr. David Skov	Port Business Management
Mr. Jan Damgaard Sorensen*	Finance & Port Business Management
Mr. Julian Bevis	Public Affairs & Port Business Management
Mr. Keld Pedersen- Managing Director	Port Business Management

** Directorship stands vacated effective 30 January 2019 as per Section 167(1)(b) of the Companies Act, 2013*

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

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 2019 on: 17 May 2018, 9 August 2018, 31 October 2018 and 30 January 2019. The details on matters mentioned in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided to the Directors for consideration at the Board Meetings.

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

None of the Directors 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. After the cessation of Directorship of Mr. Jan Damgaard Sorensen, the seat of 1 Non-Executive Non-Independent Director is currently vacant.

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

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

- To monitor the integrity of the financial statements of the company, and any formal announcements relating to the company's financial performance
- To review the company's internal financial controls and the company's internal control and risk management systems
- To monitor and review the effectiveness of the company's internal audit function
- To make recommendations to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor
- To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements
- To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account the safeguarding of auditor objectivity and independence
- To review and decide upon matters related to Insider Trading and Disclosure of Unpublished Price Sensitive Information (UPSI) including the adequacy of internal controls and procedures on matters related to Insider Trading and Disclosure of UPSI. Wherever required make recommendations to the Board of Directors on matters related to Insider Trading and Disclosure of UPSI.
- The audit committee shall be provided with sufficient resources to undertake its duties and have access to the services of the company secretariat on all audit committee matters including: assisting the chairman in planning the audit committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities, collection and distribution of information and provision of any practical support.
- The board shall make necessary funds available to the audit committee to enable it to take independent legal, accounting or other advice when the audit committee reasonably believes it necessary to do so.
- The audit committee shall hear the views of the external auditors before forwarding the annual accounts to the board for approval.

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

The Audit Committee 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 2019**	
		Held	**Attended**
Mr. Pravin Laheri, IAS (Retd), Chairman	Non- Executive Independent	4	4
Ms. Hina Shah	Non- Executive Independent	4	4
Mr. Jan Damgaard Sorensen*	Non- Executive Non- Independent	4	Nil
Mr. Pradeep Mallick	Non- Executive Independent	4	4

* *Directorship of Mr. Jan Damgaard Sorensen stands vacated effective 30 January 2019 as per Section 167(1)(b) of the Companies Act, 2013*

The Members of Audit Committee have requisite financial, legal and management expertise. During the year 4 Audit Committee Meetings were held on: 16 May 2018, 8 August 2018, 30 October 2018 and 29 January 2019. 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.

2. Nomination and Remuneration Committee

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

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

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

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

Name	Category	No. of Committee Meetings during the year ended 31 March 2019	
		Held	Attended
Mr. Pradeep Mallick, Chairman	Non- Executive Independent	3	3
Mr. Tejpreet Singh Chopra	Non- Executive Independent	3	3
Mr. Pravin Laheri, IAS (Retd.)	Non- Executive Independent	3	3
Mr. David Skov	Non- Executive Non- Independent	3	1

The Nomination and Remuneration Committee held its Meetings on 16 May 2018, 31 October 2018 and 29 January 2019.

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

The Independent Directors are evaluated on five criteria as follows:

(i) Ethics and Values

(ii) Knowledge and Proficiency

(iii) Diligence

(iv) Behavioural traits; and

(v) Efforts for Personal Development

Remuneration Policy

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

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

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

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

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

Directors Remuneration

(Rs. Million)

Name	Sitting Fees for attending Board and Committee Meetings during year ended 31 March 2019	Commission Paid	Total amount Paid
Mr. Tejpreet Singh Chopra, Chairman	Rs. 0.60	Rs. 1.50	Rs. 2.10
Ms. Hina Shah	Rs. 0.95	Rs. 0.75	Rs. 1.70
Mr. Pradeep Mallick	Rs. 1.00	Rs. 0.75	Rs. 1.75
Mr. Pravin Laheri, IAS (Retd.)	Rs. 1.10	Rs. 0.75	Rs. 1.85

Managing Director

Name	Salary (Rs. Million)	Perquisites & Allowances (Rs. Million)	Performance Bonus (Rs. Million)	Total Amount (Rs. Million)
Mr. Keld Pedersen	10.34	46.12	10.89	67.35

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

The designation of Mr. Pedersen will change to Non-Executive Non-Independent Director with effect from 1st June 2019.

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 3 Directors out of which 2 Directors including the Chairman are Non-Executive Independent Directors and the third Member of the Committee is the Managing Director of the Company. The details of the Stakeholder Relationship Committee Meeting are:

Name	Category	No. of Committee Meetings during the year ended 31 March 2019	
		Held	Attended
Mr. Pradeep Mallick- Chairman	Non-Executive Independent	1	1
Mr. Tejpreet Singh Chopra	Non-Executive Independent	1	1
Mr. Keld Pedersen	Managing Director	1	1

The Committee had its meeting on 30 January 2019.

The details of complaints received, cleared/ pending during the year ended 31 March 2019 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	13	13	0
3	Non-receipt of Annual Report	0	4	4	0
4	Non-receipt of Refund order	0	0	0	0
5	Non-receipt of Securities	0	1	1	0
6	Non-receipt of Securities after Transfer	0	2	2	0
	TOTAL	**0**	**20**	**20**	**0**

There were no pending requests for share transfer/dematerialisation of shares as of 31 March 2019.

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

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

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

4. Corporate Social Responsibility (CSR) Committee

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

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

Name	Category	No. of Committee Meetings during the year ended 31 March 2019	
		Held	Attended
Ms. Hina Shah- Chairperson	Non-Executive Independent	3	3
Mr. Pravin Laheri, IAS (Retd.)	Non-Executive Independent	3	3
Mr. Keld Pedersen	Managing Director	3	3

The CSR Committee held its meetings on 27 June 2018, 11 September 2018 and 8 January 2019.

5. Risk Management Committee

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Top 100 companies based on market capitalization as at the end of immediate previous financial year are required to constitute Risk Management Committee. Although not mandatorily required, the Company has voluntarily 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 Committee Meeting are presented to the Audit Committee and to the Board of Directors.

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

Name	Category	No. of Committee Meetings during the year ended 31 March 2019	
		Held	Attended
Mr. Julian Bevis- Chairman	Non-Executive Non-Independent	3	3
Mr. Keld Pedersen	Managing Director	3	3

The Risk Committee held its Meetings on 13 April 2018, 14 September 2018 and 11 January 2019.

Independent Directors' Meeting

The Independent Directors held their Meeting on 30 January 2019. 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 entire Board as well as the Non- Independent Directors, the quality, content and timelines of flow of information in order to enable the Board to effectively and reasonably perform its duties. The Independent Directors also discussed the performance of Managing Director, the Chairman of Audit Committee and of the Chairman of the Company.

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 2019 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The related party transaction with Maersk Line A/S in connection with Income from Port Operations is a material transaction in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This contract is for 3 years period from 1st April 2017 to 31st March 2020 and has been approved by the shareholders in the Annual General Meeting of the Company held on 10 August 2017. 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	11 August 2016	2:00 PM	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli- 365560
AGM	10 August 2017	2:00 PM	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli- 365560
AGM	9 August 2018	2:00 PM	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli- 365560

All resolutions were passed as follows:

(i) For the meeting held on 11 August 2016, through remote e-voting facility from Monday 8 August 2016 at 9:00 AM to Wednesday 10 August 2016 at 5:00 PM and later at the venue of the meeting

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

(iii) 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

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

Date of the Meeting	Particulars of Special Resolution Approved
11 August 2016	Payment of Commission to Independent Directors of the Company
10 August 2017	No Special Resolution was proposed for approval
9 August 2018	Re-appointment of Mr. Keld Pedersen (DIN: 07144184) as Managing Director of the Company and approve payment of his remuneration

No resolutions have been passed by Postal ballot during the year.

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 share transfer requests for physical shares are processed and approved within the prescribed time limit of fifteen days subject to compliance with all the necessary requirements. The Company encourages its shareholders holding shares in physical form to convert them into demat mode for safety and security and has written them twice to that effect.

(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 Company has adopted the practice of having separate posts of Chairperson and Chief Executive Officer. The reporting by Internal Auditors of the Company is directly to the Audit Committee.

(ix) Non-compliance of Corporate Governance with reasons

The Company has complied with Corporate Governance except delay in submission of intimation regarding Appointment of Mr. Mukesh Kumar, IAS as a Nominee Director of Gujarat Maritime Board with effect from 31 October 2018. The submission to the Stock Exchanges required to be made within 24 hours was inadvertently missed and has been done on 5 November 2018.

(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) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his reappointment.

Mr. Keld Pedersen shall become Non-Executive Non-Independent Director with effect from 1 June 2019.

The Company has obtained Shareholders approval for Appointment of its Independent Directors upto 29th July 2020. Out of the four Independent Directors, one Independent Director Mr. Pradeep Mallick has crossed 75 years of age. Pursuant to the requirements under SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 effective from 1st April 2019, the Company has initiated the process for obtaining Shareholders approval by way of Postal Ballot for Continuance of Mr. Mallick as Independent Director on the Company's Board from 1st April 2019 till the end of his tenure i.e. upto 29th July 2020.

(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.

8. Means of Communication

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

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

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

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

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

9. Secretarial Audit for Reconciliation of Capital

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

General Shareholder Information

Annual General Meeting	
Date and Time	Thursday 8 August 2019 at 2.00 P. M.
Venue	Pipavav Port, At Post Rampara-2 via Rajula, District Amreli 365560
Date of book closure	Thursday 1 August 2019 to Thursday 8 August 2019 (both days inclusive)
Listing on Stock Exchanges	**BSE Limited (BSE)** Floor 14, P J Towers, Dalal Street, Mumbai 400 001 **The National Stock Exchange of India Limited (NSE)** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Dividend Payment Date	On or after 9 August 2019
Financial Year	1 April 2018- 31 March 2019

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.

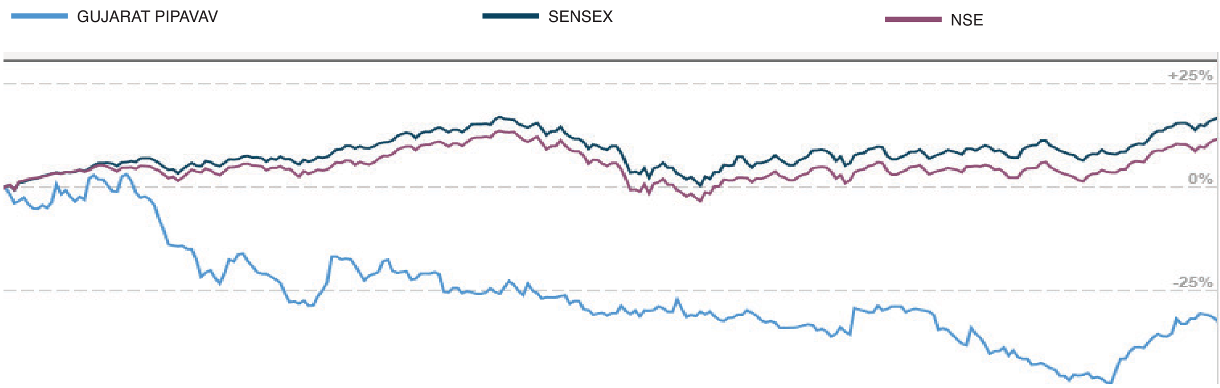
Market Information:

The monthly high and low price of the Company's shares on BSE and NSE for the year ended 31 March 2019 is as follows:

	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
Apr-2018	155.70	136.80	155.50	136.65
May-2018	151.60	113.60	152.25	113.20
Jun-2018	124.90	102.20	124.50	101.60
Jul-2018	126.00	102.50	124.95	102.10
Aug-2018	117.35	105.00	117.10	107.25
Sep-2018	113.60	99.00	113.50	99.15
Oct-2018	110.00	98.00	108.25	95.30
Nov-2018	103.95	94.70	103.75	94.50
Dec-2018	105.00	90.05	106.80	90.20
Jan- 2019	103.75	84.25	104.00	83.80
Feb- 2019	85.40	75.90	87.00	75.90
Mar- 2019	103.65	81.45	103.95	81.05

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 2019 by ownership and size class, respectively, is as follows:

		31-Mar-19		31-Mar-18	
		No. of Equity Shares	**Shares Held (%)**	**No. of Equity Shares**	**Shares Held (%)**
A	**Promoter and Promoter Group**				
	Bodies Corporate	207,903,931	43.01	207,903,931	43.01
	Total A:	**207,903,931**	**43.01**	**207,903,931**	**43.01**
B	**Public Shareholding**				
	Foreign Institutional Investors	116,300,184	24.06	139,493,704	28.85
	Mutual Funds /UTI	111,079,007	22.98	91,300,094	18.89
	Bodies Corporate	14,022,797	2.90	14,659,473	3.03
	Financial Institutions/ NBFCs/ Banks/Venture Capital Funds	7,289,503	1.51	6,801,416	1.41
	Individuals				
	(i) Individuals holding nominal share capital upto Rs. 2 lakh	16,981,241	3.51	17,029,068	3.52
	(ii) Individuals holding nominal share capital in excess of Rs. 2 lakh	6,827,362	1.41	4,358,455	0.90
	Trusts	43,465	0.01	21,070	0.00
	Non-Resident Indians	1,940,721	0.40	1,702,109	0.35
	Clearing Members	1,048,699	0.22	167,590	0.03
	Foreign Nationals	3,000	0.00	3,000	0.00
	Total B :	**275,535,979**	**56.99**	**275,535,979**	**56.99**
	GRAND TOTAL (A+B) :	**483,439,910**	**100.00**	**483,439,910**	**100.00**

Distribution Schedule

Shareholding of Nominal Value (INR)	No. of Shareholders	%	No. of Shares	%
1-5000	42,916	86.95	6,183,913	1.28
5001- 10000	2,861	5.80	2,340,181	0.48
10001- 20000	1,765	3.58	2,612,631	0.54
20001- 30000	677	1.37	1,702,548	0.35
30001- 40000	240	0.49	859,251	0.18
40001- 50000	216	0.44	1,007,019	0.21
50001- 100000	300	0.61	2,254,133	0.47
100001& Above	380	0.77	466,480,234	96.49
Total:	**49,355**	**100.00**	**483,439,910**	**100.00**

Registrar & Share Transfer Agents:

Karvy Fintech Private Limited
(formerly known as Karvy Computershare Private Limited)
Karvy 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 99.87% with NSDL and CDSL and upto 0.13% in physical form as of 31 March 2019.

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
301, Trade Centre,Bandra Kurla Complex,
Bandra (East),
Mumbai- 400 098
Tel: 022- 30011300
Fax: 022- 2652 2422
Email: manish.agnihotri@apmterminals.com
investorrelationinppv@apmterminals.com

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

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

I confirm that in respect of the year ended 31 March, 2019, 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.

Keld Pedersen
Managing Director

15 May 2019
Mumbai

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 ("the Company"), for the year ended 31 March 2019 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

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

In our opinion and to the best of our information and according to the 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.

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

UDIN : 19109553AAAAAC3421
Place: Mumbai
Date: 15 May 2019

Priyanshu Gundana
Partner
Membership No: 109553

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

We, Keld Pedersen, 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 2019 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 2019 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 2019.

Santosh Breed
Chief Financial Officer

Keld Pedersen
Managing Director

Place: Mumbai
Date : 15th May 2019

Business Responsibility Report for the Financial Year 2018-19

- **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	2018-19 (for the year ended 31st March, 2019)
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 (a) Number of international locations (Provide details of major five) (b) 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**

1.	Paid up Capital of the Company	Rs. 4,834.39 Million
2.	Total turnover	Rs. 7,019.80 Million
3.	Total profit after tax	Rs. 2,054.61 Million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Rs. 69.86 Million (3.40%)

5.	List of activities in which expenditure in 4 above was incurred:	• Supply of educational equipments, teaching learning support extension activities, adult literacy, upgradation of school infrastructure • Medical support to the surrounding villages, community tree plantation, safety & environment awareness activities • Improving health & nutritional status of children, adolescents & mothers; Skill & entrepreneurship development followed by placement • Integrated livestock development, Installation & Maintenance of RO enabled water ATMs in the villages, Promotion of Fisheries as livelihood in villages, Agriculture Development Programme etc • CSR Administration Expenses

- **Section C: Other Details**

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

- **Section D: BR Information**

1.	Details of Director / Directors responsible for BR		
	a)	Details of the Director / Directors responsible for the implementation of the BR policy / policies	Mr. Keld Pedersen, Managing Director DIN: 07144184 Tel: 022 30011300
	b)	Details of the BR head:	The Executive Management of the CSR activities is carried out by the Head of HR, CSR & Admin and her details are as follows:
		DIN	NA
		Name	Ms. Harsha Mashelkar
		Designation	Head- HR, Admin & CSR
		Telephone No.	02794 302560
		E-mail ID	harsha.mashelkar@apmterminals.com

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

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

Principle 1	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	P2	Businesses should provide goods and services that are safe, and contribute to sustainability throughout their life cycle
Principle 3	P3	Businesses should promote the wellbeing of all employees
Principle 4	P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principle 5	P5	Businesses should respect and promote human rights
Principle 6	P6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	P8	Businesses should support inclusive growth and equitable development
Principle 9	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for Principles 1 to 9 listed above	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD / Owner / CEO appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link to view the policy online?	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below	Y Note 2 below
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement its policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

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

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

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	--	--	--	--	--	--	--	--	--
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	--	--	--	--	--	--	--	--	--

3.	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4.	It is planned to be done within next six months	--	--	--	--	--	--	--	--	--
5.	It is planned to be done within next one year	--	--	--	--	--	--	--	--	--
6.	Any other reason (please specify)	--	--	--	--	--	--	--	--	--

2. Governance related to BR

1.	Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The Corporate Social Responsibility (CSR) Committee meets at least 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 https://www.apmterminals.com/en/pipavav/CSR/environment

- **Section E: Principle wise Performance**

Principle 1: Ethics, Transparency and Accountability

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

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors /NGOs / Others?	The Company is committed to adhere to the highest level of ethical business practices as articulated by its Code of Conduct to achieve its performance with integrity by all its employees and is in line with the global practices of the parent Company. As part of the global programme of its parent, the Company has e-learning programme on Code of Conduct and on Anti-corruption and it is required to be compulsorily completed by the employees. The completion rate of these e-learnings is monitored globally and wherever it is pending each specific employee is asked to complete it within stipulated timelines. Additionally, as part of the global initiative of the parent company, the Company is required to confirm every month to the Head Office that there are no bribes/ facilitation payments made. The Company also has a separate Code of Conduct for its Non-Executive Directors including Independent Directors. The Company's policy pertaining to ethics, bribery and corruption extends to all its vendors, suppliers, contractors and service providers by way of including the relevant clauses in their agreements.
2.	How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	20 complaints were received from the investors during the financial year 1 April 2018 to 31 March 2019. All of them have been properly attended and necessary actions were taken within the stipulated timelines for their redressal. There have been no other complaints by any other stakeholder.

Principle 2: Product Lifecycle Sustainability

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

1.	List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities	The Company is engaged in the service activity of operating the Port at Pipavav in Gujarat. Commensurate to its size of business and nature of activity being carried out at the Port, the Company has a full-fledged Department of Health, Safety, Security & Environment (HSSE) headed by a General Manager. The department has formulated Standard Operating Procedures (SOPs) in line with the global best practices and based on knowledge sharing amongst all the terminals within the portfolio of the parent company APM Terminals. The endeavour is to ensure safe and secure operations 24x7 and 365 days at the Port. As a global initiative the HSSE department of each entity has the responsibility to audit whether the SOPs are being followed by the respective departments or not and report. Any non-compliance is reported into the system. The Company as a responsible corporate citizen is also committed to fulfil all the Environment related compliances in a timely manner.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)	Some of the key activities are: • Conversion of 18 Rubber Tyre Gantry Cranes from Diesel to Electric • Procured 2 new Rubber Tyre Gantry Cranes operating on Electric • Replacement of 2782 High Voltage Sodium Vapor Lamps with LED lights resulting into energy savings of over 50% • 20400 saplings planted in 2018. • 100% utilization of treated domestic waste water used for development of the Green belt and reducing the requirement for fresh water • Over 600 hectares of mangrove planation carried out in the coastal areas of Surat and Bharuch in coordination with Gujarat Ecology Commission and inside the port. • Best practices in handling bulk cargo implemented to prevent spillage and protecting the marine life • Regular monitoring and protection of ambient air quality is carried out through state pollution control board approved laboratory.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so	Yes. The Company's sourcing practices are targeted at seeking cost optimization ensuring environment sustainability, societal interest and resource efficiency. The criteria used for selection of suppliers/ vendors go beyond cost relevance and include resource efficiency, product quality and lifecycle, environment impact, etc. The Company gives preference in selection of vendors complying with principles of sustainability. At the time of award of contract to vendors, various clauses are incorporated in the contract document related to health and safety, human resource practices, work environment, etc. Engagement of transporters is done based on conditions like deploying newer vehicles, drivers to carry PUC certificates, drivers and support staff to always carry safety jackets, helmets, driving license. The Port follows stringent Safety rules for the Drivers. They have to compulsorily undergo Refresher Safety training course every six months before entering into the Port.
4.	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors?	The Company is engaged in the business of operating a Port at Pipavav located in Gujarat. Depending upon the nature of product/ service requirement and its availability locally, the Company does procure them locally. The Company also engages the local workforce in employment. The skilful job of operating the cranes in the Port is carried out by over 80% of the locals from Gujarat. The Company provides regular training to them to enhance their skills.

5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so	The HSSE Department of the Company has Standard Operating Procedures for re-cycling of products or their disposal in an environment friendly manner. The details are as follows: - Recycle/re-processing of Hazardous wastes : 100% given to authorized recyclers - Recycle/reuse of non hazardous wastes : 20 %. The rest is given to authorized recyclers - Recovery of hazardous and non hazardous wastes : 100% given to authorized recyclers and disposal facility The hazardous waste is collected and stored in dedicated storage area and is sold only to Authorized recyclers & Re processors. The non-hazardous waste i.e. plastic, papers, wood wastes, ferrous & nonferrous wastes, too is sold only to Authorized recyclers. The Port is processing garbage and few hazardous wastes in nearby Cement Factory and it is used by the factory as fuel which is approved by state pollution control board. The Port also has dedicated Waste Management Cell which is responsible for segregation of all waste at source, its storage, recovery and recycling for reuse in order to reduce the quantity of waste for final disposal.

Principle 3: Employee Wellbeing

Businesses should promote the wellbeing of all employees

1.	Total number of employees.	491	
2.	Total number of employees hired on temporary / contractual / casual basis	Nil	
3.	Total number of permanent women employees	14	
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?		
		Category	%
		Permanent employees (includes classroom and e-learning)	100
		Permanent women employees	100
		Casual / temporary / contractual employees	100
		Employees with disabilities	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	Yes, the Company actively engages with its stakeholders as per the details below: • The parent Company APM Terminals carries out a global exercise of Customer Satisfaction Survey annually for all its 76 ports including Pipavav Port wherein the customers of these ports participate to provide their ratings. The entire exercise is administered by an external agency. The Company has consistently achieved high scores and has maintained its position amongst the Top Quartile in these Customer Satisfaction Surveys; • The engagement with Investors is through Earnings Call conducted every quarter and Attending Investor Conferences; • The Procurement process is done in a fair and transparent manner through E-bidding process conducted by the Global Procurement Department of the parent with the vendors/ suppliers; • Town hall meetings are regularly conducted by the Managing Director with employees • Engagement with Government authorities is done in transparent manner and in compliance with the local laws through duly authorized company officials • Engagement in the Industry forum is done through the Company's authorized representatives • Engagement with the local community at large including the disadvantaged groups and vulnerable sections like children / women is done directly or through NGOs in order to determine the necessities of local community and developing CSR activities around them
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	The Company has identified the disadvantaged and economically weaker sections and is carrying out either directly or through specialized NGOs the social development projects for them especially for the women and children, as part of the Company's CSR initiatives.
3.	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	Company's initiatives have been to bring meaningful difference in the lives of the disadvantaged, marginalized, weaker sections through activities in healthcare, skill development and getting them employment, education, sanitation, providing safe drinking water, women empowerment. The Company officials engage with local community to address their needs and for planning, coordinating the CSR activities in order to provide meaningful change in their day to day lives.

Principle 5: Human Rights

Businesses should respect and promote human rights

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

Principle 6: Environmental Management

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

1.	Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	As part of the global initative by APM Terminals to design, develop, operate and maintain the most environmentally sensitive and advanced facilities, the Port's initiatives are aimed at reducing dependency on diesel as a fuel, developing low carbon solutions and exploring carbon neutral options. Some of the key initiatives carried out are storage of Coal in the Environment friendly Coal yard having wind and water curtains to reduce coal dust, Improvements in handling bulk cargo to prevent spillage, Mangrove Plantation to protect the coastline, Water Re-cycling, Plantation for development of green belt, Rain water harvesting, Sewage Treatment Plant, Segregation, Recycle and Reuse of Waste, Systematic disposal of Hazardous and Non-hazardous waste, Conversion of cranes from diesel to electric and Replacement of Sodium Vapour Lamps with LED lights. The Company encourages its vendors, suppliers, contractors, etc. to follow its principles envisaged in the policy by making them part of the Vendor contracts.
2.	Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.	The initiatives being carried out are mentioned in 1 above. The hyperlink on the website is https://www.apmterminals.com/en/pipavav/CSR/environment
3.	Does the Company identify and assess potential environmental risks? Y / N	Yes
4.	Project(s) related to Clean Development Mechanism	The projects are mentioned in this section in 1 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.	As mentioned in this section in 1 above.
6.	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Emissions / wastes generated by the Company are within permissible limits. The Company has dedicated Waste Management Cell which is responsible for segregation of all waste at source, its storage, recovery and recycling for reuse in order to reduce the quantity of waste for final disposal. The Company regularly submits reports on emission levels to Gujarat Pollution Control Board (GPCB).
7.	Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year	The Company had received following two notices from Gujarat Pollution Control Board (GPCB): 1. No. GPCB/CCA-AMR-13(09)/14808 dated 4th Aug 2018. 2. No. GPCB/CCA-AMR-13(09)/14808 dated 26th Mar 2019. The Company has already responded to these notices by submission of documents. GPCB officials visited the port for inspection. They have asked the Company to complete certain actions. These actions are being done and will be completed by end of May 2019.

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 the Confederation of Indian Industry (CII)
2.	Has the Company advocated / lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others)	The Company through its authorized representative participates to provide its inputs.

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof	As a part of its CSR initiatives, the Company either directly or through NGOs specializing in activities has carried out projects in Education, Sanitation, Skill development for Women and projects for Rural Development.
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	The projects are undertaken through the internal teams as well as through external agencies like NGOs.
3.	Has the Company done any impact assessment for its initiative?	Impact assessment study is conducted for the CSR initiatives implemented. Based on findings from the study, the Company carries out appropriate intervention.
4.	What is the Company's direct contribution to community development projects (Amount in? and the details of the projects undertaken)?	Rs. 69.86 Million has been spent on various CSR activities. The details of the amount incurred and areas covered are given in 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 engages with the local community to understand their requirements and by carrying out the Need Assessment Survey. The CSR initiatives are carried out based on the findings from the Survey to ensure that the activities are adopted by them resulting in a meaningful contribution to society. The Company has been honoured with the GACL Gujarat State CSR Award 2019 for "Cohesive and Strategic CSR Partnership" in its project "Water and natural resources management for sustainable agriculture"

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 76 ports including Pipavav Port wherein the customers of these ports participate to provide their ratings. The entire exercise is administered by an external agency. The Company has consistently achieved high scores and has maintained its position amongst the Top Quartile in these Customer Satisfaction Surveys.

INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Gujarat Pipavav Port Limited ("the Company"), which comprise of the balance sheet as at 31 March 2019, 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 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Emphasis of matter

4. We draw attention to Note No. 33(b) to the standalone financial statements which describes the associated uncertainty and the necessary steps proposed to be 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.

<table>
<tr><th>Key audit matter description</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Estimation of accruals in respect of incentives and rebates related to volume sales
(Refer note 2.25 to the standalone financial statements)</td></tr>
<tr><td>The Company recognizes revenue net of trade incentives and rebates wherever applicable.

The amounts netted off from revenue is INR 739.46 million (Refer Note 19 in the standalone financial statements) and accrual recognized as at 31 March 2019 on account of incentives and rebates amounted to INR 689.18 million (Refer Note 18 in the standalone financial statements).

Such incentives and rebates are based on contract terms and volume of future sales forecast involving significant management judgement and accordingly has been determined to be a key audit matter.</td><td>In relation to the estimation of accrual in respect of incentives and rebates related to volume sales, we performed procedures, including the following:
1. Assessed the appropriateness of accounting policy and related disclosures in the standalone financial statements.
2. Understood from the management, evaluated the design and tested the effectiveness of internal controls over calculations of rebates and incentives and timing of recognition of the same.
3. On a test check basis, verifying the credit notes issued during the year in respect of rebates and incentives to customers and comparing the same with contractual terms as well as accrual already recognized to assess reasonableness of such accrual recognized.
4. Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier year and including payments/ credit notes issued to customers subsequent to the year end on sample basis.
5. Performed a sensitivity analysis by reducing the sales forecasts within a reasonably foreseeable range.
6. Assessing manual journals posted to revenue to identify unusual items and corroborating the journals entries with supporting documents.

Based on the above procedures performed, we did not identify any significant differences in the Management's estimation of accrual in respect of incentives and rebates related to volume sales where applicable.</td></tr>
</table>

Other Information

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

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

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

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

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

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including

the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 ofthe 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

        ii. The Company has long-term contracts as at 31 March 2019 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at 31 March 2019.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31 March 2019.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
15 May 2019

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 2019

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 statement of Gujarat Pipavav Port Limited ("the Company") as of 31 March 2019 in conjunction with our audit of thestandalone 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that amaterial 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 financials 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 over financial reporting.

Meaning of Internal Financial Controls with reference to financial statements

6. A Company's internal financial control over financial reporting 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 over financial reporting 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 financialstatements

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk

that theinternal financial control over financial reporting may become inadequate because of changes inconditions, 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 statement and such internal financial controls were operating effectively as at 31 March 2019, 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

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
15 May 2019

Annexure B to Independent Auditors' Report

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 Property Plant and Equipment Note 3 (a) to the standalone financial statements, are held in the name of the Company, except for a free hold land of gross and net book value of Rs. 1.47 million registered in the name of Associate Company - Pipavav Railway Corporation Limited.

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

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

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

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

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

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at 31 March 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in million) #@	Period to which the amount relates (Financial year)	Forum where the dispute is pending
Income tax Act, 1961	Tax deducted at source	3.30	2007-08 to 2008-09 and 2010-11 to 2017-18	Assessing Officer
Income tax Act, 1961	Tax deducted at source	74.06	2014-15	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income Tax	124.43	2009-10	Income Tax Appellate Tribunal
Finance Act, 1994	Service Tax	96.75	2008-09 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal

#Net of amounts paid under protest.

@Including interest and penalty

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

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

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

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

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

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
15 May 2019

STANDALONE BALANCE SHEET AS AT 31 MARCH 2019

(All amounts are in Rupees Millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3 (a)	15,891.44	16,847.91
Capital work-in-progress	3 (b)	453.84	323.23
Intangible assets	3 (c)	9.14	14.88
Investments in an associate company	4 (a)	830.00	830.00
Financial Assets			
(i) Other financial assets	4 (b)	31.66	35.96
Income tax assets (net)	5 (a)	141.92	114.68
Other non-current assets	6	17.55	62.82
Total non-current assets		**17,375.55**	**18,229.48**
Current assets			
Inventories	7	84.25	136.16
Financial Assets			
(i) Trade receivables	8 (a)	509.72	257.56
(ii) Cash and cash equivalents	8 (b)	108.12	354.51
(iii) Bank balance other than (ii) above	8 (c)	5,229.02	3,960.96
(iv) Loans	8 (d)	4.79	2.16
(v) Other financial assets	4 (b)	58.90	7.83
Other Current assets	9	322.30	156.10
Total current assets		**6,317.10**	**4,875.28**
Total Assets		**23,692.65**	**23,104.76**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10	4,834.40	4,834.40
Other equity			
(i) Reserves and surplus	11	15,375.72	15,306.19
Total equity		**20,210.12**	**20,140.59**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	12	27.20	27.20
Employee benefit obligations	13	19.36	18.41
Deferred tax liabilities (net)	14(b)	462.21	3.42
Other non-current liabilities	15	670.54	738.86
Total non-current liabilities		**1,179.31**	**787.89**
Current liabilities			
Financial Liabilities			
(i) Trade payables	16		
Dues to Micro, Small and Medium Enterprises		0.36	1.06
Other than Micro, Small and Medium Enterprises		325.11	283.57
(ii) Other financial liabilities	12	369.44	501.70
Provisions	17	365.04	365.04
Employee benefit obligations	13	126.08	108.24
Income tax provisions (net)	5 (b)	12.78	-
Other current liabilities	18	1,104.41	916.67
Total current liabilities		**2,303.22**	**2,176.28**
Total Liabilities		**3,482.53**	**2,964.17**
Total equity and liabilities		**23,692.65**	**23,104.76**

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

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

Keld Pedersen
Managing Director
DIN : 07144184

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	19	7,019.80	6,489.00
Other income	20	452.43	370.45
Total Income		**7,472.23**	**6,859.45**
Expenses			
Operating expenses	21	1,442.37	1,185.08
Employee benefits expense	22	596.85	528.86
Finance costs	23	3.65	3.48
Depreciation and amortisation expense	24	1,128.35	1,035.64
Other expenses	25	1,091.93	1,034.35
Total expenses		**4,263.15**	**3,787.41**
Profit before tax		**3,209.08**	**3,072.04**
Tax expense			
For the year			
- Current tax expense	14 (a)	691.25	662.74
- Deferred tax expense [Including Minimum Alternate Tax Credit utilised/(availed)]	14 (a)	461.57	424.70
For earlier year			
Adjustment of current tax		-	3.93
Adjustment of Minimum Alternative Tax Credit Entitlement		-	(3.93)
Total tax expense		**1,152.82**	**1,087.44**
Profit for the year		**2,056.26**	**1,984.60**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Re-measurement of post-employment benefit obligations		(7.95)	(3.66)
- Less: Income Tax relating to above		2.78	1.29
Other comprehensive income for the year, net of tax		**(5.17)**	**(2.37)**
Total comprehensive income for the year		**2,051.09**	**1,982.23**
Earning per equity share [face value per share INR 10/- (31 March 2018: INR10/-)]			
Basic earnings per share		4.24	4.10
Diluted earnings per share		4.24	4.10

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

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Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at 1 April 2017		**4,834.40**
Changes in the equity share capital	10	**-**
As at 31 March 2018		**4,834.40**
Changes in the equity share capital	10	**-**
As at 31 March 2019		**4,834.40**

B. Other equity

		Attributable to owners of Gujarat Pipavav Port Limited		
		Reserves & Surplus		Total Other Equity
Particulars	**Notes**	**Securities Premium Reserve**	**Retained Earnings**	
Balance at 1 April 2017	11(i)	14,288.87	1,071.71	15,360.58
Profit for the year			1,984.60	1,984.60
Less: Other Comprehensive Income			(2.37)	(2.37)
Total comprehensive income for the year ended 31 March 2018			**1,982.23**	**1,982.23**
Transaction with owners in their capacity as owners:				
Dividends paid (including dividend distribution tax)			(2,036.62)	(2,036.62)
Balance at 31 March 2018	11(i)	14,288.87	1,017.32	15,306.19
Profit for the year	11(ii)		2,056.26	2,056.26
Less: Other Comprehensive Income			(5.17)	(5.17)
Total comprehensive income for the year ended 31 March 2019			**2,051.09**	**2,051.09**
Transaction with owners in their capacity as owners:				
Dividends paid (including dividend distribution tax)			(1,981.56)	(1,981.56)
Balance at 31 March 2019		**14,288.87**	**1,086.85**	**15,375.72**

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

Keld Pedersen
Managing Director
DIN : 07144184

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Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit before tax	3,209.08	3,072.04
Adjustments :		
Deferred income recognised	(74.30)	(74.30)
Depreciation and amortisation expense	1,128.35	1,035.64
Finance costs	3.65	3.48
Dividend and interest income classified as investing cash flows	(359.11)	(223.75)
Loss on disposal of property, plant and equipment	0.23	1.62
Sundry balances written back (net)	(5.97)	(6.79)
Write offs / provisions for current assets, loans and advances	32.47	21.62
Foreign currency transactions and translations differences (net)	20.89	34.29
Provision for claims	-	(1.12)
	3,955.29	**3,862.73**
Operating profit before working capital changes		
Increase in trade receivables	(293.29)	(16.20)
Decrease in inventories	39.70	7.88
(Increase)/Decrease in loans	(2.64)	0.24
Increase in other financial assets	(46.77)	(0.78)
Decrease in other non-current assets	-	108.14
Increase in other current assets	(166.20)	(64.82)
Increase in trade payables	40.84	28.29
Increase in employee benefit obligations	10.84	29.43
Decrease in other financial liabilities	(68.93)	(367.16)
Increase in non-current liabilities	5.98	-
Increase in other current liabilities	187.74	82.91
	(292.73)	**(192.07)**
Cash generated from operations	**3,662.56**	**3,670.66**
Income taxes paid (net of refund)	(705.71)	(525.12)
Net cash inflow from operating activities	**2,956.85**	**3,145.54**
Cash flows from investing activities		
Payments for property, plant and equipment	(313.54)	(539.93)
(Payment for dismantling of fixed assets on disposal) / Proceeds from sale of fixed assets (net)	0.01	0.75
Dividends received from Associate company	38.00	-
Interest received	255.27	115.02
Decrease/(Increase) in deposits with banks (including earmarked balances) (net)	(1,202.22)	(863.79)
Net cash outflow from investing activities	**(1,222.48)**	**(1,287.95)**

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

(All amounts are in Rupees Millions, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from financing activities		
Interest paid	(3.65)	(3.48)
Dividends paid to Company's shareholders	(1,639.25)	(1,689.14)
Dividend distribution tax paid on dividend	(337.86)	(344.46)
Net cash outflow from financing activities	(1,980.76)	(2,037.08)
Net increase/(decrease) in cash and cash equivalents	**(246.39)**	**(179.49)**
Cash and cash equivalents at the beginning of the financial year	354.51	534.01
Effects of exchange rate changes on cash and cash equivalents	-	(0.01)
Cash and cash equivalents at end of the year	**108.12**	**354.51**

Reconciliation of cash and cash equivalents as per the cash flow statement

	31 March 2019	31 March 2018
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents [Refer note 8 (b)]	108.12	354.51
Balance as per statement of cash flows	108.12	354.51

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

Keld Pedersen
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Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Rupees Millions, unless otherwise stated)
(Currency: Indian Rupees in Million)

1. Company overview

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

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

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

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

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

2. Significant accounting policies

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

2.1. Basis of preparation of financial statements

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

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

(iii) (a) Amended Standards adopted by the Company

Ind AS 115 – Revenue from Contracts with Customers

Effective 1 April 2018, the Company has adopted Ind AS 115 – Revenue from Contracts with Customers using the modified retrospective method. The standard is applied retrospectively only to contracts that are not completed as of 1 April 2018 and the comparatives have not been restated. The adoption of the standard did not have any material impact to the financial statements of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Rupees Millions, unless otherwise stated)

(b) Amended Standards to be adopted by the Company

(i) Ind AS 116, Leases

Ind AS 116, is effective for periods beginning on or after April 01, 2019.

Ind AS 116 will affect primarily the accounting by lessee and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. The accounting by lessors will not significantly change.

(ii) Amendment to Ind AS 12, 'Income Taxes' – Appendix C, 'Uncertainty over Income Tax Treatments'

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

(iii) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in Statement of profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of these amendment on the standalone Ind AS financial statements.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Rupees Millions, unless otherwise stated)

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

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

2.5. Revenue recognition

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

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

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

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

2.6. Government Grant

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

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

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

2.7. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Provision for current tax is based on the results for the year ended 31 March, in accordance with the provisions of the Income Tax Act, 1961.

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

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

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

2.8. Leases

As a lessee

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

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

As a lessor

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

2.9. Impairment

Assets are reviewed at each reporting date to determine if there is any indication of impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit (CGU).

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the Statement of Profit and Loss.

If as at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

2.10. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11. Exceptional Items

Company recognises exceptional item when items of income and expenses within Statement of Profit and Loss from ordinary activities are such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

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.

Equity instruments

The Company initially measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses and reversal of impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Rupees Millions, unless otherwise stated)

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

Asset Details	Technical Estimate in Years
Ship to Shore Cranes	20
Power Distribution Systems	15
Carpeted Roads	20
Jetties	30
Dredging	50
Boundary Wall	20
Old Residential Complex	15
Marine Office Building	15
Warehouses	15
Guest houses	15

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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Rupees Millions, unless otherwise stated)

In accordance with Concession agreement all contracted immovable and movable assets shall be transferred to and shall vest in GMB at the end of the concession period, for consideration equivalent to the Depreciated Replacement Value (DRV). Since the DRV is currently not determinable, fixed assets are depreciated based on their estimated useful life.

2.16. Acquired intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and / or any accumulated impairment loss, if any.

Intangible assets are amortised in the Statement of Profit and Loss using the straight line method over their estimated useful lives, from the date that they are available for use. Accordingly, at present, these are being amortised on straight line basis based on the period of the licence in case of licensed software or for 3 years. Such intangible assets that are not yet available for use are tested annually for impairment.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.17. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) under the Group Gratuity cum Life Assurance (Cash Accumulation) Scheme.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

(iii) Other Long term employee benefit obligation

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit obligations. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.18. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.19. Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

2.20. Earnings per share (EPS)

The basic EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

2.22. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.23 Investment in Associate company

The Company carries its investments in associate at cost less impairment losses. The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable amount in accordance with policy given in 2.9.

2.24 Financial instruments measured at fair value

Financial instruments measured at fair value can be divided into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data. Fair value of listed securities fall within level 1 of the fair value hierarchy. Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

Fair value of level 3 assets and liabilities are primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Company's profit or equity significantly.

2.25 Critical estimates and judgements

The preparation of financial statements require the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise the judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line in the financial statements.

The areas involving critical estimates or judgements are:

- Estimates of current tax expense and deferred tax expense-Refer Note 5 and 14
- Estimated useful life of Property, Plant and Equipment and Intangible assets-Refer Note 3(a) and 3(c)
- Estimation of defined benefit obligation-Refer Note 13
- Estimation of fair value of contingent liabilities-Refer Note 33
- Estimation of accruals in respect of incentives and rebates related to sale volume-Refer Note 18

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

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 2018. Management believes that the Company's international transactions with related parties post 31 March 2018 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 carried at amortised cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

3(a)(i) Property, plant and equipment [1 April 2018 to 31 March 2019]

	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
Particulars	**As at 1 April 2018**	**Additions during the year**	**Deductions/ Adjustments during the year**	**As at 31 March 2019**	**As at 1 April 2018**	**Charge for the year**	**On Deductions / Adjustments**	**As at 31 March 2019**	**As at 31 March 2019**
Land and site development	321.85	-	-	**321.85**	-	-	-	**-**	**321.85**
Buildings	5,426.42	39.54	-	**5,465.96**	684.86	248.64	-	**933.50**	**4,532.46**
Port Road - External	734.59	-	-	**734.59**	150.85	50.28	-	**201.13**	**533.46**
Plant, Machinery and Equipment	9,247.54	120.42	2.98	**9,364.98**	1,858.92	713.29	2.74	**2,569.47**	**6,795.51**
Dredging	3,869.19	-	-	**3,869.19**	270.31	90.52	-	**360.83**	**3,508.36**
Railway sidings	233.09	-	-	**233.09**	39.05	13.02	-	**52.07**	**181.02**
Furniture, Fittings and Leasehold Improvements	17.44	3.20	-	**20.64**	11.84	3.28	-	**15.12**	**5.52**
Motor Vehicles	22.02	2.31	-	**24.33**	8.40	2.67	-	**11.07**	**13.26**
Total	**19,872.14**	**165.47**	**2.98**	**20,034.63**	**3,024.23**	**1,121.70**	**2.74**	**4,143.19**	**15,891.44**

Notes :

1 Land and site development includes
- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased during prior years for getting the rail connectivity from nearest station upto the port boundary is registered in the name of our Associate company, Pipavav Railway Corporation Limited, pursuant to Government notification.
- Land aggregating INR 24.98 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).

2 Refer note 31 for disclosure of capital commitments for the acquisition of property, plant and equipment.

3(b)(i) Capital work in progress

	As at 31st March 2019
Capital work in progress	453.84
Total	**453.84**
Capital work-in-progress mainly comprises of Container handling Yard Cranes and Container Scanner.	

3(c)(i) Intangible Assets

	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
Particulars	**As at 1 April 2018**	**Additions during the year**	**Deductions/ Adjustments during the year**	**As at 31 March 2019**	**As at 1 April 2018**	**Charge for the year**	**On Deductions / Adjustments**	**As at 31 March 2019**	**As at 31 March 2019**
Computer Software	40.28	0.91	0.03	**41.16**	25.40	6.65	0.03	**32.02**	9.14
Total	**40.28**	**0.91**	**0.03**	**41.16**	**25.40**	**6.65**	**0.03**	**32.02**	**9.14**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

3(a)(i) Property, plant and equipment [1 April 2017 to 31 March 2018]

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1 April 2017	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	On Deductions / Adjustments	As at 31 March 2018	As at 31 March 2018
Land and site development	321.86	-	0.01	**321.85**	-	-	-	**-**	**321.85**
Buildings	5,110.10	148.29	(168.03)	**5,426.42**	295.87	220.50	(168.49)	**684.86**	**4,741.56**
Port Road - External	734.68	-	0.09	**734.59**	100.48	50.28	(0.09)	**150.85**	**583.74**
Plant, Machinery and Equipment	8,447.00	971.72	171.18	**9,247.54**	1,384.40	645.58	171.06	**1,858.92**	**7,388.62**
Dredging	3,869.17	-	(0.02)	**3,869.19**	179.77	90.52	(0.02)	**270.31**	**3,598.88**
Railway sidings	232.69	-	(0.40)	**233.09**	25.64	13.02	(0.39)	**39.05**	**194.04**
Furniture, Fittings and Leasehold Improvements	11.74	7.73	2.03	**17.44**	4.95	8.19	1.30	**11.84**	**5.60**
Motor Vehicles	23.99	-	1.97	**22.02**	6.79	2.70	1.09	**8.40**	**13.62**
Total	**18,751.23**	**1,127.74**	**6.83**	**19,872.14**	**1,997.90**	**1,030.79**	**4.46**	**3,024.23**	**16,847.91**

Notes :

1 Land and site development includes

- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased during prior years for getting the rail connectivity from nearest station upto the port boundary is registered in the name of our Associate company, Pipavav Railway Corporation Limited, pursuant to Government notification.
- Land aggregating INR 24.98 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).

2 Refer to note 31 for disclosure of capital commitments for the acquisition of property, plant and equipment.

3(b)(i) Capital work in progress

	As at 31st March 2018
Capital work in progress	323.23
Total	**323.23**
Capital work-in-progress mainly comprises of Container handling Yard Cranes and Container Scanner.	

3(c)(i) Intangible Assets

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at 1 April 2017	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	On Deductions / Adjustments	As at 31 March 2018	As at 31 March 2018
Computer Software	29.11	11.17	-	**40.28**	20.55	4.85	-	**25.40**	14.88
Total	**29.11**	**11.17**	**-**	**40.28**	**20.55**	**4.85**	**-**	**25.40**	**14.88**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

4 (a) Investments

	As at 31 March 2019	As at 31 March 2018
Investments in equity instruments (fully paid up) :		
Unquoted		
76,000,010 (31 March 2018 : 76,000,010) equity shares of INR 10 each of Pipavav Railway Corporation Limited. (Associate company of Gujarat Pipavav Port Limited)	830.00	830.00
Total investment in equity instruments	**830.00**	**830.00**
Total non-current investments	**830.00**	**830.00**
Aggregate amount of unquoted investments	830.00	830.00
Aggregate amount of impairment in the value of investments	-	-

4 (b) Other financials assets

	As at 31 March 2019		As at 31 March 2018	
	Non current	**Current**	**Non current**	**Current**
Security deposits	31.66	8.93	35.96	7.83
Unbilled revenue	-	49.97	-	-
Total other financials assets	**31.66**	**58.90**	**35.96**	**7.83**

5 (a) Income tax assets (net)

	As at 31 March 2019	As at 31 March 2018
Advance Tax *	141.92	114.68
Total Current tax assets (net)	**141.92**	**114.68**

* Net of provision for tax of INR 2,186.01 million (31 March 2018 : INR 2,186.01 million)

5 (b) Income tax provisions (net)

	As at 31 March 2019	As at 31 March 2018
Provision for tax #	12.78	-
Total Current tax provisions (net)	**12.78**	**-**

Net of Advance tax of INR 678.47 million (31 March 2018 : NIL)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

6 Other non-current assets

	As at 31 March 2019	As at 31 March 2018
Capital advances	17.55	62.82
Total other non-current assets	**17.55**	**62.82**

7 Inventories

	As at 31 March 2019	As at 31 March 2018
Stores and spares	83.22	131.92
Goods-in-transit - Stores and Spares	1.03	4.24
Total inventories	**84.25**	**136.16**

Amounts recognised in Statement of Profit and Loss

Write-downs of inventories including provision for inventory amounts to INR 12.21 million (31 March 2018 : INR 11.54 million). These were recognised as an expense (Refer note - 25) and included in other expenses in Statement of Profit and Loss.

8 (a) Trade receivables

	As at 31 March 2019	As at 31 March 2018
Trade receivables	278.68	94.06
Receivables from related parties (Refer note - 37)	277.82	193.05
Less: Allowance for doubtful debts (Refer note - 28)	(46.78)	(29.55)
Total trade receivables	**509.72**	**257.56**
Break-up of security details		
Secured, considered good	62.58	47.36
Unsecured, considered good	447.14	210.20
Receivables which have significant increase in credit risk	-	-
Credit impaired	46.78	29.55
Total	**556.50**	**287.11**
Allowance for doubtful debts	(46.78)	(29.55)
Total trade receivables	**509.72**	**257.56**

8 (b) Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Cash on hand	-	0.26
Balances with banks		
-In current accounts	64.09	220.47
-In Exchange Earners' Foreign Currency accounts	44.03	133.78
Total cash and cash equivalents	**108.12**	**354.51**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

8 (c) Other bank balances

	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity of more than three months but less than 12 months *	5,224.57	3,957.94
Unpaid dividend account	4.45	3.02
Total other bank balances	**5,229.02**	**3,960.96**

* Of the above, bank deposits aggregating NIL (31 March 2018 : INR 9.15 million) is marked lien against bank guarantees issued to customs and other third parties.

8 (d) Loans

	As at 31 March 2019	As at 31 March 2018
Loans and advances to employees	4.79	2.16
Total loans	**4.79**	**2.16**

9 Other current assets

	As at 31 March 2019	As at 31 March 2018
Advance for supplies	39.53	111.18
Prepaid expenses	17.00	8.17
Balances with government authorities	71.58	32.78
Receivable from Gujarat Maritime Board [Refer Note 33(b)]	185.35	-
Other receivables	8.84	3.97
Total other current assets	**322.30**	**156.10**

10 Equity share capital

	As at 31 March 2019	As at 31 March 2018
Authorised share capital		
600,000,000 (31 March 2018 : 600,000,000) equity shares of INR 10 each	6,000.00	6,000.00
	6,000.00	**6,000.00**
Issued, subscribed and paid up share capital		
483,439,910 (31 March 2018 : 483,439,910) equity shares of INR 10 each, fully paid-up	4,834.40	4,834.40
	4,834.40	**4,834.40**

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	INR	Number	INR
Equity shares at the commencement of the period	483,439,910	4,834.40	483,439,910	4,834.40
Issued during the period	-	-	-	-
At the end of the period	**483,439,910**	**4,834.40**	**483,439,910**	**4,834.40**

b Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

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.

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

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	Number	Percentage	Number	Percentage
APM Terminals Mauritius Limited	**207,903,931**	**43.01%**	**207,903,931**	**43.01%**
ICICI Prudential Midcap Fund	**-**	**-**	**35,005,553**	**7.24%**
ICICI Prudential Value Fund - Series 4	**41,699,875**	**8.63%**	**-**	**-**
HDFC Trustee Company Limited - Hdfc Capital Builder Fund	**43,451,389**	**8.99%**	**29,913,819**	**6.19%**

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

11 Reserves and surplus

	As at 31 March 2019	As at 31 March 2018
Securities premium reserve [Refer Note- (i) below]	14,288.87	14,288.87
Retained earnings [Refer Note- (ii) below]	1,086.85	1,017.32
Total reserves and surplus	**15,375.72**	**15,306.19**

(i) Securities premium reserve

	As at 31 March 2019	As at 31 March 2018
Opening balance	14,288.87	14,288.87
Closing balance	**14,288.87**	**14,288.87**

*Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(ii) Retained earnings

	As at 31 March 2019	As at 31 March 2018
Opening balance	1,017.32	1,071.71
Net profit for the year	2,056.26	1,984.60
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(5.17)	(2.37)
Dividends		
- Final dividend for the year	(821.85)	(870.19)
- Dividend distribution tax on final dividend for the year	(168.93)	(177.15)
- Interim dividend for the year	(821.85)	(821.97)
- Dividend distribution tax on interim dividend for the year	(168.93)	(167.31)
Closing balance	**1,086.85**	**1,017.32**

12 Other financial liabilities

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Retention monies payable	-	98.13	-	149.28
Security deposits received *	27.20	62.81	27.20	64.63
Capital creditors *	-	101.06	-	162.88
Unclaimed dividend (Refer note below)	-	4.45	-	3.02
Other payables*	-	102.99	-	121.89
Total other financial liabilities	**27.20**	**369.44**	**27.20**	**501.70**

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

13 Employee benefits obligations

	As at 31 March 2019		As at 31 March 2018	
	Non-current	**Current**	**Non-current**	**Current**
Compensated absences [Refer note (i) below]	-	29.47	-	26.54
Gratuity [Refer note (ii) below]	11.86	12.53	10.91	11.45
Other employee benefits payables	7.50	84.08	7.50	70.25
Total employee benefits obligations	**19.36**	**126.08**	**18.41**	**108.24**

(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 5.55 million (31 March 2018: INR 11.65 million) and is included in Note 22 - 'Employee benefits expense'. Accumulated current provision for compensated absences aggregates to INR 29.47 million (31 March 2018: INR 26.54 million) (Refer note 14).

(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.

The amount recognised in the balance sheet and movements in the net defined benefit obligation over the years are as follows :

	Present value of obligation	Fair value of plan assets	Net amount
Balance as at 01 April 2018	56.16	(33.80)	22.36
Current service cost	6.21	-	6.21
Interest expense / (income)	4.25	(2.55)	1.70
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Total amount recognised in the Statement of Profit and Loss	**10.46**	**(2.55)**	**7.91**
Remeasurements			
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	0.51	-	0.51
Experience (gain) / loss	7.00	0.43	7.43
Total amount recognised in other comprehensive income	**7.51**	**0.43**	**7.94**
Employers contributions	-	(13.82)	(13.82)
Liability Transferred In/ Acquisitions and Liability Transferred Out/ Divestments)	(0.09)	0.09	-
Benefit payments	(3.70)	3.70	-
Balance as at 31 March 2019	**70.34**	**(45.95)**	**24.39**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

	Present value of obligation	Fair value of plan assets	Net amount
Balance as at 01 April 2017	50.48	(34.06)	16.42
Current service cost	6.32	-	6.32
Interest expense / (income)	3.59	-	3.59
Return on plan assets, excluding amounts included in interest expense / (income)	-	(2.42)	(2.42)
Total amount recognised in the Statement of Profit and Loss	**9.91**	**(2.42)**	**7.49**
Remeasurements			
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	(2.14)	-	(2.14)
Experience (gain) / loss	6.08	(0.28)	5.80
Total amount recognised in other comprehensive income	**3.94**	**(0.28)**	**3.66**
Employers contributions	-	(5.21)	(5.21)
Benefit payments	(8.17)	8.17	-
Balance as at 31 March 2018	**56.16**	**(33.80)**	**22.36**

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

	31 March 2019	31 March 2018
Present value of funded obligations	**(70.34**)	(56.16)
Fair value of plan assets	**45.95**	33.80
Deficit of funded plan (Gratuity)	**(24.39)**	**(22.36)**

The significant actuarial assumptions were as follows :

	31 March 2019	31 March 2018
Discount rate	7.47%	7.56%
Salary growth rate	8.00%	8.00%
Expected rate of return on plan assets	7.47%	7.56%
Attrition rate	6.00%	6.00%
Mortality	Indian Assured lives mortality (2006-08)	Indian Assured lives mortality (2006-08)

	31 March 2019	31 March 2018
Projected Benefit Obligation on Current Assumptions	70.34	56.16
Delta Effect of +1% Change in Rate of Discounting	(5.33)	(4.41)
Delta Effect of -1% Change in Rate of Discounting	6.12	5.06
Delta Effect of +1% Change in Rate of Salary Increase	6.02	4.99
Delta Effect of -1% Change in Rate of Salary Increase	(5.36)	(4.43)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.31)	(0.27)
Delta Effect of -1% Change in Rate of Employee Turnover	0.34	0.29

Category of assets	**31 March 2019**	**31 March 2018**
Insurance fund (100%)	45.95	33.80
Total	**45.95**	**33.80**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

(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 2019	31 March 2018
1st Following Year	4.09	3.29
2nd Following Year	4.42	3.37
3rd Following Year	6.20	3.63
4th Following Year	6.32	5.04
5th Following Year	6.29	5.09
Sum of Years 6 To 10	29.74	25.46

14 Taxation

a. Tax expense recognised in the Statement of Profit and Loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
Current year	691.25	662.74
Total	**691.25**	**662.74**
Deferred tax		
Deferred tax	46.05	94.38
MAT credit utilised/(entitlement)	415.52	330.32
Total	**461.57**	**424.70**
Total income tax expense/(credit)	**1,152.82**	**1,087.44**

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 2019	For the year ended 31 March 2018
Accounting profit before tax	3,209.08	3,072.04
Applicable tax rate of the reporting entity	34.944%	34.608%
Expected total tax expense	1,121.38	1,063.17
Amount charged in Statement of Profit and Loss	1,152.82	1,087.44
Difference	(31.44)	(24.27)
Tax effect of amounts which are (not deductible) /allowable in calculating taxable income:		
(i) Expenditures not deductible for tax purpose	(20.92)	(29.83)
(ii) Dividend Received (Adjusted with expense disallowed u/s 14 A)	13.24	-
(iii) Impact of change in tax rate	(19.50)	-
(iv) Others	(4.26)	5.56
Total	**(31.44)**	**(24.27)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

b (i) Deferred tax relates to the following :

	As at 31 March 2019	As at 31 March 2018
A) Deferred Tax Assets		
Expenditure deductible on payment basis	120.17	103.07
Defined benefit obligations	20.56	16.64
MAT credit entitlement	1,591.26	2,006.78
Total deferred tax assets (A)	**1,731.99**	**2,126.49**
B) Deferred Tax Liabilities		
On difference between book depreciation and tax depreciation	2,194.20	2,129.91
Total deferred tax liabilities (B)	**2,194.20**	**2,129.91**
Net deferred tax liabilities (B - A)	**462.21**	**3.42**

b (ii) Movement in deferred tax assets / (liabilities)

	Expenditure deductible on Payment Basis	Defined benefit obligations	MAT credit entitlement	On difference between book depreciation and tax depreciation	Total
At 1 April 2017	**81.73**	**17.32**	**2,333.18**	**(2,016.18)**	**416.05**
(Charged) / credited:					
- to Statement of Profit and Loss	21.34	(1.97)	(326.40)	(113.73)	(420.76)
- to other comprehensive income	-	1.29	-	-	1.29
At 31 March 2018	**103.07**	**16.64**	**2,006.78**	**(2,129.91)**	**(3.42)**
(Charged) / credited:					-
- to Statement of Profit and Loss	17.10	1.14	(415.52)	(64.29)	(461.57)
- to other comprehensive income	-	2.78	-	-	2.78
At 31 March 2019	**120.17**	**20.56**	**1,591.26**	**(2,194.20)**	**(462.21)**

15 Other non-current liabilities

	As at 31 March 2019	As at 31 March 2018
Deferred income on Government Grant	670.54	738.86
Total other non-current liabilities	**670.54**	**738.86**

16 Trade payables

	As at 31 March 2019	As at 31 March 2018
Trade payables	284.66	276.04
Dues to Micro, Small and Medium Enterprises (Refer note - 39)	0.36	1.06
Trade payables to related parties (Refer note - 37)	40.45	7.53
Total Trade payables	**325.47**	**284.63**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

17 Provisions

	As at 31 March 2019	As at 31 March 2018
Claims (Refer note - 33)	365.04	365.04
Total provisions	**365.04**	**365.04**

18 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Deferred income on Government Grant	74.30	74.30
Statutory dues payables	149.19	86.54
Accruals of Incentives and Rebates * [Refer note 18(a)]	689.18	577.56
Income received in advance	1.68	2.50
Advance from customers *	190.06	175.77
Total other current liabilities	**1,104.41**	**916.67**

* Revenue recognised that was included in advance from customers at the beginning of the period INR 87.05 million (31 March 2018 : INR 127.58 million)

18(a) Movement in Accruals of Incentives and Rebates

	As at 31 March 2019	As at 31 March 2018
At the commencement of the year	**577.56**	**535.44**
Add : Accruals made during the year	733.32	667.51
Less : Accruals utilised during the year	(621.70)	(625.39)
Total revenue from operations	**689.18**	**577.56**

19 Revenue from operations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Income from port services	6,580.66	5,952.78
Other operating revenue	439.14	536.22
Total revenue from operations	**7,019.80**	**6,489.00**

20 Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
- banks	321.11	223.75
- others	1.36	1.62
Dividends received from Associate company (Refer note below)	38.00	-
Interest on income tax refund	-	49.32
Deferred Income recognised	74.30	74.30
Miscellaneous income	17.66	21.46
Total other income	**452.43**	**370.45**

Note :

All dividends from equity investments relates to investments held at the end of the reporting period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

21 Operating expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Handling expenses	1,141.90	967.49
Waterfront royalty (Refer note - 34)	187.81	124.05
Business support service charges	63.47	48.31
Other direct costs	49.19	45.23
Total operating expenses	**1,442.37**	**1,185.08**

22 Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	527.75	461.04
Contribution to provident fund and other funds (Refer note below)	19.99	18.61
Gratuity [Refer note 13(ii)]	7.90	7.49
Compensated absences [Refer note 13(i)]	5.55	11.65
Staff welfare expenses	35.66	30.07
Total employee benefits expense	**596.85**	**528.86**

The Company recognised INR 19.99 million (31 March 2018 : INR 18.61 million) for provident fund contribution in the Statement of Profit and Loss.

23 Finance costs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Financial charges	3.65	3.48
Total finance costs	**3.65**	**3.48**

24 Depreciation and amortisation expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	1,121.69	1,030.79
Amortisation of intangible assets	6.66	4.85
Total depreciation and amortisation expense	**1,128.35**	**1,035.64**

25 Other expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Power and fuel	249.39	253.47
Rent (Refer note - 32)	21.59	20.36
Repairs		
- Building	29.58	14.00
- Machinery and equipment	248.30	240.60
- Others	64.36	55.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Insurance	31.44	32.28
Rates and taxes	1.23	1.10
Travelling expenses	69.78	72.07
Legal and professional fees	66.32	73.78
Commission to Directors (Refer note - 37)	3.75	3.75
Expenditure towards Corporate Social Responsibility [Refer note - 25(a)]	106.60	86.18
Payment to auditors [Refer note - 25(b)]	4.12	4.93
Advertisement and sales promotion	11.47	10.36
Communication expenses	5.88	6.91
Loss on sale / disposal of fixed assets (net)	0.23	1.62
Loss on foreign currency transactions and translations (net)	24.13	27.11
Bad Debt Write Off	3.03	-
Provisions for inventory (Refer note - 7)	12.21	11.54
Provisions for doubtful debts [Refer note - 8(a)]	17.23	10.08
Freight and forwarding	2.60	1.69
Water charges expenses	22.09	19.81
Contract labour expenses	69.42	59.69
Miscellaneous expenses	27.18	27.42
Total other expenses	**1,091.93**	**1,034.35**

25 (a) Corporate Social Responsibility (CSR)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount required to be spent as per Section 135 of the Act	69.70	74.48
Amount spent during the year@	**106.60**	**86.18**
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	106.60	86.18
Total corporate social responsibility expense	**106.60**	**86.18**

@ Excludes advance paid of INR 7.85 million (31 March 2018 : INR 23.07 million). Company has committed to spend INR 69.86 million (31 March 2018 : INR 46.25 million).

25 (b) Details of payment to auditors

	For the year ended 31 March 2019	For the year ended 31 March 2018
Payment to auditor		
As auditor		
Audit fee	2.75	3.57
Tax audit fee	0.21	0.21
Limited review of quarterly results	1.09	1.09
Reimbursement of expenses	0.07	0.06
Total payment to auditor	**4.12**	**4.93**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

	31 March 2019		31 March 2018	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Financial Assets				
Non- Current Other financial assets				
Security deposits	31.66	31.66	35.96	35.96
Current Other financial assets				
Security deposits	58.90	58.90	7.83	7.83
Loans and advances to employees	4.79	4.79	2.16	2.16
Trade receivables	509.72	509.72	257.56	257.56
Cash and cash equivalents	108.12	108.12	354.51	354.51
Other Bank balances	5,229.02	5,229.02	3,960.96	3,960.96
Total Financial Assets	**5,942.21**	**5,942.21**	**4,618.98**	**4,618.98**
Financial Liabilities				
Non- Current Other financial liabilities				
Security deposits received	27.20	27.20	27.20	27.20
Current Other financial liabilities				
Trade payables	325.47	325.47	284.63	284.63
Retention monies payable	98.13	98.13	149.28	149.28
Security deposits received	62.81	62.81	64.63	64.63
Capital creditors	101.06	101.06	162.88	162.88
Unclaimed dividend	4.45	4.45	3.02	3.02
Other payables	102.99	102.99	121.89	121.89
Total Financial Liabilities	**722.11**	**722.11**	**813.53**	**813.53**

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

(a) *Credit risk*

The Company has exposure to financial and commercial counterparties but has no particular concentration of customers or suppliers. To minimise the credit risk, security deposits and advance payments are taken from all major customers. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

Expected credit loss for trade receivables under simplified approach:

For the year ended 31 March 2019:

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	219.29	261.38	23.18	5.22	12.21	35.22	556.50
Expected credit losses	-	1.75	2.11	2.88	6.49	33.55	46.78
Carrying amount of Trade receivables	**219.29**	**259.63**	**21.07**	**2.34**	**5.72**	**1.67**	**509.72**

For the year ended 31 March 2018:

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	218.88	7.60	2.54	20.55	16.53	21.01	287.11
Expected credit losses	-	1.71	2.14	0.32	7.23	18.15	29.55
Carrying amount of Trade receivables	**218.88**	**5.89**	**0.40**	**20.23**	**9.30**	**2.86**	**257.56**

(b) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors Company's liquidity position and cash and cash equivalents through Quarterly rolling forecasts and on the basis of expected cash flows. Company treasury maintains flexibility in funding through committed credit lines with Financial Institution.

Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date. Balances due within 12 months and more than 12 months equal their carrying balances as the impact of discounting is not significant.

	Notes	Carrying Amount	Payable on Demand	Less than 12 months	More than 12 months
As at 31 March 2019					
Trade payables	16	325.47	-	325.47	-
Retention monies payable	12	98.13	92.34	0.18	5.61
Security deposits received	12	90.01	62.81	-	27.20
Capital creditors	12	101.06	-	101.06	-
Unclaimed dividend	12	4.45	4.45	-	-
Other payables	12	102.99	-	102.99	-
As at 31 March 2018					
Trade payables	16	284.63	-	284.63	-
Retention monies payable	12	149.28	109.50	39.78	-
Security deposits received	12	91.83	64.63	-	27.20
Capital creditors	12	162.88	-	162.88	-
Unclaimed dividend	12	3.02	3.02	-	-
Other payables	12	121.89	-	121.89	-

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 31 MARCH 2019

(All amounts in Rupees 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 2019 and 31 March 2018. 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 2019:

Details	**USD Exposure**		**AUD Exposure**		**EURO Exposure**	
	INR	**USD**	**INR**	**AUD**	**INR**	**Euro**
Receivables/Advance to Vendor	**288.54**	**4.16**	**-**	**-**	**-**	**-**
	192.07	*2.95*	-	-	-	-
Advance from Customers	**1.15**	**0.02**				
	-	-				
Payables	**0.61**	**0.01**	**-**	**-**	**0.02**	**@**
	2.75	*0.04*	*1.35*	*0.03*	*0.47*	*0.01*
Cash and Bank Balance	**44.03**	**0.64**	**-**	**-**	**-**	**-**
	133.78	*2.05*	-	-	-	-

@ Amount is below rounding of norms adopted by the company
Amounts in italics represent amounts as at 31 March 2018

Details	**Impact on profit after tax**	
	31 March 2019	**31 March 2018**
USD sensitivity		
INR/USD -Increase by 10% (31 March 2018-10%)	**33.08**	32.31
INR/USD -Decrease by 10% (31 March 2018-10%)	**(33.08)**	(32.31)
AUD sensitivity		
INR/AUD -Increase by 10% (31 March 2018-10%)	**-**	(0.14)
INR/AUD -Decrease by 10% (31 March 2018-10%)	**-**	0.14
EUR sensitivity		
INR/EUR -Increase by 10% (31 March 2018-10%)	**-**	(0.05)
INR/EUR -Increase by 10% (31 March 2018-10%)	**-**	0.05

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

The Company's capital structure is based on the Managements assessment of the balances of key elements to ensure strategic decisions and day to day activities. The capital structure of the Company is managed with a view of the overall macro-economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company.

The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary. The Company does not have any debt or financial covenants.

The Management monitors the return on capital as well as the level of dividend to shareholders. The Company goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future period. Refer the following table for the final and interim dividend declared and paid.

Dividends

	31 March 2019	31 March 2018
(a) Equity shares		
(i) Final dividend for the year ended 31 March 2017 of INR 1.80 per fully paid share	**-**	870.19
Corporate dividend tax on above	**-**	177.15
(ii) Final dividend for the year ended 31 March 2018 of INR 1.70 per fully paid Share	**821.85**	-
Corporate dividend tax on above	**168.93**	-
(iii) Interim dividend for the year ended 31 March 2018 of INR 1.70 per fully paid share	-	821.97
Corporate dividend tax on above	-	167.31
(iv) Interim dividend for the year ended 31 March 2019 of INR 1.70 per fully paid share	**821.85**	-
Corporate dividend tax on above	**168.93**	-
(b) Dividends not recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of INR 1.80 per fully paid equity share (31 March 2018 – INR 1.70). 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 2019	31 March 2018
(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances)	73.42	147.1
(b) Bonds/Undertaking given by the Company under Concessional Duty / Exemption scheme to the Government Authorities (net of obligations fulfilled)	2,949.14	2,949.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

32. Lease

(i) The Company has taken operating leases for office premises, concession agreement with GMB (including lease rental payable as per High Court order). These lease arrangements include both cancellable and non-cancellable leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(ii) Lease payments of INR 21.59 million (31 March 2018 INR 20.36 million) recognised in Statement of Profit and Loss are shown as “Rent” under Other Expenses in Note 25.

(iii) The future minimum lease payments payable under the said non-cancellable operating lease for rented premises are as follows:

Particulars	**31 March 2019**	31 March 2018
Payable within one year	**10.61**	8.84
Payable between one and five years	**46.68**	44.56
Payable more than 5 years	**67.73**	80.46

(iv) The Company has given a total area of 1,111,813 Square Mtr. (31 March 2018: 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.

(v) Operating lease rental income of INR 147.42 million (31 March 2018 INR 124.72 million) recognised in Statement of Profit and Loss is included in Other Operating Revenue in Note 19.

(vi) The future minimum lease payments receivable under the said non-cancellable operating lease for rented premises are as follows:

Particulars	**31 March 2019**	31 March 2018
Receivable within one year	**206.90**	208.07
Receivable between one and five years	**880.36**	855.11
Receivable more than five years	**1,177.57**	1,430.35

33. Provisions and Contingent liabilities

(a) Claims against Company not acknowledged as debt aggregates to INR 1,903.43 million (31 March 2018: INR 1,795.12 million). Provisions made in respect of the same aggregates to INR 365.04 million (31 March 2018: 365.04 million).

- Above claim includes disputed claim with the associate Company, Pipavav Railway Corporation Limited of INR 699.33 million (31 March 2018: INR 699.33 million).

(b) Claims against Company not acknowledged as debt aggregates to INR 218.71 million including GST of INR 33.36 million relating to GMB (31 March 2018: NIL). The company had made an application for approval of expansion plan to GMB on 1 October 2012. The approval was received from GMB vide letter dated 10 April 2015. As per one of the conditions of the approval the company has issued a bank guarantee of Rs. 185.35 Million which was encashed by GMB on 13 February 2019. Further, GMB has also asked the Company to pay GST on the aforesaid bank guarantee amounting to Rs. 33.36 million. The Company has reviewed the terms and conditions of approval and based on the management assessment and legal advice, the management believes that there is merit in the case and has requested GMB an opportunity of being heard in this matter. The amount of bank guarantee encashed by GMB is reflected as Other Current Assets (Refer note – 9).

(c) Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to INR 327.77 million (31 March 2018: INR 190.11 million). Provisions made in respect of the same is NIL (31 March 2018: NIL).

(d) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of “Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal” and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees’ Provident

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Fund Organisation in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Movement in provisions

	Litigations / Disputes		Taxation Matters	
	31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**
At the commencement of the year	**365.04**	365.04	**-**	1.12
Provision made during the year	7.00	-	**-**	-
Provision reversed during the year	(7.00)	-	**-**	(1.12)
At the end of the year	**365.04**	365.04	**-**	-

Future cash outflows in respect of above are determinable only on receipt of judgements/decisions pending with various authorities/forums and/or final outcome of the matters.

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 laid down in the aforesaid agreement.

35. Earnings per share

		Year ended	Year ended
		31 March 19	31 March 18
Profit for the year	**(A)**	**2,056.26**	1,984.60
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		**483,439,910**	483,439,910
Number of equity shares at the end of the year		**483,439,910**	483,439,910
Weighted average number of equity shares outstanding during the year	**(B)**	**483,439,910**	483,439,910
Basic and diluted earnings per share (INR)	**(A/B)**	**4.24**	4.10

36. Interest in Associate company

Set out below is the associate of the Company as at 31 March 2019 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 2019	**31 March 2018**
Pipavav Railway Corporation Limited	New Delhi	38.78	Associate	Equity Method	830.00	830.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

37. Related party transactions

(a) List of related parties and their relationship

Relation	Party
A. Party with substantial interest and its affiliates	(i) APM Terminals Mauritius Limited, Mauritius (ii) APM Terminals Management B.V., The Netherlands (iii) Maersk Line A/S, Denmark (formerly known as A.P. Moller - Maersk A/S) (iv) APM Terminals India Private Limited, India (v) Maersk Line India Private Limited, India (vi) GPRO Services India Private Limited, India (vii) Maersk Training India Private Limited, India (viii) Gateway Terminals India Private Limited, India (ix) Maersk Training Svendborg A/s, Denmark (x) Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft A/S & Co. KG, Germany (xi) Damco India Private Limited, India
B. Associate	Pipavav Railway Corporation Limited
C. Directors, Non-Executive Directors and Key managerial personnel	**A) Executive directors** Mr. Keld Pedersen (Managing director) **B) Non-Executive directors** Mr. Tejpreet Singh Chopra Ms. Hina Shah Mr. Pradeep Mallick Mr. Pravin Laheri Mr. David Skov* Mr. Jan Damgaard Sorensen (up to 29 January 2019)* Mr. Julian Bevis* Mr. Mukesh Kumar, IAS (Nominee of GMB) [w.e.f 31 October 2018]* **C) Key managerial personnel** Mr. Santosh Breed (Chief Financial Officer w.e.f. 2 November 2018)

* No transactions during the year

(b) Related party transactions

Transactions during the period	APM Terminals Mauritius Limited	Maersk Line A/S	Maersk Line India Private Limited	APM Terminals India Private Limited	APM Terminals Management B.V.	GPRO Services India Private Limited	Maersk Training India Private Limited	Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft A/S & Co. KG	Pipavav Railway Corporation Limited	Other Affiliates	Total
Income from port services	**-**	**2,138.03**	**0.83**	**3.20**	**-**	**-**	**-**	**1.20**	**-**	**-**	**2,143.26**
	-	*1,498.60*	*0.55*	*0.60*	*-*	*-*	*-*	*-*	*-*	*-*	*1,499.75*
Professional services received	**-**	**(19.99)**	**(1.18)**	**-**	**-**	**(5.30)**	**-**	**-**	**-**	**-**	**(26.47)**
	-	*(12.90)*	*(0.84)*	*-*	*-*	*(5.85)*	*-*	*-*	*-*	*-*	*(19.59)*
Business support service charges	**-**	**-**	**-**	**-**	**(63.47)**	**-**	**-**	**-**	**-**	**-**	**(63.47)**
	-	*-*	*-*	*-*	*(48.31)*	*-*	*-*	*-*	*-*	*-*	*(48.31)*
Expenses incurred on our behalf	**-**	**-**	**-**	**-**	**(46.03)**	**-**	**-**	**-**	**-**	**(1.61)**	**(47.64)**
	-	*-*	*-*	*-*	*(42.75)*	*-*	*-*	*-*	*-*	*-*	*(42.75)*
Expenses incurred on their behalf	**-**	**-**	**0.10**	**0.69**	**-**	**-**	**-**	**-**	**-**	**-**	**0.79**
	-	*-*	*0.08*	*0.38*	*-*	*-*	*-*	*-*	*-*	*-*	*0.46*
Training expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.05)**	**(0.05)**
	-	*-*	*-*	*-*	*-*	*-*	*(0.17)*	*-*	*-*	*(0.43)*	*(0.60)*
Manpower cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3.49)**	**-**	**(3.49)**
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*(2.66)*	*-*	*(2.66)*
Capital expenditure	**-**	**-**	**-**	**-**	**(2.50)**	**-**	**-**	**-**	**-**	**-**	**(2.50)**
	-	*-*	*-*	*-*	*(5.79)*	*-*	*-*	*-*	*-*	*-*	*(5.79)*
Dividend income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**38.00**	**-**	**38.00**
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Dividend payment	**(706.96)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(706.96)**
	(727.66)	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*(727.66)*
Closing Balances:	-	-	-	-	-	-	-	-	-	-	-
Receivable	**-**	**276.38**	**0.20**	**0.97**	**-**	**-**	**-**	**0.23**	**-**	**0.04**	**277.82**
	-	*192.07*	*0.06*	*0.88*	*-*	*-*	*-*	*-*	*-*	*0.04*	*193.05*
Advance from customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	*10.09*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*10.09*
Trade Payable	**-**	**5.45**	**0.02**	**-**	**30.14**	**1.35**	**-**	**-**	**3.49**	**-**	**40.45**
	-	*15.73*	*0.11*	*-*	*45.89*	*1.56*	*0.10*	*-*	*2.63*	*-*	*66.02*
Capital Creditors	-	-	-	-	**1.27**	-	-	-	-	-	**1.27**
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Deposit received	**-**	**40.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**40.00**
	-	*40.00*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*40.00*
Investment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**830.00**	**-**	**830.00**
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*830.00*	*-*	*830.00*

Amounts in italics represent amounts as at 31 March 2018

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Name of Non-Executive Directors/ Key Managerial personnel	Fees for attending Board/ Committee meetings	Commission	Managerial Remuneration @	Total
Mr. Tejpreet Singh Chopra	**0.60**	**1.50**	-	**2.10**
	0.60	*1.50*		*2.10*
Ms. Hina Shah	**0.95**	**0.75**	-	**1.70**
	0.75	*0.75*		*1.50*
Mr. Pradeep Mallick	**1.00**	**0.75**	-	**1.75**
	1.00	*0.75*		*1.75*
Mr. Pravin Laheri	**1.10**	**0.75**	-	**1.85**
	1.10	*0.75*		*1.85*
Mr. Keld Pedersen	-	-	**67.35**	**67.35**
			52.55	*52.55*
Mr. Santosh Breed	-	-	**9.53**	**9.53**
			2.75	*2.75*
Mr. Hariharan Iyer	-	-	**-**	**-**
			8.95	*8.95*

Amounts in italics represent amounts as at 31 March 2018

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

38. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. Managing Director and Chief Financial Officer of the Company are the chief operating decision makers. The Company operates only in one Business Segment i.e. 'Port Services' which primarily includes services such as Marine services, Berth hire, Wharfage, Container Handling, Yard Operations, Stevedorage and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Segments".

The Company having combined revenue of more than 10% of the total revenue from related parties amounts to INR 2,143.25 million (31 March 2018: INR 1,499.75 million).

39. Other notes

Dues to Micro and Small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Company, the details of outstanding dues to the Micro and Small enterprises as defined in the MSMED Act, 2006 as set out in the following disclosures:

	31 March 2019	31 March 2018
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid to any supplier at the end of each accounting year;	0.31	1.06
b. Interest amount due to suppliers registered under the MSMED Act and remaining unpaid to any supplier at the end of each accounting year;	0.05	0.02
c. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	1.38	1.46
d. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e. the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	@
f. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.12	0.10

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

As per our report of even date attached.

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

Keld Pedersen
Managing Director
DIN : 07144184

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on 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 company [refer Note (1)(B) to the attached consolidated financial statements], comprising of the consolidated Balance Sheet as at 31 March 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, 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 2019, 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 of 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 accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, 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 referred to in sub-paragraph 19 and 20 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw attention to Note No. 33(b) to the consolidated financial statements which describes the associated uncertainty and the necessary steps proposed to be 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. We draw attention to the paragraph 6 included in the audit report on the financial statement of Pipavav Railway Corporation Limited (Associate Company), issued by an independent firm of chartered accountants vide its report dated 9 May 2019 which is attached along with the consolidated financial statements. Our opinion on the consolidated financial statements, is not modified in respect of these matters with respect to our reliance on the work done and the reports of the other auditors.

Key audit matter

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
Estimation of provision in respect of incentives and rebates related to volume sales (Refer note 2.25 to the financial statements)	
The Company recognizes revenue net of trade incentives and rebates wherever applicable. The amounts netted off from revenue is INR 739.46 million (Refer Note 19 in the consolidated financial statements) and accruals recognized as at 31 March 2019 on account of incentives and rebates amounted to INR 689.18 million (Refer Note 18 in the consolidated financial statements) Such incentives and rebates are based on contract terms and volume of future sales forecast involving significant management judgement and accordingly has been determined to be a key audit matter.	In relation to the estimation of provision in respect of incentives and rebates related to volume sales, we performed procedures, including the following: 1. Assessed the appropriateness of accounting policy and related disclosures in the financial statements. 2. Understood from the management, evaluated the design and tested the effectiveness of internal controls over calculations of rebates and incentives and timing of recognition of the same. 3. On a test check basis, verifying the credit notes issued during the year in respect of rebates and incentives to customers and comparing the same with contractual terms as well as provision already recognized to assess reasonableness of such provision recognized. 4. Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier year and including payments/ credit notes issued to customers subsequent to the year end on sample basis. 5. Performed a sensitivity analysis by reducing the sales forecasts within a reasonably foreseeable range. We noted that the resulting amount of provision for rebate / incentives was not materially different to the Company's valuation. 6. Assessing manual journals posted to revenue to identify unusual items and corroborating the journals entries with supporting documents. Based on the above procedures performed, we did not identify any significant differences in the Management's estimation of provision in respect of incentives and rebates related to volume sales where applicable.

Other Information

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

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, and the reports of the other auditors as furnished to us (Refer paragraph 19 and 20 below) 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

11. The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Company including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

12. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in 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 to cease operations, or has no realistic alternative but to do so.

13. The respective Board of Directors of the companies included in 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

14. 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.

15. 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and of its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its associateto 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.

16. We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

17. 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.

18. 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

19. The consolidated financial statement also includes the Company's share of total comprehensive income (comprising of profit and other comprehensive income) of INR 310.25 million for the year ended 31 March 2019 as considered in the consolidated financial statements, in respect of one associate company – 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 relates to the amounts and disclosure included in respect of associate company, is based solely on the reports of the other auditors.

20. We draw attention to the paragraph 7 included in the audit report on the financial statement of Pipavav Railway Corporation Limited (Associate Company), issued by an independent firm of chartered accountants vide its report dated 9 May 2019 which is attached along with the consolidated financial statement.

    Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the 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 Section143(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, except for that the backup of the books of accounts and other books and papers maintained in electronic mode of the Company has not been maintained on servers physically located in India;proper books of account as required by law maintained by the Company and its associate company incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report, are in agreement with the relevant books of account maintained by the Company and its associate company incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Indian AccountingStandards 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 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Company and its associate company incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f. With regard to maintenance of accounts and other matters connected therewith reference is made to our comments in paragraph 21(b) above.

g. Read with Paragraph 5 above, with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.

h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 ofthe 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 consolidated financial statements disclose the impact, if any, of pending litigations as at 31 March 2019 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 company had long-term contracts as at 31 March 2019 for which there were no material foreseeable losses. The Company and its associate did not have any long term derivative contracts as at 31 March, 2019.

   iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company and its associate company incorporated in India during the year ended 31 March 2019 ; and

   iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company and its associate company for the year ended 31 March 2019.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
15 May 2019

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 March 31, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 ofSection 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 2019, we have audited the internal financial controls over financial reporting of Gujarat Pipavav Port Limited (hereinafter referred to as "the Company")and its associate company, which are companies 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 company, 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 over financial reporting is applicable, which are companies incorporated inIndia, 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 inthe 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness.Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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. Further also refer internal financial controls system over financial reporting on the financial statement of Pipavav Railway Corporation Limited (Associate Company), issued by an independent firm of chartered accountants vide its report dated 9 May 2019 which is attached along with the consolidated financial statements. Our opinion on the consolidated financial statement, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

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 over financial reporting insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
15 May 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(All amounts are in Rupees Millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3 (a)	15,891.44	16,847.91
Capital work-in-progress	3 (b)	453.84	323.23
Intangible assets	3 (c)	9.14	14.88
Investment accounted for using the equity method	4 (a)	2,594.18	2,283.87
Financial Assets			
(i) Other financial assets	4 (b)	31.66	35.96
Income tax assets (net)	5 (a)	141.92	114.68
Other non-current assets	6	17.55	62.82
Total non-current assets		**19,139.73**	**19,683.35**
Current assets			
Inventories	7	84.25	136.16
Financial Assets			
(i) Trade receivables	8 (a)	509.72	257.56
(ii) Cash and cash equivalents	8 (b)	108.12	354.51
(iii) Bank balance other than (ii) above	8 (c)	5,229.02	3,960.96
(iv) Loans	8 (d)	4.79	2.16
(v) Other financial assets	4 (b)	58.90	7.83
Other Current assets	9	322.30	156.10
Total current assets		**6,317.10**	**4,875.28**
Total Assets		**25,456.83**	**24,558.63**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10	4,834.40	4,834.40
Other equity			
(i) Reserves and surplus	11	17,139.90	16,760.06
Total equity		**21,974.30**	**21,594.46**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	12	27.20	27.20
Employee benefit obligations	13	19.36	18.41
Deferred tax liabilities (net)	14 (b)	462.21	3.42
Other non-current liabilities	15	670.54	738.86
Total non-current liabilities		**1,179.31**	**787.89**
Current liabilities			
Financial Liabilities			
(i) Trade payables	16		
Dues to Micro, Small and Medium Enterprises		0.36	1.06
Other than Micro, Small and Medium Enterprises		325.11	283.57
(ii) Other financial liabilities	12	369.44	501.70
Provisions	17	365.04	365.04
Employee benefit obligations	13	126.08	108.24
Income tax provisions (net)	5 (b)	12.78	-
Other current liabilities	18	1,104.41	916.67
Total current liabilities		**2,303.22**	**2,176.28**
Total Liabilities		**3,482.53**	**2,964.17**
Total equity and liabilities		**25,456.83**	**24,558.63**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date attached.

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

Keld Pedersen
Managing Director
DIN : 07144184

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	19	7,019.80	6,489.00
Other income	20	452.43	370.45
Total Income		**7,472.23**	**6,859.45**
Expenses			
Operating expenses	21	1,442.37	1,185.08
Employee benefits expense	22	596.85	528.86
Finance costs	23	3.65	3.48
Depreciation and amortisation expense	24	1,128.35	1,035.64
Other expenses	25	1,091.93	1,034.35
Total expenses		**4,263.15**	**3,787.41**
Profit before share of net profits of investments accounted for using equity method and tax		3,209.08	3,072.04
Share of net profit of associates accounted for using the equity method	4 (a)	310.54	225.54
Profit before tax		**3,519.62**	**3,297.58**
Tax expense :			
For the year			
- Current tax expense	14 (a)	691.25	662.74
- Deferred tax expense [Including Minimum Alternate Tax Credit utilised/(availed)]	14 (a)	461.57	424.70
For earlier year			
Adjustment of current tax		-	3.93
Adjustment of Minimum Alternative Tax Credit Entitlement		-	(3.93)
Credit utilised/(availed)]		-	-
Total tax expense		**1,152.82**	**1,087.44**
Profit for the year		**2,366.80**	**2,210.14**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement of post-employment benefit obligations		(7.95)	(3.66)
(ii) Share of other comprehensive income of associates		(0.29)	0.12
(iii) Less: Income Tax relating (i) above		2.78	1.29
(iv) Less: Income Tax relating (ii) above		0.06	(0.02)
Other comprehensive income for the year, net of tax		**(5.40)**	**(2.27)**
Total comprehensive income for the year		**2,361.40**	**2,207.87**
Earning per equity share [face value per share INR 10/- (31 March 2018: INR10/-)]			
Basic earnings per share		4.88	4.57
Diluted earnings per share		4.88	4.57

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 Water house Chartered Accountants LLP
Firm Registration No: 012754N/ N-500016

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

Keld Pedersen
Managing Director
DIN : 07144184

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at 1 April 2017		**4,834.40**
Changes in equity share capital	10	-
As at 31 March 2018		**4,834.40**
Changes in equity share capital	10	-
As at 31 March 2019		**4,834.40**

B. Other equity

		Attributable to owners of Gujarat Pipavav Port Limited		
		Reserves & Surplus		
Particulars	**Notes**	**Securities Premium Reserve**	**Retained Earnings**	**Total Other Equity**
Balance at 1 April 2017	11(i)	14,288.87	2,299.94	16,588.81
Profit for the year	11(ii)		2,210.14	2,210.14
Less: Other Comprehensive Income			(2.27)	(2.27)
Total comprehensive income for the year ended 31 March 2018			**2,207.87**	**2,207.87**
Transaction with owners in their capacity as owners:				
Dividends paid (including dividend distribution tax)			(2,036.62)	(2,036.62)
Balance at 31 March 2018	11(i)	**14,288.87**	**2,471.19**	**16,760.06**
Profit for the year	11(ii)		2,366.80	2,366.80
Less: Other Comprehensive Income			(5.40)	(5.40)
Total comprehensive income for the year ended 31 March 2019			2,361.40	2,361.40
Transaction with owners in their capacity as owners:				
Dividends paid (including dividend distribution tax)			(1,981.56)	(1,981.56)
Balance at 31 March 2019		**14,288.87**	**2,851.03**	**17,139.90**

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

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

Keld Pedersen
Managing Director
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Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit before tax	3,519.62	3,297.58
Adjustments :		
Share of profit of associate company	(310.54)	(225.54)
Deferred income recognised	(74.30)	(74.30)
Depreciation and amortisation expense	1,128.35	1,035.64
Finance costs	3.65	3.48
Dividend and interest income classified as investing cash flows	(321.11)	(223.75)
Loss on disposal of property, plant and equipment	0.23	1.62
Sundry balances written back (net)	(5.97)	(6.79)
Write offs / provisions for current assets, loans and advances	32.47	21.62
Foreign currency transactions and translations differences (net)	20.89	34.29
Provision for claims	-	(1.12)
	3,993.29	**3,862.73**
Operating profit before working capital changes		
Increase in trade receivables	(293.29)	(16.20)
Decrease in inventories	39.70	7.88
(Increase)/Decrease in loans	(2.64)	0.24
Increase in other financial assets	(46.77)	(0.78)
Decrease in other non-current assets	-	108.14
Increase in other current assets	(166.20)	(64.82)
Increase in trade payables	40.84	28.29
Increase in employee benefit obligations	10.84	29.43
Decrease in other financial liabilities	(68.93)	(367.16)
Increase in non-current liabilities	5.98	-
Increase in other current liabilities	187.74	82.91
	(292.73)	**(192.07)**
Cash generated from operations	**3,700.56**	**3,670.66**
Income taxes paid (net of refund)	(705.71)	(525.12)
Net cash inflow from operating activities	**2,994.85**	**3,145.54**
Cash flows from investing activities		
Payments for property, plant and equipment	(313.54)	(539.93)
(Payment for dismantling of fixed assets on disposal) / Proceeds from sale of fixed assets (net)	0.01	0.75
Dividends received from Associate company	-	-
Interest received	255.27	115.02
Decrease/(Increase) in deposits with banks (including earmarked balances) (net)	(1,202.22)	(863.79)
Net cash outflow from investing activities	**(1,260.48)**	**(1,287.95)**

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Rupees Millions, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from financing activities		
Interest paid	(3.65)	(3.48)
Dividends paid to Company's shareholders	(1,639.25)	(1,689.14)
Dividend distribution tax paid on dividend	(337.86)	(344.46)
Net cash outflow from financing activities	**(1,980.76)**	**(2,037.08)**
Net increase/(decrease) in cash and cash equivalents	**(246.39)**	**(179.49)**
Cash and cash equivalents at the beginning of the financial year	354.51	534.01
Effects of exchange rate changes on cash and cash equivalents	-	(0.01)
Cash and cash equivalents at end of the year	**108.12**	**354.51**

Reconciliation of cash and cash equivalents as per the cash flow statement

	31 March 2019	31 March 2018
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents [Refer note 8 (b)]	108.12	354.51
Balance as per statement of cash flows	108.12	354.51

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

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

Keld Pedersen
Managing Director
DIN : 07144184

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees 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 Gujarat Maritime Board. Accordingly, AP Moller-Maersk group became the key promoter of the Company under the Concession agreement.

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

(B) Principles of consolidation and equity accounting

(i) Associates

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(ii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in The Consolidated Statement of Profit and Loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.9 below.

(iii) Changes in ownership interests

When the Company ceases to equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in Consolidated Statement of Profit and Loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate. In addition, any amounts previously recognised in other comprehensive income in respect of that associate are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) The Associate entity considered in the consolidated financial statements is:

Sr. No.	Name of the Company	Country of incorporation	% voting power held as at March 31, 2019
1	Pipavav Railway Corporation Limited (the 'Associate Company')	India	38.78%

2. Significant accounting policies

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

2.1. Basis of preparation of financial statements

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

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

(iii) (a) Amended Standards adopted by the Company

Ind AS 115 – Revenue from Contracts with Customers

Effective 1 April 2018, the Company has adopted Ind AS 115 using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as of 1 April 2018 and the comparatives have not been restated. The adoption of the standard did not have any material impact to the financial statements of the Company.

(b) Amended Standards to be adopted by the Company

(i) Ind AS 116, Leases

Ind AS 116, is effective for periods beginning on or after April 01, 2019.

Ind AS 116 will affect primarily the accounting by lessee and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. The accounting by lessors will not significantly change.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

(ii) Amendment to Ind AS 12, 'Income Taxes' – Appendix C, 'Uncertainty over Income Tax Treatments'

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

(iii) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in Statement of profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of these amendment on the standalone Ind AS financial statements.

2.2. Use of estimates:

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

2.3. Segment reporting

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

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

2.4. Foreign currency transactions

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

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

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

2.5. Revenue recognition

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

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

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

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

2.6. Government Grant

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

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

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

2.7. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Provision for current tax is based on the results for the year ended 31 March, in accordance with the provisions of the Income Tax Act, 1961.

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

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

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

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

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

2.8. Leases

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

As a lessor

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

2.9. Impairment

Assets are reviewed at each reporting date to determine if there is any indication of impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit (CGU).

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the Statement of Profit and Loss.

If as at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

2.10. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11. Exceptional Items

Company recognises exceptional item when items of income and expenses within Statement of Profit and Loss from ordinary activities are such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period.

2.12. Inventories

Inventories comprise of stores, spares, loose tools, fuel and lubricants. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. These are carried at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Systematic provisioning is made for inventories held for more than a year. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

2.13. Investment and Other Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss) ; and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures its financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Equity instruments

The Company initially measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses and reversal of impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

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

Asset Details	Technical Estimate in Years
Ship to Shore Cranes	20
Power Distribution Systems	15
Carpeted Roads	20
Jetties	30
Dredging	50
Boundary Wall	20
Old Residential Complex	15
Marine Office Building	15
Warehouses	15
Guest houses	15

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 Gujarat Maritime Board ('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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Intangible assets are amortised in the Statement of Profit and Loss using the straight line method over their estimated useful lives, from the date that they are available for use. Accordingly, at present, these are being amortised on straight line basis based on the period of the licence in case of licensed software or for 3 years. Such intangible assets that are not yet available for use are tested annually for impairment.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.17. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in balance sheet.

(ii) Post-employment obligations

Defined contribution plans:

A defined con tribution 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

(iii) Other Long term employee benefit obligation

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit obligations. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.18. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.19. Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

2.20. Earnings per share (EPS)

The basic EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

2.24 Financial instruments measured at fair value

Financial instruments measured at fair value can be divided into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data. Fair value of listed securities fall within level 1 of the fair value hierarchy. Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

Fair value of level 3 assets and liabilities are primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Company's profit or equity significantly.

2.25 Critical estimates and judgements

The preparation of financial statements require the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise the judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line in the financial statements.

The areas involving critical estimates or judgements are:

- Estimates of current tax expense and deferred tax expense-Refer Note 5 and 14
- Estimated useful life of Property, Plant and Equipment and Intangible assets-Refer Note 3(a) and 3(c)
- Estimation of defined benefit obligation-Refer Note 13
- Estimation of fair value of contingent liabilities-Refer Note 33
- Estimation of accruals in respect of incentives and rebates related to sale volume-Refer Note 18

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

3(a)(i) Property, plant and equipment [1 April 2018 to 31 March 2019]

	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
Particulars	As at 1 April 2018	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2019	As at 1 April 2018	Charge for the year	On Deductions / Adjustments	As at 31 March 2019	As at 31 March 2019
Land and site development	321.85	-	-	**321.85**	-	-	-	**-**	**321.85**
Buildings	5,426.42	39.54	-	**5,465.96**	684.86	248.64	-	**933.50**	**4,532.46**
Port Road - External	734.59	-	-	**734.59**	150.85	50.28	-	**201.13**	**533.45**
Plant, Machinery and Equipment	9,247.54	120.42	2.98	**9,364.98**	1,858.92	713.29	2.74	**2,569.47**	**6,795.51**
Dredging	3,869.19	-	-	**3,869.19**	270.31	90.52	-	**360.83**	**3,508.36**
Railway sidings	233.09	-	-	**233.09**	39.05	13.02	-	**52.07**	**181.02**
Furniture, Fittings and Leasehold Improvements	17.44	3.20	-	**20.65**	11.84	3.28	-	**15.12**	**5.53**
Motor Vehicles	22.02	2.31	-	**24.33**	8.40	2.67	-	**11.07**	**13.26**
Total	**19,872.14**	**165.47**	**2.98**	**20,034.63**	**3,024.23**	**1,121.70**	**2.74**	**4,143.19**	**15,891.44**

Notes :

1 Land and site development includes

- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased during prior years for getting the rail connectivity from nearest station upto the port boundary is registered in the name of our Associate company, Pipavav Railway Corporation Limited, pursuant to Government notification.
- Land aggregating INR 24.98 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).

2 Refer to note 31 for disclosure of capital commitments for the acquisition of property, plant and equipment.

3 (b) (i) Capital work in progress

	As at 31st March 2019
Capital work in progress	453.84
Total	**453.84**

Capital work-in-progress mainly comprises of Container handling Yard Cranes and Container Scanner.

3 (c) (i) Intangible Assets

	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
Particulars	As at 1 April 2018	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2019	As at 1 April 2018	Charge for the year	On Deductions / Adjustments	As at 31 March 2019	As at 31 March 2019
Computer Software	40.28	0.91	0.03	**41.16**	25.40	6.65	0.03	**32.02**	9.14
Total	**40.28**	**0.91**	**0.03**	**41.16**	**25.40**	**6.65**	**0.03**	**32.02**	**9.14**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

3(a)(i) Property, plant and equipment [1 April 2017 to 31 March 2018]

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1 April 2017	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	On Deductions / Adjustments	As at 31 March 2018	As at 31 March 2018
Land and site development	321.86	-	0.01	**321.85**	-	-	-	**-**	**321.85**
Buildings	5,110.10	148.29	(168.03)	**5,426.42**	295.87	220.50	(168.49)	**684.86**	**4,741.56**
Port Road - External	734.68	-	0.09	**734.59**	100.48	50.28	(0.09)	**150.85**	**583.74**
Plant, Machinery and Equipment	8,447.00	971.72	171.18	**9,247.54**	1,384.40	645.58	171.06	**1,858.92**	**7,388.62**
Dredging	3,869.17	-	(0.02)	**3,869.19**	179.77	90.52	(0.02)	**270.31**	**3,598.88**
Railway sidings	232.69	-	(0.40)	**233.09**	25.64	13.02	(0.39)	**39.05**	**194.04**
Furniture, Fittings and Leasehold Improvements	11.74	7.73	2.03	**17.44**	4.95	8.19	1.30	**11.84**	**5.60**
Motor Vehicles	23.99	-	1.97	**22.02**	6.79	2.70	1.09	**8.40**	**13.62**
Total	**18,751.23**	**1,127.74**	**6.83**	**19,872.14**	**1,997.90**	**1,030.79**	**4.46**	**3,024.23**	**16,847.91**

Notes :

1 Land and site development includes

- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased during prior years for getting the rail connectivity from nearest station upto the port boundary is registered in the name of our Associate company, Pipavav Railway Corporation Limited, pursuant to Government notification.
- Land aggregating INR 24.98 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).

2 Refer to note 31 for disclosure of capital commitments for the acquisition of property, plant and equipment.

3(b) (i) Capital work in progress

	As at 31 March 2018
Capital work in progress	323.23
Total	**323.23**

Capital work-in-progress mainly comprises of Container handling Yard Cranes and Container Scanner

3(c) (i) Intangible Assets

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at 1 April 2017	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	On Deductions / Adjustments	As at 31 March 2018	As at 31 March 2018
Computer Software	29.11	11.17	-	**40.28**	20.55	4.85	-	**25.40**	14.88
Total	**29.11**	**11.17**	**-**	**40.28**	**20.55**	**4.85**	**-**	**25.40**	**14.88**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

4 (a) Interests in Associates

Set out below is the associate of the company as at 31 March 2019 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 2019	31 March 2018	31 March 2019	31 March 2018
Pipavav Railway Corporation Limited	India	38.78%	Associate	Equity method	*	*	2,594.18	2,283.87

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.

Reconciliation to carrying amounts

	31 March 2019		31 March 2018
Opening carrying amount		2,283.87	2,058.23
Profit for the year			
In respect of earlier year	(-21.48)		
In respect of current year	332.02	310.54	225.65
Other Comprehensive income			
In respect of earlier year	(-0.30)		
In respect of current year	0.01	(0.29)	-
Income Tax relating to the above			
In respect of earlier year	0.06		
In respect of current year	(-0.00)	0.06	-
Closing net assets		**2,594.18**	**2,283.87**

4 (b) Other financials assets

	As at 31 March 2019		As at 31 March 2018	
	Non current	Current	Non current	Current
Security deposits	31.66	8.93	35.96	7.83
Unbilled revenue	-	49.97	-	-
Total other financials assets	**31.66**	**58.90**	**35.96**	**7.83**

5 (a) Income tax assets (net)

	As at 31 March 2019	As at 31 March 2018
Advance Tax *	141.92	114.68
Total Current tax assets (net)	**141.92**	**114.68**

* Net of provision for tax of INR 2,186.01 million (31 March 2018 : INR 2,186.01 million)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

5 (b) Income tax provisions (net)

	As at 31 March 2019	As at 31 March 2018
Provision for tax #	12.78	-
Total Current tax provisions (net)	**12.78**	**-**

Net of Advance tax of INR 678.47 million (31 March 2018 : NIL)

6 Other non-current assets

	As at 31 March 2019	As at 31 March 2018
Capital advances	17.55	62.82
Total other non-current assets	**17.55**	**62.82**

7 Inventories

	As at 31 March 2019	As at 31 March 2018
Stores and spares	83.22	131.92
Goods-in-transit - Stores and Spares	1.03	4.24
Total inventories	**84.25**	**136.16**

Amounts recognised in Statement of Profit and Loss

Write-downs of inventories including provision for inventory amounts to INR 12.21 million (31 March 2018 : INR 11.54 million). These were recognised as an expense (Refer note - 25) and included in other expenses in Statement of Profit and Loss.

8 (a) Trade receivables

	As at 31 March 2019	As at 31 March 2018
Trade receivables	278.68	94.06
Receivables from related parties (Refer note - 37)	277.82	193.05
Less: Allowance for doubtful debts (Refer note - 28)	(46.78)	(29.55)
Total trade receivables	**509.72**	**257.56**

Break-up of security details

Secured, considered good	62.58	47.36
Unsecured, considered good	447.14	210.20
Receivables which have significant increase in credit risk	-	-
Credit impaired	46.78	29.55
Total	**556.50**	**287.11**
Allowance for doubtful debts	(46.78)	(29.55)
Total trade receivables	**509.72**	**257.56**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

8 (b) Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Cash on hand	-	0.26
Balances with banks		
-In current accounts	64.09	220.47
-In Exchange Earners' Foreign Currency accounts	44.03	133.78
Total cash and cash equivalents	**108.12**	**354.51**

8 (c) Other bank balances

	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity of more than three months but less than 12 months *	5,224.57	3,957.94
Unpaid dividend account	4.45	3.02
Total other bank balances	**5,229.02**	**3,960.96**

* Of the above, bank deposits aggregating NIL (31 March 2018 : INR 9.15 million) is marked lien against bank guarantees issued to customs and other third parties.

8 (d) Loans

	As at 31 March 2019	As at 31 March 2018
Loans and advances to employees	4.79	2.16
Total loans	**4.79**	**2.16**

9 Other current assets

	As at 31 March 2019	As at 31 March 2018
Advance for supplies	39.53	111.18
Prepaid expenses	17.00	8.17
Balances with government authorities	71.58	32.78
Receivable from Gujarat Maritime Board [Refer Note 33(b)]	185.35	-
Other receivables	8.84	3.97
Total other current assets	**322.30**	**156.10**

10 Equity share capital

	As at 31 March 2019	As at 31 March 2018
Authorised share capital		
600,000,000 (31 March 2018 : 600,000,000) equity shares of INR 10 each	6,000.00	6,000.00
	6,000.00	**6,000.00**
Issued, subscribed and paid up share capital		
483,439,910 (31 March 2018 : 483,439,910) equity shares of INR 10 each, fully paid-up	4,834.40	4,834.40
	4,834.40	**4,834.40**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	INR	Number	INR
Equity shares at the commencement of the period	483,439,910	4,834.40	483,439,910	4,834.40
Issued during the period	-	-	-	-
At the end of the period	**483,439,910**	**4,834.40**	**483,439,910**	**4,834.40**

b Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	Number	Percentage	Number	Percentage
APM Terminals Mauritius Limited	**207,903,931**	**43.01%**	**207,903,931**	**43.01%**
ICICI Prudential Midcap Fund	**-**	**-**	**35,005,553**	**7.24%**
ICICI Prudential Value Fund - Series 4	**41,699,875**	**8.63%**	**-**	**-**
HDFC Trustee Company Limited - Hdfc Capital Builder Fund	**43,451,389**	**8.99%**	**29,913,819**	**6.19%**

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

11 Reserves and surplus

	As at 31 March 2019	As at 31 March 2018
Securities premium reserve [Refer Note- (i) below]	14,288.87	14,288.87
Retained earnings [Refer Note- (ii) below]	2,851.03	2,471.19
Total reserves and surplus	**17,139.90**	**16,760.06**

(i) Securities premium reserve *

	As at 31 March 2019	As at 31 March 2018
Opening balance	14,288.87	14,288.87
Closing balance	**14,288.87**	**14,288.87**

*Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

(ii) Retained earnings

	As at 31 March 2019	As at 31 March 2018
Opening balance	2,471.19	2,299.94
Net profit for the year	2,366.80	2,210.14
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(5.40)	(2.27)
Dividends		
- Final dividend for the year	(821.85)	(870.19)
- Dividend distribution tax on final dividend for the year	(168.93)	(177.15)
- Interim dividend for the year	(821.85)	(821.97)
- Dividend distribution tax on interim dividend for the year	(168.93)	(167.31)
Closing balance	**2,851.03**	**2,471.19**

12 Other financial liabilities

	As at 31 March 2019		As at 31 March 2018	
	Non current	Current	Non current	Current
Retention monies payable	-	98.13	-	149.28
Security deposits received *	27.20	62.81	27.20	64.63
Capital creditors *	-	101.06	-	162.88
Unclaimed dividend (Refer note below)	-	4.45	-	3.02
Other payables*	-	102.99	-	121.89
Total other financial liabilities	**27.20**	**369.44**	**27.20**	**501.70**

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 2019		As at 31 March 2018	
	Non current	Current	Non current	Current
Compensated absences [Refer note (i) below]	-	29.47	-	26.54
Gratuity [Refer note (ii) below]	11.86	12.53	10.91	11.45
Other employee benefits payables	7.50	84.08	7.50	70.25
Total employee benefits obligations	**19.36**	**126.08**	**18.41**	**108.24**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

(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 5.55 million (31 March 2018: INR 11.65 million) and is included in Note 22 - 'Employee benefits expense'. Accumulated current provision for compensated absences aggregates to INR 29.47 million (31 March 2018: INR 26.54 million) (Refer note 14).

(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.

The amount recognised in the balance sheet and movements in the net defined benefit obligation over the years are as follows :

	Present value of obligation	Fair value of plan assets	Net amount
Balance as at 01 April 2018	56.16	(33.80)	22.36
Current service cost	6.21	-	6.21
Interest expense / (income)	4.25	(2.55)	1.70
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Total amount recognised in the Statement of Profit and Loss	**10.46**	**(2.55)**	**7.91**
Remeasurements			
(Gain) / loss from change in demographic assumptions		-	-
(Gain) / loss from change in financial assumptions	0.51	-	0.51
Experience (gain) / loss	7.00	0.43	7.43
Total amount recognised in other comprehensive income	**7.51**	**0.43**	**7.94**
Employers contributions	-	(13.82)	(13.82)
Liability Transferred In/ Acquisitions and Liability Transferred Out/ Divestments)	(0.09)	0.09	-
Benefit payments	(3.70)	3.70	-
Balance as at 31 March 2019	**70.34**	**(45.95)**	**24.39**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

	Present value of obligation	Fair value of plan assets	Net amount
Balance as at 01 April 2017	50.48	(34.06)	16.42
Current service cost	6.32	-	6.32
Interest expense / (income)	3.59	-	3.59
Return on plan assets, excluding amounts included in interest expense / (income)	-	(2.42)	(2.42)
Total amount recognised in the Statement of Profit and Loss	**9.91**	**(2.42)**	**7.49**
Remeasurements			
(Gain) / loss from change in demographic assumptions	-	-	-
(Gain) / loss from change in financial assumptions	(2.14)	-	(2.14)
Experience (gain) / loss	6.08	(0.28)	5.80
Total amount recognised in other comprehensive income	**3.94**	**(0.28)**	**3.66**
Employers contributions	-	(5.21)	(5.21)
Benefit payments	(8.17)	8.17	-
Balance as at 31 March 2018	**56.16**	**(33.80)**	**22.36**

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

	31 March 2019	31 March 2018
Present value of funded obligations	**(70.34)**	(56.16)
Fair value of plan assets	**45.95**	33.80
Deficit of funded plan (Gratuity)	**(24.39)**	**(22.36)**

The significant actuarial assumptions were as follows :

	31 March 2019	31 March 2018
Discount rate	7.47%	7.56%
Salary growth rate	8.00%	8.00%
Expected rate of return on plan assets	7.47%	7.56%
Attrition rate	6.00%	6.00%
Mortality	Indian Assured lives mortality (2006-08)	Indian Assured lives mortality (2006-08)

	31 March 2019	31 March 2018
Projected Benefit Obligation on Current Assumptions	70.34	56.16
Delta Effect of +1% Change in Rate of Discounting	(5.33)	(4.41)
Delta Effect of -1% Change in Rate of Discounting	6.12	5.06
Delta Effect of +1% Change in Rate of Salary Increase	6.02	4.99
Delta Effect of -1% Change in Rate of Salary Increase	(5.36)	(4.43)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.31)	(0.27)
Delta Effect of -1% Change in Rate of Employee Turnover	0.34	0.29

Category of assets

	31 March 2019	31 March 2018
Insurance fund (100%)	45.95	33.80
Total	**45.95**	**33.80**

(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

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 2019	31 March 2018
1st Following Year	4.09	3.29
2nd Following Year	4.42	3.37
3rd Following Year	6.20	3.63
4th Following Year	6.32	5.04
5th Following Year	6.29	5.09
Sum of Years 6 To 10	29.74	25.46

14 Taxation

a. Tax expense recognised in the Statement of Profit and Loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
Current year	691.25	662.74
Total	**691.25**	**662.74**
Deferred tax		
Deferred tax	46.05	94.38
MAT credit utilised/(entitlement)	415.52	330.32
Total	**461.57**	**424.70**
Total income tax expense/(credit)	**1,152.82**	**1,087.44**

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 2019	For the year ended 31 March 2018
Accounting profit before tax	3,519.62	3,297.58
Applicable tax rate of the reporting entity	34.944%	34.608%
Expected total tax expense	1,229.90	1,141.23
Amount charged in Statement of Profit and Loss	1,152.82	1,087.44
Difference	77.08	53.79
Tax effect of amounts which are (not deductible) /allowable in calculating taxable income:		
(i) Expenditures not deductible for tax purpose	(20.92)	(29.83)
(ii) Share of profit in associate	108.51	78.07
(iii) Impact of change in tax rate	(19.50)	-
(iv) Others	8.99	5.55
Total	**77.08**	**53.79**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

b (i) Deferred tax relates to the following :

	As at 31 March 2019	As at 31 March 2018
A) Deferred Tax Assets		
Expenditure deductible on payment basis	120.17	103.07
Defined benefit obligations	20.56	16.64
MAT credit entitlement	1,591.26	2,006.78
Total deferred tax assets (A)	**1,731.99**	**2,126.49**
B) Deferred Tax Liabilities		
On difference between book depreciation and tax depreciation	2,194.20	2,129.91
Total deferred tax liabilities (B)	**2,194.20**	**2,129.91**
Set-off of deferred tax assets /(liabilities) pursuant to set-off provisions	1,731.99	2,126.49
Net deferred tax liabilities (B - A)	**462.21**	**3.42**

b (ii) Movement in deferred tax assets / (liabilities)

	Expenditure deductible on Payment Basis	Defined benefit obligations	MAT credit entitlement	On difference between book depreciation and tax depreciation	Total
At 1 April 2017	**81.73**	**17.32**	**2,333.18**	**(2,016.18)**	**416.05**
(Charged)/credited:					
- to Consolidated Statement of Profit and Loss	21.34	(1.97)	(326.40)	(113.73)	(420.76)
- to other comprehensive income	-	1.29	-	-	1.29
At 31 March 2018	**103.07**	**16.64**	**2,006.78**	**(2,129.91)**	**(3.42)**
(Charged)/credited:					**-**
- to Statement of Profit and Loss	17.10	1.14	(415.52)	(64.29)	(461.57)
- to other comprehensive income	**-**	2.78	-	-	2.78
At 31 March 2019	**120.17**	**20.56**	**1,591.26**	**(2,194.20)**	**(462.21)**

Unrecognised temporary differences

	For the year ended 31 March 2019	For the year ended 31 March 2018
Temporary differences relating to Investment in Associate for which deferred tax liability is not recognised		
Undistributed earnings	1,764.18	1,453.87
Unrecognised deferred tax liabilities relating to above	362.63	298.85

Company's associate have undistributed earnings of INR 1764.18 (31 March 2018: INR 1453.87 which, if paid out as dividends, would be subject to tax on Associate. An assessable temporary difference exists. But no deferred tax liabilities has been recognised as the temporary difference is not expected to reverse in foreseeable future.

15 Other non-current liabilities

	As at 31 March 2019	As at 31 March 2018
Deferred income on Government Grant	670.54	738.86
Total other non-current liabilities	**670.54**	**738.86**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

16 Trade payables

	As at 31 March 2019	As at 31 March 2018
Trade payables	284.66	276.04
Dues to Micro, Small and Medium Enterprises (Refer note - 39)	0.36	1.06
Trade payables to related parties (Refer note - 37)	40.45	7.53
Total Trade payables	**325.47**	**284.63**

17 Provisions

	As at 31 March 2019	As at 31 March 2018
Claims (Refer note - 33)	365.04	365.04
Total provisions	**365.04**	**365.04**

18 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Deferred income on Government Grant	74.30	74.30
Statutory dues payables	149.19	86.54
Accruals of Incentives and Rebates [Refer note - 18(a)]	689.18	577.56
Income received in advance	1.68	2.50
Advance from customers *	190.06	175.77
Total other current liabilities	**1,104.41**	**916.67**

* Revenue recognised that was included in the contract liability at the beginning of the period INR 87.05 million (31 March 2018 : INR 127.58 million)

18(a) Movement in Accruals of Incentives and Rebates

	As at 31 March 2019	As at 31 March 2018
At the commencement of the year	**577.56**	**535.44**
Add : Accruals made during the year	733.32	667.51
Less : Accruals utilised during the year	(621.70)	(625.39)
At the end of the year	**689.18**	**577.56**

19 Revenue from operations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Income from port services	6,580.66	5,952.78
Other operating revenue	439.14	536.22
Total revenue from operations	**7,019.80**	**6,489.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

20 Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
- banks	321.11	223.75
- others	1.36	1.62
Dividends received from Associate company (Refer note below)	38.00	-
Interest on income tax refund	-	49.32
Deferred Income recognised	74.30	74.30
Miscellaneous income	17.66	21.46
Total other income	**452.43**	**370.45**

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 2019	For the year ended 31 March 2018
Handling expenses	1,141.90	967.49
Waterfront royalty (Refer note - 34)	187.81	124.05
Business support service charges	63.47	48.31
Other direct costs	49.19	45.23
Total operating expenses	**1,442.37**	**1,185.08**

22 Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	527.75	461.04
Contribution to provident fund and other funds (Refer note below)	19.99	18.61
Gratuity [Refer note 13(ii)]	7.90	7.49
Compensated absences [Refer note 13(i)]	5.55	11.65
Staff welfare expenses	35.66	30.07
Total employee benefits expense	**596.85**	**528.86**

The Company recognised INR 19.99 million (31 March 2018 : INR 18.61 million) for provident fund contribution in the Consolidated Statement of Profit and Loss.

23 Finance costs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Financial charges	3.65	3.48
Total finance costs	**3.65**	**3.48**

24 Depreciation and amortisation expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	1,121.69	1,030.79
Amortisation of intangible assets	6.66	4.85
Total depreciation and amortisation expense	**1,128.35**	**1,035.64**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

25 Other expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Power and fuel	249.39	253.47
Rent (Refer note - 32)	21.59	20.36
Repairs		
- Building	29.58	14.00
- Machinery and equipment	248.30	240.60
- Others	64.36	55.60
Insurance	31.44	32.28
Rates and taxes	1.23	1.10
Travelling expenses	69.78	72.07
Legal and professional fees	66.32	73.78
Commission to Directors (Refer note - 37)	3.75	3.75
Expenditure towards Corporate Social Responsibility [Refer note - 25(a)]	106.60	86.18
Payment to auditors [Refer note - 25(b)]	4.12	4.93
Advertisement and sales promotion	11.47	10.36
Communication expenses	5.88	6.91
Loss on sale / disposal of fixed assets (net)	0.23	1.62
Loss on foreign currency transactions and translations (wet)	24.13	27.11
Bad Debt Write Off	3.03	-
Provisions for inventory (Refer note - 7)	12.21	11.54
Provisions for doubtful debts [Refer note - 8(a)]	17.23	10.08
Freight and forwarding	2.60	1.69
Water charges expenses	22.09	19.81
Contract labour expenses	69.42	59.69
Miscellaneous expenses	27.18	27.42
Total other expenses	**1,091.93**	**1,034.35**

25 (a) Corporate Social Responsibility (CSR)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount required to be spent as per Section 135 of the Act	69.70	74.48
Amount spent during the year@	**106.60**	**86.18**
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	106.60	86.18
Total corporate social responsibility expense	**106.60**	**86.18**

@ Excludes advance paid of INR 7.85 million (31 March 2018 : INR 23.07 million). Company has committed to spend INR 69.86 million (31 March 2018 : INR 46.25 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

25 (b) Details of payment to auditors

	For the year ended 31 March 2019	For the year ended 31 March 2018
Payment to auditor		
As auditor		
Audit fee	2.75	3.57
Tax audit fee	0.21	0.21
Limited review of quarterly results	1.09	1.09
Reimbursement of expenses	0.07	0.06
Total payment to auditor	**4.12**	**4.93**

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 2018. Management believes that the Company's international transactions with related parties post 31 March 2018 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 carried at amortised cost.

	31 March 2019		31 March 2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets				
Non- Current Other financial assets				
Security deposits	31.66	31.66	35.96	35.96
Current Other financial assets				
Security deposits	58.90	58.90	7.83	7.83
Loans and advances to employees	4.79	4.79	2.16	2.16
Trade receivables	509.72	509.72	257.56	257.56
Cash and cash equivalents	108.12	108.12	354.51	354.51
Other Bank balances	5,229.02	5,229.02	3,960.96	3,960.96
Total Financial Assets	**5,942.21**	**5,942.21**	**4,618.98**	**4,618.98**
Financial Liabilities				
Non- Current Other financial liabilities				
Security deposits received	27.20	27.20	27.20	27.20
Current Other financial liabilities				
Trade payables	325.47	325.47	284.63	284.63
Retention monies payable	98.13	98.13	149.28	149.28
Security deposits received	62.81	62.81	64.63	64.63
Capital creditors	101.06	101.06	162.88	162.88
Unclaimed dividend	4.45	4.45	3.02	3.02
Other payables	102.99	102.99	121.89	121.89
Total Financial Liabilities	**722.11**	**722.11**	**813.53**	**813.53**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

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.

Expected credit loss for trade receivables under simplified approach:

For the year ended 31 March 2019:

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	219.29	261.38	23.18	5.22	12.21	35.22	556.50
Expected credit losses	-	1.75	2.11	2.88	6.49	33.55	46.78
Carrying amount of Trade receivables	**219.29**	**259.63**	**21.07**	**2.34**	**5.72**	**1.67**	**509.72**

For the year ended 31 March 2018:

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	218.88	7.60	2.54	20.55	16.53	21.01	287.11
Expected credit losses	-	1.71	2.14	0.32	7.23	18.15	29.55
Carrying amount of Trade receivables	**218.88**	**5.89**	**0.40**	**20.23**	**9.30**	**2.86**	**257.56**

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors Company's liquidity position and cash and cash equivalents through Quarterly rolling forecasts and on the basis of expected cash flows. Company treasury maintains flexibility in funding through committed credit lines with Financial Institution.

Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date. Balances due within 12 months and more than 12 months equal their carrying balances as the impact of discounting is not significant.

	Notes	Carrying Amount	Payable on Demand	Less than 12 months	More than 12 months
As at 31 March 2019					
Trade payables	16	325.47	-	325.47	-
Retention monies payable	13	98.13	92.34	0.18	5.61
Security deposits received	13	90.01	62.81	-	27.20
Capital creditors	13	101.06	-	101.06	-
Unclaimed dividend	13	4.45	4.45	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

	Notes	Carrying Amount	Payable on Demand	Less than 12 months	More than 12 months
Other payables	13	102.99	-	102.99	-
As at 31 March 2018					
Trade payables	16	284.63	-	284.63	-
Retention monies payable	13	149.28	109.50	39.78	-
Security deposits received	13	91.83	64.63	-	27.20
Capital creditors	13	162.88	-	162.88	-
Unclaimed dividend	13	3.02	3.02	-	-
Other payables	13	121.89	-	121.89	-

As there are no committed credit facilities to meet obligations when due and to close out market positions, the Company is not exposed to liquidity risk.

(c) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Company's profit or the value of its holdings of financial instruments. Below sensitivity analyses relate to the position of financial instruments at 31 March 2019 and 31 March 2018. 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 2019:

Details	USD Exposure		AUD Exposure		EURO Exposure	
	INR	USD	INR	AUD	INR	Euro
Receivables/Advance to Vendor	**288.54**	**4.16**	**-**	**-**	**-**	**-**
	192.07	*2.95*	-	-	-	-
Advance from Customers	**1.15**	**0.02**				
	-	-				
Payables	**0.61**	**0.01**	**-**	**-**	**0.02**	@
	2.75	*0.04*	*1.35*	*0.03*	*0.47*	*0.01*
Cash and Bank Balance	**44.03**	**0.64**	**-**	**-**	**-**	**-**
	133.78	*2.05*	-	-	-	-

@ Amount is below the rounding off norm adopted by the company
Amounts in italics represent amounts as at 31 March 2018

Details	Impact on profit after tax	
	31 March 2019	31 March 2018
USD sensitivity		
INR/USD -Increase by 10% (31 March 2018-10%)	**33.08**	32.31
INR/USD -Decrease by 10% (31 March 2018-10%)	**(33.08)**	(32.31)
AUD sensitivity		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Details	Impact on profit after tax	
	31 March 2019	31 March 2018
INR/AUD -Increase by 10% (31 March 2018-10%)	-	(0.14)
INR/AUD -Decrease by 10% (31 March 2018-10%)	-	0.14
EUR sensitivity		
INR/EUR -Increase by 10% (31 March 2018-10%)	-	(0.05)
INR/EUR -Increase by 10% (31 March 2018-10%)	-	0.05

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 Managements assessment of the balances of key elements to ensure strategic decisions and day to day activities. The capital structure of the Company is managed with a view of the overall macro-economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company.

The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary. The Company does not have any debt or financial covenants.

The Management monitors the return on capital as well as the level of dividend to shareholders. The Company goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future period. Refer the following table for the final and interim dividend declared and paid.

Dividends

	31 March 2019	31 March 2018
(a) Equity shares		
(i) Final dividend for the year ended 31 March 2017 of INR 1.80 per fully paid share	-	870.19
Corporate dividend tax on above	-	177.15
(ii) Final dividend for the year ended 31 March 2018 of INR 1.70 per fully paid share	**821.85**	-
Corporate dividend tax on above	**168.93**	-
(iii) Interim dividend for the year ended 31 March 2018 of INR 1.70 per fully paid share	-	821.97
Corporate dividend tax on above	-	167.31
(iv) Interim dividend for the year ended 31 March 2019 of INR 1.70 per fully paid share	**821.85**	-
Corporate dividend tax on above	**168.93**	-
(b) Dividends not recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of INR 1.80 per fully paid equity share (31 March 2018 – INR 1.70). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

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 2019	31 March 2018
(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances)	73.42	147.1
(b) Bonds/Undertaking given by the Company under Concessional Duty / Exemption scheme to the Government Authorities (net of obligations fulfilled)	2,949.14	2,949.14

32. Lease

(i) The Company has taken operating leases for office premises, concession agreement with GMB (including lease rental payable as per High Court order). These lease arrangements include both cancellable and non-cancellable leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(ii) Lease payments of INR 21.59 million (31 March 2018 INR 20.36 million) recognised in Statement of Profit and Loss are shown as "Rent" under Other Expenses in Note 25.

(iii) The future minimum lease payments payable under the said non-cancellable operating lease for rented premises are as follows:

Particulars	31 March 2019	31 March 2018
Payable within one year	**10.61**	8.84
Payable between one and five years	**46.68**	44.56
Payable more than 5 years	**67.73**	80.46

(iv) The Company has given a total area of 1,111,813 Square Mtr. (31 March 2018: 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.

(v) Operating lease rental income of INR 147.42 million (31 March 2018 INR 124.72 million) recognised in Statement of Profit and Loss is included in Other Operating Revenue in Note 19.

(vi) The future minimum lease payments receivable under the said non-cancellable operating lease for rented premises are as follows:

Particulars	31 March 2019	31 March 2018
Receivable within one year	**206.90**	208.07
Receivable between one and five years	**880.36**	855.11
Receivable more than five years	**1,177.57**	1,430.35

33. Provisions and Contingent liabilities

(a) Claims against Company not acknowledged as debt aggregates to INR 1,903.43 million (31 March 2018: INR 1,795.12 million). Provisions made in respect of the same aggregates to INR 365.04 million (31 March 2018: 365.04 million).

- Above claim includes disputed claim with the associate Company, Pipavav Railway Corporation Limited of INR 699.33 million (31 March 2018: INR 699.33 million).

(b) Claims against Company not acknowledged as debt aggregates to INR 218.71 million including GST of INR 33.36 million relating to GMB (31 March 2018: NIL). The company had made an application for approval of expansion plan to GMB on 1 October 2012. The approval was received from GMB vide letter dated 10 April 2015. As per one of the conditions of the approval the company has issued a bank guarantee of Rs. 185.35 Million which was encashed by

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

GMB on 13 February 2019. Further, GMB has also asked the Company to pay GST on the aforesaid bank guarantee amounting to Rs. 33.36 million. The company has reviewed the terms and conditions of approval and based on the management assessment and legal advice, the management believes that there is merits in the case and has requested GMB an opportunity of being heard in this matter. The amount of bank guarantee encashed by GMB is reflected as Other Current Assets (Refer note – 9).

(c) Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to INR 327.77 million (31 March 2018: INR 190.11 million). Provisions made in respect of the same is NIL (31 March 2018: NIL).

(d) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of “Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal” and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees’ Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Movement in provisions

	Litigations / Disputes		Taxation Matters	
	31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**
At the commencement of the year	**365.04**	365.04	**-**	1.12
Provision made during the year	7.00	-	**-**	-
Provision reversed during the year	(7.00)	-	**-**	(1.12)
At the end of the year	**365.04**	365.04	**-**	-

Future cash outflows in respect of above are determinable only on receipt of judgements/decisions pending with various authorities/forums and/or final outcome of the matters.

34. Concession Agreement with Government of Gujarat

Pursuant to the Concession agreement with the Government of Gujarat and Gujarat Maritime Board (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 laid down in the aforesaid agreement.

35. Earnings per share

		Year ended 31 March 19	Year ended 31 March 18
Profit for the year	**(A)**	**2,366.80**	2,210.14
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		**483,439,910**	483,439,910
Number of equity shares at the end of the year		**483,439,910**	483,439,910
Weighted average number of equity shares outstanding during the year	**(B)**	**483,439,910**	483,439,910
Basic and diluted earnings per share (INR)	**(A/B)**	**4.88**	4.57

36. Interest in Associate company

Set out below is the associate of the Company as at 31 March 2019 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 2019	**31 March 2018**
Pipavav Railway Corporation Limited	New Delhi	38.78	Associate	Equity Method	830.00	830.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

37. Related party transactions

(a) List of related parties and their relationship

Relation	Party
A. Party with substantial interest and its affiliates	(i) APM Terminals Mauritius Limited, Mauritius
	(ii) APM Terminals Management B.V., The Netherlands
	(iii) Maersk Line A/S, Denmark (formerly known as A.P. Moller - Maersk A/S)
	(iv) APM Terminals India Private Limited, India
	(v) Maersk Line India Private Limited, India
	(vi) GPRO Services India Private Limited, India
	(vii) Maersk Training India Private Limited, India
	(viii) Gateway Terminals India Private Limited, India
	(ix) Maersk Training Svendborg A/s, Denmark
	(x) Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft A/S & Co. KG, Germany
	(xi) Damco India Private Limited, India
B. Associate	Pipavav Railway Corporation Limited
C. Directors, Non-Executive Directors and Key managerial personnel	**A) Executive directors**
	Mr. Keld Pedersen (Managing director)
	B) Non-Executive directors
	Mr. Tejpreet Singh Chopra
	Ms. Hina Shah
	Mr. Pradeep Mallick
	Mr. Pravin Laheri
	Mr. David Skov*
	Mr. Jan Damgaard Sorensen (up to 29 January 2019)*
	Mr. Julian Bevis*
	Mr. Mukesh Kumar, IAS (Nominee of Gujarat Maritime Board) [w.e.f 31 October 2018]*
	C) Key managerial personnel
	Mr. Santosh Breed (Chief Financial Officer w.e.f. 2 November 2018)

* No transactions during the year

(b) Related party transactions

Transactions during the period	APM Terminals Mauritius Limited	Maersk Line A/S	Maersk Line India Private Limited	APM Terminals India Private Limited	APM Terminals Management B.V.	GPRO Services India Private Limited	Maersk Training India Private Limited	Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft A/S & Co. KG	Pipavav Railway Corporation Limited	Other Affiliates	Total
Income from port services	**-**	**2,138.03**	**0.83**	**3.20**	**-**	**-**	**-**	**1.20**	**-**	**-**	**2,143.26**
	-	*1,498.60*	*0.55*	*0.60*	*-*	*-*	*-*	*-*	*-*	*-*	*1,499.75*
Professional services received	**-**	**(19.99)**	**(1.18)**	**-**	**-**	**(5.30)**	**-**	**-**	**-**	**-**	**(26.47)**
	-	*(12.90)*	*(0.84)*	*-*	*-*	*(5.85)*	*-*	*-*	*-*	*-*	*(19.59)*
Business support service charges	**-**	**-**	**-**	**-**	**(63.47)**	**-**	**-**	**-**	**-**	**-**	**(63.47)**
	-	*-*	*-*	*-*	*(48.31)*	*-*	*-*	*-*	*-*	*-*	*(48.31)*
Expenses incurred on our behalf	**-**	**-**	**-**	**-**	**(46.03)**	**-**	**-**	**-**	**-**	**(1.61)**	**(47.64)**
	-	*-*	*-*	*-*	*(42.75)*	*-*	*-*	*-*	*-*	*-*	*(42.75)*
Expenses incurred on their behalf	**-**	**-**	**0.10**	**0.69**	**-**	**-**	**-**	**-**	**-**	**-**	**0.79**
	-	*-*	*0.08*	*0.38*	*-*	*-*	*-*	*-*	*-*	*-*	*0.46*
Training expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.05)**	**(0.05)**
	-	*-*	*-*	*-*	*-*	*-*	*(0.17)*	*-*	*-*	*(0.43)*	*(0.60)*
Manpower cost	-	-	-	-	-	-	-	-	**(3.49)**	-	**(3.49)**
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*(2.66)*	*-*	*(2.66)*
Capital expenditure	**-**	**-**	**-**	**-**	**(2.50)**	**-**	**-**	**-**	**-**	**-**	**(2.50)**
	-	*-*	*-*	*-*	*(5.79)*	*-*	*-*	*-*	*-*	*-*	*(5.79)*
Dividend income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**38.00**	**-**	**38.00**
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Dividend payment	**(706.96)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(706.96)**
	(727.66)	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*(727.66)*
Closing Balances:	-	-	-	-	-	-	-	-	-	-	-
Receivable	**-**	**276.38**	**0.20**	**0.97**	**-**	**-**	**-**	**0.23**	**-**	**0.04**	**277.82**
	-	*192.07*	*0.06*	*0.88*	*-*	*-*	*-*	*-*	*-*	*0.04*	*193.05*
Advance from customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	*10.09*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*10.09*
Trade Payable	**-**	**5.45**	**0.02**	**-**	**30.14**	**1.35**	**-**	**-**	**3.49**	**-**	**40.45**
	-	*15.73*	*0.11*	*-*	*45.89*	*1.56*	*0.10*	*-*	*2.63*	*-*	*66.02*
Capital Creditors	-	-	-	-	**1.27**	-	-	-	-	-	**1.27**
	-	-	-	-	-	-	-	-	-	-	-
Deposit received	**-**	**40.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**40.00**
	-	*40.00*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*40.00*
Investment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**830.00**	**-**	**830.00**
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*830.00*	*-*	*830.00*

Amounts in italics represent amounts as at 31 March 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Name of Non-Executive Directors/Key Managerial personnel	Fees for attending Board/ Committee meetings	Commission	Managerial Remuneration @	Total
Mr. Tejpreet Singh Chopra	**0.60** *0.60*	**1.50** *1.50*	-	**2.10** *2.10*
Ms. Hina Shah	**0.95** *0.75*	**0.75** *0.75*	-	**1.70** *1.50*
Mr. Pradeep Mallick	**1.00** *1.00*	**0.75** *0.75*	-	**1.75** *1.75*
Mr. Pravin Laheri	**1.10** *1.10*	**0.75** *0.75*	-	**1.85** *1.85*
Mr. Keld Pedersen	-	-	**67.35** *52.55*	**67.35** *52.55*
Mr. Santosh Breed	-	-	**9.53** *2.75*	**10.25** *2.75*
Mr. Hariharan Iyer	-	-	- *8.95*	- *8.95*

Amounts in italics represent amounts as at 31 March 2018

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

38. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. Managing Director and Chief Financial Officer of the Company are the chief operating decision makers. The Company operates only in one Business Segment i.e. ‘Port Services' which primarily includes services such as Marine services, Berth hire, Wharfage, Container Handling, Yard Operations, Stevedorage and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

The Company having combined revenue of more than 10% of the total revenue from related parties amounts to INR 2,143.25 million (31 March 2018: INR 1,499.75 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

39. Other notes

Dues to Micro and Small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Company, the details of outstanding dues to the Micro and Small enterprises as defined in the MSMED Act, 2006 as set out in the following disclosures:

	31 March 2019	31 March 2018
a. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid to any supplier at the end of each accounting year;	0.31	1.06
b. Interest amount due to suppliers registered under the MSMED Act and remaining unpaid to any supplier at the end of each accounting year;	0.05	0.02
c. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	1.38	1.46
d. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e. the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	@
f. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.12	0.10

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

As per our report of even date attached.

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
15 May 2019

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

Keld Pedersen
Managing Director
DIN : 07144184

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
15 May 2019

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF PIPAVAV RAILWAY CORPORATION LIMITED

1. Opinion

We have audited the standalone financial statements of **PIPAVAV RAILWAY CORPORATION LIMITED** (“the Company”), which comprise the balance sheet as at 31st March 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and 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.

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 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 March 31, 2019, and its profit/loss, (changes in equity) and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Directors’ report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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.

4. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“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.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company’s financial reporting process.

5. Auditor’s Responsibilities for the Audit of the Financial Statements

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 Standards on Auditing (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.

6. **Emphasis of Matters**

Attention is drawn to:

(a) Note No. 39 - Railway freight collection is controlled by Indian Railways on daily basis through an integrated online system developed by Central Rail Information System (CRIS), a railway organization. The system generates freight receipt (RR) for movement of container and bulk traffic from first mile to last mile destination. These transactions are initiated, recorded, processed, corrected as necessary and transferred to PRCL through dedicated online portal for arriving at the share of freight, as apportionment of income to PRCL, which books the monthly share of freight as trade receivables and as trade debtors (WR) in their accounts and reported in the Financial Statements. This procedure and system are relied upon by PRCL as user entity. CRIS has provided certificate for complying with their reporting information as per SA 402.

(b) Note no. 27 - The Corporate Social Responsibility Policy (CSR Policy) of PRCL dated 23.01.2015 states the company shall spend, in every Financial Year, at least 2% of the average net profits of the company made during the immediately 3 preceding Financial Years and the said amount shall be transferred to the account of PRCL Fund". The unutilized amount, if any, will not lapse, if not spent in that year and will be carried over to next year which may accumulate. The above CSR fund and the accumulated unspent amount of ₹ 310.05 Lakhs as on 31st March 2019 are now reflected in terms of the revised CSR policy which has not made mandatory to transfer allocated CSR amount in a sperate bank account.

(c) Note no. 4 - The physical verification of the intangibles (amortizable) railway assets of PRCL is conducted by the Bhavnagar division of Western Railways who are the custodian of these assets as per railway rules and regulations. 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. Reconciliation of these two records based on capitalization of Projects Assets mainly Permanent Ways, Formation, Bridge & Buildings and Plant & Machinery is incomplete to the extent that the impact of the project assets which are partly capitalized and as reflected in the Fixed Asset Register. The assets register does not contain the cost wise break up of individual assets.

(d) Note no. 39- Recovery an account of route diversion of ₹ 1320.37 Lacs is the difference of share of freight between the booked route basis and the carried route basis. The terms of agreement for apportionment of freight is stipulated as per Indian Railways Financial Adjustment Rules but there is no mention to recover the diverted route recovery. In some cases, the diverted distance is lesser than the booked route distance which results in increase in freight has since been considered by Railways in the apportionment of freight. Attention is drawn to the minutes of the meeting of Audit Committee dated 17.04.2017 item no. 9, the decision of the chairman that the company to legally examine the terms of Concession Agreement and pursue with the Railways taking suitable action in the best interest of the company to stop for recoveries on account of route diversion.

(e) Note no. 36 (ii) (b)- PRCL is registered under GST Act for its registered office at New Delhi and registered 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 WR. 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 company has represented again to the Ministry of railway vide the representation dated 19th March 2019. There is no significant progress in getting the exemption in GST for the revenue apportionment to PRCL by western railway during the year. In case the exemption is denied it will result in additional liability of demand for GST from 01st July 2017 which is not quantifiable.

(f) Note No. 9- (i) There is an outstanding of ₹ 2938.73 Lacs receivable from Western Railways as on 31.03.2019 which is overdue for recovery on which an interest about ₹ 240 Lacs (Provisional) as per the terms of payment stipulated in the clause 6.2 of the O & M agreement.

Western Railway has not confirmed the outstanding amount of ₹ 2938.73 Lacs and interest leviable thereon.

The matter still resting with the company to obtain decision from the legal point of view as per assurance given to audit in the 51st Meeting of the Audit Committee of the board vide item 3(a) dated 28.07.2017. As such the recovery of interest as applicable, inclusive of previous years, have not been reflected in the Financial Statements.

(ii) The charging of variable cost for operation of the section which is calculated on Gross Tone Kilometers (GTKM) basis including the operation of the empty runs of the wagons in case of Bulk cargoes results in loss of revenue to PRCL which is not quantifiable.

(g) Note no. 9 - GPPL has given confirmation of ₹ 34.91 Lakhs receivables on account of Manpower provided at their Port as on 31st March 2019. Railways have not confirmed the outstanding dues payable/receivable with the reference to the transactions with PRCL during the year.

(h) Note no. 5- We have made such enquiries as we consider necessary for the purpose of appropriately informing us about the contract procedure followed by PRCL in implementing the Railway Electrification project of Pipavav lines approved by Railway Administration. The documents relating to specifications, cost estimate, tender documents, letter of awards etc. are prepared by Central Organization for Railway Electrification (CORE). Allahabad and Ahmedabad divisions, which we have inspected and enquired with the concerned offices of CORE that these are authentic documentary evidences of following the compendium of tender and contracts issued by Railway Board. The letter of awards to Kalpatharu and others were issued by CORE on behalf of PRCL. The latest cost estimate concurred by Finance Division of CORE is ₹ 28947.23 Lacs on which the award is based. The source and terms of financing the project is not yet firmed up by PRCL but utilizing the internal resources/fund available with company to meet payments for invoices of electrification project.

(i) Note no. 38- The insurance claim for loss of project assets of PRCL section of ₹ 636.12 Lacs, against the policy issued by the United India Insurance Company, is still pending since 2015 for settlement. PRCL has complied with all the required documents connected with the claims. As per the claim procedure under IRDA (Protection of Policy Holder Interest) Regulations, 2017 “If there is delay on the part of the Insurer beyond the time lines, the insurer shall pay interest at a rate which is 2% above the bank rate from the last filed documents”. The interest on account of delay has not been accounted for and there is no confirmation from insurance company about final payment of claim.

(j) Note No 15: - On 25th July 2018, the company has registered the transfer of its equity shares of 1,20,00,000 having face value ₹ 10 per share (distinct no. from 132000021 to 144000020) held in the name of IL& FS Transportation Networks Limited (ITNL) (Transferor) to IL&FS Financial Services Limited. ITNL has transferred these shares for a consideration of ₹54,00,00,000 against the Face value ₹ 12,00,00,000. The required documents for transfer of the above shares have been executed by the Company on request from ITNL. In the Statement of change in Equity for the period ended 31st March 2019, the change has been notified and the Face value of the Transferred shares remained at ₹10 per share in the financial of PRCL.

(k) Note no 4- The PRCL assets which were existing at the time of entering into Public to Private Services Concession Agreement, i.e. meter gauge railway line (including Land) were leased by MOR to PRCL. Railway is charging annual lease rental to the company for leased assets which will revert back to MOR without any financial consideration at the end of the concession period. The western railway operates passenger trains on the leased railway lines for which no revenue on account of for passenger freight is specified, except fixing an upper limit for railway coaches/wagons that will be deployed on this line leased to PRCL. During the year, Railways have added more passenger coaches beyond the excess upper limit mentioned in the Agreement. However, PRCL has not raised bill for expenditure incurred and also the portion of passenger freight collected by railways receivable for operating the leased lines. The impact of the unrealized freight is not determined and accounted for during the year.

(l) Note No 39.3: - PRCL raised a claim of ₹6463.37 Lacs to GPPL for non -performance of obligation to meet minimum guarantee shortfall, which was put up as recommended, to Onetime settlement committee of BOD. Out of the above amount, ₹1890.19 Lacs has been accounted and balance of ₹4573.18 Lacs is unaccounted in the books. The settlement Committee and the good faith negotiation committee of BOD formed later have not reached a conclusive settlement of the claims. Moreover, an amount of ₹1890.19 Lacs accounted for in the books was considered as doubtful. Thereafter, BOD has approved Conciliation Proceeding and Arbitration Proceedings by appointing an Arbitrator at the level of retired Chief Justice of India and to proceed with the settlement of the claims in tandem. BOD also resolved in 84th meeting held on 24th April 2018 that “all amounts are due as per the provisions of the agreement and GPPL is liable to pay the same. Thus, Board desired the MD to represent the company in the Conciliation Meetings accordingly”.

Consequent to the above directives, the decision of the board during one-time settlement in the year 2015, an amount of ₹ 4573.18 Lacs unaccounted so far shall become receivable from GPPL and hence, the same should have been accounted for in the books which has not been done. The amount of ₹1890.19 Lacs accounted and also considered doubtful is required to be reviewed keeping in view GPPL has made a provision of ₹1570.40 Lacs in their books.

The above claim and its proceedings and the accounting of the receivables currently under conciliation proceedings are of transaction of circular nature and invokes conflict of interest within the group.

(m) Note No 5: - 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 gage Railway line from Surender Nagar to Pipavav Project Railway. Upon expiry of the concession agreement in the year 2033, all the assets created in the project area shall be returned back to MOR as per the terms & conditions of the Agreement. These assets are considered as intangible assets as per Railway code of life of 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.

PRCL during the year has started the implementation of the project electrification of the railway lines of 289 Km as per orders of Ministry of Railway dated 28th November 2016. The work in progress completed at an estimated value of ₹6315.27 lacs as per the Technical Report submitted by project authorities is accounted for under the category of Intangible assets. However, the work in progress which will be the property of PRCL, as Property Plant and Equipment category, the company did not account for the same. The project is fully financed by PRCL and Public to Private Service participation is not specified in the concession agreement for electrification of the Railway lines of PRCL, considering the work in progress as Intangible Assets is not in order. As a result of the above, the depreciation chargeable as Intangible Assets and as Property Plant & Equipment Assets category will have varying effect on the Financial of the company.

(n) Our opinion is according to information and explanation given to us by the management and on the basis of Report on Internal Control 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 Company and nature of its business. However, in certain areas of transactions with Western Railway, according to our opinion, internal control as a continuous process needs further strengthening monitoring and reconciliation of traffic and its diversion. The rationalization of O & M cost, determining the unpaid dues beyond the due dates; the technical verification of estimates; the advance made to Railways for various works and settlement by Western Railway needs improvement.

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

7. Other Matters

(i) PRCL is registered as unlisted Non–Government company as per the Certificate of Registration issued by Registrar of Company, Delhi. The preparation and presentation of Standalone Ind-AS Financial Statements are in accordance with Section 133 of the Companies Act read with relevant rules issued thereunder. We invite reference to the report 2 of the Company's Secretarial Auditors for the year in their report dated 07.04.2019 which is reproduced herein:

"Further, the renewal of the terms of independent directors was kept on hold as the status of company "whether it is joint venture company or Not" is not clear according to MCA Notification dated 05th July, 2017 and MCA General Circular dated 05th September, 2017. The Board in its meeting on 30.07.2018 has constituted the committee to decide upon the status of the company whether it is a Joint Venture (JV) or not, The Committee in its 2nd meeting held on 26.11.2018 finalized and approved the status of the company as Joint Venture Company and puts its recommendation of committee that company is a joint venture company and accordingly provisions relating to appointment of independent Director, Constitution of Audit Committee and Nomination and Remuneration Committee are not applicable on the company in terms of MCA notification dated 5th and 13th July 2017 and further circular dated 5th September, 2017.

Since Board of Directors has approved the status of company as Joint Venture, constitution of Audit Committee and Nomination Remuneration Company is not required. However, in their absence, the Board of Directors have decided to constitute similar committee viz, Sub- Committee to review the financial stamens and Sub-Committee on HR.

Our opinion is not modified in respect of this matter.

8. Report on Other Legal and Regulatory Requirements

As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" statement on the matters specified in paragraph 3 and 4 of the Order.

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 appears from our examination of those books;

(c). The Balance sheet, the Statement of Profit and Loss and the Statement of Cash flows and Statement of Changes in Equity dealt by this Report are in agreement with the Books of Accounts;

(d). In our Opinion, the aforesaid Standalone Ind AS financial statements comply with Accounting Standards including Ind AS 115 effective from 01-04-2018 and as specified under Section 133 of the Act, read with relevant rule issued thereunder and amended there on;

(e). On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

(f). With respect to adequacy of the internal financial controls over financial reporting of the Company the operating effectiveness of such controls, refer to our separate report in “Annexure B”;

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

i. The Company has disclosed the impact of pending litigations as at 31st March 2019 on its financial position in its Standalone Ind AS financial statements. Refer Note No. 36 to the Standalone Ind AS financial statements;

ii. The Company has no long-term contracts including derivative contracts as on 31st March, 2019 and no provision as required under the applicable law or Indian Accounting Standards (Ind AS), for material foreseeable losses to the standalone Ind AS financial statements;

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March 2019.

For P.K. Chopra & Co.
Chartered Accountants
(Firm’s Registration No.: 06747N)

CA K.S. Ponnuswami
Partner
Membership No.: 070276

Place: New Delhi
Date: 9th May 2019

Annexure A to the Independent Auditor's Report referred to the members of the Company on the standalone Ind AS financial Statements for the year ended 31st March 2019

As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we report that:

As per Clause 3:

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

(b) The Fixed Assets of the Company have been physically verified by the management and as certified by the Western Railway for the Projects Assets as on 31st March, 2019, no material discrepancies were noticed on such physical verification.

(c) The title deeds of Immovable Property held in the name of the Company is certified by the management and the intangible assets held in the name of the Company as certified by the management is in terms of the Service Concession Agreement between Ministry of Railways and the Company.

According to the information provided to us by GPPL the Land value aggregating to ₹14.70 lacs was registered in the name of the PRCL for getting the rail connectivity from nearest station upto the Pipavav port boundary for which no valid registration document and title to this land has not been made available and hence we have not verified the title to the same.

(ii) The Company being an unlisted non-government company dealing in Railway Cargo Traffic with Ministry of Railways do not hold any inventory; as such this clause is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to any corporation, firms or other party covered in register-maintained u/s 189 of Companies Act, 2013. Accordingly, clause 3(iii) - (a), (b), (c) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has no loans, guarantees and securities, secured or unsecured to any corporation, firms, any other party covered in the register maintained under the provision of Section 185, 186 of the Companies Act, 2013.

(v) According to the information and explanations given to us, the Company has not accepted deposits and not contravened the directives issued by the RBI covered under the provision of Section 73 to 76 or any other provisions of the Companies Act, 2013.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products/services of the Company, accordingly this clause of the order is not applicable.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues like payment of GST under section 9(3) on RCM basis only to the appropriate authorities and there are some slight delay in few cases of filing GST returns. There are no undisputed amounts outstanding for a period of more than six months from the date they became payable.

According to the information and explanation given to us and records of the company examined by us, there are demands shown on TDS of ₹1290/- for the Financial Year 2008-09 and ₹26800 for the financial year 2010-11 which is due to error on record pending for rectification. The matter has been taken with relevant authority for rectification which is pending.

(b) There are no cases of dues of Income-tax or sales-tax or service-tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except the dispute in respect of service tax as under:

Name of Statute	Disputed Amount and nature of dues	Forum where Dispute is pending	Period to which amount relates to
Service tax	₹7639.48 lakhs	Principle Commissioner of Service Tax, New Delhi (against Show Cause Notice)	FY 2009-10 to FY2013-14
Service tax	₹2800.51 lakhs	Principle Commissioner of Service Tax, New Delhi (against Show Cause Notice)	FY 2014-15
Service tax	₹7418.19 lakhs (against Show Cause Notice)	Commissioner of Central Tax, Central Excise & Service Tax, Delhi-South	April 2015 to till June 2017

viii) In our opinion and according to the information and explanations given to us, the Company has no loans as on 31st March 2019 and hence not defaulted in repayment of loans or borrowings to Financial Institutions, Bank and Government.

ix) In our opinion and according to the information and explanations given to us, there are no money raised by Initial Public Offer or Further Public Offer (Including debt instruments).

x) In our opinion and according to the information and explanations given to us, no case of any fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid to the managing director of the Company as provided in accordance with the requisite approval mandated by the provision of section 197 read with Schedule V of the Companies Act, 2013.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company; and hence there is no liability as specified in the Nidhi Rules 2014.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, wherever applicable and the details have been disclosed in the Ind AS financial statements as required by the Indian Accounting Standards.

xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him as required u/s 192 of the Companies Act, 2013.

xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register u/s 45(1A) of the Reserve Bank of India Act, 1934.

For P.K. Chopra & Co.
Chartered Accountants
(Firm's Registration No.: 06747N)

CA K.S. Ponnuswami
Partner
Membership No.: 070276

Place: New Delhi
Date: 9th May 2019

Annexure B to the Independent Auditors' Report of even date to the members of Pipavav Railway Corporation Limited on the standalone financial statements for the year ended 31 March 2019

Report on the internal financial control under Clause (i) of subsection 3 of section 143 of the Companies Act,2013 ('the Act')

We have audited the internal financial controls with reference to financial statements of Pipavav Railway Corporation Limited (the "Company") as of 31 March 2019 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

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 Companies Act, 2013.

Auditors' Responsibility

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") 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 Institute of Chartered Accountants of India. 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.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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 controls 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

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 2019, 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, read with our Independent Auditor's Report, item No. 6(n) of " Emphasis of matters" of the report of even date on the standalone financial statements.

For P.K. Chopra & Co.

Chartered Accountants

(Firm's Registration No.: 06747N)

CA K.S. Ponnuswami

Partner

Membership No.: 070276

Place: New Delhi

Date: 9th May 2019

To

Principal Director of Audit (Rly-Commercial)
Cofmow, Railway Offices Complex.
Tilak Bridge,
New Delhi-110002

Sub: The supplementary audit under 143(5) of the Companies Act 2013 of PIPAVAV RAILWAY CORPORATION LIMITED for the year ended 31st March, 2019

Sir/Madam,

Please find enclosed herewith the supplementary audit report under section 143(5) of the Companies Act 2013 of PIPAVAV RAILWAY CORPORATION LIMITED for the year ended 31st March, 2019.

Thanking You,

Yours faithfully

For P. K. Chopra & Co.
Chartered Accountants
Firm's Registration No.: 06747N

(CA. K S Ponnuswami)
Partner
M. No. 70276

Place: New Delhi
Date: 9th May 2019

Encl.: 1. Compliance Certificate
2. Directions u/s 143(5) of the Companies Act, 2013

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of PIPAVAV RAILWAY CORPORATION LIMITED for the year ended 31st March 2019 in accordance with the direction/sub directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all direction / sub directions issued to us.

For P. K. Chopra & Co.
Chartered Accountants
Firm's Registration No.: 06747N

(CA. K S Ponnuswami)
Partner
M. No. 70276

Place: New Delhi
Date:

Directions u/s 143(5) of the Companies Act, 2013 (Earlier u/s 619(3) (a) of the Companies Act, 1956) for the year ended 31st March, 2019

Sr. No.	Directions	Auditor's Observation
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Accounting software (Tally 9 ERP) is used for financial accounting. In addition, Fright Operating Information System (FOIS) maintained by Centre For Railway Information System (CRIS) is used under an agreement entered with CRIS to account for the apportioned freight earning of PRCL.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debs/loans/interest etc. made by a lender to the company due to company’s inability to repay the loan? If yes, the financial impact may be stated.	Not applicable
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Not applicable

BALANCE SHEET AS AT 31ST MARCH 2019

(Amount in ₹ Lakhs)

	Particulars	Note No	As at 31st March 2019	As at 31st March 2018
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant and equipment	3	70.42	65.49
	(b) Other Intangible assets	4	13,881.64	14,784.50
	(c) Intangible assets under development	5	6,359.05	23.48
	(d) Financial Assets			
	(i) Others	6	12,073.83	9,916.13
	(e) Deferred Tax Assets	7	8,258.88	6,951.52
	(f) Other non-current assets	8	516.76	514.24
2	**Current assets**			
	(a) Financial Assets			
	(i) Trade Receivables	9	2,979.93	5,237.42
	(ii) Cash and cash equivalents	10	3,607.15	96.37
	(iii) Bank Balances other than (ii) above	11	16,290.51	17,125.70
	(iv) Others	12	963.42	801.00
	(b) Current Tax Assets (Net)	13.1	689.58	606.68
	(c) Other current assets	14	766.11	179.49
	TOTAL ASSETS		**66,457.28**	**56,302.02**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	15	19,600.00	19,600.00
	(b) Other Equity	16	37,518.15	30,138.00
2	**Liabilities**			
(i)	**Non-current liabilities**			
	(a) Long Term Provisions	17	3,399.76	2,495.37
	(b) Deferred tax liabilities	13.2	2,187.06	2,169.78
(ii)	**Current liabilities**			
	(a) Financial Liabilities			
	Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	18.1.1	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	18.1.2	2,873.68	1,824.61
	(iii) Others	18.2	852.33	53.61
	(b) Other Current liability	19	23.77	18.38
	(c) Provisions	20	2.53	2.27
	TOTAL EQUITY AND LIABILITIES		**66,457.28**	**56,302.02**

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

for and on behalf of Board of Directors

for P K Chopra & Co.
Chartered Accountants
Firm Registration No. : 06747N

CA K. S. Ponnuswami
Partner
M. No. 070276

Sanjiv Garg
Managing Director
DIN: 00682084

Santosh Breed
Director
DIN: 08011070

A.K. Srivastava
Director
DIN : 08187918

Vinod Kumar
Chief Financial Officer

Leena Narwal
Company Secretary
M . No. A20516

Place : New Delhi
Date : 9th May 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in ₹ Lakhs)

	Particulars	Note No	For the year ended 31st March 2019	For the year ended 31st March 2018
	Revenue :			
I	Revenue from operations	21	29,109.31	20,135.36
II	Other income	22	2,258.88	1,648.25
III	Total Revenue (I + II)		**31,368.19**	**21,783.61**
IV	**Expenses:**			
	Operating and Other expenses	23	20,529.91	12,447.42
	Employee benefits expenses	24	405.66	377.02
	Finance costs	25	165.31	106.47
	Depreciation and amortization	26	925.02	924.28
	Corporate Social Responsibility (CSR) expenses	27	106.18	150.88
	Total Expenses (IV)		**22,132.08**	**14,006.07**
V	**Profit/loss Before exceptional items and Tax (III - IV)**		9,236.11	7,777.54
VI	Exceptional items		-	-
VII	Profit/(Loss) before tax (V - VI)		**9,236.11**	**7,777.54**
VIII	Tax expense:			
	(i) Current tax			
	for the year	13.3	1,964.80	1,634.62
	for earlier years (net)	13.3	-	-
	(ii) Deferred tax (net)	13.3	17.28	-5.51
	(iii) Mat Credit Entitlement (net of reversal)	13.3	-1,307.36	-1,369.15
IX	**Profit/(loss) for the period from continuing operation (VII - VIII)**		**8,561.39**	**7,517.58**
X	Profit/(loss) from discontinued operations		-	-
XI	Tax Expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	**Profit/(loss) for the period (IX+XII)**		**8,561.39**	**7,517.58**
XIV	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit and loss			
	Re-measurement of defined employee benefit plans [Gain/(Loss)]	28	0.26	-7.70
	Income Tax relating to Items that will not be reclassified to profit and loss	13.4	-0.06	1.64
	B. Items that will be reclassified to profit and loss		-	-
	Income Tax relating to Items that will be reclassified to profit and loss		-	-
XV	**Total Comprehensive Income for the period (XIII + XIV) (Profit and Other Comprehensive Income for the period)**		**8,561.59**	**7,511.52**
XVI	Earnings Per Equity Share:			
	(For Continuing Operation)			
	(1) Basic (₹)	29	4.37	3.84
	(2) Diluted (₹)	29	4.37	3.84
XVII	Earnings Per Equity Share:			
	(For discontinuing Operation)			
	(1) Basic (₹)		-	-
	(2) Diluted (₹)		-	-
XVIII	Earnings Per Equity Share:			
	(For discontinued and continuing Operation)			
	(1) Basic (₹)	29	4.37	3.84
	(2) Diluted (₹)	29	4.37	3.84

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

for and on behalf of Board of Directors

for P K Chopra & Co.
Chartered Accountants
Firm Registration No. : 06747N

Sanjiv Garg
Managing Director
DIN: 00682084

Santosh Breed
Director
DIN: 08011070

A.K. Srivastava
Director
DIN : 08187918

CA K. S. Ponnuswami
Partner
M. No. 070276

Vinod Kumar
Chief Financial Officer

Leena Narwal
Company Secretary
M . No. A20516

Place : New Delhi
Date : 9th May 2019

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹ Lakhs)

Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
A.	**Cash Flow From Operating Activities**		
	Profit before tax & exceptional items	**9,236.11**	**7,777.54**
	Adjustments for		
	Dividend Paid (including Dividend Distribution Tax paid thereon)	-1,181.44	-
	Depreciation and amortization	925.02	924.28
	Finance costs	165.31	106.47
	Interest earned	-2,257.69	-1,644.90
	Unwinding of discount on security deposits	-1.09	-1.52
	Profit on sale of property, plant and equipment	-0.08	-1.69
	Loss on disposed/written off of sundry asset items	0.08	-
	Other Comprehensive Income (net of taxes)	0.21	-6.06
	Operating profit before changes in operating assets and liabilities	**6,886.43**	**7,154.12**
	Adjustments for:		
	Decrease / (Increase) in Trade Receivables / Loans and Advances	2,257.49	1,237.42
	Decrease / (Increase) in other current financial assets	-162.42	-210.96
	Decrease / (Increase) in other current Assets	-586.62	-41.34
	Decrease / (Increase) in other non current assets	-2.52	0.11
	Decrease / (Increase) in Other non current financial assets	2.60	-1.49
	(Decrease) / Increase in Current Trade Payables	1,049.06	-181.92
	(Decrease) / Increase in Other Financial Liabilities	798.72	28.15
	(Decrease) / Increase in Other Current Liabilities	5.39	6.13
	Changes in Long Term Provisions	904.40	879.67
	Changes in Short Term Provisions	0.26	0.59
		4,266.36	**1,716.36**
	Cash generated from operation	11,152.79	8,870.48
	Income Tax Paid (net of refund received)	2,047.70	1,841.80
	Total Cash generated from Operating Activities	**9,105.09**	**7,028.68**
B.	**Cash Flow From Investing Activities**		
	Purchase of Property plant and equipment & Intangible Assets (net after non cash adjustments)	-6,363.37	-71.24
	Sale of Property, Plant & Equipment	0.70	1.69
	Interest Receivable	2,257.69	1,644.90
	Changes in Other Bank Balances	-1,325.11	-8,926.49
	Net Cash used in Investing Activities	**-5,430.09**	**-7,351.14**

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹ Lakhs)

Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
C.	**Cash flow from Financing Activities**		
	Finance costs (see foot note 2 below)	-165.31	-106.47
	Unwinding of discount on security deposits	1.09	1.52
	Net Cash generated from Financing Activities	**-164.22**	**-104.95**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	3,510.78	-427.41
	Opening Cash & Cash Equivalents	96.37	523.78
	Closing Cash & Cash Equivalents	**3,607.15**	**96.37**
	Closing Cash & Cash Equivalents comprises of		
	(i) Balances with banks:		
	– On current accounts	1,606.97	34.29
	– Deposits with original maturity of three months or less	2,000.00	62.00
	(ii) Cash in Hand	0.18	0.08
	Closing Cash & Cash Equivalents	**3,607.15**	**96.37**

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement notified by the Ministry of Corporate Affairs, Government of India under the Companies Act, 2013.
2. Finance cost under the head "Cash flow from financing activities" represents the provisioning of the interest to reflect increase in Resurfacing Obligations due to passage of time. Therefore, this is a non-cash financial item. There has been no material impact on the reporting of the Cash Flow Statement on adoption of the Amendment to Ind AS 7.
3. Previous year's figures are reclassified/regrouped to confirm and make them comparable with those of the current year.

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

for and on behalf of Board of Directors

for P K Chopra & Co.
Chartered Accountants
Firm Registration No. : 06747N

CA K. S. Ponnuswami
Partner
M. No. 070276

Sanjiv Garg
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Director
DIN : 08187918

Vinod Kumar
Chief Financial Officer

Leena Narwal
Company Secretary
M . No. A20516

Place : New Delhi
Date : 9th May 2019

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

A. Equity share capital

(Amount in ₹ Lakhs)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
19600.00	-	19600.00

*During the current financial year, one of the shareholders M/s IL&FS Transportation Networks Limited has transferred all the 120 Lakhs Equity shares (of face value of ₹10 /- each) held by it in the Company to M/s IL&FS Financial Services Limited for a consideration of ₹ 5400 Lakhs. Accordingly, the Company has taken effect of transfer in the shareholders' register and has made endorsement in the share certificate. As a result of this, there is no impact on the financial statements of the Company. Further, there is no change in the total equity shares of the Company during the current year.

B. Other Equity

(Amount in ₹ Lakhs)

Particulars	Retained Earnings		Other comprehensive Income	Total
Balance at the beginning of the reporting period	2,000.00	28,138.00	-	**30,138.00**
Cumulative Transition Impact of Ind AS 115	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	2,000.00	**28,138.00**	-	**30,138.00**
Profit for the year	-	8,561.39	-	**8,561.39**
Other Comprehensive Income (net of taxes)	-	0.20	-	**0.20**
Transfer to Depreciation Reserve Fund	-	-	-	-
Dividend (including Interim Dividend) paid during the year	-	(980.00)	-	**(980.00)**
Dividend Distribution Tax paid on Interim Dividend	-	(201.44)	-	**(201.44)**
Any Other change(to be specified)	-	-	-	-
Balance at the end of the year	**2,000.00**	**35,518.15**	**-**	**37,518.15**

*Depreciated Reserve Fund represents profits allocated for replacement of project assets at the end of codal life.

The accompanying notes are integral part of financial statements.
As per our Report of even date attached

for and on behalf of Board of Directors

for P K Chopra & Co.
Chartered Accountants
Firm Registration No. : 06747N

Sanjiv Garg
Managing Director
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Company Secretary
M . No. A20516

Place : New Delhi
Date : 9th May 2019

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

3 Property, Plant and equipment

(Amount in ₹ Lakhs)

Particulars	Plant & Machinery	Furniture & Fixture	Vehicles	Electrical installation & equipment	Total
Property, Plant and equipment (1st April 2017 to 31st March 2018)					
Cost					
At 1st April 2017	**19.38**	**9.98**	**83.02**	**4.37**	**116.75**
Additions	5.05	-	31.78	-	36.83
Disposals/Adjustments	-1.02	-	-20.56	-	-21.58
At 31st March 2018	**23.41**	**9.98**	**94.24**	**4.37**	**132.00**
Accumulated Depreciation and impairment					
At 1st April 2017	**15.09**	**5.58**	**53.01**	**0.77**	**74.45**
Depreciation charge for the year	4.59	0.59	8.02	0.44	13.64
Impairment	-	-	-	-	-
Disposals/Adjustments	-1.02	-	-20.56	-	-21.58
At 31st March 2018	**18.66**	**6.17**	**40.47**	**1.21**	**66.51**
Net book value At 31st March 2018	**4.75**	**3.81**	**53.77**	**3.16**	**65.49**
Property, Plant and equipment (1st April 2018 to 31st March 2019)					
Cost					
At 1st April 2018	**23.41**	**9.98**	**94.24**	**4.37**	**132.00**
Additions	1.15	-	18.24	-	19.39
Disposals/Adjustments	-2.25	-0.08	-0.27	-	-2.60
At 31st March 2019	**22.31**	**9.90**	**112.21**	**4.37**	**148.79**
Accumulated Depreciation and impairment					
At 1st April 2018	**18.66**	**6.17**	**40.47**	**1.21**	**66.51**
Depreciation charge for the year	3.08	0.59	9.37	0.44	13.48
Impairment	-	-	-	-	-
Disposals/Adjustments	-1.54	-0.08	-	-	-1.62
At 31st March 2019	**20.20**	**6.68**	**49.84**	**1.65**	**78.37**
Net book value At 31st March 2019	**2.11**	**3.22**	**62.37**	**2.72**	**70.42**

3.1: The Company has adopted the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, Government of India for reporting period (year) ended 31.3.2017 and onwards. On adoption of the Ind AS, the Company had adopted to continue with carrying value in accordance with Ind AS 101 in respect of property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS measured as per previous GAAP. As per management estimate there is no decommissioning , restoration or similar liabilities on its property, plant and equipment hence, no adjustment has been made in this regard.

3.2: Property, Plant and Equipment include assets of ₹ 46.28 lakhs as at 31st March 2019 (₹ 36.79 lakhs as at 31st March 2018) which are fully depreciated but still available for use. They are recognized at nominal value of ₹ 1 each.

3.3: Assets sold/ disposed off during the year include various office items such as mobile phones, computer/ laptop, printer etc., which were sold/disposed off as per the extent Company's policy. These items also include mobile and laptop of total net value of ₹0.70 lakhs (Gross value of ₹1.15 lakhs) sold to Mr. Amitabh Lal, Managing Director, at ₹0.62 lakhs on completion of his tenure.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

4 Other Intangible assets

(Amount in ₹ Lakhs)

Particulars	Freight sharing rights	License fee	Others	Total
Other Intangible assets (1st April 2017 to 31st March 2018)				
At Cost				
At 1st April 2017	**34,160.10**	**1,000.00**	**21.52**	**35,181.62**
Additions	12.95	-	-	**12.95**
Disposals/Adjustments	-	-	-	**-**
At 31st March 2018	**34,173.05**	**1,000.00**	**21.52**	**35,194.57**
Amortization and impairment				
At 1st April 2017				
Amortization	18,490.27	261.91	9.15	**18,761.33**
Impairment	-	738.09	-	**738.09**
	18,490.27	**1,000.00**	**9.15**	**19,499.42**
Charged during the FY 2017-18				
Amortization	909.04	-	1.61	**910.65**
Impairment	-	-	-	**-**
Disposals/Adjustments	-	-	-	**-**
	909.04	**-**	**1.61**	**910.65**
At 31st March 2018				
Amortization	**19,399.31**	**261.91**	**10.76**	**19,671.98**
Impairment	**-**	**738.09**	**-**	**738.09**
	19,399.31	**1,000.00**	**10.76**	**20,410.07**
Net book value at 31st March 2018	**14,773.74**	**-**	**10.76**	**14,784.50**
Other Intangible assets (1st April 2018 to 31st March 2019)				
At Cost				
At 1st April 2018	**34,173.05**	**1,000.00**	**21.52**	**35,194.57**
Additions	8.68	-	-	**8.68**
Disposals/Adjustments		-	-	**-**
At 31st March 2019	**34,181.73**	**1,000.00**	**21.52**	**35,203.25**
Amortization and impairment				
At 1st April 2018				
Amortization	19,399.31	261.91	10.76	**19,671.98**
Impairment	-	738.09	-	**738.09**
	19,399.31	**1,000.00**	**10.76**	**20,410.07**
Charged during the FY 2018-19				
Amortization	909.42	-	2.12	**911.54**
Impairment	-	-	-	**-**
Disposals/Adjustments	-	-	-	**-**
	909.42	**-**	**2.12**	**911.54**
At 31st March 2019				
Amortization	**20,308.73**	**261.91**	**12.88**	**20,583.52**
Impairment	**-**	**738.09**	**-**	**738.09**
	20,308.73	**1,000.00**	**12.88**	**21,321.61**
Net book value at 31st March 2019	**13,873.00**	**-**	**8.64**	**13,881.64**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

4.1: Amortization on other intangible assets are included in Note 26 on Depreciation and Amortization.

4.2: The Company obtained permission to undertake container operations from MOR by paying the license fee of ₹ 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 ₹ 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. ₹ 738.09 lakhs) was already made in respect of the license fee in the earlier year, 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.

4.3: The Company has adopted the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, Government of India for reporting period (year) ended 31.3.2017 and onwards. On adoption of the 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.

Amount (in ₹ Lakhs)

5 Intangible assets under development (i.e. Project railway under development)

Intangible Assets (i.e. Projects Railway) under development

(1st April 2017 to 31st March 2018)	
Balance as at 1st April 2017	**2.02**
Additions	21.46
Less: Transferred to Intangible Assets	-
Balance as at 31st March 2018	**23.48**
Intangible assets (i.e. Projects Railway) under development	
(1st April 2018 to 31st March 2019)	
Balance as at 1st April 2018	**23.48**
Additions	6,335.57
Less: Transferred to Intangible Assets	-
Balance as at 31st March 2019	**6,359.05**

5.1: Intangible Assets under Development" include expenditure incurred by the Company on the development or upgradation of the Project railway or to create additional facility thereon which give rise to future economic benefits to the Company.

5.2: During ongoing development or upgradation of Project Railway, progress of the work performed which has resulted in the Contact Assets of the Company has been recognised as "Intangible Assets under the Development". On completion of the development or upgradation work, the contract assets shown as "Intangible Assets under Development" has been re-classified as the "Intangible Assets" in the accordance with the Appendix - D to the Ind AS 115.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

5.3: ntangible Assets under Development" include ₹ 6357.03 Lakhs incurred by the Company during the year (last year ₹ 21.46 lakhs) in connection with Electrification of the Project Railway line. Out of this, ₹6315.27 Lakhs represents the cost of the Electrification work as technically assessed by the Company's Consultant and balance is towards other expenses incurred by the Company directly attributable to the Electrification work.

6 Financial Assets-Non Current

Particulars	As at 31st March 2019	As at 31st March 2018
Other Financial Assets		
Security Deposits: Considered Good	21.83	24.43
Security Deposits: Considered Doubtful	-	-
Less : Provision for doubtful deposits	-	-
Long-term bank deposits (having maturity period of more than 12 months)	12,052.00	9,891.70
Total	**12,073.83**	**9,916.13**

7 Deferred Tax Assets

Particulars	As at 31st March 2019	As at 31st March 2018
MAT credit entitlement (Refer to Note 13.6)	8,258.88	6,951.52
Total	**8,258.88**	**6,951.52**
Note 8: Other non-current assets		
Advances		
Advance for various capital works	514.24	514.24
Prepayments	2.52	-
Total	**516.76**	**514.24**

Financial Assets - Current

9 Trade Receivables

Particulars	As at 31st March 2019	As at 31st March 2018
Receivables considered good - Unsecured	2,979.93	5,237.42
Receivables which have significant increase in Credit Risk	1,890.20	1,890.20
Total Trade Receivables	**4,870.13**	**7,127.62**
Less : Provision for Receivables which have significant increase in Credit Risk(Refer to Note 9.2)	-1,890.20	-1,890.20
Total	**2,979.93**	**5,237.42**

9.1: Break-up for related and other receivables

Particulars	As at 31st March 2019	As at 31st March 2018
Receivables from related parties (Refer to Note 9.2)	1,931.40	1,921.24
Other receivables	2,938.73	5,206.37
Total Trade Receivables	**4,870.13**	**7,127.62**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

9.2: Trade receivables from related parties include receivable from GPPL. Other trade receivables include dues from WR. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Also, no trade or other receivables are due from firm or private companies respectively in which any director is a partner, a director or member other than stated above.

10 Cash and Cash equivalents

Particulars		As at 31st March 2019	As at 31st March 2018
(i)	Balances with banks:		
	– On current accounts	1,606.97	34.29
	– Deposits with original maturity of period of three months or less	2,000.00	62.00
(ii)	Cash in Hand	0.18	0.08
	Total Cash and Cash Equivalent	**3,607.15**	**96.37**

11 Bank balances other than cash & cash equivalents

Particulars	As at 31st March 2019	As at 31st March 2018
Deposits with original maturity period of more than 3 months but not exceeding 12 months	16,290.51	17,125.70
Total	**16,290.51**	**17,125.70**

12 Other Current Financial Assets

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured, Considered Good		
Interest Accrued	954.96	794.74
Advance Recoverable in exchange of other financial instruments		
Advances to Employees	3.19	0.72
Other recoverable	5.27	5.54
Total	**963.42**	**801.00**

13 Income Tax

Particulars		As at 31st March 2019	As at 31st March 2018
13.1	**Current Tax Assets (net)**		
	Advance Income Tax (Including TDS) (net of Provisions)	689.58	606.68
	Total	**689.58**	**606.68**
13.2	**Deferred Tax**		
	Deferred Tax Liabilities		
	A. Deferred Tax Liabilities		
	Property, Plant, Equipment and Intangibles	2,711.26	2,663.63
	Total of Deferred Tax Liabilities	**2,711.26**	**2,663.63**
	B. Deferred Tax Assets		
	Provisions	524.20	493.85
		524.20	**493.85**
Deferred Tax Liabilities (Net)		**2,187.06**	**2,169.78**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

In accordance with Ind AS 12 “Income Taxes” notified by Ministry of Corporate Affairs (MCA), Government of India, the Company has reassessed the deferred tax taking into consideration all the items, due to which there is temporary difference between the carrying amount of the assets and liabilities and their tax base as on 31st March 2019.

The Company has been availing the deduction u/s 80-IA of the Income Tax Act, 1961 from the Assessment Year 2014-15 in respect of Project Railway developed, due to which there is a tax holiday period of 10 years i.e. upto Assessment Year 2023-24. Therefore, deferred tax in respect of temporary differences which are likely to be reversed during the tax holiday period are not recognized to that extent.

Note 13.4

(Amount in ₹ Lakhs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Tax related to items recognized in OCI during the year:		
Net (loss)/gain on remeasurements of defined benefit plans	(0.06)	1.64
Income tax charged to OCI	**(0.06)**	**1.64**

Note 13.5: Reconciliation of tax expense and the accounting profit multiplied by India’s domestic tax rate for 31st March 2018 and 31st March 2019:

(Amount in ₹ Lakhs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Accounting profit before tax from continuing operations	9,236.11	7,777.54
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**9,236.11**	**7,777.54**
At India’s statutory income tax rate of 21.5488% (31st March 2018: 21.3416%)*	1,990.27	1,659.85
Tax effect due to Initial Transition to Ind-AS	(25.48)	(25.23)
Tax Effect due to non Deductible Expenses	-	-
MAT Credit Entitlement to the Company	(1,307.36)	(1,369.15)
At effective Income tax rate of 7.12% (at March 31st 2018: 3.41%)	**657.43**	**265.47**
Income tax reported in Statement of Profit or Loss as current Tax (Net of MAT credit entitlement)	657.4343936	265.47
Add/(Less): Deferred tax reported in Statement of Profit or loss	17.28	(5.51)
Add/(Less): Tax reported in Other Comprehensive Income	0.06	(1.64)
Add/(Less): Tax expenses for previous year recognized	-	-
Income tax expense reported in the Statement of Profit and Loss	**674.77**	**258.32**

* Presently, the Company has been paying Minimum Alternate Tax (MAT) on the book profits, calculated under section 115JB of the Income Tax Act, 1961 due to availing of deduction from the taxable income under section 80-IA of the Income Tax Act, 1961. Therefore, Tax rate applicable for MAT i.e. 21.5488% for the current year (previous year 21.3416%) has been taken instead of regular rate of income tax of 34.944% for the current year (previous year 34.608%).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Note 13.6: The Company has been claiming the deduction u/s 80-IA of the Income Act, 1961 in respect of Project Railway developed. The benefit of deduction is available for a period of ten consecutive years i.e. up to assessment year 2023-24. Therefore, there would be no tax liability on the Company under the normal provisions of the Income Tax Act, 1961 during said tax holiday period. However, the Company is liable to pay Minimum Alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961 and the tax has been provided for ₹ 1964.86 lakhs on total income (including Other Comprehensive Income) during the current year (Previous Year: ₹ 1632.98 lakhs). The credit of MAT paid has been availed and carried forward by the Company in accordance to the provisions of section 115JAA the Income Tax Act, 1961. The cumulative balance of MAT credit as per books as on 31st March 2019 is ₹ 8258.88 Lakhs (as at 31st March 2018 : ₹ 6951.52 Lakhs).

14 Other current assets

(Amount in ₹ Lakhs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Prepaid Expenses	15.80	8.41
Advance for various works	738.64	170.96
Advance for CSR Activities	11.67	-
Prepayments	-	0.12
Total	**766.11**	**179.49**

15 Equity Share capital

(Amount in ₹ Lakhs)

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Authorised share capital		
20,00,00,000 Equity Shares of ₹ 10/- each	20,000.00	20,000.00
(As at 31st March 2018: 20,00,00,000 Equity Shares of ₹ 10/- each)		
Total	**20,000.00**	**20,000.00**
Issued/Subscribed and Paid up Capital		
19,60,00,020 Equity Share of ₹ 10/- each	19,600.00	19,600.00
(as at 31st March 2018: 19,60,00,020 Equity Shares of ₹ 10/- each)		
Total	**19,600.00**	**19,600.00**

(i) Reconciliation of the number of equity shares and share capital at the beginning and at the end of financial year 2018-19

Particulars	**As at 31 March 2019**		**As at 31 March 2018**	
	No. of shares (in lakhs)	**Amount (in lakhs)**	**No. of shares (in lakhs)**	**Amount (in lakhs)**
Shares outstanding at the beginning of the year	1,960.00	19,600.00	1,960.00	19,600.00
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**1,960.00**	**19,600.00**	**1,960.00**	**19,600.00**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

(ii) Details of shareholders holding in the Company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held (in lakhs)	% holding	No. of Shares held (in lakhs)	% holding
President of India (Ministry of Railways), Government of India	980.00	50.00%	980.00	50.00%
Gujarat Pipavav Port Limited (GPPL)	760.00	38.78%	760.00	38.78%
General Insurance Corporation of India (Assignee of GPPL)	50.00	2.55%	50.00	2.55%
The New India Assurance Company Limited (Assignee of GPPL)	50.00	2.55%	50.00	2.55%
IL&FS Transportation Networks Limited (Assignee of GPPL)*	-	-	120.00	6.12%
IL&FS Financial Services Limited (Assignee of GPPL)*	120.00	6.12%	-	-
Total	**1,960.00**	**100%**	**1,960.00**	**100%**

*During the current financial year, one of the shareholders M/s IL&FS Transportation Networks Limited has transferred all the 120 Lakhs Equity shares (of face value of ₹10 /- each) held by it in the Company to M/s IL&FS Financial Services Limited for a consideration of ₹ 5400 Lakhs. Accordingly, the Company has taken effect of transfer in the shareholders' register and has made endorsement in the share certificate. As a result of this, there is no impact on the financial statements of the Company. Further, there is no change in the total equity shares of the Company during the current year.

(iii) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10/- each ranking pari-pasu in all respects voting rights and dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Aggregate no. of equity shares issued as fully paid by way of bonus during the period of five years immediately preceding the reporting date:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Equity shares issued as bonus (no. in lakhs)	-	-	-	-	-
Total	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

16 Other Equity

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Retained Earnings		
Opening Retained Earnings	**28,138.00**	**20,626.48**
Add/(Less): Cumulative Transition Impact of Ind AS 115	**-**	**-**
Add: Addition during the year	8,561.39	7,517.58
Add/(Less): Transferred from Other Comprehensive Income		
Gain/ (Loss) on remeasurement of Post-Employment benefit obligations (net of taxes)	0.20	(6.06)
Less: Interim Dividend paid during the year	(980.00)	-
Less: Dividend Distribution Tax paid on dividend	(201.44)	-
Total (a)	**35,518.15**	**28,138.00**
(b) Depreciation Reserve Fund*		
Opening Balance	2,000.00	2,000.00
Add: Transfer from surplus in statement of profit and loss	-	-
Total (b)	2,000.00	2,000.00
Total (a+b)	**37,518.15**	**30,138.00**

*Depreciated Reserve Fund represents profits allocated for replacement of project assets at the end of codal life.

Particulars	As at 31st March 2019	As at 31st March 2018
Cash dividend on Equity shares declared and paid		
Interim Dividend Paid during the Current Year: (₹ 0.50 per Equity Share) (Previous year ended on March 31st 2018: Nil)	980.00	-
Dividend Distribution Tax paid on above	201.44	-
	1,181.44	**-**
Proposed Final Dividend on Equity Shares	Nil	Nil

17 Long Term Provisions

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for Resurfacing obligation (Refer Note 17.1)	3,261.23	2,361.41
Provision for employee benefits		
Gratuity (net)	26.46	35.30
Leaves	112.07	98.66
Total	**3,399.76**	**2,495.37**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Note 17.1: In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per standards laid down by MOR, of all project assets whose codal life expire during the concession period. Accordingly, Company had estimated a liability of ₹ 14,141.05 lakhs in respect of replacement obligations which would be arising during the remaining concession period, as per requirement of Appendix D to the Ind AS 115. Based on said estimated liability, yearly provision of ₹ 734.52 lakhs has been made [Refer to note 23(ii)].

Interest cost of ₹ 165.30 lakhs has been provided during the current year (Previous year : ₹ 106.43 lakhs) to recognize the resurfacing cost at its present value (Refer to note 25). As on 31st March, 2019, the provision for Resurfacing cost includes the cumulative interest of ₹ 323.15 lakhs (Previous year : ₹157.85 lakhs) reflecting the time value of money.

18 Financial Liability- Current

18.1 Trade Payables

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
18.1.1: Total outstanding dues of micro enterprises and small enterprises	-	-
Total	**-**	**-**
18.1.2: Creditors other than micro enterprises and small enterprises		
O&M Expenses Payable (Refer Note 18.1.4)	2,873.68	1,824.61
Total	**2,873.68**	**1,824.61**

Note 18.1.3: The amount payable to Small Scale Industrial undertakings to whom the Company owns any sum outstanding for more than 30 days is ₹ Nil (Previous Year: ₹Nil). The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small and medium enterprises. Consequently, the amount paid/ payable to these parties during the year is ₹ Nil (Previous Year: ₹ Nil).

Note 18.1.4: O&M expenses payable includes ₹ 2032.88 lakhs (previous year ₹ 895.01 lakhs) towards the O&M costs and ₹ 840.80 lakhs (previous year ₹ 929.60 lakhs) for various works carried out by Railways on PRCL section.

Note 18.1.5: Trade payable are interest bearing and are normally settled on around 30 to 90 days terms, there are no dues payable to related parties.

18.2 Others current financial liabilities

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Expense Payable*	849.55	50.83
Security deposits	2.78	2.78
Total	**852.33**	**53.61**

* Expenses payable includes ₹ 811.14 lakhs (Previous Year: Nil) amount provided for the expense incurred on Electrification work being carried out on PRCL line, which are expected to be paid within one year.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

19 Other Current Liability

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Statutory dues	16.81	12.04
Provident Fund	4.65	4.20
NPS Payable	2.31	2.13
ESI Payable	-	0.01
Total	**23.77**	**18.38**

20 Provisions

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(Short Term Provisions)		
Provision for employee benefits		
Leaves (Refer to Note 41)	2.53	2.27
Total	**2.53**	**2.27**

21 Contract Revenue from operations

(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Operating Income from Bulk Traffic	5,632.91	4,342.26
Operating Income from Container Traffic	17,132.15	15,758.69
Total (A)	**22,765.06**	**20,100.95**
Contract Revenue under Service concession Arrangement (Refer note 21.2)	6,344.25	34.41
Total (B)	**6,344.25**	**34.41**
Other Contract Revenue	-	-
Total (C)	**-**	**-**
Total Revenue from operation (A+B+C)	**29,109.31**	**20,135.36**

Note 21.1: Revenue from operations has been calculated by the Company as per the carried route after taking the impact of route diversion based on the details collected from Western Railway (refer to note 39).

Note 21.2: The Company has recognized revenue of ₹6344.24 lakhs during the current year (previous year: ₹34.41 Lakhs lakhs) in respect of the expenditures incurred by the Company on development/ upgrading (including electrification of PRCL line) and other additions to the intangible assets (i.e. Project assets) as per Ind AS 115. The Company has also recognized Service Concession Expenses by same amount [Refer to Note 23(v)].

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

22 Other Income

(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Interest on Deposits	2,257.69	1,644.90
Unwinding of discount on security deposits	1.09	1.52
Profit on sale of assets	0.08	1.69
Miscellaneous Income	0.02	0.14
Total	**2,258.88**	**1,648.25**

23 Operating and Other Expenses

(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
(i) Operating and Maintenance Expense (Refer to note 38)		
(a) Fixed Costs		
Man Power Cost	4,013.38	3,624.84
Material Cost	448.95	449.15
(b) Variable Costs		
Cost of Fuel	4,834.80	3,946.13
Crew Cost	1,496.93	1,034.93
Hiring of Rolling Stock	637.95	525.44
Other costs	255.13	140.84
(c) Other Costs		
Overhead Costs	986.21	858.31
Cost for additional works [Refer to note 38.1(ii)]	277.20	567.36
Total (a+b+c)	**12,950.55**	**11,147.00**
(ii) Resurfacing cost under Service Concession Agreement (Refer to note 17.1)	734.52	734.52
(iii) Lease Rent Charges (refer to note 37.2)	233.07	231.59
(iv) Other Administrative expenses		
Repairs and maintenance for:		
Buildings	15.10	15.18
Vehicles	21.42	26.80
others	11.17	9.56
Rent (refer to note 37.1)	75.87	70.83
Insurance	31.72	24.15
Communication	6.08	6.48
Travelling and Conveyance-Directors	2.91	21.90

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

(Amount in ₹ Lakhs)

Particulars	**For the Year Ended 31st March 2019**	**For the Year Ended 31st March 2018**
Travelling and Conveyance-Others	25.09	28.15
Rates, taxes & fees	0.81	0.41
Professional and consultancy fees	39.48	43.57
Sitting fees to Directors	-	11.05
Electricity and Water Charges	3.34	3.24
Advertising and Business Promotion	12.47	8.97
Loss on disposed/written off of sundry asset items	0.08	-
Printing and Stationery	3.21	3.77
Audit fees	8.47	8.88
Meetings and seminars	3.34	7.34
Membership fee to Association	3.54	3.45
Miscellaneous expenses	3.42	6.16
Total	**267.52**	**299.89**
(v) Contract Cost under Service Concession Arrangement (refer to note 21.2)	6,344.25	34.41
Total (i to v)	**20,529.91**	**12,447.42**

24 Employee Benefit expenses (Refer to note 41)

(Amount in ₹ Lakhs)

Particulars	**For the Year Ended 31st March 2019**	**For the Year Ended 31st March 2018**
Salaries, Wages & Benefits	346.31	318.33
Contribution to Provident and other funds	31.13	29.94
Staff Welfare	14.83	16.01
Contribution to National Pension Scheme (NPS)	13.39	12.74
Total	**405.66**	**377.02**

25 Finance costs

(Amount in ₹ Lakhs)

Particulars	**For the Year Ended 31st March 2019**	**For the Year Ended 31st March 2018**
Interest on taxes & bank charges	0.01	0.04
Unwinding of discount on resurfacing obligations (refer to note 17.1)	165.30	106.43
Total	**165.31**	**106.47**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

26 Depreciation and amortization

(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Depreciation on Property, Plant and Equipment	13.48	13.63
Amortization of Intangible Assets	911.54	910.65
Total	**925.02**	**924.28**

27 Corporate Social Responsibility (CSR) Expenses

(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Construction of Community Centre	-	38.56
Construction of Toilets	-	0.10
Other CSR Projects	96.49	104.22
Overhead and Other expenses	9.69	8.00
Total	**106.18**	**150.88**

Note 27.1: As per section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at-least 2% of its average net profits made during the three immediately preceding financial years on Corporate Social Responsibility (CSR) activities. Accordingly, the Company has identified CSR activities and has been spending on CSR activities, which are specified in Schedule VII of the Companies Act, 2013.

28 Components of Other Comprehensive Income (OCI) [Refer to Note 41.5]

(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
(FVTOCI Reserve)		
Remeasurement of Defined benefit plans		
Gratuity actuarial Gain/ (Loss)	0.26	(7.70)
Total	**0.26**	**(7.70)**

29 Earnings per share (EPS)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
	(₹ Per Share)	**(₹ Per Share)**
Basic EPS		
From continuing operation	4.37	3.84
Diluted EPS		
From continuing operation	4.37	3.84

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

29.1 Basic Earning per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by weighted average number of equity shares outstanding during the year. The earnings and weighted average number of equity shares used in calculation of basic earning per share:-

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
	(₹ Per Share)	(₹ Per Share)
Profit attributable to equity holders of the Company (₹ in Lakhs)	8,561.39	7,517.58
Earnings used in calculation of Basic Earning Per Share **(₹ in Lakhs)**	**8,561.39**	**7,517.58**
Weighted average numbers (in Lakhs) of shares for the purpose of basic earnings per share	**1,960.00**	**1,960.00**

29.2 Diluted Earning per Share

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
	(₹ Per Share)	(₹ Per Share)
The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-		
Profit attributable to equity holders of the company **(₹ in Lakhs)**	8,561.39	7,517.58
Earnings used in calculation of diluted Earning Per Share from continuing operations **(₹ in Lakhs)**	**8,561.39**	**7,517.58**

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
	(₹ Per Share)	(₹ Per Share)
Weighted average number **(no. in Lakhs)** of Equity shares used in calculation of basic earnings per share	1,960.00	1,960.00
Effect of dilution	-	-
Share Options	-	-
Weighted average number **(no. in Lakhs)** of Equity shares used in calculation of diluted earnings per share	1,960.00	1,960.00
There is no financial impact Earning per Share (both Basic and Diluted) and the operating retained earning on implementation of Ind AS 115.		

30 Capital management

The Company's objective is to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Company can continue to provide maximum returns to shareholders and benefit to other stakeholders.

Further, the Company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company does not have any liability towards borrowings as at 31st March 2019 and 31st March 2018 . The Company manages its working capital requirement through internal accruals.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2019.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

31 Fair Value measurements

(i) The Carrying values of Financial Instruments by categories are as follow: **(Amount in ₹ Lakhs)**

Particulars	As at 31st March 2019			As at 31st March 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
(i) Trade Receivables	-	-	2,979.93	-	-	5,237.42
(ii) Cash and Cash Equivalents	-	-	3,607.15	-	-	96.37
(iii) Bank balances (including all deposits) (other than cash & cash equivalents)	-	-	28,342.51	-	-	27,017.40
(iv) Security Deposits-Non Current	-	-	21.83	-	-	24.43
(v) Other Current Financial Assets	-	-	963.42			801.00
Total Financial Assets	**-**	**-**	**35,914.84**	**-**	**-**	**33,176.62**
Financial Liabilities						
(i) Trade payables	-	-	2,873.68	-	-	1,824.61
(ii) Expense payables	-	-	849.55	-	-	50.83
(iii) Security Deposits	-	-	2.78	-	-	2.78
Total Financial Liabilities	**-**	**-**	**3,726.01**	**-**	**-**	**1,878.22**

(ii) Comparison by class of the carrying amounts and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximation of fair values are not presented since fair value of all financial instruments as on reporting date approximates their carrying value.

(iii) Financial risk management

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operation. The Company's principal financial assets include trade and other receivables, deposits with banks and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with the companies policies and risk objectives. The Board of directors reviews and agrees on policies for managing each of these risk, which are summarized below:

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises of Interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include advance deposits and other non derivative financial instruments.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The Company is not exposed to interest rate risk.

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company is exposed to credit risk from its operating activities (primarily trade receivable) and from its financial activities including deposits with banks and other financial instruments.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

Trade Receivable

Customer credit risk is managed by the Company's established policy, procedure and control relating to customer credit risk management. Outstanding customer receivable are regularly monitored and an impairment analysis is performed at each reporting date on individual basis for major customers. The Company does not hold any collateral as security.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investment of surplus are made only with approved counterparty on the basis of the financial quotes received from the counterparty.

d) Liquidity risk

The ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages maintaining adequate banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturities of financial liabilities.

32 Key sources of estimation uncertainty

The followings are the key assumptions concerning the future and the key sources of estimation & uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

a) useful lives of Intangibles

As described in note 2.6.1, the Company has estimated the useful life of intangible assets (i.e. Freight sharing right under Service Concession Arrangement) as 33 years (term of Concession Agreement) for amortization of intangible assets. The change in term of concession arrangement may have financial impact on the amortization expenses in subsequent financial years.

b) Fair valuation measurement and valuation process

The fair values of financial assets and financial liabilities are measured using the valuation techniques including the Discounted Cash Flow model. The inputs to these methods are taken from observable markets, where it is possible. In case, where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c) Taxes

Deferred tax assets such as Minimum Alternate Tax (MAT) credits are recognized to the extent that it is probable that taxable profit will be available against which tax assets (credits) can be utilized. Significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

d) Post-retirement benefits

Employee benefit obligations including gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each reporting date.

e) Useful life of property, plant and equipment

Useful life of property plant & equipment is based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors and level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant & equipment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

f) Provision for Resurfacing obligation

In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per laid down standards of MOR, of all project assets whose codal lives expire during the concession period. Accordingly, the Company has estimated liability in respect of replacement obligations that would be arising during the remaining concession period as per requirement of Appendix D to the Ind AS 115. The Company has provided the estimated resurfacing obligations which could vary depending upon various factors including the effects of usage, price, obsolescence, demand, internal assessment of user experience and other economic factors and level of maintenance expenditure required to obtain the expected future cash flows from the asset etc. The Company estimates and reviews the value of provision as on each reporting date based on available information on each reporting date.

33 Construction Contracts

In terms of the disclosure required in Ind-AS 115 as notified under the Companies Act, 2013 by Ministry of Corporate Affairs , Government of India, the amounts considered in the financial statements up to the balance sheet date are as follows:-

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Contract revenue recognized **(in ₹ Lakhs)**	6,344.25	34.41
Aggregate amount of costs incurred and recognized in profit/Loss **(in ₹ Lakhs)**	**6,344.25**	**34.41**

34 Contractual Commitments

The amount of contractual commitments in relation to project assets recognized as intangible assets.

(In ₹ Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
The amount of works to be executed on capital account and not provided for (net of advances) [Refer Note 36(i)]	22,631.96	28,947.23
Total	**22,631.96**	**28,947.23**

35 Related Party Disclosures

35.1 Related Parties held equity of the Company

Name	Relationship	As at 31 March, 2019		As at 31 March, 2018	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Gujarat Pipavav Port Limited (GPPL)	Parties to joint venture agreement	76,000,000	38.78%	76,000,000	38.78%
General Insurance Corporation of India (Assignee of GPPL)	Parties to joint venture agreement	5,000,000	2.55%	5,000,000	2.55%
The New India Assurance Company Limited (Assignee of GPPL)	Parties to joint venture agreement	5,000,000	2.55%	5,000,000	2.55%
IL&FS Transportation Networks Limited (Assignee of GPPL)	Parties to joint venture agreement	-	-	12,000,000	6.12%
IL&FS Financial Services Limited (Assignee of GPPL)	Parties to joint venture agreement	12,000,000	6.12%	-	-

Note : Ministry of Railways being part of Government of India, is not a related party to the Company as per Ind AS 24.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

35.2 Key Managerial personnel of the entity

Name	Position
Mr. Amitabh Lal	Managing Director*
Mr. Ashok Kumar	Manager**
Mr. Sanjiv Garg	Managing Director***
Ms. Leena Narwal	Company Secretary
Mr. Vinod Kumar	Chief Financial Officer

* The term of Mr. Amitabh Lal as Managing Director ceased on 30th July 2018.

** Mr. Ashok Kumar was appointed as KMP under the head "Manager" w.e.f. 24th January 2019 & his term as Manager ceased w.e.f. 6th February 2019. However, he has continued to be the employee of the Company after cessation as Manager.

*** Mr. Sanjiv Garg was appointed as Managing Director w.e.f. 6th February 2019.

35.3 Enterprises over which Key Managerial Personnel are able to exercise significant influence:

Pipavav Railway Corporation Limited Employees' Group Gratuity Trust.

35.4 Transaction with Related Parties:

(Amount in ₹ Lakhs)

Particulars	Transactions		Outstanding Amount	
	Year Ended March 31,2019	Year Ended March 31,2018	Year Ended March 31,2019	Year Ended March 31,2018
Compensation to Key Managerial person (Also refer to Note 35.5)	29.56	45.20	-	-
Mr. Amitabh Lal, Managing Director (1.4.2018 to 30.7.2018)	6.29	-	-	-
Mr. Sanjiv Garg, Managing Director (6.2.2019 to 31.3.2019)				
Mr. Ashok Kumar, Manager (24.1.2019 to 5.2.2019)****	1.13			
Ms. Leena Narwal, Company Secretary	31.39	24.98	-	-
Mr. Vinod Kumar, Chief Financial Officer	31.78	24.26	-	-
Total	**100.15**	**94.44**	**-**	**-**
****Total emoluments paid to Mr. Ashok Kumar during the year amounts to ₹ 36.08 Lakhs				
Sitting fees paid to Non-executive Directors				
Ms. Nisha Srivastava, Independent Director	-	2.43	-	-
Mr. Virendra Kumar Roy, Independent Director	-	2.70		
Dr. Rabinarayan Patnaik, Independent Director	-	2.15	-	-
Mr. Rajiv Kumar Lal, Independent Director	-	2.15	-	-
Total	**-**	**9.43**	**-**	**-**
Gujarat Pipavav Port Limited				
Manpower cost charged	41.19	31.05	-	-
Equity Share Capital (760 lakhs shares of ₹ 10 each/-)		-	7600.00	7600.00
Trade receivable		-	1931.40	1921.25
Provision for Receivable		-	1890.20	1890.20
Pipavav Railway Corporation Limited Employees' Group Gratuity Trust.				
Contribution made	19.32	5.62	-	-
Others	0.12	0.12	-	-
Total	**19.44**	**5.74**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

35.5 Compensation of Key Managerial Person Comprises of (including the Post Employees Benefit):

(Amount in ₹ Lakhs)

Particulars	2018-19	2017-18
Short Term Employee Benefits	92.61	94.44
Post-Employment Benefits (as per actuarial valuation)	49.73	41.68
Other-Long term benefits	-	-
Termination Benefits (Given to Mr. Amitabh Lal on completion of his tenure)	7.54	-
Share-based payment	-	-
Total	**149.88**	**136.12**

36 Capital Commitment and Contingent Liabilities

(i) Capital commitment (net of advance, if any) by the Company as on 31st March 2019 was ₹ 22,631.96 lakhs (Previous year: ₹ 28,947.23 Lakhs). Capital commitment as on 31.3.2019 represents total estimated cost of Rail Electrification work on PRCL section (as reduced by cost booked by the Company up-to 31.3.2019). The total estimate cost given by the agency for the work is ₹ 28,947.23 Lakhs, which the Company accepted. The Company manages the funding this project from its own funds & earnings.

(ii) Claims against the Company not acknowledged as debts:

a. The Company received a Show Cause Notice during financial year 2011-12 from the office of Director General of Foreign Trade under section 14 read with section 11(2) of the Foreign Trade (Development and Regulation) Act, 1992, for non-fulfillment of export obligations in respect of EPCG license issued to the Company under the Category “RAIL TRANSPORT SERVICE”. The Company has filed an application for redemption of EPCG License before DGFT. Pending the decision thereon by DGFT, the liability on this account if any, is not ascertainable and hence not been provided for.

b. 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:

Period of the Show Cause Notices	Amount of tax involved	Forum where Dispute is pending
April 2009 to March 2014	₹ 7,639.48 lakhs plus interest & penalties	Principle Commissioner of Service Tax, New Delhi
April 2014 to March 2015	₹ 2,800.51 lakhs plus interest & penalties	Principle Commissioner of Service Tax, New Delhi
April 2015 to June 2017 (received in April 2018)	₹ 7,418.19 lakhs plus interest & penalties	Commissioner of Central Tax, Central Excise & Service Tax, Delhi-South
Total	**₹17858.18 Lakhs plus interest & penalties**	

The Company has not agreed with the department’s contention and submitted the detailed reply to the above SCNs requesting the adjudicating authorities to withdraw said SCNs. The Company has not received any adjudication order in the matter. Further, the issue was also referred to Ministry of Railways for taking up the case with the Finance Ministry.

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 visa-versa in sharing of freight revenue & costs by Railways with the Company. Therefore, there are no

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

GST obligations on the Company in respect to 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.

c. The Company received a writ petition during financial year 2011-12, filed by an employee named Shri S. S. Negi demanding the arrears of differential Pay + DA (i.e. ₹15,017/- per month) and the corresponding increase in allowances/other benefits resulting out of re-fixation of the Pay of the petitioner from the date of his joining after giving him protection along-with interest @18% p.a. and to award ₹55,000/- towards cost of litigation. The said employee joined the Company on absorption basis from MOR on 6th January 2010 and superannuated on 30th April, 2012. The case was also listed for regular hearing by Delhi High Court. The Company has not received any Court Order in the matter, pending the decision thereon, the liability on this account if any, has not been provided for.

37 Obligations under Operating lease

The Company has following operating leases:

37.1 Leases of office buildings

The Company has taken its corporate office on leases on payments of monthly rental of ₹ 5.15 lakhs plus taxes, for an initial lock-in-period of three (3) years which was up to 30th April 2018. The terms of the lease agreements provide that the leases can be renewed for another two terms of three years each at the option of the lessee with increase in the rent amounts. In terms of the lease agreements, the Company has exercised the option and renewed the leases for a period of three years from 1st May 2018 to 30th April 2021 with an increase of 12% in the rent amounts w. e. f. May 2018.

37.2 Leased Assets from Ministry of Railways

In terms of the lease agreement, Ministry of Railways (lessor) has leased to the Company (Lessee) all the existing assets i.e. assets which were already existing in the Project area at the time of the grant of concession, that were required to be used for construction of Broad Gauge railway line from Surendranagar to Pipavav in the State of Gujarat and land to be newly acquired for the Project. The term of lease is co-terminus with the term of the Concession (i. e. 33 years). Under the lease agreement, annual lease rent amount was fixed at ₹ 197.52 lakhs, which was based on the percentage of the book value of the leased assets and land to be newly acquired. The percentage was taken equal to the State Bank of India's Prime Lending Rate at the time of entering into lease agreement. The book value of the existing assets and fresh land to be acquired was assessed at ₹ 14.06 crores and ₹2.4 crores respectively. On this value, annual lease rent was fixed as ₹ 197.52 lakhs taking State Bank of India's Prime Lending Rate. Railways recover the lease rent on quarterly basis from the Company's share of freight earnings.

37.3 The obligation under the above leases are as under:

Amount in ₹ Lakhs

Particulars	As on 31st March 2019	As on 31st March 2018
Payable within 1 year	266.76	266.14
Payable between 1 to 5 years	1,062.61	1,131.85
Payable beyond 5 years	1,824.22	2,021.74

38 Operating and Maintenance Cost (O&M Cost)

38.1 Fixed Cost (Material)

(i) The Fixed Cost (Material), a component of O&M cost, was assessed by the Joint Survey Team, consisting representatives both from PRCL and Western Railway (WR), during the financial year 2015-16 for a period of five years. In assessment of the cost, the relevant data for financial year FY 2014-15 were used and the cost was fixed at ₹ 426.86 lakhs (previously assessed cost was ₹ 203.00 lakhs). WR has charged the Fixed Cost (Material) for FY 2018-19 to the Company based on this assessed cost after considering the impact of inflation index [Refer to Note 23(i)(a)]. WR has preferred the bill for Fixed Cost (Material) for month of March 2019 on a provisional basis pending the relevant inflation indices. The Company has booked the cost based on the provisional bill received from WR. This is however, subject to adjustment at the time of receipt actual bill from WR.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

(ii) **Cost of additional works:** In addition to above Fixed Cost (Material), the Company also incurs the cost of certain works / activities, which Railways carry out on PRCL section on case to case basis as per requirement. The Company has booked net expenditure of ₹ 277.20 Lakhs during the current year (previous year ₹ 567.36 Lakhs) for such works/ activities as per the information/ advices received from Railways. The final amounts of the expenditure incurred on such works/activities are to be advised by WR. Accordingly, necessary adjustments for expenditures incurred on the works/activities will be made on receipt of final advice(s) from WR of the expenditures finally incurred on the works/activities. The Company has shown the expenditure incurred on these works/activities as “Cost for additional works” [Refer to Note 23(i)(c)].

The Company filed a revised insurance claim of ₹ 493.73 Lakhs (excluding transportation cost) in July 2016 and a claim for Loss of Profit of ₹ 1159.07 lakhs in December 2015 with the insurance company in respect of damage of a portion of the Project assets, caused by flood occurred on PRCL section in June 2015. The expenditure incurred on flood restoration works were charged to revenue as “cost of the additional works” in the earlier year(s). The claim is to be settled by the Insurance Company. Pending the settlement of claim by Insurance company, no adjustment has been made in books during the current year for the same.

38.2 Fixed Cost (Staff)

The Company has booked the Fixed Cost (Staff) as per bills received from WR. The bills contain the category wise details of manpower deployed by WR on PRCL section [Refer to Note 23(i)(a)].

38.3 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.

During current financial year, WR has preferred the bill for month March 2019 on a provisional basis pending the determination of unit costs for said month. The Company has booked the variable costs for the said month after determining the same by applying latest available unit costs with the operating data compiled by it for said month. This is however, subject to adjustment at the time of receipt of the actual bill for said period from WR.

39 Revenue Recognition and Reconciliation

Indian Railways collect the freight in respect of freight train operation on the Project Railway. Under the terms of the Operation and Maintenance 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 train movement on the basis of railway receipts extracted from Freight Operating Information System 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. The reconciliation of Company’s share of freight earning is under process with WR for current year.

During the current financial year, Railways has started to make apportionment of freight earnings to PRCL based on the system generated calculation of apportioned freight earnings. Railways makes apportionment of freight earning to PRCL on the basis of 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 booked its share of freight earnings based on diverted carried route after taking the impact of diverted route recoveries amounting to ₹ 1,320.37 lakhs (net) (Previous year: ₹ 1,087.31 lakhs). Consequently, the apportioned freight earning has come down to that extent.

Further, WR has not accepted the Company’s claim of additional apportioned freight earning of ₹ 40.33 Lakhs and ₹ 48.61 lakhs for 2016-17 and FY 2017-18 respectively, which has arisen in case, where freight trains have run via shorter route than the booked route. Pending WR’ acceptance, the same has not been recognized in line with Ind AS 115. However, WR has started giving the credit arising on account of running of the freight train via shorter route from current year.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

The Company has been contesting for deduction/ recoveries being made by Railways which arises due to running of the freight trains via longer route (due to diversion) than the booked route.

39.1 The Company has certain issues with WR in respect to apportionment of freight earning related to earlier years e.g. downwards rounding off of the percentage of distance used by WR for apportioning Company's share of freight, nonpayment of terminal charge on traffic originated from Pipavav station, recovery of maintenance charges on higher side etc. WR had not accepted the views of the Company on disputed items related to those years. Therefore, the exact amount pending reconciliation has not been recognized by the Company in accordance with Ind AS-115- "Revenue from Contracts with Customers". However, these issues for the subsequent years have been resolved so far except issue of recovery of maintenance charges on higher side in respect to container freight trains.

39.2 The revenue on account of shortfall in guaranteed traffic as per 'Transportation and Traffic Guarantee Agreement' entered into amongst GPPL, PRCL and WR is accounted for based on traffic handled by the Company. During the current year, there is no shortfall in traffic guarantee and therefore, no revenue on account of traffic guarantee shortfall has accrued to the Company during the current year.

39.3 The following outstanding dues of the Company receivable from GPPL on account of traffic guarantee shortfall amount, interest etc., under Traffic and Transportation Agreement, Shareholders Agreement, Pipavav Port Rail Siding Agreement, are not settled by GPPL. A Committee of directors constituted by Board of Directors (BOD) for onetime settlement of the said dues submitted its final report 8th January 2015 on these dues to the Board of Directors in their meeting held on 23rd January 2015 and recommended to facilitate One Time Settlement between PRCL and GPPL. There is no change in the status of recoveries of these dues during the current year. Details of these dues as on 31st March, 2019 and the recommendations of the Onetime Settlement Committee are given below:

Sr. No.	Particulars of Dues	Amount in ₹ Lakhs
A	**Recognized in books**	
1	Additional traffic guarantee shortfall amount (due to factor of revision in tonnage of container traffic)	1,175.64
2	Additional traffic guarantee shortfall amount (due to factor of change in variable cost)	315.78
3	Interest on traffic guarantee shortfall amount for FY 2008-09 and 2009-10	361.00
4	Other miscellaneous	37.77
	Subtotal (A)	**1,890.19**
B	**Un-recognized in books**	
5	Interest on traffic guarantee shortfall amount (calculated up-to 31.3.2008 on traffic guarantee shortfall amount for FY 2003-04 to 2007-08)	2,933.71
6	Further Interest (updated up-to 1.4.2010 on traffic guarantee shortfall amount for FY 2003-04 to 2007-08 as revised from earlier amount of ₹ 1,447.93 lakhs as per Committee direction)	1,129.18
7	Interest on delayed equity contribution (Revised from earlier amount of ₹ 700.93 lakhs as per committee recommendation)	484.74
8	Other miscellaneous dues	25.55
	Subtotal (B)	**4,573.18**
	Total dues unresolved by GPPL as on 31.3.2019	**6,463.37**

Based on the recommendations of the Onetime Settlement Committee, the Board of Directors in their meeting on 23rd January 2015 decided on these dues and item wise details are given below:

a. Traffic guarantees shortfall amount of (i.e. ₹ 1,175.64 lakhs at Sr. no. 1 above) and interest thereon (i.e. ₹ 25.55 lakhs at Sr. no. 8 above) shall be finalized after a proper JPO is agreed upon by all the signatories of the Transportation and Traffic Guarantee Agreement.

b. Board of Directors had also decided that additional traffic guarantee shortfall amount (i.e. ₹ 315.78 lakhs at Sr. no. 2 above) shall be payable by GPPL after finalization of variable cost as the dispute of variable cost is still pending with WR.

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(All amounts in Rupees Millions, unless otherwise stated)

c. Board of Directors accepted the recommendations of the Onetime Settlement Committee for waiver of interest on traffic guarantee shortfall amount (i. e. ₹ 2,933.71 lakhs & ₹1,129.18 lakhs as mentioned at Sr. no. 5 & 6 above respectively) and directed to make representation to MOR in this regard.

d. Board of Directors further decided that matter for waiver of interest on delayed payment of traffic guarantee shortfall amount (i.e. ₹361.00 lakhs mentioned at Sr. no. 3 above) also be referred to MOR.

e. Interest on delayed equity contribution amounting to ₹ 493.36 lakhs shall be paid by GPPL. Out of this amount, ₹ 8.61 lakhs were already recognized in earlier year and is included in other miscellaneous dues as mentioned at Sr. no. 4 above. The remaining amount of ₹ 484.74 lakhs is unrecognized (mentioned at Sr. no. 7 above).

f. Other miscellaneous dues amounting to ₹ 29.16 lakhs (included in other miscellaneous dues as mentioned at Sr. no. 4 above) shall also be paid by GPPL.

Later on, Good Faith Negotiation (GFN) under Transportation and Traffic Guarantee Agreement was initiated by GPPL with PRCL to settle to above dues. However, GFN had failed due to non-consensus between both the parties. Thereafter, PRCL and GPPL started the Conciliation under the Traffic and Transportation Agreement. Presently, the Conciliation is in process.

The Company had already recognized ₹ 1,890.19 lakhs, against which, provision for doubtful debt was made in earlier year(s) and ₹4,573.18 lakhs have not been recognized in the books pending the final decision on the items, which is contingent upon the final outcome of the conciliation proceedings.

Therefore, no financial adjustments arise during the current financial year in respect of the above dues.

40 Settlement of dues with WR

WR has been recovering the O&M costs on a monthly basis by adjusting the same from the Company's monthly share of freight earning as per O&M agreement. The lease rental is recovered by WR on quarterly basis from the Company's share of freight earning of first month of the relevant quarter.

41 Employee's Benefits

The Company has accounted for the employee's benefit expenses in accordance with Ind AS 19 "Employee Benefits" notified by the Ministry of Corporate Affairs, Government of India. The summarised position of Post-employment benefits and long-term employee benefits recognised in the Statement of Profit and Loss and Balance Sheet as per Ind AS 19 are as under:

41.1 Change in the present value of the obligations:

(**Amount in ₹ Lakhs**)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Present value of obligation as at the beginning of the Year	79.32	70.44	30.48	60.32	50.54	22.30
Interest Cost	6.12	5.43	2.35	4.51	3.78	1.67
Current Service Cost	8.02	7.90	3.12	7.13	10.34	3.28
Past Service cost including curtailment Gains/ Losses	-	-	-	0.21	-	-
Benefits Paid	-	(6.40)	(1.78)	(0.76)	(2.94)	(0.21)
Re-measurements Obligations [Actuarial loss/(gain)]	0.41	3.00	0.06	7.91	8.72	3.44
Present value of obligation at year end	93.87	80.37	34.23	79.32	70.44	30.48

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

41.2 Change in Fair Value of Plan Assets

(Amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Fair value of Plan Assets at the beginning of the year	44.02	-	-	36.23	-	-
Expected return on Plan Assets	4.67	-	-	3.25	-	-
Employer's contribution	19.32	-	-	5.62	-	-
Fund Management Charges	(0.60)	-	-	(0.32)	-	-
Benefit Paid	-	-	-	(0.76)	-	-
Fair value of Plan Assets at the end of the year	67.41	-	-	44.02	-	-

41.4 Amount recognized in Balance Sheet

(Amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Estimated Present Value of obligations as at the end of the year	93.87	80.37	34.23	79.32	70.45	30.48
Fair value of Plan Assets as at the end of the year	67.41	-	-	44.02	-	-
Net Assets/ (Net Liability) recognized in Balance Sheet	(26.46)	(80.37)	(34.23)	(35.30)	(70.45)	(30.48)

41.5 Expenditure recognized in the Statement of Profit and Loss

(Amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Current Service Cost	8.02	7.90	3.12	7.34	10.34	3.28
Interest Cost	2.72	5.43	2.35	1.80	3.78	1.67
Net Actuarial (Gain) / Loss recognized in the year	-	3.00	0.06	-	8.72	3.44
Total expenses recognized in the Statement of Profit and Loss	10.74	16.33	5.53	9.14	22.84	8.39

41.6 Expenditure recognized in the Other Comprehensive Income

(Amount in ₹ Lakhs)

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Net cumulative unrecognized actuarial gain/ (loss) opening	-	-	-	-	-	-
actuarial gain/ (loss) for the year on PBO	(0.41)	-	-	(7.91)	-	-
actuarial gain/ (loss) for the year on the assets	0.67	-	-	0.21	-	-
Actuarial gain/ (loss) recognised during the year	0.26	-	-	(7.70)	-	-

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41.8 Principal actuarial assumption at the Balance Sheet Date

Particulars	2018-19			2017-18		
	Gratuity	Earned Leave	Sick Leave	Gratuity	Earned Leave	Sick Leave
Discount Rate	7.66%	7.66%	7.66%	7.71%	7.71%	7.71%
Rate of return on Plan Assets	7.59%	0%	0%	7.55%	0%	0%
Expected rate of Salary Increase	8%	8%	8%	8%	8%	8%
Method used	Projected unit credit					

41.10 Maturity profile of defined benefit obligation is as follow:

(Amount in ₹ Lakhs)

Period	Effect on Gratuity obligation	Effect on Earned Leave	Effect on Sick Leave
April 2019 to March 2020	1.53	1.98	0.55
April 2020 to March 2021	1.56	1.55	0.66
April 2021 to March 2022	4.86	1.51	0.63
April 2022 to March 2023	1.47	1.45	0.60
April 2023 to March 2024	1.49	4.58	2.47
April 2024 to March 2025	1.49	1.23	0.50
April 2025 onwards	81.46	68.07	28.82

(Amount in ₹ Lakhs)

Particulars	Change in assumptions	Effect on Gratuity obligation	Effect on Earned Leave obligations	Effect on Sick Leave Obligations
Discount Rate	+0.50 %	(6.02)	(5.81)	(2.33)
	-0.50%	6.57	8.30	3.36
Salary Growth	+0.50 %	6.51	8.21	2.29
	- 0.50 %	(6.03)	(5.82)	(3.33)

41.12 The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

41.13 The Company provides for Gratuity for employees as per the Payment of Gratuity Act 1972. Employees who are in continuous service for a period of five (5) years are eligible for gratuity. The amount of gratuity payable on retirement/termination of the employees is last drawn basic salary (including dearness allowance) per month computed proportionately for 15 days' salary multiplied for the number of years of service.

41.14 The Company has created a PRCL employees' Group Gratuity Trust which has taken a Group Gratuity Policy with Life Insurance Corporation of India for payment of gratuities. The approval of gratuity fund by Income Tax Authority is awaited.

41.15 The amount of liabilities is as per the report of a qualified Actuary and assets and return of planned assets are as per the details provided by the fund manager i.e. Life Insurance Corporation of India.

41.16 The Payment of Gratuity Act, 1972 has been modified and Government has notified the increase in Maximum Gratuity Limit from ₹ 10 lakhs to ₹ 20 lakhs. No other change in benefits has been made. Accordingly, Gratuity obligation has been determined considering this limit of ₹ 20 lakhs by the Actuary in the Actuary Valuation Report during the current year as well as previous year.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees Millions, unless otherwise stated)

42 In the opinion of management, sufficient provisions have been made for all direct/indirect costs payable in terms of the Operation and Maintenance Agreement and for other expenses.

43 Impairment of Assets

The management has carried out a review on impairment of all the assets of the Company including intangible assets in accordance with Ind AS-36 'Impairment of Assets'. On the basis of review, the management is of the opinion that the economic performance of property, plant and, equipment and intangibles, is not worse than expected and therefore, no impairment of any assets has been made as on the Balance Sheet date.

However, in case of license fee of ₹ 1,000.00 lakhs paid to MOR for obtaining license to run the container trains, the impairment loss equivalent to the net carrying amount of the license fee was already booked as expense and charged to Statement of Profit and Loss in the earlier year. The Company has reviewed the impairment test as on reporting date in respect of license fee and no further adjustment on account of impairment has been made in respect of license fee during the current year. 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 said license, the impairment loss shall be reassessed and, accordingly be reversed on the basis of assessment at that time and the carrying amount of the license fee will be increased to that extent.

44 In the opinion of Board of Directors, value on realization of current assets including other instruments in ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

45 Auditors remuneration

(Amount in ₹ Lakhs)

Sl. No.	Particulars	2018-19	2017-18
Auditors' Remuneration			
1	Statutory Audit	5.00	5.00
2	Tax Audit	0.75	0.75
3	Taxes [including differential of taxes for earlier year(s)]	1.04	1.19
4	Out of Pocket Expenses	0.05	0.18

46 The Company has only one reportable segment viz. Operation of freight traffic. Therefore, requirement for segment reporting is not applicable.

As per our Report of even date attached
for P K Chopra & Co.
Chartered Accountants
Firm Registration No.: 06747N

CA K. S. Ponnuswami
Partner
M. No. :070276

for and on behalf of Board of Directors

Sanjiv Garg
Managing Director
DIN: 00682084

Santosh Breed
Director
DIN: 08011070

A.K. Srivastava
Director
DIN: 08187918

Vinod Kumar
Chief Financial Officer

Leena Narwal
Company Secretary
M. No.: A20516

Place: **New Delhi**
Date: 9th May 2019

APM TERMINALS Lifting Global Trade℠

Gujarat Pipavav Port Limited

(CIN: L63010GJ1992PLC018106)

Regd Office: Pipavav Port At Post Rampara-2 via Rajula Dist. Amreli- 365 560

Tel: 02794 302400 **Fax:** 02794 302413

Email: investorrelationinppv@apmterminals.com **Website:** www.pipavav.com

ATTENDANCE SLIP

27th Annual General Meeting Thursday 8th August 2019 at 2:00 P. M.

Regd. Folio No. / DP ID & Client ID*	
No. of Equity Shares held	

Name of the Shareholder	
Name of the Proxy	

I/We hereby record my/ our presence at the 27th Annual General Meeting of the Members of the Company held on Thursday 8th August 2019 at 2:00 PM at Pipavav Port, At Post Rampara-2 via Rajula, District Amreli- 365 560.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

--- --

If Member, please sign here If Proxy, please sign here

Note: This form should be signed and handed over at the Meeting venue

*Applicable for Members holding shares in electronic mode

APM TERMINALS Lifting Global Trade℠

Gujarat Pipavav Port Limited

Regd Office: Pipavav Port At Post Rampara-2 via Rajula Dist. Amreli- 365 560

Form No. MGT- 11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	L63010GJ1992PLC018106
Name of the Company	:	Gujarat Pipavav Port Limited
Registered Office	:	Pipavav Port At Post Rampara-2 via Rajula Dist. Amreli- 365 560

Name of the Member (s)	:	
Registered Address	:	
Email ID	:	
Folio No./ DP ID & Client ID	:	

I/We, being the Member(s) of …………………………… shares of the above named company, hereby appoint

1. Name:

   Address:

   Email Id:

   Signature: ………………………………………………, or failing him

2. Name:

   Address:

   Email Id:

   Signature: ………………………………………………, or failing him

3. Name:

   Address:

   Email Id:

   Signature: ………………………………………………, or failing him as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Thursday 8th August 2019 at 2:00 P.M. at Pipavav Port At Post Rampara-2 via Rajula Dist. Amreli- 365 560 and at any adjournment thereof, in respect of such resolutions as are indicated below :

Resolution No	Particulars
Ordinary Business	
1	To receive, consider and adopt: a. the Audited Standalone Financial Statements of the Company for the financial year ended 31 March, 2019, 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 31 March, 2019 along with the Report of Auditors thereon.
2	To declare a final dividend of Rs. 1.80 per equity share and to confirm the interim dividend of Rs. 1.70 per equity share already paid during the year, for the financial year ended 31 March, 2019.
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

Signed this…………………. day of…………………………….. 2019

Please affix Re. 1/- Stamps and sign across

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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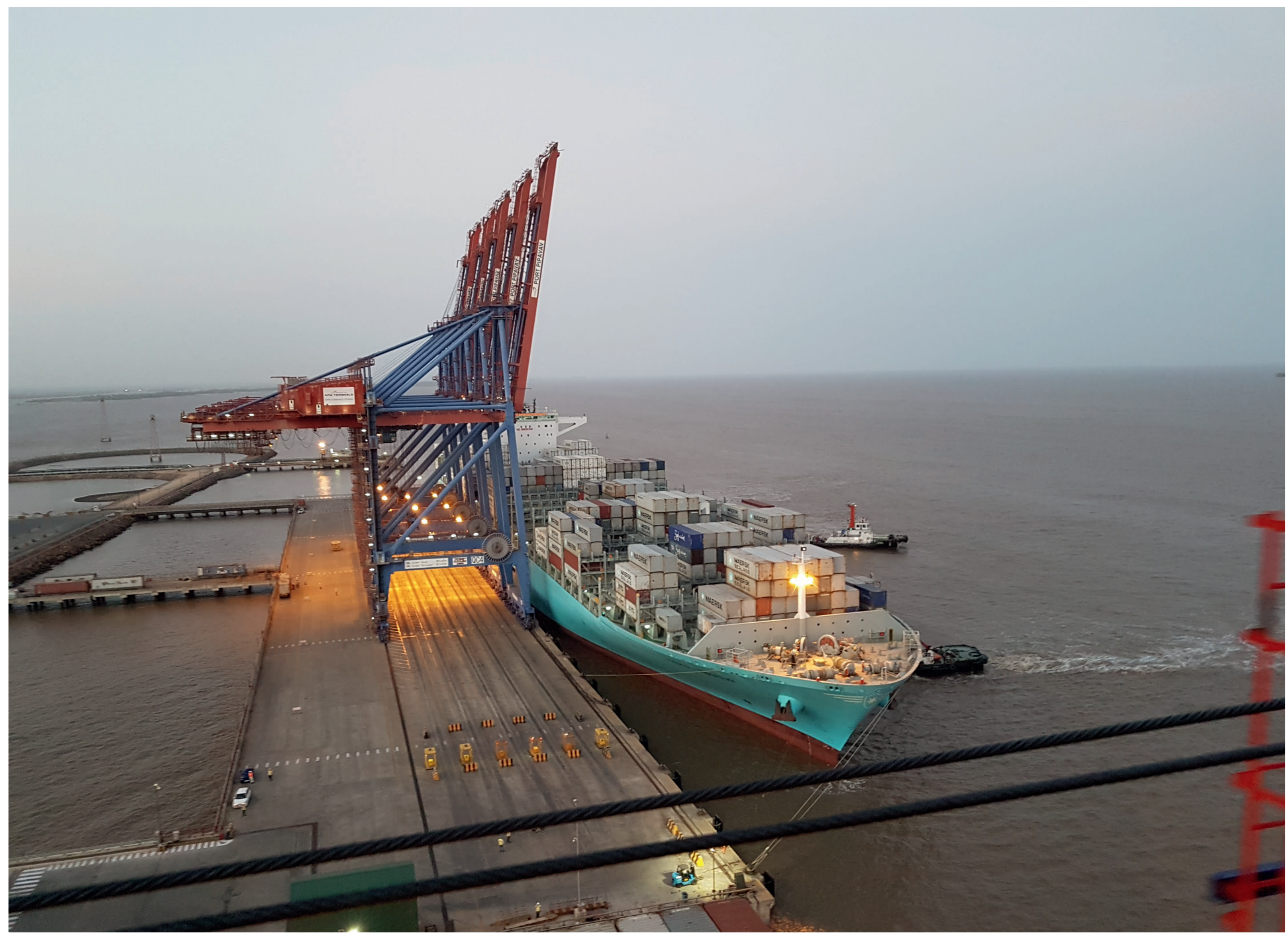


PORT PIPAVAV
NORTHERN JUBILEE
MAERSK SEALAND
MAERSK
HAMBURG SÜD
P&O Nedlloyd
QC4

Lifting Global Trade℠

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District Amreli, Gujarat 365560, India
www.pipavav.com

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