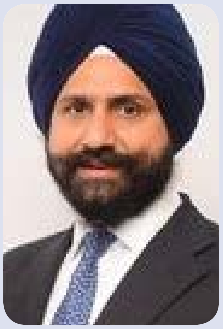
# Gujarat Pipavav Port Limited

## ANNUAL REPORT
## 2022-23



# 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 Financial Year 2022-23. It comprises the Standalone as well as the Consolidated financial statement for the year ended 31st March 2023.

During the financial year ended 31st March 2023, your Company has reported Standalone Net Profit of Rs. 2,924.50 million, an increase of 51% over the previous year mainly driven by the increase in Container, Liquid and RoRo business. The addition of a new Container service, rail evacuation of LPG, commencement of costal movement of liquid cargo and the addition of a new customer in RoRo have been the key contributing factors in this strong performance reported by your Company. The initiatives in the Container business have also led to improvement in the Company's market share amongst the west coast ports of the country. The other contributing factor is the move by the Company to a lower tax regime under the Income tax laws from the financial year ended 31st March 2023, after absorbing the available Minimum Alternate Tax (MAT) credit until the financial year ended 31st March 2022.

The Board of Directors had approved the payment of an Interim Dividend of Rs. 2.70 per share in November 2022 and are pleased to recommend a Final Dividend of Rs. 3.40 per share for approval by the Members at the forthcoming Annual General Meeting (AGM). The Interim and Final Dividend together would involve a cumulative Dividend Payout of Rs. 2,948.98 million, the highest ever payout by the Company for a financial year. This also demonstrates the Company's stated policy of paying the entire distributable profits as Dividend to its shareholders.

Your Company has been ranked as India's most efficient port for the second consecutive year by the World Bank and S&P Global Market Intelligence on the Global Port Performance Index (GPPI). This achievement is a strong testimony to the commitment and character of our team and is a proud moment for putting India on the map of Top 30 efficient ports globally. The team shall continue to put its best efforts in serving the trade.

As part of the Green Initiatives to make Pipavav "Gujarat's Green Gateway", last year your Company had reached a milestone by commissioning of a 1,000 kWp capacity rooftop solar power plant. Taking the next step, the Company has recently entered into a Power Purchase agreement for the purchase of green power, and the power generating company has commenced the supply of green power to the grid. With this about 45% of the Company's power requirement will be met through green energy sources. Your Company is committed and is on its course to achieve net zero greenhouse gas emissions by the Year 2040 in accordance with the parent's commitment.

The frequency of cyclone on the West Coast of India has been increasing and is a matter of concern. After the Cyclone Taukate in May 2021, the port very recently faced another Cyclone Biparjoy. All employees of the Company and the equipment were safe and secure, and the port facility did not suffer any significant damage. The port operations were suspended for about seven days in view of the severe weather conditions and were commenced immediately after the subsiding of the cyclone. The strong character and profound resilience shown by the team at the port to restart the operations and the clearing of the backlog within a week is truly commendable. On behalf of the Board of Directors I place on record our sincere appreciation. While the Disaster Management Plans of the Company have the procedures incorporated for mitigating the potential risks, the Management continues to review the plans on a regular basis for ensuring effective measures.

Global trade witnessed major supply chain disruptions during the pandemic. Ocean freight rates were at an all-time high. The availability of containers was a huge challenge. The situation has changed, the shortage of Containers is not a challenge anymore and freight rates have normalised. The average container freight in Europe markets has fallen by about 68% compared to the price during the pandemic. A similar drop in the price of container freight in the US is about 40%. This is a consequence of the headwinds faced by the Western markets due to high inflationary pressures. European nations have been adversely impacted by the Russia-Ukraine conflict and by the aftermath of the pandemic. High inflation in the United States and in Europe has lowered the spending capacity and has slowed down the growth. The European economies expect inflation to decline in the latter part of the Year 2023 with a reduction in energy prices, easing of supply chain bottlenecks leading to an improvement in the purchasing power of households. The slowdown in the US and Europe markets is impacting China, the manufacturer for the world. The ports in China have been witnessing a drop in exports to western geographies and the lack of demand has led to layoffs and reduction in capex by manufacturing companies in China.

Considering the geopolitical situation and after witnessing various supply chain challenges during the pandemic, global manufacturers are looking beyond China and the Government of India has been positioning itself as a suitable alternative considering the dual advantage of the huge domestic market along with exports from India. The growing middle class and a young working population is driving the consumption story of India and its growth. The Government is incentivizing manufacturing under its 'Make in India' initiative and intends to demonstrate to the world India's manufacturing capabilities along with its cutting edge technologies. In addition to these initiatives, the reduction in inland logistics cost is critical to make Indian exports competitive. This can be achieved by shifting cargo from road to rail and it will also substantially reduce carbon emissions. Pipavav has been in the forefront amongst all Indian ports by handling more than 70% of its cargo by rail and has a strong value proposition for its customers. The Company is all set in making its contribution towards a competitive trade by providing safe and efficient port operations and faster evacuation of cargo by rail.

Based on business requirements, the Board of Directors has approved capital expenditure of USD 90 million for construction of a new liquid berth. The utilization of the current berth is already at over 50% and considering the lead time involving necessary permissions and actual construction, the Company would like to ensure that the tank farm operators located inside the port are provided with an efficient waterfront facility. Meanwhile, the capex to upgrade the existing Liquid Berth infrastructure on the waterfront to be able to handle partially loaded Very Large Gas Carriers (VLGCs) has been completed. Upon receiving the necessary permissions, the Company shall commence handling of partially loaded VLGCs at the existing liquid berth. Both these measures will enhance the port's LPG handling capacity and will also support Government of India's initiative of providing LPG connection to every household under the Pradhan Mantri Ujwala Yojana.

The Company's current Concession Agreement is valid upto September 2028. The Company continues to be engaged with the stakeholders for an early clarification in the matter.

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

The Board of Directors join me in expressing their sincere appreciation to the Customers for their support and patience during the suspension of Port Operations due to Cyclone Biparjoy. The Company's vendors and contractors continue to play an important role by providing timely support for various requirements.

Efficient port operations can be possible only when the evacuation to and from the port is also efficient. Our Associate Company Pipavav Railway Corporation Limited (PRCL) continues to ensure an efficient rail connectivity to Pipavav Port. PRCL's freight train operations have a product to provide end to end logistics to the shipping lines. The Board of Directors thank PRCL and the Indian Railways for their strong and continued support to the Port.

I reiterate my appreciation to our colleagues for their resilience, dedication and commitment and for helping us obtain international recognition for the second consecutive year. I along with my colleagues on the Board would like to thank them for their efforts.

I also thank Gujarat Maritime Board, the State Government and the Central Government authorities for their assistance and support.

In the year of its G20 presidency, India is positioning itself as the next big growth opportunity for the world and is inviting global companies to participate in the growth story by setting up manufacturing facilities in the country. Pipavav Port is committed to playing an important role in providing efficient port operations to the manufacturing sector from Gujarat's Green Gateway.

With Best Wishes,

Tejpreet S Chopra

Chairman

## CONTENTS



## BOARD OF DIRECTORS

| | |
|---|---|
| Mr. Tejpreet Singh Chopra | Chairman |
| Mrs. Hina Shah | |
| Mr. Jonathan Richard Goldner | |
| Mr. Julian Bevis | |
| Mr. Keld Pedersen | |
| Mr. Maarten Degryse | |
| Ms. Matangi Gowrishankar | (from 3rd August 2022) |
| Ms. Monica Widhani | |
| Mr. Ranjitsinh Barad, IAS<br>Nominee Gujarat Maritime Board | (from 8th February 2023) |
| Mr. Soren Brandt | |
| Mr. Samir Chaturvedi | |
| Mr. Timothy John Smith | |
| Mrs. Avantika Singh Aulakh, IAS<br>Nominee Gujarat Maritime Board | (upto 20th September 2022) |
| Mr. Jakob Friis Sorensen | Managing Director<br>(upto 31st December 2022) |
| Mr. Girish Aggarwal | Managing Director<br>(from 1st January 2023) |

**CHIEF FINANCIAL OFFICER**
Mr. Santosh Breed

**COMPANY SECRETARY & COMPLIANCE OFFICER**
Mr. Manish Agnihotri

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

**REGISTRAR & SHARE TRANSFER AGENTS**
KFin Technologies Limited
Selenium Tower B, Plot 31-32, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad 500 032

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

**CORPORATE OFFICE**
501-502, Godrej Two
Pirojshanagar,
Vikhroli East,
Mumbai 400079

**NOTICE** is hereby given that the 31st Annual General Meeting of the Members of Gujarat Pipavav Port Limited (CIN:L63010GJ1992PLC018106) (‘the Company’) will be held on Friday 4th August 2023 at 2.30 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt:
    a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2023, 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 2023, along with the Auditors Report thereon.
2. To declare a final dividend of Rs. 3.40 per equity share and to confirm the interim dividend of Rs. 2.70 per equity share already paid during the year, for the financial year ended 31st March 2023.
3. To appoint a Director in place of Mr. Keld Pedersen (DIN: 07144184) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jonathan Richard Goldner (DIN: 09311803) 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
24th May 2023

**Notes:**

a) The Ministry of Corporate Affairs ("MCA") vide its circular no. 20/2020 dated 5th May, 2020 and circular no. 10/2022 dated 28th December 2022 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 read with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, (collectively referred to as "said Circulars") has allowed Companies to hold Annual General Meeting ("e-AGM") through VC / OAVM, without physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and said Circulars, the AGM of the Company is being held through VC / OAVM. The Members can attend and participate in the Company's AGM through VC/OVAM. Therefore, the Route Map for venue of the Meeting is not annexed to the Notice.

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

c) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the e-AGM and the Proxy Form as well as the Attendance Slip are not annexed to the Notice. However, representatives of members u/s 112 and 113 of the Act can be appointed to participate and vote at this e-AGM.

d) The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday 27 July 2023 to Friday 4 August 2023 (both days inclusive).

e) The relevant details pursuant to Regulation 36(3) of the SEBI Listing Regulations, Section 102 of the Act and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this e-AGM is annexed.

f) 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.

g) In terms of the said Circulars, the Notice of the e-AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email address is registered with the Company/ Depositories. This is being done in accordance with said Circulars.

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

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

i) Members may kindly note the Notice of the e-AGM and the Annual Report 2022-23 is available on the Company's website www.pipavav.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin at https://evoting.kfintech.com

**Procedure for Login for E-voting and Attending AGM through VC/OAVM for Individual Shareholders holding securities in Demat mode.**

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

The Remote E-voting shall commence from **Tuesday 1st August 2023 (9.00 a.m. IST)** and end on **Thursday 3rd August 2023 (5.00 p.m. IST)**. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the Cut-off date being Friday 28th July 2023, may cast their vote by electronic means. The Remote E-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Members who have not cast their votes during Remote E-voting, shall be eligible to cast their vote through Remote E-voting during the e-AGM.

Any person, who acquires shares of the Company and becomes a Member after the e-AGM Notice has been sent and is holding shares as of the Cut-off date i.e. 28th July 2023, may obtain the login ID and password by sending a request to KFin at einward.ris@kfintech.com However, if he/she is already registered with NSDL/ CDSL for Remote E-voting then he/she can use his/her existing User ID and password for casting the vote.

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

| | |
|---|---|
| Individual shareholders holding securities in Demat mode with National Securities Depository Limited ("NSDL") | **A. User already registered for IDeAS facility:**<br>1. Open https://eservices.nsdl.com<br>2. Click on the "Beneficial Owner" icon under 'IDeAS' section.<br>3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"<br>4. Click on Bank Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period.<br>**B. User not registered for IDeAS e-Services:**<br>1. To register, open https://eservices.nsdl.com either on a Personal Computer or on a mobile.<br>2. Select "Register Online for IDeAS "Portal or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.<br>3. Proceed with completing the required fields<br>**C. By visiting the e-Voting website of NSDL:**<br>1. Open https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.<br>2. Click on the icon "Login" which is available under 'Shareholder/Member' section<br>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.<br>4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.<br>5. Click on Bank name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |
| Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL") | **A. Existing user who has opted for Easi/Easiest**<br>1. Click at https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com<br>2. Click on New System Myeasi.<br>3. Login with user ID and Password<br>4. After successful login of Easi / Easiest, Option will be made available to reach e-voting page<br>5. Click on e-voting service provider name to cast your vote<br>**B. User not registered for Easi/Easiest**<br>1. Option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration.<br>2. Proceed with completing the required fields.<br>**C. By visiting the e-Voting website of CDSL:**<br>1. Visit at www.cdslindia.com<br>2. Provide Demat Account Number and PAN No.<br>3. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account.<br>4. After successful authentication, user will be provided links for the respective e-voting service provider where the e-voting is in progress. |
| Individual Shareholders (holding securities in Demat mode) login through their depository participants | You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.<br>After login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Bank Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |

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

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

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43. |

**j) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

i. Initial password is provided in the body of the e-mail.

ii. Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

iii. Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.

iv. After entering the correct details, click on LOGIN.

v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

vii. On successful login, the system will prompt you to select the EVENT i.e. GUJARAT PIPAVAV PORT LIMITED.

viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click ‘FOR’/‘AGAINST’ as the case may be or partially in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR’ and/or ‘AGAINST’ taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ‘ABSTAIN’, in which case, the shares held will not be counted under either head.

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

x. Cast your votes by selecting an appropriate option and click on ‘SUBMIT’. 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 subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at hsk@rathiandassociates.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format ‘GPPL_EVENT No.’

xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the ‘download’ section of https://evoting.kfintech.com or call KFin on 1800 309 4001 (toll free).

**Voting at e-AGM**

i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.

ii. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.

iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the ‘e-voting’ sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the ‘Thumbs-up’ icon against the unit to vote.

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

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

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

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

**Instructions for members for attending the e-AGM**

i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at https://emeetings.kfintech.com by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.

ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.

iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.

iv. Members may join the meeting using headphones for better sound clarity.

v. While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab 'Speaker Registration' during the period starting from Tuesday 1st August 2023 (9:00 a.m.) up to Wednesday 2nd August 2023 ( 5:00 p.m.). The Members need to provide their name, their DP ID and Client ID or Folio No. as the case may be, their PAN, their Email and mobile number and the statement they would like to make at the e-AGM or the question they would like to ask at the e-AGM. This would enable the Company to provide an appropriate response to their statement/ question. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.

vii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com/, under the "How It Works" tab placed on top of the page.

viii. Members who need technical assistance before or during the e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.

**Procedure for Registration of email and Mobile: Securities in physical mode**

Those holding shares in physical form are hereby notified that based on SEBI Circular number SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. The security holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained from following the link: https://ris.kfintech.com/clientservices/isc/default.aspx

ISR Form(s) and the supporting documents can be provided through any one of the following modes.

a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

b) Through hard copies which are self-attested, which can be shared on the address below; or

| | |
|---|---|
| Name | KFIN Technologies Limited |
| Address | Selenium Building, Tower-B,<br>Plot No 31 & 32, Financial District,<br>Nanakramguda, Serilingampally,<br>Hyderabad, Rangareddy, Telangana India - 500 032. |

c) Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx#

Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html

For updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT account is being held.

**OTHER INFORMATION FOR THE MEMBERS**

1. If the Final Dividend recommended by the Board of Directors is approved at the e-AGM, the payment of such dividend will be made on Thursday 10th August 2023, within the stipulated time limit as under:
   (i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 26th July 2023.
   (ii) To all Members holding shares in physical form after giving effect to share transmission or transposition requests received as of the close of business hours on 26th July 2023.
2. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder and for transmission / transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialised form or to KFin in case of holdings in physical form, mentioning your correct reference folio number.
3. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. The Members can contact KFin for assistance in this regard.
4. Members who have not updated their bank details with the DP are requested to do so in order to enable the Company to execute NEFT/ Electronic Transfer of Dividend amount to their bank account to eliminate all risks associated with physical dividend warrants. Members holding shares in physical mode can register their bank details with KFin to execute NEFT/ Electronic Transfer of Dividend amount.
5. In order to support the 'Green Initiative', Members who have not yet registered their email address are requested to register it with their Depository Participants if the shares are held in electronic mode and with KFin if the shares are held in physical form. As part of Green Initiative, it will enable the Company to send Annual Report in electronic form by email.
6. Effective 1st April 2020, the dividend amount is taxable in the hands of shareholders and the Company is required to deduct tax at source before payment of dividend amount to the shareholders. The shareholders may refer to the tax rates applicable to them and in case no tax is deductible then they need to submit the relevant Declaration in Form 15G/ 15H to ensure that no tax is deducted. In case lower tax is deductible then too they need to submit the necessary documents. These Declaration Forms should be submitted to KFin on einward.ris@kfintech.com by 28th July 2023 failing which the applicable tax amount shall be deducted. The Shareholders can update their PAN details with the Depositories if the shares are held in dematerialised form and with KFin if the shares are held in physical form.
7. The details of Unclaimed/Unpaid Dividend of the Members until the Company's AGM held on 3rd August 2022 have been displayed under the Investors Section on the Company's website www.pipavav.com These have been also submitted to IEPF on its website www.iepf.gov.in
8. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members holding shares in physical form can nominate a person in respect of the shares held by them by filing Form SH-13 with KFin. Members holding shares in dematerialised form can approach their Depository Participant.
9. For redressal of investor grievances, Members can write to the Company on investorrelationinppv@apmterminals.com

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

| Particulars | Mr. Keld Pedersen | Mr. Jonathan Richard Goldner |
|---|---|---|
| Date of Birth | 29th April 1966 | 18th February 1975 |
| Date of Appointment | 1st June 2019 | 11th November 2021 |
| Qualification | Master Mariner from Copenhagen Navigation School; Diploma in Economics and Management (Bachelor level); Executive Programs from London Business School and IMD Switzerland | Shipping Professional and MBA |
| Experience (in years) | 31 Years | 26 Years |
| Expertise in specific functional areas | Business Management | Business Management |
| Disclosure of Relationship between the Directors inter- se | None. He represents the Promoter APM Terminals Mauritius Limited | None. He represents the Promoter APM Terminals Mauritius Limited |
| Directorships in other Public Listed companies in India | None | None |
| Membership of Committees held in other Public Listed companies in India | None | None |
| Shares held in the Company | Nil | Nil |
| Terms and conditions of appointment | He is Non-Executive Non-Independent Director representing the Promoter Company. | He is Non-Executive Non-Independent Director representing the Promoter Company. |
| Details of remuneration sought to be paid | Nil | Nil |
| Remuneration last drawn | NA | NA |
| Number of Meetings of the Board attended during the year | 3 | 4 |
| Other Directorships, Membership/ Chairmanship of Committees of other Boards | None | None |

# DIRECTORS' REPORT

**To**
**The Members,**
**Gujarat Pipavav Port Limited**

The Directors of Gujarat Pipavav Port Limited ('the Company') have pleasure in submitting their 31st Annual Report to the Members of the Company together with the Audited Standalone and Consolidated Statement of Accounts for the financial year ended 31 March 2023.

## 1. FINANCIAL STATEMENTS & RESULTS:

### a. STANDALONE FINANCIAL RESULTS:

(INR Million)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Operating Income | 9,169.50 | 7,413.65 |
| Less: Total Operating Expenditure | 4,148.09 | 3,309.78 |
| Operating Profit | 5,021.41 | 4,103.87 |
| Add: Other Income | 510.00 | 307.60 |
| Profit before Interest, Depreciation, Tax and Exceptional Item | 5,531.41 | 4,411.47 |
| Less: Interest | 79.55 | 47.66 |
| Less: Depreciation | 1,161.54 | 1,292.71 |
| Profit before exceptional items and tax | 4,290.32 | 3,071.10 |
| Less: Exceptional items | 371.67 | 46.09 |
| Profit Before Tax | 3,918.65 | 3,025.01 |
| Less: Taxes | 1,000.85 | 1,092.64 |
| Profit for the year after Tax | 2,917.80 | 1,932.37 |
| Total comprehensive income for the year | 2,924.50 | 1,935.97 |

### b. OPERATIONS:

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

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Dry Bulk Cargo (Mn MT) | 3.91 | 4.19 |
| Liquid Cargo (Mn MT) | 1.03 | 0.81 |
| Containers (In TEUs) | 764,034 | 627,747 |
| RORO (No. of Cars) | 40,237 | 23,874 |

The improvement in Container volume is primarily driven by addition of new service to the Middle East, during the year. The Liquid Cargo volume is seeing good traction with rail evacuation of LPG working well economically for the customers. The Company has added new customer in RoRo for car exports, resulting into improvement in the volume. In the case of Dry Bulk cargo, with the captive jetty in the neighbourhood getting operational, the volume is back to the pre-covid and pre-cyclone levels.

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

The Company holds 38.8% shares in Pipavav Railway Corporation Limited (PRCL) and the salient features in Form AOC-1 are mentioned in Annexure B. In view of the provisions of Section 2(6) of the Companies Act, 2013 ('the Act'), PRCL is an Associate Company and pursuant to the provisions of Section 129 of the Act, the Company is required to consolidate PRCL's annual accounts with its own accounts. The

Company's share of Net Profit in PRCL is based on Management representation numbers in view of pending finalisation of accounts and completion of PRCL's statutory audit. A snapshot of the Consolidated Accounts is as follows:

(INR Million)

| **Particulars** | **For the year ended 31 March 2023** | **For the year ended 31 March 2022** |
|---|---|---|
| Operating Income | 9,169.50 | 7,413.65 |
| Less: Total Operating Expenditure | 4,148.09 | 3,309.78 |
| Operating Profit | 5,021.41 | 4,103.87 |
| Add: Other Income | 510.00 | 307.60 |
| Profit before Interest, Depreciation, Tax and Exceptional Item | 5,531.41 | 4,411.47 |
| Less: Interest | 79.55 | 47.66 |
| Less: Depreciation | 1,161.54 | 1,292.71 |
| Profit before share of net profits of investments | 4,290.32 | 3,071.10 |
| Add: Share of Net Profit of Associate Company accounted for using the Equity Method | 213.62 | 40.92 |
| Profit before exceptional items and tax | 4,503.94 | 3,112.02 |
| Less: Exceptional items | 371.67 | 46.09 |
| Profit before tax | 4,132.27 | 3,065.93 |
| Less: Taxes | 1,000.85 | 1,092.64 |
| Profit for the year after Tax | 3,131.42 | 1,973.29 |
| Total comprehensive income for the year | 3,138.15 | 1,976.85 |

**d. DIVIDEND:**

The Board of Directors in their Meeting held on 9th November 2022 declared Interim Dividend of Rs. 2.70 per share and it has been paid. The Board is pleased to recommend a Final Dividend of Rs. 3.40 per share on the Company's outstanding Equity Share Capital.

The Dividend is subject to the approval by the Members at the Annual General Meeting to be held on 4 August 2023 and will be paid on 10 August 2023, within the stipulated time limit to all Members whose Names appear in the Register of Members, as of the close of business hours on 26 July 2023. The final dividend if approved by the Members would involve a cash outflow of Rs. 1,643.69 million. The Dividend Distribution Tax, if applicable, would be borne by the Member.

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

**e. TRANSFER TO RESERVES:**

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

**f. REVISION OF FINANCIAL STATEMENT:**

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

**g. DEPOSITS:**

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

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

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

i. **DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

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

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

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

k. **PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:**

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

The related party transaction with Maersk 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 A/S has been approved by the shareholders by way of Postal Ballot on 16th March 2020, pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of Related Party Transactions are mentioned in Note 34(b) of the financial statements. The link for the Policy on Related Party Transactions is https://www.apmterminals.com/en/pipavav/investors/governance

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 World Health Organisation has declared Covid-19 is no longer a global health emergency. Though it also mentions that the virus is evolving and remains a global health threat but at a lower level of concern. This is good news and a much needed relief for the global trade considering the challenges the vessels and its crew had to face during the pandemic and should also help the shipping lines bring reliability to their sailing schedules.

Considering the potential fall out of the continuing Russia- Ukraine conflict on the inflationary pressures in Europe, the EU provided large budgetary support measures to help the households weather the energy crisis. But the non-Russian LNG deliveries and a mild winter led to oil and gas prices trending downwards from their peak in mid- 2022. Also, India one of the largest importers of crude oil in the international crude market, has been fulfilling its crude oil requirement through much cheaper crude oil imports from Russia post the economic sanctions imposed by the Western countries. India's imports from Saudi Arabia and Iraq reduced substantially thus leading to reduction in the crude oil prices in the international markets.

The interest rate hike by the advanced economies succeeded in cooling the demand towards the end of Year 2022 but the failure of a few banks in the US triggered a sharp decline in global banking stocks. In order to prevent impacting other banks, several Central Banks intervened to provide extraordinary liquidity and to calm the situation, the Governments sent a message to depositors about safety of their deposits. The central banks of the advanced economies are trying to balance between taming inflation, sustaining economic growth and maintain financial stability. All these events have resulted into a somewhat rocky and turbulent recovery for some of the economies around the world.

The Commodity prices have moderated since last year, the debt levels of the countries remain high but the recent financial turmoil has caused uncertainty in the growth outlook. The IMF estimates the global output growth to be at 2.8% for the Year 2023, down from 3.4% during the Year 2022. Within that the advanced economies are slated for a strong decline at 1.3% from 2.6% and the growth is likely to be driven by the emerging economies.

India recorded 6.6% GDP growth in FY 2022-23 and is likely to be impacted by the decline in Exports to the advanced economies. Hence the GDP for FY 2023-24 is likely to drop to 5.7% and then is likely to sharply increase to 7% in FY 2024-25 as per the OECD estimates. Government of India has been expanding the infrastructure spend in the country by constructing highways and dedicated rail freight corridors. The gross direct tax collections for the FY 2022-23 have reported a strong increase of 20.33% year on year. The net direct tax collections (after paying refunds) increased by 17.63% year on year. As per the reports, this buoyancy in tax collections is the highest ever in last 15 years mainly driven by higher profitability of companies, more number of companies opting for the standard tax rates after completing their tax holidays and improved overall tax compliance. Also, increased digitisation has brought a bigger share of the economy under the tax administration.

With China opening up and inflation impacting the western economies, the situation of port congestion has eased, and global supply chain has stabilised. The availability of containers has changed from shortage to excess supply. The ocean freight rates for the shipping lines have been on a downward trend as compared to last two years but they remain high as compared to the pre-covid days. As per the estimates of World Trade Organisation, the global trade is likely to be at 1.7% in the year 2023 lower than its 12-year average of 2.7% due to high inflation, monetary tightening and financial uncertainty but it is likely to sharply improve in the year 2024 to 3.2%.

The Container volume on the West Coast of India saw an increase of 4% during the year at 14.56 million TEUs as compared to 13.95 million TEUs in the previous year. The increase is driven mainly by the imports into the country while the Export volume to the Western countries have been impacted. As for the Company, with the shipping line calls stabilising, the container volume has shown an increase of about 21% compared to previous year. Considering the economic situation in the western countries, the Exports from India to the US and Europe are likely to remain under pressure in short term. But the Exports to the Middle East and to the Far East are likely to remain steady. The Imports into India are likely to see improvement with the consumption economy continuing to do well.

As far as the Dry Bulk volume is concerned, during last year the Company commissioned additional warehouse of 10,000 sq. mtrs. for storage of fertiliser. In order to increase the rake loading capacity and to enable faster evacuation of fertiliser cargo, the Company has now commissioned two additional wagon loading equipment on the rail line. It will also provide operational flexibility in simultaneously handling different types of fertiliser cargo for loading on rakes.

As far as the Liquid Cargo business is concerned, the Company has upgraded its existing Liquid berth for handling partially loaded Very Large Gas Carriers (VLGCs). The work has been completed and necessary application has been submitted to the government authorities seeking approval for handling partially loaded VLGCs.

The Company has been consistently investing in Port infrastructure and for development on the waterfront as well as on the land side, as per the requirement of the trade from time to time. Based on the discussions with the business partners and considering the potential growth opportunities for handling higher liquid cargo volume, the Company proposes to construct an additional Liquid Berth at an estimated cost of USD 90 million subject to regulatory approvals. Once completed, it will increase the Liquid cargo handling capacity at Pipavav from 2 million MT to 5.2 million MT.

The Car exports from Pipavav have shown consistent improvement with addition of new customer automobile companies. The Company along with its business partner continues to explore new opportunities in RoRo.

In an endeavour to improve the local ecosystem around the port, the Company has entered into an agreement for hiring of a warehouse on a long-term lease at the Multi Modal Logistics Park being developed outside the port. It will help in providing warehousing solutions to the local cargo customers from immediate hinterland.

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

While the macro indicators for India are positive, the consumption story of the country is holding strong, the Exports from India into the Western economies need to grow. The sectors like textiles, apparels, handicrafts, leather goods are high employment generating sectors and the increase in their share of exports into the global trade will have a multiplier effect on India's growth. The western economies are under pressure due to the prevailing inflation. If India has to increase its share in global trade, then the country's exports need to become competitive in the fiercely competitive international market. In that context, along with the Government of India, the respective State Governments have an equally important role in providing necessary support to industries, facilitate seamless end to end logistics and remove inefficiencies in the system.

**4. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**a. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:**

Mrs. Hina Shah (DIN: 06664927) has her second consecutive tenure as an Independent Director upto 29 July 2023. Mr. Tejpreet Singh Chopra (DIN: 00317683) has his second consecutive tenure as an Independent Director upto 29 July 2025. Mr. Samir Chaturvedi (DIN: 08911552) has been appointed as an Independent Director upto 11 November 2025. Ms. Monica Widhani (DIN: 07674403) has been appointed as an Independent Director upto 11 August 2026. Ms. Matangi Gowrishankar (DIN: 01518137) has been appointed as an Independent Director upto 2 August 2027. The Company has obtained Shareholder's approval by way of Remote E-voting for her appointment.

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.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Keld Pedersen (DIN: 07144184) and Mr. Jonathan Richard Goldner (DIN: 09311803) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

**b. DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received declaration from all Independent Directors under Section 149(6) of the Companies Act, 2013 confirming that they continue to fulfil the criteria of independence as required under Section 149 of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Director of the Company.

The details regarding the appointment of Independent Directors and their tenure have been mentioned hereinabove.

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

In the opinion of the Board, the Independent Directors possess integrity, requisite expertise and experience for acting as an Independent Director of the Company.

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

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

**a. BOARD MEETINGS:**

The Board of Directors met four times during the year ended 31 March 2023 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The particulars of the meetings held and attended by each Director during the financial year 2023 are given in the Corporate Governance Report which forms part of this Annual Report.

**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 2023, 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 2023 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. Samir Chaturvedi, Chairman, Independent Director
2. Mr. Tejpreet Singh Chopra, Independent Director;
3. Ms. Matangi Gowrishankar, Independent Director; and
4. Mr. Jonathan Richard Goldner, Non-Executive Non- Independent 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 the remuneration for Directors, Key Managerial Personnel and other members of Senior Management.

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

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

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

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

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

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

   i) Criteria/ norms for determining the remuneration of such employees prescribed in the HR Policy.

   ii) Existing remuneration drawn.

   iii) Industry standards, if the data in this regard is available.

   iv) The job description.

   v) Qualifications and experience levels of the candidate.

   vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.

   vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.

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

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

**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. Samir Chaturvedi, Chairman, Independent Director
2. Mrs. Hina Shah, Independent Director
3. Ms. Monica Widhani, Independent Director
4. Mr. Maarten Degryse, Non-Executive Non- Independent Director

The scope and terms of reference of the Audit Committee is in accordance with the Companies Act, 2013 and it reviews the information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company Secretary acts as Secretary of the Committee.

**e. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Stakeholders Relationship Committee comprised the following Directors:

1. Mr. Tejpreet Singh Chopra, Chairman, Independent Director
2. Mrs. Hina Shah, Independent Director
3. Mr. Girish Aggarwal, Managing Director

The Company Secretary acts as Secretary of the Stakeholders 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 and the link of the policy on the website is https://www.apmterminals.com/en/pipavav/investors/governance

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

As part of APM Terminals, the Company shares the distinctive set of the Group's Purpose and 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, to the Group's commitment to the UN Global Compact and our commitment to our people, customers and communities.

**g. RISK MANAGEMENT POLICY:**

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

1. Mr. Julian Bevis, Chairman, Non-Executive Non- Independent Director
2. Mr. Soren Brandt, Non-Executive Non- Independent Director
3. Mr. Samir Chaturvedi, Independent Director
4. Mr. Girish Aggarwal, Managing Director

**h. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

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

1. Mrs. Hina Shah, Chairperson, Independent Director
2. Mr. Soren Brandt, Non-Executive Non- Independent Director
3. Mr. Julian Bevis, Non-Executive Non- Independent Director
4. Mr. Girish Aggarwal, 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 2023 the Company was required to spend Rs. 67.21 million towards the CSR activities and the Company has spent the entire budget amount. The Company's focus area of CSR activities are Education, Health, Safety & Environment, Women Empowerment, Skill Development and Rural Development Projects.

**i. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:**

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

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

**j. INTERNAL CONTROL SYSTEMS:**

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

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

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

In terms of the requirement under Section 197(12) of the Act, the Median Employee's Remuneration of the Company is Rs. 2.48 million. The Managing Director's remuneration was Rs. 56.66 million. The ratio of Managing Director's remuneration to Median Remuneration of employees is 22.85

The percentage increase in remuneration of the Key Managerial Personnel (KMPs) i.e. Managing Director, Chief Financial Officer and Company Secretary is 0.3%, 8% and 8% respectively. The average increase for KMPs works out to approximately 5%.

The percentage increase in the median remuneration of employees in the financial year is 10.1%.

The Company has a total of 460 permanent employees on its rolls.

The Company follows the global practice of its parent regarding the Performance Appraisal System. The Group's HR has introduced a tool of constant engagement with our colleagues. It is mainly focused on Team conversation between the colleagues and People Leaders. The Company is shifting from Performance Ratings to Performance Conversations and from merit matrices and percentage increase guidance to a holistic people centred approach based around the Group's Rewards Principles.

The Company's Market Capitalization increased by ~52% based on the closing price as of 31 March 2023 compared to 31 March 2022. The Net Worth is Rs. 20,783 million compared to Rs. 20,324.20 million as of the previous year.

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

The Company has paid Commission of Rs. 4.13 million to its Independent Directors pursuant to the shareholder's approval obtained in the Annual General Meeting held on 13 August 2021.

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

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.

The link for the Dividend Policy on the Company website is https://www.apmterminals.com/en/pipavav/investors/governance

## 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 2023:

There are no Audit Observations on the Standalone Financial Statements of the Company for the year ended 31 March 2023. But the Consolidated Financial Statements carry an Audit Observation as follows:

In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effect of the matter described in the Basis of Qualified section, 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 March 31, 2023, and 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.

The Basis for qualified opinion:

The consolidated financial statements include the Company’s share of total comprehensive income (comprising of profit and other comprehensive income) of INR 213.66 million, based on unaudited financial statements as at and for the year ended March 31, 2023, in respect of its associate company. Our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included for the year ended on March 31, 2023, in respect of this associate company is based solely on such unaudited financial statements of the associate company for the year ended on March 31, 2023, as furnished to us by the Management of the Company. In absence of availability of audited financial statements we are unable to comment on additional adjustments and/disclosures that are required to be made to these consolidated financial statements.

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 the Institute of Chartered Accountants of India 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 is sufficient and appropriate to provide a basis for our qualified opinion.

**Report on IFCFR**

**Basis for Qualified Opinion**

1. According to the information and explanations given to us and based on our audit, material weakness has been identified in the operating effectiveness of the Company’s internal financial controls with reference to consolidated financial statements as at March 31, 2023 as the Company’s period end financial controls related to ensuring that the financial information of the associate company i.e., Pipavav Railway Corporation Limited (PRCL), included in the consolidated financial statements of the Company, is in accordance with the audited consolidated financial statements of the associate company, did not operate effectively. This could result in material misstatement in the consolidated financial statements.
2. A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

**Qualified Opinion**

In our opinion, the Company and its associate company have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements 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 issued by the ICAI, and except for the possible effects of the material weakness described in the ‘Basis for Qualified Opinion’ section above on the achievement of the objectives of the control criteria, the Company’s internal financial controls with reference to consolidated financial statements were operating effectively as of March 31, 2023.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2023, and the material weakness affects our opinion on the consolidated financial statements of the Company and we have issued a qualified audit opinion on the consolidated financial statements. [Refer paragraph 3 of our audit report on consolidated financial statements]

The response of the Board of Directors to the audit observation is that the financial statements of the Associate Company Pipavav Railway Corporation Limited (PRCL), are Management representation numbers in view of pending finalisation of accounts and completion of PRCL's statutory audit.

**b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31 MARCH 2023:**

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 2023.

**c. STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Price Waterhouse Chartered Accountants LLP (Firm Regn. No. 012754N/N-500016) are Re-appointed as Statutory Auditors of the Company for a period of five years in the Annual General Meeting held on 6 August 2020.

**d. COST AUDITORS:**

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

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

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. During the year under review, one complaint in relation to sexual harassment at workplace was reported. It has been addressed suitably and closed.

**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.

As mentioned in the Annual Report of previous year, the Company as part of its Green Initiative has installed solar panels over its new warehouse of 10,000 sq. mtrs. The facility is commissioned. Additionally, the Company is in discussion with a Renewable Energy supplier for entering into a Power Purchase Agreement for purchase of green power. After the signing of the Power Purchase Agreement and the supply commences, the Company will be sourcing about 45% of its Power requirement through Green Energy.

The foreign exchange earning was Rs. 2,227.58 million and outgo was Rs. 319.03 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 2023 remains unchanged.

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

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return for the year ended 31st March 2023 is available on https://www.apmterminals.com/en/pipavav/investors/financial-results

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

Subject to the applicable provisions of the Companies Act, 2013, all documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or have been provided by the members. The physical copy of annual report will be dispatched only to shareholders with a specific request for the physical copy of the report.

**e. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is in compliance with the mandatory Secretarial Standards.

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

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

Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), all dividends remaining unpaid or unclaimed for a period of seven years and also the shares in respect of which the dividend has not been claimed by the shareholders for seven consecutive years or more are required to be transferred to Investor Education Protection Fund in accordance with the procedure prescribed in the Rules. The Company had declared dividend for the financial year 2015-16 in the Annual General Meeting held on 11th August 2016. The unclaimed amount of dividend is due for transfer to IEPF during the financial year ending 31st March 2024 and the amount will be transferred within the stipulated timelines. Meanwhile, the concerned shareholders are being sent an intimation on their last known address regarding the proposed transfer of unpaid/ unclaimed dividend and the shares pertaining to those amounts into IEPF.

**g. CORPORATE GOVERNANCE**

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

**h. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**i. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING**

In compliance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report for the financial year ended 31st March, 2023 forms part of the Annual Report.

**j.** The provisions of Insolvency and Bankruptcy Code, 2016 are not applicable. The provisions of one time settlement are not applicable.

**8. ACKNOWLEDGEMENT AND APPRECIATION:**

The Board of Directors of the Company thank the Customers, the Shareholders, the Vendors, the Company's Bankers, Business Partners/ Associates for their continued support and the Central Government, State Government and Gujarat Maritime Board for their encouragement to the Company. Your Directors wish to place on record their sincere appreciation of the strong commitment and enthusiasm of all employees and for their invaluable contribution.

**For and on behalf of the Board**

**TEJPREET SINGH CHOPRA**
**CHAIRMAN**
**DIN: 00317683**

Date: 24 May 2023
Place: Mumbai

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

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

Median Remuneration: Rs.2.48 million

Managing Director's Remuneration: Rs. 56.66 million

Except the Managing Director, the Company does not have any Executive Director. The ratio of Managing Director's Remuneration to Median Remuneration of Employees is: 22.85

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

| Name of Director/ KMP | Percentage increase in remuneration |
|---|---|
| Mr. Jakob Friis Sorensen, Managing Director | 0.3% |
| 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: 10.1%

The number of permanent employees on the rolls of the Company: 460

The Company follows the global practice of its parent regarding the Performance Appraisal System. The Group's HR has introduced a tool of constant engagement with our colleagues. It is mainly focused on Team conversation between the colleagues and People Leaders. The Company is shifting from Performance Ratings to Performance Conversations and from merit matrices and percentage increase guidance to a holistic people centred approach based around the Group's Rewards Principles.

**Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** 10.3% Average percentile increase for employees other than Managerial Personnel and increase for the Managerial Personnel is 9.2%.

**Statement pursuant to Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

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

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

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

# ANNEXURE A

**Annual Report on CSR Activities**

1. **Brief Outline on CSR Policy of the Company**

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

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

The policy is available on the Company's website and can be accessed through the link: https://www.apmterminals.com/en/pipavav/investors/governance

2. **Composition of CSR Committee**

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mrs. Hina Shah | Chairperson- Independent Director | 4 | 4 |
| 2 | Mr. Soren Brandt | Non Executive Non Independent Director | 4 | 4 |
| 3 | Mr. Julian Bevis* | Non Executive Non Independent Director | 3 | 3 |
| 4 | Mr. Jakob Friis Sorensen** | Managing Director | 3 | 3 |
| 5 | Mr. Girish Aggarwal^^ | Managing Director | 1 | 1 |

*Mr. Julian Bevis was appointed Member of the Committee from 3rd August 2022

**Mr. Jakob Friis Sorensen has ceased to be the Managing Director from 1st January 2023

^^Mr. Girish Aggarwal has been appointed as Managing Director from 1st January 2023

3. **Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company**

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

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

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable**

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

5. **(a) Average net profit of the company as per sub-section (5) of section 135:**

Rs. 3,360.50 million

**(b) Two percent of average net profit of the company as per sub-section (5) of Section 135:**

Rs. 67.21 million

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

None

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

None

**(e) Total CSR obligation for the financial year [(b)+(c)-(d))**

Rs. 67.21 million

6 **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)**

Rs. 64.11 million

**(b) Amount spent in Administrative Overheads**

Rs. 3.10 million

**(c) Amount spent on Impact Assessment, if applicable**

None

**(d) Total amount spent for the Financial Year [(a)+(b)+(c)]**

Rs. 67.21 million

**(e) CSR amount spent or unspent for the Financial Year:**

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. | | Amount transferred to any fund specified underSchedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| Rs. 67.21million | Nil | NA | NA | Nil | NA |

**(f) Excess amount for set-off, if any:**

| Sl. No. | Particular | Amount (in Rs.) |
|---|---|---|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 67.21 million |
| (ii) | Total amount spent for the Financial Year | 67.21 million |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | Nil |
| (v) | Amount available for set off in succeeding Financial Year [(iii)-(iv)] | Nil |

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years**

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Preceding Financial Year (s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount spent in the Financial Year (in Rs.) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in Rs.) | Deficiency, if any |
| | | | | | Amount (in Rs.) | Date of Transfer | | |
| 1 | FY-1 | Nil | Nil | NA | Nil | NA | Nil | NA |
| 2 | FY-2 | Nil | Nil | NA | Nil | NA | Nil | NA |
| 3 | FY-3 | Nil | Nil | NA | Nil | NA | Nil | NA |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year**

√Yes ° No

If Yes, enter the number of Capital assets created/ acquired: 9

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pin code of the property or asset(s) | Date of creation | CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 1 | Computer Laboratory at Vrindavan Bag School | 365560 | February 2023 | 1,871,020 | NA | Teachers & Students of the school | Vrindavan Bag, Post: Rampara-2 Ta. Rajula District Amreli |
| 2 | Roof Rain Water Harvesting Structures | 365560 | March 2023 | 760,500 | NA | Villagers of Padar, Rampara | Post: Rampara-2 Ta. Rajula District Amreli |
| 3 | Street Lights at Thavi area of Bherai village | 365560 | October 2022 | 129,402 | NA | Villagers of Thavi at Bherai | at Bherai Ta. Rajula District Amreli |
| 4 | Side ramp at Rampara Dam | 365560 | March 2023 | 1,581,175 | NA | Villagers of Rampara | Post: Rampara-2 Ta. Rajula District Amreli |
| 5 | Solar Street Lights at Shiyal bet | 365560 | February 2023 | 1,752,767 | NA | Villagers of Shiyal bet | at Shiyalbet Ta. Jafrabad District Amreli |
| 6 | Furniture at School in Diwalo | 365560 | May 2022 | 99,300 | NA | Teachers & students of the school | Post: Rampara-2 Ta. Rajula District Amreli |
| 7 | School Infrastructure at Thavi area of Bherai village | 365560 | March 2023 | 1,400,000 | NA | Teachers & Students of the school | at Bherai Ta. Rajula District Amreli |
| 8 | GPS and Fish finders | 365560 | March 2023 | 924,000 | NA | Fishermen of Shiyal bet | at Shiyalbet Ta. Jafrabad District Amreli |
| 9 | Check Dam at Kumbhariya | 365560 | February 2023 | 1,181,021 | NA | Villagers of Kumbhariya | at Kumbhariya, Ta. Rajula District Amreli |

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

Not applicable. The Company has spent the entire amount.

**Girish Aggarwal**
**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 2023 |
| 2. Date on Which the Associate or Joint Venture was associated or acquired | 28th March 2001 |
| 3. Shares of Associate or Joint Ventures held by the Company on the year end | |
| Number | 76,000,010 |
| Amount of Investment in Associates or Joint Venture | Rs. 830 million |
| Extent of Holding (in percentage) | 38.8% |
| 4. Description of how there is significant influence | Based on the Company's shareholding and voting power |
| 5. Reason why the associate/joint venture is not consolidated | The share of profit has been consolidated in the Consolidated Profit & Loss Account |
| 6. Net worth attributable to shareholding as per latest audited Balance Sheet | Rs. 3,154.32 million |
| 7. Profit or Loss for the year | |
| i. Considered in Consolidation | Rs. 213.62 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. The Company has also started Container Train Operations to and from Pipavav Port. |

# 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, 2023**

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** (hereinafter 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the Financial Year ended on 31st March, 2023, according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

    d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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

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

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

We have also examined compliance with the applicable clauses of:

(a) the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013, and

(b) the Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.

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

**We further report that:**

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

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

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

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

Except above, there was no action/ event which had 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**

**JAYESH M. SHAH**
**PARTNER**
**MEM. No. FCS 5637**
**COP: 2535**
**UDIN: F005637E000371563**
**P.R.No: 668/2020**

**Place: Mumbai**
**Date: 24.05.2023**

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

# Annexure – I

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

**Registered office:**

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

**Corporate office:**

504, 5th floor, Godrej Two Pirojshanagar,
Vikhroli East, Mumbai – 400 079

**Port:**

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

**Under the Major Group and Head**

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

## Annexure II

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

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

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

**For RATHI & ASSOCIATES**
**COMPANY SECRETARIES**

**JAYESH M. SHAH**
**PARTNER**
**MEM. No. FCS 5637**
**COP: 2535**
**UDIN: F005637E000371563**
**P.R.No: 668/2020**

**Place: Mumbai**
**Date: 24.05.2023**

# Management Discussion and Analysis

*For the year ended 31 March 2023*

**Introduction**

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

The following discussion and analysis of the financial performance with respect to operational performance and activity of Gujarat Pipavav Port Limited is intended to provide an analysis of the business and the financial statements for the year under review, with selected comparative information for the year ended 31 March 2022. This section has been prepared by the Management of Gujarat Pipavav Port Limited (referred to as "APM Terminals Pipavav" or "the Port" or "the Company") and should be read in conjunction with the financial statements and the notes thereon, which follow the section.

The Company holds 38.8% shares in Pipavav Railway Corporation Limited (PRCL) and in view of the provisions of Section 2(6) of the Companies Act, 2013, PRCL is an Associate Company. Pursuant to the provisions of Section 129 of the Act, PRCL's accounts have been consolidated with the Company's accounts. PRCL's accounts are the Management represented numbers in view of pending finalisation of accounts and completion of PRCL's statutory audit for the financial year ended 31st March 2023.

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

**Background**

APM Terminals Pipavav, India's first private sector port, operates an all-weather port located on the Southwest coast of Gujarat at a distance of 140 kms from Bhavnagar and around 152 nautical miles North-west of Mumbai. The port lies on a strategic international maritime trade route connecting India to various geographies. The Port's Container handling capacity is 1.35 million TEUs. The Bulk Cargo capacity is approximately 4 to 5 million MT depending on cargo mix and Liquid Cargo capacity is approximately 2 million MT. The Board of Directors of the Company has approved the construction of New Liquid Berth and that would increase the capacity to 5.2 million MT upon the completion and commissioning of the new berth. The Container as well as Dry Bulk berths are also used for handling the RORO vessels.

APM Terminals is the Lead Promoter and holds 44.01% of the total shareholding of the Company. APM Terminals operates one of the world's most comprehensive port networks. It is uniquely positioned to help both shipping line and landside customers grow their business and achieve better supply chain efficiency, flexibility and dependability. APM Terminals has a team of over 20,000 industry professionals focused on delivering the operational excellence and solutions, businesses require to reach their potential. It operates a network of 65 terminals globally.

**Economy & Port Sector**

The World Health Organisation has declared Covid-19 is no longer a global health emergency. Though it also mentions that the virus is evolving and remains a global health threat but at a lower level of concern. This is good news and a much needed relief for the global trade considering the challenges the vessels and its crew had to face during the pandemic and should also help the shipping lines bring reliability to their sailing schedules.

Considering the potential fall out of the continuing Russia- Ukraine conflict on the inflationary pressures in Europe, the EU provided large budgetary support measures to help the households weather the energy crisis. But the non-Russian LNG deliveries and a mild winter led to oil and gas prices trending downwards from their peak in mid- 2022. Also, India one of the largest importers of crude oil in the international crude market, has been fulfilling its crude oil requirement through much cheaper crude oil imports from Russia post the economic sanctions imposed by the Western countries. India's imports from Saudi Arabia and Iraq reduced substantially thus leading to reduction in the crude oil prices in the international markets.

The interest rate hike by the advanced economies succeeded in cooling the demand towards the end of Year 2022 but the failure of a few banks in the US triggered a sharp decline in global banking stocks. In order to prevent impacting other banks, several Central Banks intervened to provide extraordinary liquidity and to calm the situation, the Governments sent a message to depositors about safety of their deposits. The central banks of the advanced economies are trying to balance between taming inflation, sustaining economic growth and maintain financial stability. All these events have resulted into a somewhat rocky and turbulent recovery for some of the economies around the world.

The Commodity prices have moderated since last year, the debt levels of the countries remain high but the recent financial turmoil has caused uncertainty in the growth outlook. The IMF estimates the global output growth to be at 2.8% for the Year 2023, down from 3.4% during the Year 2022. Within that the advanced economies are slated for a strong decline at 1.3% from 2.6% and the growth is likely to be driven by the emerging economies.

India recorded 6.6% GDP growth in FY 2022-23 and is likely to be impacted by the decline in Exports to the advanced economies. Hence the GDP for FY 2023-24 is likely to drop to 5.7% and then is likely to sharply increase to 7% in FY 2024-25 as per the OECD estimates. Government of India has been expanding the infrastructure spend in the country by constructing highways and dedicated rail freight corridors. The gross direct tax collections for the FY 2022-23 have reported a strong increase of 20.33% year on year. The net direct tax collections (after paying refunds) increased by 17.63% year on year. As per the reports, this buoyancy in tax collections is the highest ever in last 15 years mainly driven by higher profitability of companies, more number of companies opting for the standard tax rates after completing their tax holidays and improved overall tax compliance. Also, increased digitisation has brought a bigger share of the economy under the tax administration.

With China opening up and inflation impacting the western economies, the situation of port congestion has eased, and global supply chain has stabilised. The availability of containers has changed from shortage to excess supply. The ocean freight rates for the shipping lines have been on a downward trend as compared to last two years but they remain high as compared to the pre-covid days. As per the estimates of World Trade Organisation, the global trade is likely to be at 1.7% in the year 2023 lower than its 12-year average of 2.7% due to high inflation, monetary tightening and financial uncertainty but it is likely to sharply improve in the year 2024 to 3.2%.

The Container volume on the West Coast of India saw an increase of 4% during the year at 14.56 million TEUs as compared to 13.95 million TEUs in the previous year. The increase is driven mainly by the imports into the country while the Export volume to the Western countries have been impacted. As for the Company, with the shipping line calls stabilising, the container volume has shown an increase of about 21% compared to previous year. Considering the economic situation in the western countries, the Exports from India to the US and Europe are likely to remain under pressure in short term. But the Exports to the Middle East and to the Far East are likely to remain steady. The Imports into India are likely to see improvement with the consumption economy continuing to do well.

As far as the Dry Bulk volume is concerned, during last year the Company commissioned additional warehouse of 10,000 sq. mtrs. for storage of fertiliser. In order to increase the rake loading capacity and to enable faster evacuation of fertiliser cargo, the Company has now commissioned two additional wagon loading equipment on the rail line. It will also provide operational flexibility in simultaneously handling different types of fertiliser cargo for loading on rakes.

As far as the Liquid Cargo business is concerned, the Company has upgraded its existing Liquid berth for handling partially loaded Very Large Gas Carriers (VLGCs). The work has been completed and necessary application has been submitted to the government authorities seeking approval for handling partially loaded VLGCs.

The Company has been consistently investing in Port infrastructure and for development on the waterfront as well as on the land side, as per the requirement of the trade from time to time. Based on the discussions with the business partners and considering the potential growth opportunities for handling higher liquid cargo volume, the Company proposes to construct an additional Liquid Berth at an estimated cost of USD 90 million subject to regulatory approvals. Once completed, it will increase the Liquid cargo handling capacity at Pipavav from 2 million MT to 5.2 million MT.

The Car exports from Pipavav have shown consistent improvement with addition of new customer automobile companies. The Company along with its business partner continues to explore new opportunities in RoRo.

In an endeavour to improve the local ecosystem around the port, the Company has entered into an agreement for hiring of a warehouse on a long-term lease at the Multi Modal Logistics Park being developed outside the port. It will help in providing warehousing solutions to the local cargo customers from immediate hinterland.

**Operations Review**

Container volume for the year under review was 764,034 TEUs compared to 627,747 TEUs. The increase in Container volume by 21% can be primarily attributed to a large extent to stabilization of the sailing schedules of the shipping lines and due to addition of new service. As mentioned earlier, the opening up of China and Covid-19 situation improving, has substantially helped the shipping lines improve their schedule reliability. The inflationary pressure in the US and Europe has impacted the economic situation and that in turn is impacting the Exports from India. But the Exports to the Middle East and Far East geographies and the Imports into the country continue to remain steady.

The Dry Bulk cargo volume at West Coast Ports including Pipavav mainly comprise Coal and Fertilizer Imports. The Port handled 3.91 million MT of Dry Bulk Cargo during the year under review compared to 4.19 million MT handled during the previous year. The decrease of over 7% is mainly due to the volume moving back to the neighboring captive jetty after it resumed operations post the cyclone restoration work. Meanwhile, the company has also been participating in other opportunities namely, break bulk imports, agri exports etc. albeit on a smaller scale.

On Liquid cargo front, the Port handled about 1.03 million MT during the year under review as compared to 0.81 Million MT in the previous year. The increase of over 28% has been driven by increase in LPG imports. The rail evacuation of LPG from inside the port is helping the LPG importers increase their outreach to the extended hinterland and at a much cheaper inland logistics cost. In order to further strengthen the value proposition for the LPG customers, the Company has upgraded its Liquid berth to be able to handle partially loaded Very Large Gas Carriers (VLGCs). The civil work is complete, and the Company has submitted application to the government authorities for permission to handle partially loaded VLGCs.

The Car Exports from West Coast is facing some headwinds. But the Port handled 40,237 cars during the year under review against 23,874 cars handled in the previous year. After Ford's discontinuation of production from its plant in Sanand, this is a strong rebound for the Company due to a combination of addition of new customers and higher Exports by the existing customers. The Company continues to work closely with its Business Partners to participate in new opportunities.

**Status on Cyclone restoration work**

As has been mentioned in previous year, the Saurashtra region of Gujarat was hit by Cyclone Tauktae on 17th May 2021. Thanks to the extraordinary efforts by the employees in taking extensive precautionary measures, the port infrastructure facility for carrying out port operations did not suffer any major damage. The main grid power supply and the communication links were completely disrupted due to the cyclone. The restoration of the Bunds, the port compound wall, and the jetty fenders is in progress and is expected to be completed by December 2023.

**Financial Review**

**Dividend declared/ recommended and the Dividend Policy**

During the year under review, the Board of Directors had declared an Interim Dividend of Rs. 2.70 per share in their Meeting held on 9th November 2022 and it has been paid. The Board now recommends a Final Dividend of Rs. 3.40 per share subject to the approval by the Members in the Company's Annual General Meeting proposed for Friday 4th August 2023.

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 2023 of Rs. 9,169.50 million is higher by about 24% against Rs. 7,413.65 million during the previous year.

Income from Port Services consists of Income from Marine Services, Container & Cargo Handling, Storage services as well as value-added Port Services. Income from Port Services at Rs. 8,462.54 million during the year under review was higher by about 23% against Rs. 6,882.97 million for the year ended 31 March 2022.

Other Operating Income comprises incidental Income from Operations and lease rentals from sub-leasing of land to various Port users. Other Operating Income for the year ended 31 March 2023 at Rs. 706.96 million was higher by over 33% as against Rs. 530.69 million in the previous year.

Total Expenditure consists of Operating expenses, Employee benefits, Finance Cost, Depreciation and Other expenses. The Company incurred a Total Expenditure of Rs. 5,389.18 million during the year under review as against Rs. 4,650.15 million during the previous year. The increase is mainly on account of higher Operating expenses and higher expenses towards Power & Fuel and Maintenance & Repairs.

Operating Expenses primarily include Equipment Hire charges, Handling expenses, Waterfront Royalty and Other direct costs. Operating expenses were higher by over 31% at Rs. 1,922.00 million during the year under review as against Rs. 1,465.24 million for 31 March 2022.

Operating Profit amounted to Rs. 5,021.41 million during the year under review as against Rs. 4,103.87 million for year ended 31 March 2022, an increase of over 22%.

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. 510.00 million during the year under review as against Rs. 307.60 million for the year ended 31 March 2022.

Debt

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

Net Profit

The Company's Net Profit Rs. 2,924.50 million during the year under review increased by over 51% as against Rs. 1,935.97 million for the year ended 31 March 2022. The increase can be attributed mainly to the increase in container volume.

**Risk Management and Internal Control**

Risk Management and Internal Control are two key aspects of the control framework. The Company's Risk Management Committee is a Sub-committee of the Board of Directors. The Committee is responsible for advising the Board on high-level risk related matters. The Committee oversees the identification, mitigation and monitoring of the Company's material risks and exposures including the risk pertaining to IT security. Wherever necessary it deep-dives to examine the preparedness of the Company Management in dealing with those Risks. The Risk Management Committee Meetings provide a thorough insight to the Committee as well as to the Management in analysing the identified areas for effective mitigation measures. The Risk Register provides a consistent and measurable management assurance metric on the broad risks involved and its impact on Company's objectives. The Risk Register is reviewed by the Audit Committee and the Minutes of the Risk Committee Meeting are presented to the Audit Committee and to the Board of Directors.

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

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

**Health, Safety, Security and Environment (HSSE)**

Safety is our most important license to operate. This continues to be a fundamental principle of all ports and terminals with the portfolio of APM Terminals. In accordance with that fundamental principle, the Company is committed to improve Safety performance at its Port on an ongoing basis. APM Terminals has implemented Global Operational Standards for Safety, a set of Minimum Controls developed to manage the Top five risks identified to be related to 90% of the most serious incidents and fatalities namely, Transportation, Suspended loads & lifting, Working at height, Stored energy, and Control of Contractors.

At APM Terminals, Safety of our Employees and of our Business Partners is of utmost importance. Ensuring that after completion of work everyone returns home safely to be with their families, is of utmost importance. APM Terminals Pipavav has completed 272 days of Safe Operations with Zero fatality and Lost Time Incident (LTI) as of 31st March 2023. This achievement is a testament to the Safety culture prevalent with support and close cooperation amongst the employees of the Company and by its business partners. A consistent and constant endevour to improvise upon the safety measures with the responsibility starting from the Top to Bottom by conducting Safety Gemba ensures Constant Care and sends a strong signal to all stakeholders about the Company's commitment towards Safety. The Company is committed to ensure Safe and Efficient Operations at Pipavav Port.

**Corporate Social Responsibility (CSR)**

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

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

- Adopt an approach that aims at achieving a greater balance between social development and economic development;
- Adopt new measures to accelerate and ensure the basic needs of all people including health and sanitation and working towards elimination of barriers for 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 2023 some of the key CSR Projects carried out were:

- Mobile Science and Maths lab, supply of educational equipment, teaching learning support, extension activities, adult literacy, up gradation of school infrastructure online and distance education, digital education, activity-based teaching, and learning, covid prevention and vaccination awareness etc.

- Medical support to the surrounding villages through advance life support ambulance, mobile health unit, port medical centre and mental health awareness activities.
- Construction of check dams, pond deepening, community tree plantation, kitchen garden, safety & environment, maintenance of RO enabled water vending machines and village level electrical repair camps
- Improving health & nutritional status of children, adolescents & mothers; Skill & entrepreneurship development followed by placement and formation of Women Self Help Groups.
- Integrated livestock development, mobile vet clinic, fisheries as a livelihood, sustainable agriculture development programme and farmers producer company etc.
- Supporting district administration and surrounding villages in Covid mitigation with need based medical supplies and equipment like oxygen concentrators, Covid vaccine awareness for Covid prevention, mask making and distribution, cyclone relief work and mental health awareness.

**Outlook**

The US and European economies are likely to remain under pressure and IMF has estimated the global growth at 2.8% wherein the advanced economies are expected to decline from 2.6% to 1.3%. The Exports from India to the US and Europe markets have been facing headwinds due to inflation. The Middle East and Far East markets are likely to provide growth opportunities for Indian exporters. The imports into India are expected to remain steady. Though China has opened up, its manufacturing is likely to face headwinds due to the slowdown of western economies. But with India reporting buoyant tax collections on the back of strong consumption growth and the macro parameters looking strong, India is expected to lead the global growth path. At the same time, if India has to increase its share in global trade, then the country's exports need to become competitive in the fiercely competitive international market. In that context, along with the Government of India, the respective State Governments have an equally important role in providing necessary support to industries, facilitate seamless end to end logistics and remove inefficiencies in the system.

**Human Resources/ Industrial Relations**

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

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

**Changes in Key Financial Ratios compared to immediately previous financial year**

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

**(i)** **Debtors Turnover:** Except the storage charges for dry bulk cargo, the Company receives its entire billing before the departure of the vessel. The storage income for dry bulk cargo is paid at the time of evacuation of the cargo, depending upon the number of days cargo has been stored at the Port. The Turnover is around 13.33 days for the year under review, a variance of less than -10%.

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

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

**(iv)** **Current Ratio:** As mentioned in point no (i) above, the Company receives all its dues before the departure of vessel. The Company does not maintain any inventory for sale since it is engaged into providing port service. The Company does not have any outstanding debt so there is no current portion of long-term debt. Considering these points, the current ratio is about 3.53 for the period under review, a variance of about 5%

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

**(vi)** **Operating Profit Margin:** The Operating Profit Margin for the year ended 31st March 2023 is at 54.76% as against 55.36% compared to the previous year. The decrease in Margin of about 0.59% is mainly on account of higher operating expenses.

**(vii) Net Profit Margin:** The Net Profit Margin for the year ended 31st March 2023 is at 31.89% as compared to 26.11% for the previous year. The increase in the Margin is mainly due to the company moving to the lower tax regime.

**(viii) Return on Net Worth:** The Return on Net Worth for the year ended 31st March 2023 at 14.07% is higher by over 47% compared to the previous year due to the reasons mentioned hereinabove.

**Cautionary Statement**

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

# CORPORATE GOVERNANCE REPORT

The Directors present the Annual Corporate Governance Report of Gujarat Pipavav Port Limited ("the Company" or "APM Terminals Pipavav") for the year ended 31 March 2023.

**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 including the Managing Director and for its Non-Executive Directors. The code is in line with the Core Values followed by its promoter APM Terminals and shares the distinctive set of core values of the Maersk Group and its purpose that drives the way we do business. This Code contains guiding principles for our conduct based on those values, for the Group's commitment to the UN Global Compact, and for our commitment towards our people, customers and communities.

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

**Board of Directors**

The Company's Board of Directors currently comprise a total of 13 Directors. 5 Directors including the Chairman of the Board and three Woman Directors, are Independent. 1 Non-Executive Non-Independent Director represents Gujarat Maritime Board (GMB), the Port Regulatory Authority. Additionally, 1 Executive Director and 6 Non-Executive Non-Independent Directors represent the Promoters APM Terminals. This composition is in compliance with the requirements stipulated under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

None of the Directors of the Company is a member of more than 10 Committees or Chairman of more than 5 Committees across the public limited companies in which they hold Directorships.

None of the Directors have any relationship between them.

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

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

| Name | Category | No. of Board Meetings attended during the year ended 31 March 2023 | | 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 2023 |
|---|---|---|---|---|---|---|---|---|
| | | Held | Attended | | | Chairman | Member | |
| Mr. Tejpreet Singh Chopra - Chairman<br>DIN:00317683 | Independent<br>Non-Executive | 4 | 4 | Yes | 3 | 1 | 1 | Nil |
| Mrs. Hina Shah<br>DIN:06664927 | Independent<br>Non- Executive | 4 | 3 | Yes | 1 | Nil | 1 | Nil |
| Ms. Monica Widhani<br>DIN: 07674403 | Independent<br>Non- Executive | 4 | 4 | No | 2 | Nil | 4 | Nil |
| Mr. Samir Chaturvedi<br>DIN: 08911552 | Independent<br>Non-Executive | 4 | 4 | Yes | Nil | Nil | Nil | Nil |
| Ms. Matangi Gowrishankar<br>DIN: 01518137* | Independent<br>Non-Executive | 3 | 2 | No | 6 | 1 | 4 | Nil |

| Name | Category | No. of Board Meetings attended during the year ended 31 March 2023 | | 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 2023 |
|---|---|---|---|---|---|---|---|---|
| | | Held | Attended | | | Chairman | Member | |
| Mrs. Avantika Singh Aulakh, IAS DIN: 07549438# | Non-Independent Non-Executive | 2 | Nil | No | 8 | Nil | Nil | Nil |
| Mr. Ranjitsinh Banabhai Barad, IAS DIN: 07559958^ | Non-Independent Non-Executive | 1 | Nil | NA | 5 | Nil | Nil | Nil |
| Mr. Jonathan Richard Goldner DIN: 09311803 | Non-Independent Non-Executive | 4 | 4 | No | Nil | Nil | Nil | Nil |
| Mr. Timothy John Smith DIN: 08526373 | Non-Independent Non-Executive | 4 | 4 | No | Nil | Nil | Nil | Nil |
| Mr. Soren Brandt DIN: 00270435 | Non-Independent Non-Executive | 4 | 4 | Yes | Nil | Nil | Nil | Nil |
| Mr. Julian Bevis DIN: 00146000 | Non-Independent Non-Executive | 4 | 4 | Yes | Nil | Nil | Nil | Nil |
| Mr. Keld Pedersen DIN: 07144184 | Non-Independent Non-Executive | 4 | 3 | Yes | Nil | Nil | Nil | Nil |
| Mr. Maarten Degryse DIN: 08925380 | Non-Independent Non-Executive | 4 | 4 | Yes | Nil | Nil | Nil | Nil |
| Mr. Jakob Friis Sorensen DIN: 08593830** | Managing Director | 3 | 3 | Yes | 1 | Nil | Nil | Nil |
| Mr. Girish Aggarwal DIN: 07974838^^ | Managing Director | 1 | 1 | NA | 1 | Nil | Nil | Nil |

*Ms. Matangi Gowrishankar has been appointed as an Independent Director from 3rd August 2022

^Mr. Ranjitsinh Banabhai Barad, IAS has been appointed as Nominee Director from 8th February 2023

#Mrs. Avantika Singh, IAS ceased to be Nominee Director from 21st September 2022

**Mr. Jakob Friis Sorensen has ceased to be the Managing Director from 1st January 2023

^^Mr. Girish Aggarwal has been appointed as Managing Director from 1st January 2023

$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 | Member |
| Mr. Tejpreet Singh Chopra | SRF Limited – Independent Director | Stakeholder Relationship | Nil |
| | Tube Investments of India Limited- Independent Director | Nil | Audit |
| | India Energy Exchange Limited- Independent Director | Nil | Nil |
| Ms. Monica Widhani | ABB India Limited- Independent Director | Nil | Audit and Stakeholder Relationship |
| | H G Infra Engineering Limited- Independent Director | Nil | Audit and Stakeholder Relationship |
| Ms. Matangi Gowrishankar | Cyient Limited- Independent Director | Nil | Nil |
| | Gabriel India Limited- Independent Director | Nil | Nil |
| | Greenlam Industries Limited- Independent Director | Nil | Stakeholder Relationship |
| Mrs. Avantika Singh Aulakh, IAS# | Adani Port & SEZ Limited- Non-Executive Non-Independent Director | Nil | Nil |
| Mr. Ranjitsinh Banabhai Barad, IAS^ | Adani Port & SEZ Limited- Non-Executive Non-Independent Director | Nil | Nil |

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

#Mrs. Avantika Singh, IAS ceased to be Nominee Director from 21st September 2022

^Mr. Ranjitsinh Banabhai Barad, IAS has been appointed as Nominee Director from 8th February 2023

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

The Board Composition has been done based on the requirements of expertise by the Company in the areas of Strategic Business Management, Ports and Shipping, Finance, HR and CSR. The competencies of various Directors are as follows:

| Name of the Director | Skills/ Expertise/ Competencies |
|---|---|
| Mr. Tejpreet Singh Chopra - Chairman | Strategic Business Management |
| Mr. Samir Chaturvedi | Strategic Business Management |
| Mrs. Hina Shah | CSR activities |
| Ms. Monica Widhani | Strategic Business Management and Finance |
| Ms. Matangi Gowrishankar | Human Resources |
| Mrs. Avantika Singh Aulakh, IAS# | Nominee- Port Regulatory Authority |
| Mr. Ranjitsinh Banabhai Barad, IAS^ | Nominee- Port Regulatory Authority |
| Mr. Jonathan Richard Goldner | Port Business Management |
| Mr. Julian Bevis | Public Affairs & Port Business Management |
| Mr. Timothy John Smith | Port Business Management |
| Mr. Keld Pedersen | Port Business Management |
| Mr. Soren Brandt | Shipping, IT and Port Business Management |
| Mr. Maarten Degryse | Finance and Port Business Management |
| Mr. Jakob Friis Sorensen** | Port Business Management |
| Mr. Girish Aggarwal^^ | Port Business Management |

#Mrs. Avantika Singh, IAS ceased to be Nominee Director from 21st September 2022

^Mr. Ranjitsinh Banabhai Barad, IAS has been appointed as Nominee Director from 8th February 2023

**Mr. Jakob Friis Sorensen has ceased to be the Managing Director from 1st January 2023

^^Mr. Girish Aggarwal has been appointed as Managing Director from 1st January 2023

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

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

The Board of Directors met 4 times during the year ended 31 March 2023 on: 18 May 2022, 3 August 2022, 9 November 2022 and 8 February 2023. 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.

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

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

- To monitor the integrity of the financial statements of the company, and any formal announcements relating to the company's financial performance
- To review the company's internal financial controls and the company's internal control and risk management systems
- To monitor and review the effectiveness of the company's internal audit function
- To make recommendations to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor
- To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into considerations relevant professional and regulatory requirements
- To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account the safeguarding of auditor objectivity and independence
- To review and decide upon matters related to Insider Trading and Disclosure of Unpublished Price Sensitive Information (UPSI) including the adequacy of internal controls and procedures on matters related to Insider Trading and Disclosure of UPSI. Wherever required make recommendations to the Board of Directors on matters related to Insider Trading and Disclosure of UPSI.
- The audit committee shall be provided with sufficient resources to undertake its duties and have access to the services of the company secretariat on all audit committee matters including assisting the chairman in planning the audit committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities, collection and distribution of information and provision of any practical support.
- The board shall make necessary funds available to the audit committee to enable it to take independent legal, accounting or other advice when the audit committee reasonably believes it necessary to do so.
- The audit committee shall hear the views of the external auditors before forwarding the annual accounts to the board for approval.
- The audit committee shall hear the views of the internal and external auditors separately at least once every year without the presence of the management.
- Considering the name of the auditor in context of their independence (particularly with reference to any other non audit services), fee and terms of engagement and recommending its name to the board for putting before AGM for appointment.

- Reviewing the audit plan and results of the audit and as to whether auditors have full access to all relevant documents.
- Checking financial fraud particularly fictitious and fraudulent portions of the financial statement. They should put in place an appropriate system to ensure adoption of appropriate accounting policies and principles leading to fairness in financial statements.
- Oversight of the internal audit function in general and with particular reference to reviewing of scope of internal audit plan for the year, reviewing the reports of internal auditors pertaining to critical areas, reviewing the efficacy of internal auditing and reviewing as to whether internal auditors have full access to all relevant documents.
- Oversight of the adequacy of the internal control system through the regular reports of the internal and external auditors. They may appoint external consultants if the need arose.
- Oversight of the financial statements in general and with particular reference to review of annual and quarterly financial statements before issue, review of qualifications in the draft financial statements and discussion of accounting principles. In particular, change in accounting principles and accounting estimates in comparison to previous year, any adoption of new accounting policy, any departure from IND AS and non-compliance with disclosure requirements prescribed should be critically reviewed.
- Serving as a channel of communication between external auditors and the board and also internal auditors and the board.
- Reviewing risk management policies and looking into the reasons of defaults in payment obligations of the company if any.
- Reviewing proposed specific transactions with related parties for making suitable recommendations to the board.
- While the audit committee has the responsibilities and powers set forth in this manual, it is not the duty of the audit committee to plan or conduct audits or to ensure that the company’s financial statements are complete and accurate and are in accordance with the generally accepted accounting principles.
- Management is responsible for the preparation, presentation, and integrity of the company’s financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the company. The independent auditors are responsible for auditing the company’s financial statements and when requoted, for reviewing the company’s un-audited interim financial statements.

The audit committee shall have powers including the following:

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

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

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

| Name | Category | No. of Committee Meetings during the year ended 31 March 2023 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Samir Chaturvedi, Chairman | Non- Executive Independent | 4 | 4 |
| Mrs. Hina Shah | Non- Executive Independent | 4 | 3 |
| Ms. Monica Widhani | Non- Executive Independent | 4 | 4 |
| Mr. Maarten Degryse | Non- Executive Non- Independent | 4 | 4 |

The Members of Audit Committee have requisite financial, legal and management expertise. During the year 4 Audit Committee Meetings were held on: 17 May 2022, 2 August 2022, 7 November 2022 and 7 February 2023. The necessary quorum was present at the Meetings.

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

**2. Nomination and Remuneration Committee**

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

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

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

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

| Name | Category | No. of Committee Meetings during the year ended 31 March 2023 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Samir Chaturvedi, Chairman | Non- Executive Independent | 3 | 3 |
| Mr. Tejpreet Singh Chopra | Non- Executive Independent | 3 | 2 |
| Ms. Matangi Gowrishankar* | Non- Executive Independent | 2 | 2 |
| Mr. Jonathan Richard Goldner | Non- Executive Non- Independent | 3 | 3 |

*Ms. Matangi Gowrishankar has been appointed as an Independent Director from 3rd August 2022

The Nomination and Remuneration Committee held its Meeting on 20 April 2022, 9 November 2022 and 19 January 2023.

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 a Member of the 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 Director representing Gujarat Maritime Board (GMB) shall be paid sitting fee for attending the Board Meeting.

All other Non-Executive Non-Independent Directors representing the Promoter shall not be paid any sitting fee or commission.

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

**Directors Remuneration**

| Name | Sitting Fees for attending Board and Committee Meetings | Commission | Total amount Paid |
|---|---|---|---|
| Mr. Tejpreet Singh Chopra, Chairman | Rs. 0.50 Mn | Rs. 1.65 Mn | Rs. 2.15 Mn |
| Mrs. Hina Shah | Rs. 0.85 Mn | Rs. 0.83 Mn | Rs. 1.68 Mn |
| Mr. Samir Chaturvedi | Rs. 1.15 Mn | Rs. 0.83 Mn | Rs. 1.98 Mn |
| Ms. Monica Widhani | Rs. 0.80 Mn | Rs. 0.55 Mn | Rs. 1.35 Mn |
| Ms. Matangi Gowrishankar* | Rs. 0.30 Mn | NA | Rs. 0.30 Mn |
| Mr. Pradeep Mallick# | NA | Rs. 0.27 Mn | Rs. 0.27 Mn |

*Ms. Matangi Gowrishankar has been appointed as an Independent Director from 3rd August 2022

# Mr. Pradeep Mallick retired from 30th July 2021 after completion of his tenure as an Independent Director

**Managing Director**

| Name | Salary (Rs. Million) | Perquisites & Allowances (Rs. Million) | Performance Bonus (Rs. Million) | Total Amount (Rs. Million) |
|---|---|---|---|---|
| Mr. Jakob Friis Sorensen** | 24.24 | 20.51 | 6.76 | 51.51 |
| Mr. Girish Aggarwal^^ | 5.15 | Nil | NA | 5.15 |

**Mr. Jakob Friis Sorensen has ceased to be the Managing Director from 1st January 2023

^^Mr. Girish Aggarwal has been appointed as Managing Director from 1st January 2023

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

**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 Managing Director of the Company. The details of the Stakeholders Relationship Committee Meeting are:

| Name | Category | No. of Committee Meetings during the year ended 31 March 2023 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Tejpreet Singh Chopra- Chairman | Independent Non-Executive | 1 | 0 |
| Ms. Hina Shah | Independent Non-Executive | 1 | 1 |
| Mr. Girish Aggarwal^^ | Managing Director | 1 | 1 |
| Mr. Jakob Friis Sorensen** | Managing Director | NA | NA |

^^Mr. Girish Aggarwal has been appointed as Managing Director from 1st January 2023

**Mr. Jakob Friis Sorensen has ceased to be the Managing Director from 1st January 2023

The Committee had its meeting on 7 February 2023.

The details of complaints received, cleared/ pending during the year ended 31 March 2023 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 | 4 | 4 | 0 |
| 3 | Non-receipt of Annual Report | 0 | 0 | 0 | 0 |
| 4 | Non-receipt of Refund order | 0 | 0 | 0 | 0 |
| 5 | Non-receipt of Securities | 0 | 0 | 0 | 0 |
| 6 | Non-receipt of Securities after Transfer | 0 | 0 | 0 | 0 |
| 7 | Complaint from SEBI/ Stock Exchanges | 0 | 3 | 3 | 0 |
| | **TOTAL** | **0** | **7** | **7** | **0** |

No requests for share transfer/dematerialisation of shares were pending as of 31 March 2023.

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

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

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

**4. Corporate Social Responsibility (CSR) Committee**

The CSR Committee formed by the Company under Section 135 of the Companies Act, 2013, formulates the policy and recommends to the Board to undertake various activities mentioned under Schedule VII of the Companies Act, 2013. It also meets to review the progress made 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 on a quarterly basis.

The Committee comprises 4 Directors out of which 1 Director who is also the Chairperson is Non-Executive Independent Director, 2 Non-Executive Non-Independent Director and the fourth 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 2023 | |
|---|---|---|---|
| | | Held | Attended |
| Mrs. Hina Shah- Chairperson | Non-Executive Independent | 4 | 4 |
| Mr. Soren Brandt | Non-Executive Non-Independent | 4 | 4 |
| Mr. Julian Bevis* | Non-Executive Non-Independent | 3 | 3 |
| Mr. Jakob Friis Sorensen** | Managing Director | 3 | 3 |
| Mr. Girish Aggarwal^^ | Managing Director | 1 | 1 |

*Mr. Julian Bevis was appointed Member of the Committee from 3rd August 2022

**Mr. Jakob Friis Sorensen has ceased to be the Managing Director from 1st January 2023

^^Mr. Girish Aggarwal has been appointed as Managing Director from 1st January 2023

The CSR Committee held its meetings on 1 June 2022, 21 September 2022, 15 December 2022 and 3 March 2023.

**5. Risk Management Committee**

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

The Risk Committee comprises 4 Directors out of which 2 are Non- Executive Non-Independent Directors, 1 is Non- Executive Independent and fourth is the Managing Director of the Company. The details of the Committee Meetings are:

| Name | Category | No. of Committee Meetings during the year ended 31 March 2023 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Julian Bevis- Chairman | Non-Executive Non-Independent | 4 | 4 |
| Mr. Soren Brandt | Non-Executive Non-Independent | 4 | 4 |
| Mr. Samir Chaturvedi | Non-Executive Independent | 4 | 4 |
| Mr. Jakob Friis Sorensen** | Managing Director | 3 | 3 |
| Mr. Girish Aggarwal^^ | Managing Director | 1 | 1 |

**Mr. Jakob Friis Sorensen has ceased to be the Managing Director from 1st January 2023

^^Mr. Girish Aggarwal has been appointed as Managing Director from 1st January 2023

The Risk Committee held its Meetings on 21 April 2022, 19 July 2022, 6 October 2022 and 12 January 2023.

**Independent Directors' Meeting**

The Independent Directors held their Meeting on 8 February 2023. The meeting was attended by all five Independent Directors of the Company. The Independent Directors in their meeting discussed inter alia about performance of the Non- Independent Directors and of the entire Board of Directors, the Performance of the Chairman of the Company, the quality, quantity and timeliness of the flow of information between the Company Management and the Board of Directors in order to facilitate the Board to effectively and reasonably perform its duties.

**Code of Conduct:**

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

**Whistle Blower Policy – Vigil Mechanism**

The Company has a Whistle Blower Policy that provides a formal mechanism for all employees to make disclosure about suspected fraud or unethical behaviour. It provides a designated phone number to directly report an instance. The Policy encourages its employees to immediately raise his/her concern to the respective Manager or to Head of HR whenever they notice any contravention of 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 report to the Compliance Officer of the parent Company.

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. The Company had received one complaint during the year and it has been suitably addressed and closed.

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.

**Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount and details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

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 2023 were in the ordinary course of business and on an arm's length pricing basis. The details are included in the Notes to financial statements of the Annual Report. These transactions do not attract the provisions of Section 188 of the Companies Act, 2013. All the transactions have prior approval of the Audit Committee as per the requirement under the Listing Regulations. The related party transaction with Maersk A/S in connection with Income from Port Operations is a material transaction as per the Listing Regulations and has been approved by the shareholders through Postal Ballot on 16th March 2020.

The policy of Related Party Transaction is available on the Company's website
https://www.apmterminals.com/en/pipavav/investors/governance

6. **Details of General Meetings**

**Location and time of meetings held during last 3 years**

| Meeting | Date | Time | Venue |
|---|---|---|---|
| AGM | 6 August 2020 | 2:00 PM | Through Video Conferencing or Other Audio Visual Means |
| AGM | 13 August 2021 | 2: 20 PM | Through Video Conferencing or Other Audio Visual Means |
| AGM | 3 August 2022 | 12:00 Noon | At the Registered Office at Pipavav Port, At Post Rampara-2 via Rajula, District Amreli, Gujarat. |

All resolutions were passed as follows:

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

(ii) For the meeting held on 13 August 2021, through remote e-voting facility from Tuesday 10 August 2021 at 9:00 AM to Thursday 12 August 2021 at 5:00 PM and on the date of the meeting the Remote E-voting facility was available until 15 minutes from the conclusion of the meeting.

(iii) For the meeting held on 3 August 2022, through remote e-voting facility from Sunday 31 July 2022 at 9:00 AM to Tuesday 2 August 2022 at 5:00 PM and on the date of the meeting at the venue.

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

| Date of the Meeting | Particulars of Special Resolution Approved |
|---|---|
| 6 August 2020 | No Special Resolution was proposed for approval |
| 13 August 2021 | Payment of Commission to Independent Directors of the Company for the financial years commencing from 2021-22 to 2025-26. |
| 3 August 2022 | No Special Resolution was proposed for approval |

The following resolutions have been approved by the Members by way of Remote E-voting only during the financial year. In accordance with notification issued by the Ministry of Corporate Affairs and the Securities & Exchange Board of India, the companies were exempt from printing and dispatch of physical ballots:

**Matters approved on 31 October 2022:**

**(i)** **Special Resolution:** Appointment of Ms. Matangi Gowrishankar (DIN: 01518137) as an Independent Director for a period of five consecutive years with effect from 3 August, 2022 to 2 August, 2027

| Particulars | No. of Remote E-voting confirmations | No. of Shares Voted |
|---|---|---|
| Remote E-voting confirmations received | 567 | 421,846,975 |
| **Total** | **567** | **421,846,975** |
| Less: Invalid Remote E-voting | 0 | 0 |
| **Net Valid Remote E-voting confirmation** | **567** | **421,846,975** |
| Remote E-voting confirmation with assent for the Resolution | 523* | 420,931,097 |
| **Percentage of Assent** | | **99.78** |
| Remote E-voting confirmation with dissent for the Resolution | 44* | 915,878 |
| **Percentage of Dissent** | | **0.22** |

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

**(ii) Ordinary Resolution:** Approval of Related Party Transaction with Maersk A/S

| Particulars | No. of Remote E-voting confirmations | No. of Shares Voted |
|---|---|---|
| Remote E-voting confirmations received | 561 | 209,105,203 |
| **Total** | **561** | **209,105,203** |
| Less: Invalid Remote E-voting | 0 | 0 |
| **Net Valid Remote E-voting confirmation** | **561** | **209,105,203** |
| Remote E-voting confirmation with assent for the Resolution | 428* | 142,651,497 |
| **Percentage of Assent** | | **68.22** |
| Remote E-voting confirmation with dissent for the Resolution | 133* | 66,453,706 |
| **Percentage of Dissent** | | **31.78** |

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

**Matters approved on 30 December 2022:**

**(i) Ordinary Resolution:** Appointment of Mr. Girish Aggarwal (DIN:07974838) as Director of the Company

| Particulars | No. of Remote E-voting confirmations | No. of Shares Voted |
|---|---|---|
| Remote E-voting confirmations received | 626 | 419,485,814 |
| **Total** | **626** | **419,485,814** |
| Less: Invalid Remote E-voting | 0 | 0 |
| **Net Valid Remote E-voting confirmation** | ***626** | **419,485,814** |
| Remote E-voting confirmation with assent for the Resolution | 582 | 407,187,059 |
| **Percentage of Assent** | | **97.07** |
| Remote E-voting confirmation with dissent for the Resolution | 44 | 12,298,755 |
| **Percentage of Dissent** | | **2.93** |

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

**(ii) Special Resolution:** Appointment of Mr. Girish Aggarwal (DIN:07974838) as Managing Director of the Company for a period of five years from 1 January 2023

| Particulars | No. of Remote E-voting confirmations | No. of Shares Voted |
|---|---|---|
| Remote E-voting confirmations received | 625 | 419,485,813 |
| **Total** | **625** | **419,485,813** |
| Less: Invalid Remote E-voting | 0 | 0 |
| **Net Valid Remote E-voting confirmation** | ***625** | **419,485,813** |
| Remote E-voting confirmation with assent for the Resolution | 591 | 419,481,150 |
| **Percentage of Assent** | | ****100** |
| Remote E-voting confirmation with dissent for the Resolution | 34 | 4,663 |
| **Percentage of Dissent** | | **0.00** |

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

** Rounded off to the nearest decimal

The resolutions were approved by requisite majority.

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

**Whether any special resolution is proposed to be conducted through postal ballot and procedure for postal ballot**

None as on date.

## 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

As per Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certificate stating that the financial statements do not contain any untrue statement and represent true and fair view of the Company's affairs and affirmation of Code of Conduct by the Board of Directors and Senior Management of the Company, is enclosed as part of the Annual Report.

### (v) Share Transfer System

The process of Share transfers is handled by the Company's Registrar and Transfer Agents KFin Technologies Limited. The Company encourages its members holding shares in physical form to convert them into demat mode for safety, security and efficient handling of their shareholding.

### (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 Services.

### (viii) Compliances under mandatory requirement and non mandatory requirements

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

### (ix) Non-compliance of Corporate Governance with reasons

There are no Non-compliances of Corporate Governance.

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

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

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

### (xi) Details of Directors to be re-appointed

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Keld Pedersen (DIN: 07144184) and Mr. Jonathan Richard Goldner (DIN: 09311803) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

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

Amongst the five Independent Directors, Mrs. Hina Shah (DIN: 06664927) holds the office of Director upto 29 July 2023, Mr. Tejpreet Singh Chopra (DIN:00317683) holds the office of Director upto 29 July 2025, Mr. Samir Chaturvedi (DIN: 08911552) holds the office of Director upto 11 November 2025, Ms. Monica Widhani (DIN: 07674403) holds the office of Director upto 11 August 2026 and Ms. Matangi Gowrishankar (DIN: 01518137) holds the office of Director upto 2 August 2027.

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

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

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

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

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

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

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

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

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

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

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

The Company does not have any subsidiaries.

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

| Name of the Entity | Amount Paid (INR) |
|---|---|
| Price Waterhouse Chartered Accountants LLP | 7,042,961 |
| **Total** | **7,042,961** |

**includes reimbursement of out of pocket expenses

**8. Means of Communication**

The Company submits its Quarterly Results to the Stock Exchanges and publishes them in all editions of a National 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 audio recording of the call and the transcript is displayed on the Company's website https://www.apmterminals.com/en/pipavav/investors/financial-results

Based on the requests received, the Company meets the investors/ analysts from time to time.

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 as against the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of shares in dematerialised form held with the two depositories namely NSDL and CDSL.

**General Shareholder Information**

| **Annual General Meeting** | |
|---|---|
| **Date and Time** | Friday 4 August 2023 at 2.30 PM |
| **Venue** | Through Video Conferencing (VC) or Other Audit Visual Means (OAVM) |
| **Date of book closure** | Thursday 27 July 2023 to Friday 4 August 2023 (both days inclusive) |
| **Listing on Stock Exchanges** | **BSE Limited (BSE)**<br>Floor 14, P J Towers,<br>Dalal Street, Mumbai 400 001<br>**The National Stock Exchange of India Limited (NSE)**<br>Exchange Plaza, Bandra Kurla Complex,<br>Bandra (E), Mumbai 400 051 |
| **Dividend Payment Date** | On Thursday 10 August 2023 |
| **Financial Year** | 1 April 2022- 31 March 2023 |

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**

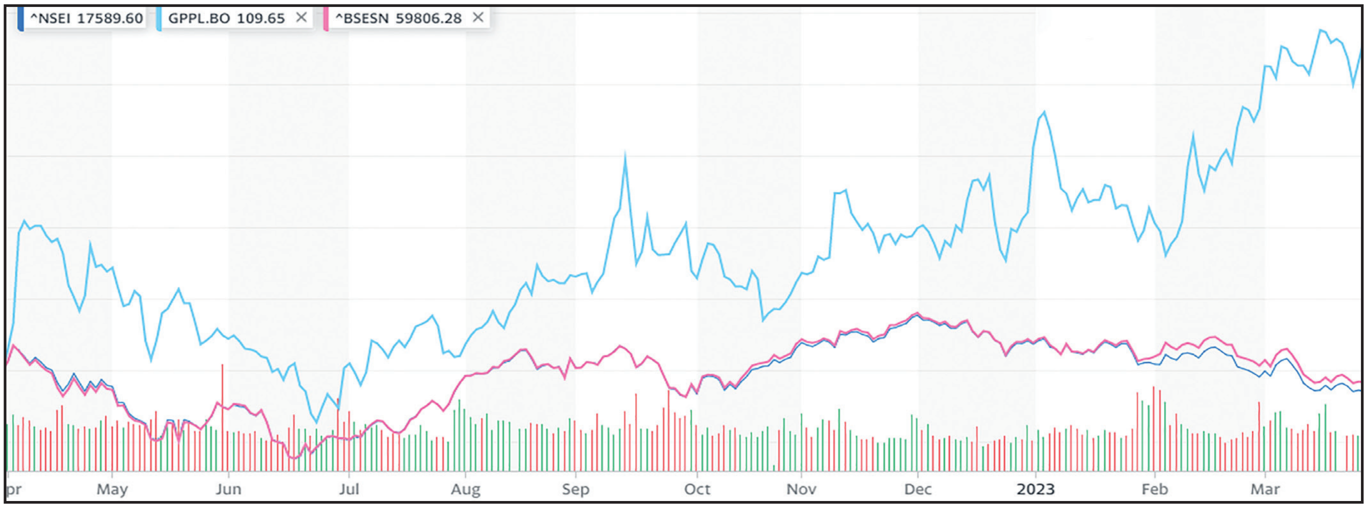
The Company has paid all its dues till date towards Annual Listing Fees to both the Stock Exchanges.

**Market Information:**

The monthly high and low price of the Company's shares on BSE and NSE for the year ended 31 March 2023 is as follows:

| | BSE | | NSE | |
|---|---|---|---|---|
| | **High (Rs)** | **Low (Rs)** | **High (Rs)** | **Low (Rs)** |
| **Apr-2022** | 96.00 | 76.65 | 95.85 | 76.50 |
| **May-2022** | 88.80 | 75.55 | 88.80 | 75.30 |
| **Jun-2022** | 82.05 | 70.40 | 81.90 | 70.30 |
| **Jul-2022** | 82.90 | 73.95 | 83.00 | 73.10 |
| **Aug-2022** | 88.60 | 78.10 | 88.65 | 78.25 |
| **Sep-2022** | 101.00 | 84.70 | 101.05 | 84.70 |
| **Oct-2022** | 91.35 | 81.10 | 91.40 | 81.10 |
| **Nov-2022** | 98.50 | 85.15 | 98.45 | 85.15 |
| **Dec-2022** | 109.35 | 85.50 | 109.40 | 85.25 |
| **Jan- 2023** | 105.60 | 89.05 | 105.70 | 89.00 |
| **Feb- 2023** | 107.70 | 88.25 | 107.70 | 88.20 |
| **Mar- 2023** | 118.15 | 104.90 | 118.20 | 105.20 |

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 2023 by ownership and size class, respectively, is as follows:

| | | 31-Mar-23 | | 31-Mar-22 | |
|---|---|---|---|---|---|
| | | **No. of Equity Shares** | **Shares Held (%)** | **No. of Equity Shares** | **Shares Held (%)** |
| **A** | **Promoter and Promoter Group** | | | | |
| | Bodies Corporate | 212,738,931 | 44.01 | 212,738,931 | 44.01 |
| | **Total A:** | **212,738,931** | **44.01** | **212,738,931** | **44.01** |
| **B** | **Public Shareholding** | | | | |
| | Foreign Institutional Investors | 105,870,504 | 21.90 | 110,143,831 | 22.78 |
| | Mutual Funds /UTI | 92,759,928 | 19.19 | 95,626,145 | 19.78 |
| | Bodies Corporate | 3,549,627 | 0.73 | 2,732,872 | 0.57 |
| | Financial Institutions/ NBFCs/ Banks/Venture Capital Funds | 16,237,874 | 3.36 | 17,087,995 | 3.53 |
| | **Individuals** | | | | |
| | (i) Individuals holding nominal share capital upto Rs. 2 lakh | 28,818,338 | 5.96 | 28,207,003 | 5.83 |
| | (ii) Individuals holding nominal share capital in excess of Rs. 2 lakh | 17,235,144 | 3.57 | 10,385,788 | 2.15 |
| | Trusts | 0 | 0 | 33,826 | 0.01 |
| | Non-Resident Indians | 6,049,857 | 1.25 | 5,628,121 | 1.16 |
| | Clearing Members | 104,707 | 0.02 | 850,398 | 0.18 |
| | Foreign Nationals | 75,000 | 0.02 | 5,000 | 0.00 |
| | **Total B :** | **270,700,979** | **55.99** | **270,700,979** | **55.99** |
| | **GRAND TOTAL (A+B) :** | **483,439,910** | **100.00** | **483,439,910** | **100.00** |

**Distribution Schedule**

| S. No. | Category | No. of Cases | % of Cases | Amount | % of Amount |
|---|---|---|---|---|---|
| 1 | 1-5000 | 128,664 | 92.01 | 106,774,500.00 | 2.21 |
| 2 | 5001- 10000 | 5,440 | 3.89 | 43,754,140.00 | 0.91 |
| 3 | 10001- 20000 | 2,677 | 1.91 | 40,636,090.00 | 0.84 |
| 4 | 20001- 30000 | 1,063 | 0.76 | 27,317,550.00 | 0.57 |
| 5 | 30001- 40000 | 420 | 0.30 | 15,091,110.00 | 0.31 |
| 6 | 40001- 50000 | 380 | 0.27 | 18,234,510.00 | 0.38 |
| 7 | 50001- 100000 | 545 | 0.39 | 40,964,860.00 | 0.85 |
| 8 | 100001 & above | 642 | 0.46 | 4,541,626,340.00 | 93.94 |
| | **Total:** | **139,831** | **100.00** | **4834399100.00** | **100.00** |

**Registrar & Share Transfer Agents:**

KFin Technologies Limited
Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda, Hyderabad- 500032

The Company's shares are held in dematerialised form to the extent of 99.90% with NSDL and CDSL and upto 0.10% in physical form as of 31 March 2023.

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

**Location of the Facility**

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

**Address for correspondence:**

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

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

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

I confirm that in respect of the year ended 31 March, 2023, 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.

Girish Aggarwal
Managing Director

24 May 2023
Mumbai

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No | Name of the Director | DIN | Date of Appointment |
|---|---|---|---|
| 1. | Mr. Tejpreet Singh Chopra | 00317683 | 04/09/2012 |
| 2. | *Mr. Jakob Friis Sorensen | 08593830 | 01/01/2020 |
| 3. | Ms. Hina Shah | 06664927 | 30/07/2013 |
| 4. | Mr. Samir Chaturvedi | 08911552 | 12/11/2020 |
| 5. | Ms. Monica Widhani | 07674403 | 12/08/2021 |
| 6. | #Ms. Avantika Singh Aulakh, IAS | 07549438 | 24/09/2020 |
| 7. | Mr. Timothy John Smith | 08526373 | 19/09/2019 |
| 8. | Mr. Soren Brandt | 00270435 | 06/08/2020 |
| 9. | Mr. Julian Bevis | 00146000 | 25/07/2014 |
| 10. | Mr. Keld Pedersen | 07144184 | 01/05/2015 |
| 11. | Mr. Maarten Degryse | 08925380 | 12/11/2020 |
| 12. | Mr. Jonathan Richard Goldner | 09311803 | 11/11/2021 |
| 13. | Ms. Matangi Gowrishankar | 01518137 | 03/08/2022 |
| 14. | Mr. Ranjitsinh Barad | 07559958 | 08/02/2023 |
| 15. | Mr. Girish Aggarwal | 07974838 | 01/01/2023 |

* Mr. Jakob Friis Sorensen retired after completion of his tenure as Managing Director w.e.f 1st January, 2023,
#Ms. Avantika Singh Aulakh, IAS resigned from the Board as Nominee Director w.e.f 21st September, 2022

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

**For RATHI & ASSOCIATES**
**COMPANY SECRETARIES**

**JAYESH M. SHAH**
**PARTNER**
**MEM. No. FCS 5637**
**COP: 2535**
**UDIN: F005637E000371585**
**P. R. No. 668/2020**

**Place: Mumbai**
**Date: 24.05.2023**

## Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Gujarat Pipavav Port Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Pipavav Port Limited, for the year ended March 31, 2023 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

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

In our opinion and to the best of our information and according to the explanations given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For and on behalf of
Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Alpa Kedia
Partner
Membership No: 100681
UDIN: 23100681BGXWOS6256

Place: Mumbai
Date: May 24, 2023

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

We, Girish Aggarwal, 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 2023 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 transaction entered into by the Company during the year ended 31st March 2023 is 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 to 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 2023.

| | |
|---|---|
| **Santosh Breed**<br>**Chief Financial Officer** | **Girish Aggarwal**<br>**Managing Director** |

Place: Mumbai
Date: 24 May 2023

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | | |
|---|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | : | L63010GJ1992PLC018106 |
| 2. | Name of the Listed Entity | : | Gujarat Pipavav Port Limited |
| 3. | Year of incorporation | : | 5th August 1992 |
| 4. | Registered office address | : | Pipavav Port, At Post Rampara-2 via Rajula Dist Amreli. |
| 5. | Corporate address | : | 5th Floor, Godrej Two, Priojshanagar, Vikhroli East, Mumbai |
| 6. | E-mail | : | investorrelationinppv@apmterminals.com |
| 7. | Telephone | : | 02794 24200 |
| 8. | Website | : | www.pipavav.com |
| 9. | Financial year for which reporting is being done | : | 1st April 2022- 31st March 2023 |
| 10. | Name of the Stock Exchange(s) where shares are listed | : | BSE and NSE |
| 11. | Paid-up Capital | : | Rs. 4,834,399,100 |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | : | Manish Agnihotri,<br>Tel: +91 22 5072 1324;<br>Email: investorrelationinppv@apmterminals.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) | : | Standalone basis |

### II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1. | Transport and Storage | Services incidental to land, water & air transportation | 100% |

15. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):*

| S. No. | Product/Service | NIC Code | % of total turnover contributed |
|---|---|---|---|
| 1. | Cargo handling incidental to water transport | 63012 | 100% |

### III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| **National** | One | Three | Four |
| **International** | Nil | Nil | NA |

17. Markets served by the entity:

a. Number of locations:

| Locations | Number |
|---|---|
| National (No. of States) | One |
| International (No. of Countries) | Nil |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company does not carry out any Exports. The Company is engaged in the business of providing Port Services and over 24% of its Revenue for the financial year ended 31st March 2023 is in foreign currency through collection of Port tariff in USD.

c. A brief on types of customers

The Company is engaged in providing Port Services. It handles the vessels for imports and exports of Dry Bulk cargo, Liquid cargo, Containers and RoRo as well as for inland costal movement of the vessels.

The customers in the Container business are primarily the Shipping lines and in the case of Dry Bulk, Liquid and RoRo it is the local companies that import/ export the cargo.

**IV. Employees**

18. Details as at the end of Financial Year: 2022-23

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 174 | 166 | 95% | 8 | 5% |
| 2. | Other than Permanent (E) | NA | NA | NA | NA | NA |
| 3. | **Total employees (D + E)** | 174 | 166 | 95% | 8 | 5% |
| | **WORKERS** | | | | | |
| 4. | Permanent (F) | 286 | 283 | 99% | 3 | 1% |
| 5. | Other than Permanent (G) | 1,654 | 1,587 | 96% | 67 | 4% |
| 6. | **Total workers (F + G)** | 1,940 | 1,870 | 96% | 70 | 4% |

b. Differently abled Employees and workers:

| S. No | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | Nil | | | | |
| 2. | Other than Permanent (E) | Nil | | | | |
| 3. | **Total differently abled employees (D + E)** | Nil | | | | |
| | **DIFFERENTLY ABLED WORKERS** | | | | | |
| 4. | Permanent (F) | Nil | | | | |
| 5. | Other than permanent (G) | Nil | | | | |
| 6. | **Total differently abled workers (F + G)** | Nil | | | | |

19. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 13 | 3 | 23% |
| Key Management Personnel | 3 | Nil | NA |

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

| | **FY 2022-23 (Turnover rate in current FY)** | | | **FY 2021-22 (Turnover rate in previous FY)** | | | **FY 2020-21 (Turnover rate in previous FY)** | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Male** | **Female** | **Total** | **Male** | **Female** | **Total** | **Male** | **Female** | **Total** |
| **Permanent Employees** | 14 | 2 | 16 | 12 | 2 | 14 | 8 | 2 | 10 |
| **Permanent Workers** | 3 | 1 | 4 | 1 | 2 | 3 | 5 | 0 | 5 |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

21. (a) Names of holding / subsidiary / associate companies / joint ventures

| **S. No.** | **Name of the holding / subsidiary / associate companies / joint ventures (A)** | **Indicate whether holding/ Subsidiary/ Associate/ Joint Venture** | **% of shares held by listed entity** | **Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)** |
|---|---|---|---|---|
| 1 | APM Terminals Mauritius Ltd | Holding Company | 44.01% | No |
| 2 | Pipavav Railway Corporation Limited | Associate Company | 38.8% | No |

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/~~No~~)**

(ii) Turnover (in Rs.) 9, 679.50 million

(iii) Net worth (in Rs.) 20,783 million

**VII. Transparency and Disclosures Compliances**

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the NationalGuidelines on Responsible Business Conduct:

| **Stakeholder group from whom complaint is received** | **Grievance Redressal Mechanism iin Place (Yes/No)** | **FY 2022-23 Current Financial Year** | | | **FY 2021-22 Previous Financial Year** | | |
|---|---|---|---|---|---|---|---|
| | ***(If Yes, then provide web-link for grievance redress policy)*** | **Number of complaints filed during the year** | **Number of complaints pending resolution at close of the year** | **Remarks** | **Number of complaints filed during the year** | **Number of complaints pending resolution at close of the year** | **Remarks** |
| Communities* | No | Nil | Nil | | Nil | Nil | NA |
| Investors# (other than shareholders) | NA. | NA | NA | | NA | NA | NA |
| Shareholders$ | No | 7 | 0 | Nil | 5 | 0 | Nil |
| Employees and workers | Yes https://www.apmterminals.com/en/pipavav/investors/governance | 0 | 0 | Nil | 0 | 0 | Nil |
| Customers^ | No | 0 | 0 | | 0 | 0 | Nil |
| Value Chain Partners* | No | 0 | 0 | | | | |
| Other (please specify) | NA | | | | | | |

*The Company does not have a formal policy document but it does engage with the Communities and with the Value Chain Partners to address their concerns that pertain to the Company's area of operations

# The Company does not have Investors other than shareholders

$ The Company Secretary is responsible to address the grievances of the shareholders. A designated email for the grievances has been displayed on the company website and is mentioned in communication to shareholders

^An annual customer satisfaction survey is carried out by the parent company to have feedback from the customers for all the ports & terminals within its portfolio including the company and appropriate actions are taken

25. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | The adverse weather conditions such as cyclone could impact the company's port operations. | Risk | During May 2021, the Port operations were disrupted due to Cyclone Tauktae. This was a first such incident faced at Pipavav. | As a mitigation measure, all precautionary measures were undertaken to safely secure the port's operating assets. The operations were impacted mainly due to the complete disruption of power supply. The Company has developed a comprehensive Business Continuity Plan for resumption of port operations in case of any such eventuality. The learnings from the cyclone incident have been incorporated in the Plan. | The Company has taken insurance cover for securing the assets against such conditions. The cost incurred towards restoration work due to the cyclone is being recovered from the insurance company. |

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | NA^ | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | | Yes | Yes |
| c. Web Link of the Policies, if available | * | * | * | * | * | * | | * | * |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | | No | No |
| 4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | No | No | No | No | No | No | | No | No |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any | ** | @ | No | ** | # | $ | | ^^ | No |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Nil | Nil | NA | Nil | Nil | Nil | | Nil | Nil |
| **Governance, leadership and oversight** | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure*)<br><br>In accordance with the parent company's policy to become carbon neutral globally by the Year 2040, Gujarat Pipavav Port Limited is already taking various initiatives. The company has commissioned solar panel facility inside the port and the company is in dialogue with a green energy supplier for power purchase. After conclusion of the power purchase agreement, about 45% of the company's power requirement will be sourced through renewable energy. | | | | | | | | | |

| | |
|---|---|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Girish Aggarwal- Managing Director<br>DIN: 07974838 |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | As mentioned in No. 8 above |

**The policy forms part of the Company's Code of Conduct and following is the link https://www.apmterminals.com/en/pipavav/investors/governance*

*** the goal and target is to maintain Nil Bribe and Facilitation Payment and it is being closely monitored*

*@Safety is our license to operate and ensuring safe port operations is an absolute necessity. Zero Fatality and LTI Free days is one of the Key Performance Indicators (KPIs) that is being closely monitored.*

*#The goal and target is to ensure no discrimination at the workplace, no child labour or forced labour is done and the Company has zero tolerance for sexual harassment at the work place*

*$Recycling of the entire quantity of waste water for usage in Green belt and for dust emission control is carried out*

^The Company is not involved in any issues forming part of public policy development and hence does not have any disclosures

^^ As part of its various CSR initiatives, the Company has set specific goals and targets towards equitable development of the local community

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action^ | | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances^ | | | | | | | | | | | | | | | | | | |

| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| | No | No | No | No | No | No | No | No | No |

*^The status update is provided to the Board every quarter, as applicable.*

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy,reasons to be stated:

| Question | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may bevoluntarily disclosed by entities which aspire to progress to a higher level in their quest to besocially, environmentally and ethically responsible.

**PRINCIPLE 1 Business should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| **Segment** | **Total number of training and awareness programmes held** | **Topics/ principles covered under the training and its impact** | **% of persons in respective category covered by the awareness programmes** |
|---|---|---|---|
| Board of Directors | An awareness session is conducted about the Group's philosophy on Governance at the time of appointment of a Director | Code of Conduct. The impact is to create awareness about the company and the Group's work culture practices | Independent Directors |
| Key Managerial Personnel | Annual E-learnings and conducting face to face training | Anti-corruption; Code of Conduct; Insider Trading Regulations. The impact is that apart from creating awareness about the compliances these annual sessions act as a reminder | All KMPs |
| Employees other than BOD and KMPs | Annual E-learnings and conducting face to face training | As mentioned above | All White Collar Employees |
| Workers | Work in progress to conduct awareness in workers | As mentioned above | All workers to be covered. |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amountpaid in proceedings (by the entity or by directors / KMPs) with regulators/ lawenforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| **Monetary** | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | **Name of the regulatory/ enforcement agencies/ judicial institutions** | **Amount (In INR)** | **Brief of the Case** | **Has an appeal been preferred? (Yes/ No)** |
| Penalty/ Fine | | NA | | | |
| Settlement | | NA | | | |
| Compounding fee | | NA | | | |
| **Non-Monetary** | | | | | |
| | NGRBC Principle | **Name of the regulatory/ enforcement agencies/ judicial institutions** | **Amount (In INR)** | **Brief of the Case** | **Has an appeal been preferred? (Yes/ No)** |
| Imprisonment | | NA | | | |
| Punishment | | NA | | | |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary actions has been appealed

| **Case Details** | **Name of the regulatory/ enforcement agencies/ judicial institutions** |
|---|---|
| NA | |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Yes it forms part of the Company's Code of Conduct. The link is as follows:
https://www.apmterminals.com/en/pipavav/investors/governance

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

| | FY 2022-23 (Current FY) | FY 2021-22 (Previous FY) |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | Nil | Nil |

6. Details of complaints with regard to conflict of interest:

| | FY 2022-23 (Current FY) | | FY 2021-22 (Previous FY) | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | | Nil | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | | Nil | |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions,on cases of corruption and conflicts of interest

Not applicable

**Leadership Indicators**

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

| Total number of awareness programmes held | Topics/ principles covered under the training | % of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| Nil | | |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If Yes, provide details of the same

Yes the Directors submit their Annual Declaration of interests to the Company and updates to those Declarations as and when occur

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

| | Current FY | Previous FY | Details of improvement in environmental social impacts |
|---|---|---|---|
| R&D | NA* | NA* | |
| Capex | NA* | NA* | |

**The Company is engaged in providing the Port Services hence it is not applicable*

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)- Yes

b. If yes, what percentage of inputs were sourced sustainably? The company is engaged in providing port services and electrical power is one of the major costs. The Company is in the process of sourcing about 45% of its power requirement through renewable energy.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

All Plastic, E-waste and Hazardous waste generated is disposed off to authorized vendors approved by the Gujarat Pollution Control Board (GPCB).

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The Company is engaged in providing the Port Services hence it is not applicable

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product/ Service | % of total Turnover contributed | Boundary for which the Life Cycle Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link |
|---|---|---|---|---|---|
| 63012 | Cargo handling incidental to water transport | 100% | The Company is yet to make the assessment | | |

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

| Name of Product/ Service | Description of the risk/ concern | Action Taken |
|---|---|---|
| The Company is yet to make an assessment | | |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

   During the year 2022-23 the entire amount of treated STP water was re-cycled for the Green belt and for Dust Emission Control

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | | | 8.73 MT | | 3.25 | |
| E-waste | | | 32.71 MT | | 34.49 | |
| Hazardous Waste (used oil with barrels) | | | 22.57MT | | 25.694 | |
| Rubber waste | | | | | 42.02 | |
| Battery waste | | | | | 8.33 | |
| Other Waste- Discarded asbestos sheet | | | 50.49 MT | | | 72.34 |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

| Indicate Product Category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| Not applicable | The Company is engaged in providing Port Services. |

**PRINCIPLE 3 Businesses should respect and promote the well being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

| % of employees covered by | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Category | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | No. (B) | %B/A | No.(C) | %C/A | No.(D) | %D/A | No (E) | %E/A | No. F) | %F/A |
| **Permanent Employees** | | | | | | | | | | | |
| Male | 166 | 166 | 100% | 166 | 100% | NA | NA | 166 | 100% | 166 | 100% |
| Female | 8 | 8 | 100% | 8 | 100% | 8 | 100% | NA | NA | 8 | 100% |
| Total | 174 | 174 | 100% | 174 | 100% | 8 | 100% | 166 | 100% | 174 | 100% |
| **Other than Permanent Employees** | | | | | | | | | | | |
| Male | | No | | No | | No | | No | | None | |
| Female | | No | | No | | No | | No | | | |
| Total | | No | | No | | No | | No | | | |

**not exceeding 2 children*

b. Details of measures for the well-being of workers:

| % of employees covered by | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Category | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | | |
| | | No. (B) | %B/A | No.(C) | %C/A | No.(D) | %D/A | No (E) | %E/A | No.(F) | %F/A | |
| **Permanent Employees** | | | | | | | | | | | | |
| Male | 283 | 283 | 100% | 283 | 100% | | | 283 | 100% | 283 | 100% | |
| Female | 3 | 3 | 100% | 3 | 100% | 3 | 100% | NA | NA | 3 | 100% | |
| Total | 286 | 286 | 100% | 286 | 100% | 3 | 100% | 283 | 100% | 286 | 100% | |
| **Other than Permanent Employees** | | | | | | | | | | | | |
| Male | | No | | No | | No | | No | | None | | |
| Female | | No | | No | | No | | No | | | | |
| Total | | No | | No | | No | | No | | | | |

**not exceeding 2 children*

2. Details of retirement benefits, for Current FY and Previous FY

| Benefits | FY 2022-23 (CY) | | | FY 2021-22 (PY) | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/ NA) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/ NA) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y | 100% | 100% | Y |
| ESI | - | - | NA | - | - | NA |
| Others- please specify (Leave Encashment on Retirement/ Exit) | 100% | 100% | NA | 100% | 100% | NA |

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

The Office Premise is accessible to differently abled employees and workers

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy

The Company does not have a separate equal opportunity policy but its Code of Conduct includes Fair Employment Practices and it does not tolerate any kind of discrimination or harassment. The Code of Conduct is available on the website and its link is https://www.apmterminals.com/en/pipavav/investors/governance

5. Return to work and Retentions rates of permanent employees and workers that took parental leave

| | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| Gender | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | NA | NA | NA | NA |
| Female | NA | NA | NA | NA |
| Total | | | | |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

| | Yes/No (If yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | The Company has a Grievance Redressal Policy applicable to all employees below the position of a Manager |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| | FY 2022-23 (CY) | | | FY 2021-22 (PY) | | |
|---|---|---|---|---|---|---|
| Category | Total employees/ workers in respective category (A) | No. of employees/ workers in respective category who are part of association (s) or Union (B) | % B/A | Total employees/ workers in respective category (C) | No. of employees/ workers in respective category who are part of association (s) or Union (D) | % D/A |
| Total Permanent Employees | | Nil | | | Nil | |
| - Male | | Nil | | | Nil | |
| - Female | | Nil | | | Nil | |
| Total Permanent Workers | 286 | 272 | 95% | 275 | 262 | 95% |
| - Male | 283 | 269 | 95% | 271 | 259 | 96% |
| - Female | 3 | 3 | 100% | 4 | 3 | 75% |

8. Details of Training given to employees and workers

| Category | FY 2022-23 (CY) | | | | | FY 2021-22 (PY) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | On Health & Safety Measures | | On Skill Upgradation | | Total | On Health & Safety Measures | | On Skill Upgradation | |
| | | No | % | No | % | | No | % | No | % |
| Employees | | | | | | | | | | |
| Male | 166 | 348 | 209% | 117 | 70% | 163 | 163 | 100% | 163 | 100% |
| Female | 8 | 8 | 100% | 5 | 63% | 9 | 8 | 89% | 9 | 100% |
| Total | 174 | 356 | 205% | 122 | 70% | 172 | 171 | | 172 | |
| Workers | | | | | | | | | | |
| Male | 283 | 260 | 92% | 391 | 138% | 291 | 284 | 98% | 186 | 64% |
| Female | 3 | 0 | 0 | 0 | 0 | 4 | 3 | 75% | 0 | 0% |
| Total | 286 | 260 | 91% | 391 | 137% | 295 | 287 | | 186 | |

9. Details of performance and career development reviews of employees and worker:

| | FY 2022-23 (CY) | | | FY 2021-22 (PY) | | |
|---|---|---|---|---|---|---|
| Category | Total (A) | No. (B) | %B/A | Total (C) | No (D) | %D/C |
| Employees | | | | | | |
| Male | 166 | 166 | 100% | 173 | 173 | 100% |
| Female | 8 | 8 | 100% | 9 | 9 | 100% |
| Total | 174 | 174 | 100% | 182 | 182 | 100% |
| Workers | | | | | | |
| Male | 283 | 283 | 100% | 291 | 291 | 100% |
| Female | 3 | 3 | 100% | 4 | 4 | 100% |
| Total | 286 | 286 | 100% | 295 | 295 | 100% |

10. Health and Safety Management system:

a. Whether an occupational health and safety management system has been implemented by the entity? ***(Yes/ No).*** If yes, the coverage such system?

Yes. Safety is our License to operate as per the internal safety guidelines of the parent company. All employees are mandatorily required to undertake Safety Training. The Heads of Department are required to conduct Safety Walk to ensure safe behaviour is being adhered to on the ground.

b. What are the processes used to identify work-related hazards and assess risks on aroutine and non-routine basis by the entity?

As mentioned above the Safety Walks are conducted by the Heads of Department. Also, all employees as part of their job responsibility undertake Safety Gemba. These initiatives help in identifying potential work related hazards and risks. The Near misses are identified and recorded along with the corrective actions taken.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company has a process in place to report the potential work related hazards

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? ***(Yes/ No)***

Yes. All employees and workers have access to non-occupational medical and healthcare facility being provided inside the port premises.

11. Details of safety related incidents in the following format:

| Safety Incident/ Number | Category | FY 2022-23 (CY) | FY 2021-22 (PY) |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked) | Employees | 0 | 0 |
| | Workers | 0.288 | 0 |
| Total recordable work related injuries | Employees | 0 | 0 |
| | Workers | 8 | 6 |
| No. of Fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work related injury or ill health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

As mentioned above, Safety is our License to operate and is at the core of our operations, as per the internal Safety Guidelines of the parent company for all its ports and terminals within the portfolio. As part of the Safety initiatives the four key areas identified are: Transportation, Suspended loads and lifting, Working at heights, stored energy and control of contractors. Ensuring our own safety and of our colleagues is at the centre of continuous training, monitoring, and supervising of all operations.

The Company has set a number of key performance indicators (KPIs) that measure safety performance in terms of personal safety and in terms of the safe design, operation and maintenance of the facilities.

Personnel safety

The Company is committed to maintaining a safe, healthy workplace for its employees and for its contractor partners, and deliver safe projects that benefit everyone. The port incorporates the best global safety practices into its daily operations to create a safe place to work.

The port has a dedicated Health, Safety, Security and Environment (HSSE) department responsible for ensuring the safety of all working at the port. It also ensures safety induction for all those visiting the operations area. New employees are mandated to participate in a safety induction programme which outline safety Do's and Dont's. The port has also developed safety measures and procedures to handle specific operations and scenarios quickly and efficiently. These include a comprehensive disaster management plan, and an oil spill contingency plan. A dedicated team of firemen and fire-related equipment ensure that the Port is fully prepared to respond to any fire related emergency.

Transparency is the key to any effective safety strategy. Frequent safety meetings, notices and a detailed reporting system keeps employees and management continually informed about the port's safety policy, incidents, and safety record.

13. Number of Complaints on the following made by employees and workers

| | FY 2022-23 (CY) | | | FY 2021-22 (PY) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil | NA | | Nil | NA | |
| Health & Safety | Nil | NA | | Nil | NA | |

14. Assessments for the year

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and Safety Practices | The Company had engaged an external HSSE expert to carry out the Safety Audit of the port facility. The improvement areas recommended by the expert agency are being worked upon. Additionally, the Company conducts its own Safety drills on a regular basis. |
| Working Conditions | Monthly assessment of working conditions (noise, illumination, particulate matters etc) by internal and external agencies is being done |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

The Company has an online platform to report and track all the incidents, near misses and observations. The platform not only ensures proper record keeping but it gives visibility to all the users on the incidents and corrective actions. Below is the summary of corrective actions taken in the years 2021-22 and 2022-23.

| Action created in 2022 - 23 | | | |
|---|---|---|---|
| Month | Closed | Open | Total |
| Apr-22 | 26 | | 26 |
| May-22 | 129 | 1 | 130 |
| Jun-22 | 263 | 1 | 264 |
| Jul-22 | 291 | 1 | 292 |
| Aug-22 | 168 | | 168 |
| Sep-22 | 59 | | 59 |
| Oct-22 | 80 | | 80 |
| Nov-22 | 85 | | 85 |
| Dec-22 | 101 | | 101 |
| Jan-23 | 100 | | 100 |
| Feb-23 | 138 | 19 | 157 |
| Mar-23 | 176 | | 176 |
| 2022-23 | **1616** | **22** | **1638** |

| Action created in 2021-22 | | | |
|---|---|---|---|
| Month | Closed | Open | Total |
| Apr-21 | 12 | | 12 |
| May-21 | 14 | | 14 |
| Jun-21 | 7 | | 7 |
| Jul-21 | 17 | | 17 |
| Aug-21 | 40 | | 40 |
| Sep-21 | 19 | | 19 |
| Oct-21 | 13 | | 13 |
| Nov-21 | 11 | 1 | 12 |
| Dec-21 | 17 | 1 | 18 |
| Jan-22 | 10 | 1 | 11 |
| Feb-22 | 25 | 4 | 29 |
| Mar-22 | 17 | 1 | 18 |
| 2021-22 | **202** | **8** | **210** |

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

   Yes the Company does extend the facility to its Employees and Workers

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

   - Checklist of compliances is verified and signed off by HR, thereafter, Finance processes the invoice of the value chain partners
   - Meetings are conducted with value chain partners to create awareness on Zero Tolerance for non-compliance
   - Penalty is levied for delay in payment of statutory dues
   - Payment of value chain partners is kept on hold if any statutory dues are not paid

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities, who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

| | **Total no. of affected employees/ workers** | | **No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment** | |
|---|---|---|---|---|
| | **FY 2022-23 (CY)** | **FY 2021-22 (PY)** | **FY 2022-23 (CY)** | **FY 2021-22 (PY)** |
| Employees | Nil | Nil | Nil | 1 |
| Workers | Nil | Nil | Nil | Nil |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? ***(Yes/ No)***

No the Company does not have such programs

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and Safety Practices | 100% for those operating within the port premises |
| Working Conditions | 100% for those operating within the port premises |

6. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from assessments of health and safety practices and working conditions of value chain partners

The company conducts the safety trainings for its value chain partners for ensuring safe occupational behaviour. The company also conducts site visits to check the working conditions in the premises of the value chain partners located within the port.

**PRINCIPLE 4: Businesses should respect the interest of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity

The Company through its CSR activities has identified the marginalized groups and has undertaken necessary initiatives.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others- please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Local Community | Yes | Face to face meetings as part of CSR initiatives | Quarterly | The purpose is to support them and uplift them by providing education support to their children. |

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board

The CSR team of the company conducts the consultations and provides the feedback to the CSR Committee regarding these communities.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

As mentioned above, the community's children are being provided support for education. This has been done based on the feedback received from the marginalized community.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups

As mentioned in 2 above.

**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| | FY 2022-23 (CY) | | | FY 2021-22(PY) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees/ workers covered (B) | %B/A | Total (C) | No. of employees/ workers covered (D) | %D/C |
| Employees- Refer Note below the table | | | | | | |
| Permanent | | | | | | |
| Other than Permanent | | | | | | |
| Total Employees | | | | | | |
| Workers- Refer Note below the table | | | | | | |
| Permanent | | | | | | |
| Other than Permanent | | | | | | |
| Total Employees | | | | | | |

Note: The Company does not have a separate training specific to human rights issues but Human Rights is part of the Company's Code of Conduct and the annual E-learning on Code of Conduct covers the aspect.

2. Details of minimum wages paid to employees and workers in the following format:

| | FY 2022-23 (CY) | | | | | FY 2021-22 (PY) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No (B) | %B/A | No (C ) | %C/A | | No (E ) | %E/D | No (F) | %F/D |
| | Employees- Refer Note below the table | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | | | | | | | | | | |
| Female | | | | | | | | | | |
| Other than Permanent | | | | | | | | | | |
| Male | | | | | | | | | | |
| Female | | | | | | | | | | |
| | Workers- Refer Note below the table | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | | | | | | | | | | |
| Female | | | | | | | | | | |
| Other than Permanent | | | | | | | | | | |
| Male | | | | | | | | | | |
| Female | | | | | | | | | | |

Note: All employees and workers of the Company are paid more than Minimum Wages

3. Details of remuneration/ salary/ wages in the following format:-

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| | Refer note below the table | | | |
| Board of Directors | | | | |
| Key Managerial Personnel | | | | |
| Employees other than BoD and KMP | | | | |
| Workers | | | | |

Note: As per the Company's HR Policy, the remuneration levels are uniform for all Male and Female employees depending upon their Job Grade levels and areas of responsibility within the organization. The details of the remuneration paid to the Board of Directors, to Key Managerial Personnel, Median remuneration details for employees is covered in the Directors Report.

4. Do you have a focal point (individual/ committee) responsible for addressing human rights impact or issues caused or contributed to by the business

The Head of HR is responsible for addressing the human rights issues.

5. Describe the internal mechanism in place to redress grievances related to human rights issues.

The grievances pertaining to human rights can be addressed to the Head HR of the Company who is responsible to get them resolved. In case any particular employee is not comfortable raising it to Head HR then the whistleblower mechanism can also be used to report any such grievance and the details are kept completely confidential.

6. Number of complaints on the following made by employees and workers

| | FY 2022-23 (CY) | | | FY 2021-22 (PY) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | One | Nil | The complaint received has been concluded and closed as per the Company Policy. | Nil | NA | |
| Discrimination at workplace | Nil | NA | | Nil | NA | |
| Child Labour | Nil | NA | | Nil | NA | |
| Forced Labour/ Involuntary Labour | Nil | NA | | Nil | NA | |
| Wages | Nil | NA | | Nil | NA | |
| Other human rights related issues | Nil | NA | | Nil | NA | |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company's Head of HR is responsible to ensure:

- Confidentiality in case of complaints under POSH, Whistle Blower is maintained and the names of the complainant and the accused are not revealed
- Security of the complainant is also ensured at site location through the Security team

8. Do human rights requirements form part of your business agreements and contracts

A suitable clause is included in the agreements and contracts.

9. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties |
|---|---|
| Child labour | All offices are internally assessed. |
| Forced/ involuntary labour | |
| Sexual Harassment | |
| Discrimination at workplace | |
| Wages | |
| Others- please specify | |

**Leadership Indicators**

1. Details of business process being modified/ introduced as a result of addressing human rights grievances/ complaints

   As mentioned above the Company's Code of Conduct already addresses the issues pertaining to human rights complaints.

2. Details of scope and coverage of any Human rights due- diligence conducted.

   The Company has not conducted any such due diligence.

3. Is the premise/ office of the entity accessible to differently abled visitors as per the requirements of the Rights of persons with Disabilities Act, 2016.

   Yes the premises is accessible for differently abled.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | The Company carries out inspection of the site of the value chain operators operating within the port premises to ensure no child labour/ force labour is being deployed. The confirmation regarding the payment of dues is also obtained from them. |
| Discrimination at work place | |
| Child labour | |
| Forced labour/ involuntary labour | |
| Wages | |
| Others- please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

   None

**PRINCIPLE 6: Business should respect and make efforts to protect and restore the environment**

**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| **Parameter** | **FY 2022-23 (CY)** | **FY 2021-22 (PY)** |
|---|---|---|
| Total electricity consumption (A) | 19,642,541.00 KWH* | 17,152,035 KWH* |
| Total fuel consumption (B) | 24685858 litres equivalent to 69.48 KWH | 3,264,981 litres equivalent to 91.89 KWH |
| Energy consumption through other sources (C)- **Solar Power** | 1,302,461 KWH | Nil |
| **Total energy consumption (A+B+C)** | **19,642,610.48 KWH** | **17,152,127 KWH** |
| Energy intensity per rupee of turnover *(Total energy consumption/ turnover in rupees)* | 0.0020 | 0.0022 |
| Energy intensity *(optional)* – the relevant metric may be selected by the entity | -- | -- |

*Power consumption details are maintained in KWH and is accordingly considered for calculations instead of Joules

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an externalagency? (Y/N) If yes, name of the external agency.

No an independent assessment is yet to be done

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No. The Company does not have any sites under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022-23 (CY) | FY 2021-22 (PY) |
|---|---|---|
| Water withdrawal by source (in kiloliters) | | |
| (i) Surface water | Nil | Nil |
| (ii) Groundwater | Nil | Nil |
| (iii) Third party water* | 560,781 | 407,506 |
| (iv) Seawater/ desalinated water | Nil | Nil |
| (v) Others | Nil | Nil |
| Total volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v) | 560,781 | 407,506 |
| Total volume of water consumption (in kiloliters) | 560,781 | 407,506 |
| Water intensity per rupee of turnover (Water consumed/turnover) | 0.058 | 0.053 |
| Water intensity (optional)- the relevant metric may be selected by the entity | -- | -- |

*the Company purchases water through Gujarat Water Infrastructure Limited

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an externalagency? (Y/N) If yes, name of the external agency.

No. The Company has not carried out any independent assessment.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

   The Company does not have any Liquid Discharge issues.

5. Please provide details of air emissions (Other than GHG emissions) by the entity in the following format:

| **Parameter** | **Please specify unit** | **FY 2022-23 (CY)** | **FY 2021-22 (PY)** |
|---|---|---|---|
| NOx | mg/Nm3 | 8.371 | 11.68 |
| SOx | mg/Nm3 | 6.975 | 5.65 |
| Particulate matter (PM) | mg/Nm3 | 60 | 45.3 |
| Persistent organic pollutants (POP) | | Nil | Nil |
| Volatile organic compounds (VOC) | | Nil | Nil |
| Hazardous air pollutants (HAP) | | Nil | Nil |
| Others – please specify | | Nil | Nil |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The Environmental Monitoring of the port area covering, Air, Water, Soil, Noise, Stack emissions is being performed on a regular basis by MoEF&CC & NABL authorized Laboratory i.e. M/s. Kadam Consultants-Vadodara.

6. Provide the details of greenhouse gas emissions (Scope 1 an Scope 2 emissions) & its intensity in the following format:

| Parameter | Unit | FY 2022-23 (CY) | FY 2021-22 (PY) |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | *Metric tonnes of CO2 equivalent* | 5074.61<br>52.87 MT- Nox emission | 3956.5<br>66.08 (MT Co2 e) Methane & Nitrous oxide emission |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | *Metric tonnes of CO2 equivalent* | 14226.27 | 13218.91 |
| **Total Scope 1 and Scope 2 emissions per rupee of Turnover** | | **Total Emission: 19300.88**<br>**Emission: 0.002 kg per rupee of Turnover** | **Total Emission: 17175.41**<br>**Emission: 0.002 kg per rupee of Turnover** |
| **Total Scope 1 and Scope 2 emission intensity** *(optional)*<br>– the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No. The Company has not carried out an independent assessment.

7. Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details.

Yes, the Company has installed rooftop based solar plant having capacity of 1000 KWp, and it has been commissioned. The Company is also in the process of entering into power purchase from a renewable energy supplier. After conclusion of the agreement, about 45% of the company's power requirement will be sourced through renewable energy.

The other initiatives already done are conversion of cranes from diesel to electric and Replacement of Sodium Vapour Lamps with LED lights. The Company also maintains 250-acre area as green belt which acts as a carbon sink.

8. Provide details related to waste management by the entity in the following format:

| Parameter | FY 2022-23 (CY) | FY 2021-22 (PY) |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste ***(A)*** | 8.73 | 7.389 |
| E-waste ***(B)*** | 32.71 | 31.91 |
| Bio-medical waste ***(C)*** | 0.086 | 5.246 |
| Construction and demolition waste ***(D)*** | 0 | 0 |
| Battery waste ***(E)*** | 2.5 | 4.24 |
| Radioactive waste ***(F)*** | 0 | 0 |
| Other Hazardous waste. Please specify, if any. ***(G) Used oil*** | 254.95 | 19.83 |
| Other Non-hazardous waste generated ***(H).*** *Please specify, if any.* ***MS Scrap*** (Break-up by composition i.e. by materials relevant to the sector) | 431.31 | 199.59 |
| **Total (A + B + C + D + E + F + G + H)** | 628.26 | 262.972 |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | 114.49 | 262.972 |
| (ii) Re-used | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| **Total** | 114.49 | 262.972 |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | 0 | 5.246 |
| (ii) Landfilling | 0 | 0.0 |
| (iii) Other disposal operations | 0 | 0 |
| **Total** | 0 | 5.246 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. The Company has not carried out an independent assessment.

9. Briefly describe the waste management practices adopted in your establishments. Describethe strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As part of the global initiative 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 along with installation of Renewable Energy Project, phase out the use of Ozone depleting substances.

All the waste generated at the site (Hazardous Waste + non Hazardous Waste) is being stored at one place i.e. Hazardous waste storage yard.

Hazardous waste is being disposed off to the Gujarat Pollution Control Board (GPCB) authorized vendor. The transportation of Hazardous Waste is being done through GPS enabled vehicles and gate out of vehicles is done after the generation of Manifest from the GPCB portal only.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S. No. | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N)<br>If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| | NA | | |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| NA | | | | | |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| | Nil | NA | Nil | NA |

**Leadership Indicators**

1. Provide break up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources in the following format:

| Parameter | FY 2022-23 *(CY)* | FY 2021-22 *(PY)* |
|---|---|---|
| **From renewable sources** | 1,302,461 KWH* | Nil |
| Total electricity consumption (A) | Nil | |
| Total fuel consumption (B) | Nil | |
| Energy consumption through other sources (C) | Nil | |
| **Total energy consumed from renewable sources (A+B+C)** | **1,302,461 KWH*** | **Nil** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 18,340,080 KWH* | 17,152,035 KWH* |
| Total fuel consumption (E) | 2,468,585 Litres equivalent to 69.48 KWH | 3,264,981 Litres equivalent to 91.89 KWH |
| Energy consumption through other sources (F) | Nil | Nil |
| **Total energy consumed from non-renewable sources (D+E+F)** | **18,340,149.48 KWH** | **17,152,127 KWH** |

*Power consumption details are maintained in KWH and is accordingly considered for calculations instead of Joules

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. The Company has not carried out an independent evaluation.

2. Provide the following details related to water discharged:

| **Parameter** | **FY 2022-23 (CY)** | **FY 2021-22 (PY)** |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)- NOT APPLICABLE** | | |
| (i) To Surface water | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (ii) To Groundwater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iii) To Seawater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iv) Sent to third-parties | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. The Company has not carried out any independent assessment because it has implemented a Zero Discharge system. The entire waste water is re-cycled and is re-used for the Green belt and for Dust suppression purpose at the port.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters)

For each facility/ plant located in areas of water stress. Provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2022-23 (CY) | FY 2021-22 (PY) |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | NA | NA |
| (i) Surface water | | |
| (ii) Groundwater | | |
| (iii) Third party water | | |
| (iv) Seawater/ desilnated water | | |
| (v) Others | | |
| Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v) | | |
| Total volume of water consumption (in kiloliters) | | |
| Water intensity per rupee of turnover (Water consumed/turnover)* | | |
| Water intensity (optional)- the relevant metric may be selected by the entity | | |

| Parameter | FY 2022-23 (CY) | FY 2021-22 (PY) |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) Into Surface water | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (ii) Into Groundwater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iii) Into Seawater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iv) Sent to third-parties | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable. The Company purchases water from the Gujarat Water Infrastructure Limited and the Company has implemented a Zero Discharge mechanism. No independent assessment has been carried out.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| **Parameter** | **Unit** | **FY 2022-23 (CY)** | **FY 2021-22 (PY)** |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | *Metric tonnes of CO2 equivalent* | Not applicable | Not applicable |
| **Total Scope 3 emissions per rupee of turnover** | | | |
| **Total Scope 3 emission intensity** *(optional)* – the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Company does not monitor Scope 3 emissions.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company's port operation is not located in any ecologically sensitive area.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives as per the following format:

| Sr. No | Initiative undertaken | Details of the initiative *(Web-link, if any, may be provided along-with summary)* | Outcome of the initiative |
|---|---|---|---|
| 1 | Roof Top Solar Plant | | Reduction in emission |
| 2 | STP operation & Rainwater harvesting | | Decreasing the demand of fresh water for green belt. |
| 3 | Organic Waste Converter Machine | | Reducing Landfill of waste, Organic waste is converted in to the form of green manure. |

7. Does the entity have a business continuity and disaster management plan? Give details in100 words/ web link.

   Yes. The Company has Disaster Management Plan and Business Continuity Plan. It is a reference document for the employees in case of an Emergency. Regular Safety Drills are carried out by the HSSE team to ensure the Standard Operating Procedures are working well. Third party Safety Audit is carried out and improvement areas recommended are incorporated in the Business Continuity Plan/ Disaster Management Plan.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

   The value chain partners are the sub-contractors operating inside the port premises performing the activities outsourced by the Company. Considering their scope of work, the Company does not envisage any major adverse impact on the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   The company is yet to make an assessment but as mentioned above, considering the scope of work being performed by the value chain partners, the Company does not envisage any major adverse impact on the environment.

**PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations. Two

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|---|---|---|
| 1. | Gujarat Maritime Cluster | State |
| 2 | Indian Private Ports and Terminals Association | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| | Not Applicable | |

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

| S. No. | Public Policy advocated | Method resorted for such advocacy | Whether information available in public domain (Yes/No) | Frequency of review by Board (Annually/ Half Yearly/ Quarterly/ Others | Web link if available |
|---|---|---|---|---|---|
| | Not Applicable | | | | |

The Company has not advocated on any public policy.

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessment (SIA) of projects undertaken by the entity based on applicable laws in the current financial year

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/ No) | Relevant web link |
|---|---|---|---|---|---|
| Not Applicable | | | | | |

Based on the applicable laws, the Company is not required to carry out Social Impact Assessment study for its projects. But the Company is in the process of voluntarily initiating a Social Impact Study by a third party.

2. Provide information on projects for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

| S. No. | Name of Project for which R&R is ongoing | State | District | No of Project Affected Families (PAF) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| | Not Applicable | | | | | |

The Company does not have any ongoing project requiring to undertake any Rehabilitation and Resettlement.

3. Describe the mechanism to receive and redress grievances of the community

The Company is yet to set up the process of receiving and redressal of the community’s grievances. But the Company engages with the community to addresses their concerns/ grievances arising from the Company’s area of operation.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2022-23 (CY) | FY 2021-22 (PY) |
|---|---|---|
| Directly sourced from MSMEs/ small producers | NA | NA |
| Sourced directly from within the district and neighbouring districts | NA | NA |

The Company does not carry out any manufacturing activity. It is engaged in providing Port Services hence the input material sourcing is not applicable.

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessment (Reference: Question 1 of Essential Indicators above)

| Details of negative social impact identified | Correction action taken |
|---|---|
| | |

Not applicable. Refer the response in Question 1 above.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount spent (INR) |
|---|---|---|---|
| | | Not applicable | |

The Company has all its CSR projects in the villages around the port and does not have any project in designated Aspirational District identified by the Government.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups (Yes/No)- No

   (b) From which marginalized/ vulnerable group do you procure.

   The Company's port facility is located in a remote location and depending upon the availability of goods in the immediate vicinity the goods are procured

   (c) What percentage of total procurement (by value) does it constitute- Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year) based on traditional knowledge:

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes/No) | Basis of calculating benefit share |
|---|---|---|---|---|
| | | | | |

Not applicable. The company does not own any intellectual properties.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| | | |

Not applicable. The Company does not have any dispute regarding intellectual property.

6. Details of beneficiaries of CSR Projects

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| | | | |

The Company is engaged in providing Port Services at Pipavav in Gujarat State. The port is situated in a remote location. Hence the CSR projects are being carried out in the villages in the port vicinity for all the communities.

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

   The parent company APM Terminals commissions a third party survey for all its customers covering the entities within the portfolio including Gujarat Pipavav Port Limited. This survey is carried out annually. The customers provide their feedback through the survey and that is shared by APM Terminals with all its entities for taking corrective measures. The status on these corrective measures is reviewed on a regular basis.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| | **As a percentage of total turnover** |
|---|---|
| Environmental and social parameters relevant to the product | Not applicable in view of the nature of service namely, Port Services provided by the Company. |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

3. Number of consumer complaints in respect of the following:

| | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | NA | | Nil | NA | |
| Advertising | Nil | NA | | Nil | NA | |
| Cyber security | Nil | NA | | Nil | NA | |
| Delivery of essential services | Nil | NA | | Nil | NA | |
| Restrictive Trade Practices | Nil | NA | | Nil | NA | |
| Unfair Trade Practices | Nil | NA | | Nil | NA | |
| Other | Nil | NA | | Nil | NA | |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | NA | NA |
| Forced recalls | NA | NA |

Not applicable because the Company is engaged in providing Port Services and does not manufacture any product.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy.

Yes. Cyber Security and Data Privacy forms part of the Company's Code of Conduct. The web link is https://www.apmterminals.com/en/pipavav/investors/governance

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable. No such instances have occurred.

**Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The details about the Company's services are available on the company website www.pipavav.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not applicable. The Company is engaged in providing Port Services.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

Yes the intimation regarding potential disruptions/ discontinuation is done through Customer Newsletter release from time to time.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not applicable

5. Provide the following information relating to data breaches:

(a) Number of instances of data breaches along with impact- None

(b) Percentage of data breaches involving personally identifiable information of customers- Not Applicable

# Independent Auditor's 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 the standalone Balance Sheet as at March 31, 2023, and the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone 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 March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act . Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 32(c) to the standalone financial statements which describes the associated uncertainty and the necessary steps being taken by the Company based on external legal expert's advice in relation to the recovery of Bank Guarantee amounting to INR 185.35 million encashed by Gujarat Maritime Board ('GMB') on February 13, 2019, and further demand of Rs. 337.59 million alongwith interest thereupon at the rate of 18% per annum towards liquidated damages, and Rs. 33.36 million towards GST alongwith interest thereupon at the rate of 18% per annum, raised by GMB vide their letter dated October 27, 2021. Our opinion is not modified in respect of this matter

**Key audit matters**

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 | How our audit addressed the key audit matter |
|---|---|
| **Estimation of accruals in respect of incentives and rebates related to volume sales (Refer note 2.29 to the standalone financial statements)** | |
| The Company recognizes revenue net of trade incentives and rebates wherever applicable. The amounts netted off from revenue is INR 1275.70 million (Refer note 19 in the standalone financial statements) and accrual recognized as at March 31, 2023 on account of incentives and rebates amounted to INR 1,151.34 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 estimation and accordingly has been determined to be a key audit matter. | In relation to the estimation of accrual in respect of incentives and rebates related to volume sales, we performed procedures, including the following:<br>1. Assessed the appropriateness of accounting policy and related disclosures in the standalone financial statements.<br>2. Understood and evaluated the design and tested the operating effectiveness of internal controls over calculations of rebates and incentives and timing of recognition of the same.<br>3. On a test check basis, verified the credit notes issued during the year in respect of rebates and incentives to customers and compared the same with contractual terms as well as accrual already recognized to assess reasonableness of such accrual recognized.<br>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. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| | 5. Performed a sensitivity analysis by reducing the sales forecasts within a reasonably foreseeable range.<br>6. Assessed manual journals posted to revenue to identify unusual items and corroborating the journals entries with supporting documents.<br>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. |

**Other Information**

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether it 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.

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

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

9. 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 standalone financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgement 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.

11. 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.
12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. 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 the books of account and other books and papers maintained in electronic mode, has not been maintained on a daily basis on servers physically located in India during the year.
    (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows 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 March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 comment in paragraph 15(b) above that the back-up of the books of account and other books and papers maintained in electronic mode, which has not been maintained on a daily basis on servers physically located in India during the year.
    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, 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 (as amended), 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 financial statements – Refer Note 32 to the standalone financial statements;
        ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37(viii) to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37(viii) to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 23100681BGXWOT3867

Mumbai
May 24, 2023

## Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements for the year ended March 31, 2023

**Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to standalone financial statements of Gujarat Pipavav Port Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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.

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by ICAI.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 23100681BGXWOT3867

Mumbai
May 24, 2023

## Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment 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 Property, Plant and Equipment 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) to the standalone financial statements, are held in the name of the Company, except for the following:

| Description of property | Gross carrying value | Held in the name of | Whether promoter, director or their relative or employee | Period held - indicate range, where appropriate | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Land | INR 24.99 million | Government of Gujarat | No | April 2015 | Refer note 1 of Note 3(a)(i) of Standalone financial statements. |

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has granted unsecured loans to 59 employees (Also refer Note 8(d) to the financial statements). The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to employees are as per the table given. The Company has not made any investments, granted secured/ unsecured advances in nature of loans, or stood guarantee, or provided security to companies /firms/ limited liability partnerships

| Particulars | Interest free Loans to employees Rs. |
|---|---|
| Aggregate amount granted/ provided during the year - Others | 11.28 million |
| Balance outstanding as a balance sheet date in respect of the above case - Others | 4.73 million |

(b) In respect of the aforesaid loans to employees, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans to employee, there is no amount which is overdue for more than ninety days.

(d) There were no loans to employees which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) There were no loans/advances in nature of loans except to employees as mentioned above which were granted during the year, including to promoters/related parties.

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

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues of provident fund, and is regular in depositing undisputed statutory dues including goods and services tax, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory 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 March 31, 2023 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs.) (INR million) @ | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Income tax Act, 1961 | Income Tax | 3.36 | 2013-14 | Commissioner of Income Tax (Appeals) |
| Income tax Act, 1961 | Income Tax | 74.06# | 2014-15 | Appeal filed before the Mumbai High Court against ITAT order Further, Miscellaneous Application filed before the ITAT |
| Finance Act, 1994 | Service Tax | 95.71$ | 2008-09 to 2015-16 | Customs, Excise and Service Tax Appellate Tribunal |

@Including interest and penalty mentioned in the demand

# Net of amounts paid under protest of Rs. 15.00 million

$ Net of amounts paid under protest of Rs. 2.58 million

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority. (Also refer note 37 (ii) to the standalone financial statements)

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate company. The Company does not have any subsidiary or joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company. The Company does not have any subsidiary or joint venture.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is 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 financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted non-banking financial activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 38(vii) to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 23100681BGXWOT3867

Mumbai
May 24, 2023

# STANDALONE BALANCE SHEET AS AT 31 MARCH 2023

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

| Particulars | Note No. | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, Plant and Equipment | 3 (a) | 12,899.98 | 13,667.63 |
| Right of use Assets | 3 (b) | 722.72 | 401.33 |
| Capital work-in-progress | 3 (c) | 901.91 | 473.89 |
| Intangible assets | 3 (d) | 8.84 | 13.17 |
| Intangible assets under development | 3 (e) | 43.63 | 16.45 |
| Investments accounted for using the equity method | 4 (a) | 830.00 | 830.00 |
| Financial Assets | | | |
| Other financial assets | 4 (b) | 224.33 | 223.90 |
| Income tax assets (net) | 5 (a) | 202.87 | 202.87 |
| Other non-current assets | 6 | 6.40 | 6.28 |
| **Total non-current assets** | | **15,840.68** | **15,835.52** |
| **Current assets** | | | |
| Inventories | 7 | 75.95 | 101.81 |
| Financial Assets | | | |
| (i) Trade receivables | 8 (a) | 856.20 | 519.95 |
| (ii) Cash and cash equivalents | 8 (b) | 157.71 | 3.62 |
| (iii) Bank balance other than (ii) above | 8 (c) | 8,790.22 | 8,554.21 |
| (iv) Loans | 8 (d) | 4.73 | 6.34 |
| (v) Other financial assets | 4 (b) | 412.30 | 9.36 |
| Other Current assets | 9 | 230.66 | 186.54 |
| **Total current assets** | | **10,527.77** | **9,381.83** |
| **Total Assets** | | **26,368.45** | **25,217.35** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share capital | 10 | 4,834.40 | 4,834.40 |
| **Other equity** | | | |
| Reserves and surplus | 11 | 15,948.75 | 15,489.80 |
| **Total equity** | | **20,783.15** | **20,324.20** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 3(b) | 617.45 | 347.11 |
| (ii) Other financial liabilities | 12 | 218.22 | 181.91 |
| Employee benefit obligations | 13 | 25.21 | 26.14 |
| Deferred tax liabilities (net) | 14(b) | 1,406.86 | 1,450.78 |
| Other non-current liabilities | 15 | 421.46 | 463.31 |
| **Total non-current liabilities** | | **2,689.20** | **2,469.25** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| (i) Trade payables | | | |
| (a) Total outstanding of Micro, Small and Medium Enterprises | 16 | 17.65 | 12.14 |
| (b) Total outstanding dues other than (a) above | 16 | 641.78 | 432.47 |
| (ii) Lease liabilities | 3(b) | 176.93 | 123.69 |
| (iii) Other financial liabilities | 12 | 229.13 | 205.08 |
| Provisions | 17 | 208.00 | 208.00 |
| Employee benefit obligations | 13 | 134.33 | 144.22 |
| Income tax provisions (net) | 5 (b) | 44.20 | 69.94 |
| Other current liabilities | 18 | 1,444.08 | 1,228.36 |
| **Total current liabilities** | | **2,896.10** | **2,423.90** |
| **Total Liabilities** | | **5,585.30** | **4,893.15** |
| **Total equity and liabilities** | | **26,368.45** | **25,217.35** |

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

As per our report of even date attached.

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration No: 012754N/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

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

**Girish Aggarwal**
*Managing Director*
DIN : 07974838

**Samir Chaturvedi**
*Director*
DIN: 08911552

**Santosh Breed**
*Chief Financial Officer*
Mumbai
24 May 2023

**Manish Agnihotri**
*Company Secretary*

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

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

| Particulars | Note No. | For the year ended 31 Mar 2023 | For the year ended 31 Mar 2022 |
|---|---|---|---|
| Revenue from operations | 19 | 9,169.50 | 7,413.65 |
| Other income | 20 | 510.00 | 307.60 |
| **Total Income** | | **9,679.50** | **7,721.25** |
| **Expenses** | | | |
| Operating expenses | 21 | 1,922.00 | 1,465.24 |
| Employee benefits expense | 22 | 745.81 | 739.02 |
| Finance costs | 23 | 79.55 | 47.66 |
| Depreciation and amortisation expense | 24 | 1,161.54 | 1,292.71 |
| Other expenses | 25 | 1,480.28 | 1,105.52 |
| **Total expenses** | | **5,389.18** | **4,650.15** |
| **Profit before exceptional items and tax** | | **4,290.32** | **3,071.10** |
| Exceptional items | 26 | 371.67 | 46.09 |
| **Profit before tax** | | **3,918.65** | **3,025.01** |
| Tax expense : | | | |
| For the year | | | |
| Current tax expense | 14 (a) | 1,047.01 | 1,085.66 |
| Deferred tax (credit) / expense | 14 (a) | (46.16) | 18.59 |
| For earlier year | | | |
| Current tax expense reversed | 14 (a) | - | (11.61) |
| Total tax expense | | **1,000.85** | **1,092.64** |
| **Profit for the year** | | **2,917.80** | **1,932.37** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Re-measurement of post-employment benefit obligations | | 8.94 | 5.52 |
| - Less: Income tax relating to above | | (2.24) | (1.92) |
| **Other comprehensive income for the year, net of tax** | | **6.70** | **3.60** |
| **Total comprehensive income for the year** | | **2,924.50** | **1,935.97** |
| Earning per equity share [face value per share INR 10 (31 March 2022: INR10 )] | | | |
| Basic earnings per share | 33 | 6.04 | 4.00 |
| Diluted earnings per share | 33 | 6.04 | 4.00 |

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/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

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

**Girish Aggarwal**
*Managing Director*
DIN : 07974838

**Samir Chaturvedi**
*Director*
DIN: 08911552

**Santosh Breed**
*Chief Financial Officer*

**Manish Agnihotri**
*Company Secretary*

Mumbai
24 May 2023

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

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

### A. Equity share capital

| | Notes | Amount |
|---|---|---|
| As at 31 March 2021 | | **4,834.40** |
| Changes in equity share capital | 10 | - |
| As at 31 March 2022 | | **4,834.40** |
| Changes in the equity share capital | 10 | - |
| As at 31 March 2023 | | **4,834.40** |

### B. Other equity

| Particulars | Attributable to owners of Gujarat Pipavav Port Limited | | | |
|---|---|---|---|---|
| | Notes | Reserves and Surplus | | Total Other Equity |
| | | Securities Premium Reserve | Retained Earnings | |
| **Balance at 1 April 2021** | 11 | 14,288.87 | 1,198.72 | 15,487.59 |
| Profit for the year | | | 1,932.37 | 1,932.37 |
| Other Comprehensive Income | | | 3.60 | 3.60 |
| **Total comprehensive income for the year ended 31 March 2022** | | | **1,935.97** | **1,935.97** |
| **Transaction with owners in their capacity as owners:** | | | | |
| Dividends paid | | | (1,933.76) | (1,933.76) |
| **Balance at 31 March 2022** | 11 | 14,288.87 | 1,200.93 | 15,489.80 |
| Profit for the year | 11 | | 2,917.80 | 2,917.80 |
| Other Comprehensive Income | | | 6.70 | 6.70 |
| **Total comprehensive income for the year ended 31 March 2023** | | | **2,924.50** | **2,924.50** |
| **Transaction with owners in their capacity as owners:** | | | | |
| Dividends paid | | | (2,465.55) | (2,465.55) |
| **Balance at 31 March 2023** | | **14,288.87** | **1,659.88** | **15,948.75** |

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/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

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

**Girish Aggarwal**
*Managing Director*
DIN : 07974838

**Samir Chaturvedi**
*Director*
DIN: 08911552

**Santosh Breed**
*Chief Financial Officer*

**Manish Agnihotri**
*Company Secretary*

Mumbai
24 May 2023

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

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

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before Income tax | 3,918.65 | 3,025.01 |
| **Adjustments for :** | | |
| Deferred income recognised | (51.31) | (74.68) |
| Depreciation and amortisation expense | 1,161.54 | 1,292.71 |
| Finance costs | 79.55 | 47.66 |
| Interest income classified as investing cash flows | (405.69) | (210.56) |
| Loss on disposal of property, plant and equipment | 4.55 | 4.17 |
| Sundry balances written off / (back) | 0.28 | (7.94) |
| Provisions for doubtful debts and inventory | 17.56 | 2.24 |
| Bad Debt Write Off | 7.58 | 3.04 |
| Inventory Write Off | 2.91 | - |
| Foreign currency transactions and translations differences | 8.87 | 0.89 |
| Provision for security deposit | 4.23 | - |
| | **4,748.72** | **4,082.54** |
| **Operating profit before working capital changes** | | |
| (Increase) in trade receivables | (360.23) | (42.92) |
| Decrease in inventories | 12.92 | 2.87 |
| Decrease / (Increase) in loans | 1.61 | (1.43) |
| Decrease in other financial assets | 1.69 | 1.65 |
| (Increase) in other assets | (44.12) | (78.05) |
| Increase in trade payables | 189.20 | 105.16 |
| (Decrease) / Increase in employee benefit obligations | (1.88) | 8.42 |
| Increase in other financial liabilities | 1.03 | 72.36 |
| Increase in other current liabilities | 225.18 | 262.86 |
| | **25.40** | **330.92** |
| **Cash generated from operations** | 4,774.12 | 4,413.46 |
| Income taxes paid | (1,072.75) | (610.31) |
| **Net cash inflow from operating activities** | **3,701.37** | **3,803.15** |
| **Cash flows from investing activities** | | |
| Payments for property, plant and equipment | (578.25) | (511.14) |
| Interest received | 278.54 | 268.64 |
| Placement of fixed deposits with Banks | (27,010.68) | (20,068.27) |
| Proceeds from maturity of fixed deposits with Banks | 26,493.68 | 18,647.26 |
| **Net cash outflow from investing activities** | **(816.71)** | **(1,663.51)** |

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

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

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Interest paid | (79.55) | (47.66) |
| Repayment of lease liability | (185.47) | (218.02) |
| Dividends paid to Company's shareholders | (2,464.41) | (1,932.74) |
| Unpaid dividend account | (1.14) | (1.02) |
| **Net cash outflow from financing activities** | **(2,730.57)** | **(2,199.44)** |
| **Net increase/(decrease) in cash and cash equivalents** | **154.09** | **(59.80)** |
| Cash and cash equivalents at the beginning of the financial year | 3.62 | 63.42 |
| Effects of exchange rate changes on cash and cash equivalents | - | - |
| **Cash and cash equivalents at end of the year** | **157.71** | **3.62** |
| | | |
| **Non cash financing and investing activites** | | |
| Acquitions of right of use assets | 534.67 | 223.15 |

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

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Cash and cash equivalents as per above comprise of the following | | |
| Cash and cash equivalents | 157.71 | 3.62 |
| Balance as per statement of cash flows | 157.71 | 3.62 |

The above Standalone 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/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

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

**Girish Aggarwal**
*Managing Director*
DIN : 07974838

**Samir Chaturvedi**
*Director*
DIN: 08911552

**Santosh Breed**
*Chief Financial Officer*

**Manish Agnihotri**
*Company Secretary*

Mumbai
24 May 2023

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**1. Company overview**

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

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

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

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

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

The standalone financial statements were authorised for issue by the board of directors on May 24, 2023.

**2. Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone 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 Standalone 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 Standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value ; and
- defined benefit plans – plan assets measured at fair value

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

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

**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 35 for segment information presented.

**2.4. Foreign currency transactions**

(i) Functional and presentation currency:

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.

(ii) Transactions and balances:

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

**2.5. Revenue recognition**

Company is engaged in providing port services such as marine services, material handling and storage operations. Revenue is recognized from rendering of services at a point in time upon the completion of services as per contract with customers except for revenue from storage operations which is recognised on a time proportion basis. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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.

Rebate and discount is offered to the esteemed customers who achieve a threshold volume specified in individual contracts and are recognized as refund liabilities.

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

Estate income is recognised on lease of office premises as per the contract entered.

**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**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 Standalone 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 Standalone Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

**2.8. Leases**

As a lessee

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

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

**2.9. Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

**2.10. Cash and cash equivalents**

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

**2.11. Exceptional Items**

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

**2.12. Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company’s unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components.

**2.13. Inventories**

Inventories comprise of stores, spares, loose tools, fuel and lubricants and are held for maintenance and repairs of various assets at the Port. 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 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 weighted average method. 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 necessary to make the sale.

**2.14. 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) Initial recognition and Measurement

At initial recognition, the group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a 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 profit or loss.

Subsequent measurement

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(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. Note 28 details how the Company determines 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

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends

Dividends are recognised in the Standalone 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.

**2.15. 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.

**2.16. Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on the straight-line method, over the estimated useful life of each asset from the subsequent month of the date of purchase. Assets are depreciated as per useful life specified in Part ‘C’ of the schedule II of the Act.

The estimated useful life of assets which are those prescribed in Schedule II are as follows:

| | |
|---|---|
| • Buildings | 5 - 60 years |
| • Computer Software | 3 years |
| • Furniture and Fittings | 5 - 10 years |
| • Motor Vehicles | 8 years |
| • Plant, Machinery and Equipments | 3 - 15 years |

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

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

| Asset Details | Block of Assets | Technical Estimate in Years |
|---|---|---|
| Ship to Shore Cranes | Plant, Machinery and Equipments | 20 |
| Power Distribution Systems | Plant, Machinery and Equipments | 15 |
| Carpeted Roads | Port Road - External | 20 |
| Jetties | Plant, Machinery and Equipments | 30 |
| Dredging | Dredging | 50 |
| Boundary Wall | Buildings | 20 |
| Old Residential Complex, Marine Office Building, Warehouses and Guest houses | Buildings | 15 |
| Railway sidings | Railway sidings | 30 |

All assets costing individually INR 125,000 or less are depreciated fully in the year of purchase.

The useful lives are reviewed by the management at each reporting date and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/(losses).

In accordance with Concession agreement all contracted immovable and movable assets shall be transferred to and shall vest in GMB at the end of the concession period, for consideration equivalent to the Depreciated Replacement Value (DRV). The DRV needs to be computed as at the date of expiry of the agreement and is therefore currently not determinable. Accordingly, these assets are depreciated based on their estimated useful lives after taking into consideration likely extension of the agreement.

**2.17. Intangible assets**

**(a) 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.

**(b) Internally-generated intangible assets**

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- management's intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognised. Where no internally-generated intangible asset can be recognized, development expenditure is charged to the standalone statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

**2.18. Financial Liabilities**

**(a) Classification**

Financial liabilities and equity instruments issued by the entity are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

**(b) Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified at fair value through profit and loss.

**(c) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the standalone statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in the standalone statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

**(d) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss, unless it is in the nature of equity contribution by parent.

**2.19. Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

**2.20. 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.

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. 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.

**2.21. 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.

**2.22. 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.

**2.23. 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.

**2.24. 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.

**2.25. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2.26. 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.

**2.27. 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.

**2.28. 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.

**2.29. Critical estimates and judgements**

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

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

The areas involving critical estimates or judgements are:

- Estimates of current tax expense and deferred tax expense-Refer Note 5 and 14
- Estimated useful life of Property, Plant and Equipment and Intangible assets-Refer Note 2.16, 2.17, 3(a) and 3(d)
- Estimation of defined benefit obligation-Refer Note 13
- Estimation of fair value of contingent liabilities-Refer Note 32
- Estimation of accruals in respect of incentives and rebates related to sale volume-Refer Note 18 (a)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 3 (a) (i) Property, plant and equipment [1 April 2022 to 31 March 2023]

| Particulars | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2022 | Additions during the year | Transfers during the year | Deductions | As at 31 March 2023 | As at 1 April 2022 | Charge on account of Depreciation for the year | Deductions | As at 31 March 2023 | As at 31 March 2023 |
| Land and site development | 320.37 | - | - | - | **320.37** | - | - | - | - | **320.37** |
| Buildings | 5,768.48 | 46.51 | | 30.34 | **5,784.65** | 1,596.37 | 153.41 | 30.34 | 1,719.44 | **4,065.21** |
| Port Road - External | 734.59 | - | - | - | **734.59** | 351.97 | 33.60 | - | 385.57 | **349.02** |
| Plant, Machinery and Equipments | 9,935.30 | 121.86 | | 7.52 | **10,049.64** | 4,691.47 | 636.02 | 4.28 | 5,323.21 | **4,726.43** |
| Dredging | 3,869.19 | - | - | - | **3,869.19** | 632.28 | 90.48 | - | 722.76 | **3,146.43** |
| Railway sidings | 389.11 | - | - | - | **389.11** | 91.89 | 23.50 | - | 115.39 | **273.72** |
| Furniture, Fittings and Leasehold Improvements | 30.73 | 1.38 | - | 0.11 | **32.00** | 24.59 | 2.27 | 0.11 | 26.75 | **5.25** |
| Motor Vehicles | 25.06 | 9.44 | - | 7.27 | **27.23** | 16.63 | 2.67 | 5.62 | 13.68 | **13.55** |
| **Total** | **21,072.83** | **179.19** | **-** | **45.24** | **21,206.78** | **7,405.20** | **941.95** | **40.35** | **8,306.80** | **12,899.98** |
| Capital work in progress | 473.89 | 1,141.87 | 713.85 | - | **901.91** | - | - | - | - | **901.91** |

**Notes :**

1. Land and site development includes
   - Freehold land of INR 50.55 million
   - Land aggregating INR 24.99 million was purchased during prior years for transferring it in the name of Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land has been exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).
   - Expenditure of INR 244.83 million incurred towards Land Filling and Site development.
2. Refer to note 30 for disclosure of capital commitments for the acquisition of property, plant and equipment.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 3(a)(ii) Property, plant and equipment [1 April 2021 to 31 March 2022]

| Particulars | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2021 | Additions during the year | Transfers during the year | Deductions | As at 31 March 2022 | As at 1 April 2021 | Charge on account of Depreciation for the year | Deductions | As at 31 March 2022 | As at 31 March 2022 |
| Land and site development | 320.37 | - | - | - | **320.37** | - | - | - | - | **320.37** |
| Buildings | 5,557.28 | - | 215.01 | 3.81 | **5,768.48** | 1,377.28 | 220.10 | 1.01 | 1,596.37 | **4,172.11** |
| Port Road - External | 734.59 | - | - | - | **734.59** | 301.69 | 50.28 | - | 351.97 | **382.62** |
| Plant, Machinery and Equipments | 9,836.97 | - | 107.90 | 9.57 | **9,935.30** | 4,008.69 | 690.97 | 8.19 | 4,691.47 | **5,243.83** |
| Dredging | 3,869.19 | - | - | - | **3,869.19** | 541.87 | 90.41 | - | 632.28 | **3,236.91** |
| Railway sidings | 233.09 | - | 156.02 | - | **389.11** | 78.11 | 13.78 | - | 91.89 | **297.22** |
| Furniture, Fittings and Leasehold Improvements | 26.04 | 4.99 | - | 0.30 | **30.73** | 22.21 | 2.68 | 0.30 | 24.59 | **6.14** |
| Motor Vehicles | 21.13 | 3.93 | - | - | **25.06** | 13.71 | 2.92 | - | 16.63 | **8.43** |
| **Total** | **20,598.66** | **8.92** | **478.93** | **13.68** | **21,072.83** | **6,343.56** | **1,071.14** | **9.50** | **7,405.20** | **13,667.63** |
| Capital work in progress | 527.77 | 414.57 | 468.45 | - | **473.89** | - | - | - | - | 473.89 |

**Notes :**

1. Land and site development includes
   - Freehold land of INR 50.55 million
   - Land aggregating INR 24.99 million was purchased during prior years for transferring it in the name of Government of Gujarat, pursuant to the order issued by Hon’ble Supreme Court. This land has been exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).
   - Expenditure of INR 244.83 million incurred towards Land Filling and Site development.
2. Refer to note 30 for disclosure of capital commitments for the acquisition of property, plant and equipment.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**3(b) (i) Leases**

**(i) Amount recognised in the Balance Sheet**

The Balance Sheet shows the following amounts relating to leases:

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Right of Use Assets** | | |
| Land | 52.00 | 61.46 |
| Plant & Machinery | 606.46 | 317.88 |
| Administration Building | 18.48 | 21.99 |
| Containers | 10.57 | - |
| Workshop and Operational Buildings | 35.21 | - |
| **Total** | **722.72** | **401.33** |
| **Lease Liabilities** | | |
| Current | 176.93 | 123.69 |
| Non current | 617.45 | 347.11 |
| **Total** | **794.38** | **470.80** |

Additions to the right-of-use assets during the year were INR 534.67 (31 March 2022 INR 223.15)

**(ii) Amount recognised in the statement of profit and loss**

The statement of profit or loss shows the following amounts relating to leases:

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Depreciation charge of right of use assets** | | |
| Land | 9.46 | 9.46 |
| Plant & Machinery | 193.54 | 203.33 |
| Administration Building | 7.47 | 6.21 |
| Containers | 1.82 | - |
| Workshop & Operational Buildings | 0.99 | - |
| **Total** | **213.28** | **219.00** |
| Interest expenses (Included in finance cost) | 75.64 | 43.46 |
| Expenses relating to short-term lease not included in lease liabilities (Included in operating expenses) | 379.99 | 346.27 |
| Expenses relating to leases of low-value assets that are not included in lease liabilities (Included in operating expenses) | 0.11 | 1.09 |

The total cash outflow for leases for the year was INR 185.47 (31 March 2022 was INR 218.02)

The lease contains variable payment terms that are linked to the movement of the container outside the Port premises during the period. Variable lease payments that depend on movement of the containers are recognised in profit or loss in the period in which the movement occurs. During the current year, there are no container movements.

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Capital work in progress | 901.91 | 473.89 |
| **Total** | **901.91** | **473.89** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**31st March'2023:** Capital work-in-progress mainly comprises of Upgradation of existing liquid jetty to handle VLGC Vessels, Development of Railway Infrastructure for DFC Corridor Compatibility, Upgradation of Fire Fighting System at Liquid Jetty, Installation of Additional Mechanical Bagging Machines for Fertilizer Evacuation, All Port area illumination upgradation, Rail Replacement at RMGC Yard, HP data Storage replacement.

**31st March'2022**: Capital work-in-progress mainly comprises of Development of Railway Infrastructure for Dedicated Freight Corridor (DFC) Compatibility, Construction of Warehouse for Fertiliser Storage, Upgradation of existing liquid jetty to handle VLGC Vessels, Environmental Management System in Fertilizer Shed, etc.

**(a) Aging of CWIP as on 31st March 2023**

| Particulars | Amounts in capital work-in-progress for | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| (i) Projects in progress | 326.69 | 281.00 | 282.01 | 12.21 | **901.91** |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| **Total** | **326.69** | **281.00** | **282.01** | **12.21** | **901.91** |

**(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| **(i) Projects in progress:-** | | | | | |
| Upgradation of existing liquid jetty to handle VLGC Vessels | 447.23 | - | - | - | 447.23 |
| Development of Railway Infrastructure for DFC Corridor Compatibility | 255.47 | - | - | - | 255.47 |
| Upgradation of Fire Fighting System at Liquid Jetty | 64.30 | - | - | - | 64.30 |
| Installation of Additional Mechanical Bagging Machines for Fertilizer Evacuation | 38.09 | - | - | - | 38.09 |
| Rail Replacement at RMGC Yard | 17.27 | - | - | - | 17.27 |
| HP data Storage replacement | 12.84 | - | - | - | 12.84 |
| Construction of pedestrian walkway at Fertilizer Shed | 6.80 | - | - | - | 6.80 |
| Miscellaneous* | 24.89 | - | - | - | 24.89 |
| **Total** | **866.89** | - | - | - | **866.89** |

* Projects amounting to less than INR 5 million are clubbed together

**(c) Aging of CWIP as on 31st March 2022**

| Particulars | Amounts in capital work-in-progress for | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| (i) Projects in progress | 167.35 | 292.55 | 12.40 | 0.00 | **472.30** |
| (ii) Projects temporarily suspended | - | - | - | 1.59 | **1.59** |
| **Total** | **167.35** | **292.55** | **12.40** | **1.59** | **473.89** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**(d) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| **(i) Projects in progress:-** | | | | | |
| Development of Railway Infrastructure for DFC Compatibility | 219.22 | - | - | - | 219.22 |
| Construction of Warehouse for Fertiliser Storage | 18.20 | - | - | - | 18.20 |
| 1200 KVA Rooftop base Solar project | 34.43 | - | - | - | 34.43 |
| Upgradation of CCTV Network | 11.15 | - | - | - | 11.15 |
| Environmental Management System in Fertilizer Shed | 21.82 | - | - | - | 21.82 |
| Upgradation of existing liquid jetty to handle VLGC Vessels | 135.12 | - | - | - | 135.12 |
| Miscellaneous* | 27.67 | - | - | - | 27.67 |
| **Total** | **467.61** | - | - | - | **467.61** |
| **(ii) Projects temporarily suspended:-** | | | | | |
| Development of RORO related facilities | 1.59 | - | - | - | 1.59 |
| **Total** | **469.20** | - | - | - | **469.20** |

* Projects amounting to less than INR 5 million are clubbed together

**3(d) (i) Intangible Assets**

| Particulars | Gross Carrying Amount | | | | Accumulated Amortisation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2022 | Additions during the year | Deductions/ Adjuments during the year | As at 31 March 2023 | As at 1 April 2022 | Charge on account of Amortisation for the year | On Deductions/ Adjuments | As at 31 March 2023 | As at 31 March 2023 |
| Computer Software | 56.95 | 1.98 | - | **58.93** | 43.78 | 6.31 | - | **50.09** | 8.84 |
| **Total** | **56.95** | **1.98** | - | **58.93** | **43.78** | **6.31** | - | **50.09** | **8.84** |
| Intangible assets under development | 16.45 | 29.16 | 1.98 | **43.63** | - | - | - | - | **43.63** |

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

| Particulars | Gross Carrying Amount | | | | Accumulated Amortisation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2021 | Additions during the year | Deductions/ Adjuments during the year | As at 31 March 2022 | As at 1 April 2021 | Charge on account of Amortisation for the year | On Deductions / Adjuments | As at 31 March 2022 | As at 31 March 2022 |
| Computer Software | 64.43 | 10.48 | 17.96 | **56.95** | 43.76 | 2.57 | 2.55 | **43.78** | 13.17 |
| **Total** | **64.43** | **10.48** | **17.96** | **56.95** | **43.76** | **2.57** | **2.55** | **43.78** | **13.17** |
| Intangible assets under development | - | 26.93 | 10.48 | **16.45** | - | - | - | - | **16.45** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**3(e) (i) Intangible assets under development**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Intangible assets under development | 43.63 | 16.45 |
| **Total** | **43.63** | **16.45** |

**31st March'2023:** Intangible assets under development comprises of Asset Digitalization Project and N4 MVU Stress test OEM cost.

**31st March'2022:** Intangible assets under development comprises of Asset Digitalization Project, Navis N4 Licenses - additional capacity and Bulk TOS (GC TOS) Software implementation.

**(a) Aging of Intangible assets under development as on 31st March 2023**

| Particulars | Amounts in capital work-in-progress for | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| (i) Projects in progress | 27.68 | 15.95 | - | - | **43.63** |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| **Total** | **27.68** | **15.95** | **-** | **-** | **43.63** |

**(b) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| **(i) Projects in progress:-** | | | | | |
| Asset Digitalization Project | 41.36 | - | - | - | 41.36 |
| **Total** | **41.36** | **-** | **-** | **-** | **41.36** |

**(c) Aging of Intangible assets under development as on 31st March 2022**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| (i) Projects in progress | 16.45 | - | - | - | 16.45 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| **Total** | **16.45** | **-** | **-** | **-** | **16.45** |

**(d) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| **(i) Projects in progress:-** | | | | | |
| Asset Digitalization Project | 15.95 | - | - | - | 15.95 |
| **Total** | **15.95** | **-** | **-** | **-** | **15.95** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**4 (a) Investments**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Investments in equity instruments (fully paid up) :** | | |
| **Unquoted** | | |
| 76,000,010 (31 March 2022 : 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 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Security deposits - considered good | 38.98 | 3.02 | 38.55 | 9.36 |
| Security deposits - considered doubtful | - | 4.23 | - | - |
| Less: Loss allowance | - | (4.23) | - | - |
| Fixed deposits of original maturity of more than 12 months | - | 409.28 | - | - |
| Receivable from Gujarat Maritime Board (Refer Note 32) | 185.35 | - | 185.35 | - |
| **Total other financials assets** | **224.33** | 412.30 | 223.90 | **9.36** |

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advance Tax * | 202.87 | 202.87 |
| **Total Current tax assets (net)** | **202.87** | **202.87** |

* Net of provision for tax of INR 5,230.38 million (31 March 2022 : INR 5,230.38 million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 202.87 | 179.72 |
| Add: Amount transferred from Income tax liability (Refer note 5 (b)) | - | 23.15 |
| Closing Balance | 202.87 | 202.87 |

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Provision for tax # | 44.20 | 69.94 |
| **Total Current tax provisions (net)** | **44.20** | **69.94** |

# Net of Advance tax of INR 1,653.30 million (31 March 2022 : INR 580.55 million)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**Reconciliation of Income tax provisions**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 69.94 | 6.62 |
| Add : Amount transferred to Income tax assets | - | 23.15 |
| Add: Current tax payable for the year | 1,047.01 | 1,085.66 |
| Less: Taxes Paid | (1,072.75) | (610.31) |
| Less: Utilisation of MAT credit (Refer Note 14 (b) (ii)) | - | (435.18) |
| Closing Balance | 44.20 | 69.94 |

### 6 Other non-current assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Capital advances | 6.40 | 6.28 |
| **Total other non-current assets** | **6.40** | **6.28** |

### 7 Inventories

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Stores and spares | 75.95 | 101.42 |
| Goods-in-transit - Stores and Spares | - | 0.39 |
| **Total inventories** | **75.95** | **101.81** |

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

Write down of Inventories to net realisable value amounted to INR 10.03 million (As at 31 March 2022 : 0.23 million). These are recognised as an expense (Refer note - 25)

During the financial year ended 31st March 2023, the Company has changed the method of determining cost in measuring Inventory from First-in First-out method (FIFO) to weighted average method. Consequently the change in method has resulted in decrease in the inventory value by INR 3.24 million and corresponding impact on profit for the year.

### 8 (a) Trade receivables

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Trade receivables from contracts with customers-billed | 411.55 | 256.84 |
| Trade receivables from contracts with customers-unbilled | 96.08 | 153.57 |
| Trade receivables from contracts with related parties-unbilled (Refer note - 34) | 44.21 | - |
| Trade receivables from contracts with related parties-billed (Refer note - 34) | 384.64 | 182.29 |
| Loss allowance (Refer note - 28) | (80.28) | (72.75) |
| **Total trade receivables** | **856.20** | **519.95** |

**Break-up of security details**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Trade receivables considered good-unsecured | 839.41 | 480.07 |
| Trade receivables considered good-secured | 16.79 | 39.88 |
| Credit impaired | 80.28 | 72.75 |
| **Total** | **936.48** | **592.70** |
| Loss allowance | (80.28) | (72.75) |
| **Total trade receivables** | **856.20** | **519.95** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**8 (a) (i) Aging of trade receivables:**

**As at 31 March 2023**

| | Unbilled | Not due | Outstanding for following periods from the due date | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed trade receivables** | | | | | | | | |
| considered good | 140.29 | 261.21 | 431.99 | 21.85 | 0.23 | - | 0.63 | 856.20 |
| which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| credit impaired | - | 2.61 | 7.35 | 3.37 | - | - | - | 13.33 |
| **Disputed trade receivables** | | | | | | | | |
| considered good | - | - | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| credit impaired | | | 0.03 | 2.80 | 1.31 | 1.19 | 61.62 | 66.95 |
| **Total** | **140.29** | **263.82** | **439.37** | **28.02** | **1.54** | **1.19** | **62.25** | **936.48** |

**As at 31 March 2022**

| | Unbilled | Not due | Outstanding for following periods from the due date | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed trade receivables** | | | | | | | | |
| considered good | 153.57 | 133.21 | 229.30 | 2.49 | - | - | 1.38 | 519.95 |
| which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| credit impaired | - | 1.10 | 1.10 | 3.46 | - | - | - | 5.66 |
| **Disputed trade receivables** | | | | | | | | |
| considered good | - | - | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| credit impaired | - | - | - | - | 7.23 | 11.33 | 48.53 | 67.09 |
| **Total** | **153.57** | **134.31** | **230.40** | **5.95** | **7.23** | **11.33** | **49.91** | **592.70** |

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Cash on hand | - | - |
| Balances with banks | | |
| - In current accounts | 52.71 | 3.62 |
| - In Exchange Earners' Foreign Currency accounts | - | - |
| - Deposits with maturity of less than three months | 105.00 | - |
| **Total cash and cash equivalents** | **157.71** | **3.62** |

Note: There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 8 (c) Other bank balances

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deposits with original maturity of more than three months but less than 12 months | 8,780.35 | 8,545.48 |
| Unpaid dividend account | 9.87 | 8.73 |
| **Total other bank balances** | **8,790.22** | **8,554.21** |

### 8 (d) Loans

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Loans to employees - unsecured considered good | 4.73 | 6.34 |
| **Total loans** | **4.73** | **6.34** |

### 9 Other current assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advance for supplies | 151.66 | 101.03 |
| Prepaid expenses | 13.76 | 28.93 |
| Balances with government authorities | 41.42 | 38.37 |
| Advances to employees | 4.45 | 2.30 |
| Other receivables | 19.37 | 15.91 |
| **Total other current assets** | **230.66** | **186.54** |

### 10 Equity share capital

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised share capital** | | |
| 600,000,000 (31 March 2022 : 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 2022 : 483,439,910) equity shares of INR 10 each, fully paid-up | 4,834.40 | 4,834.40 |
| | **4,834.40** | **4,834.40** |

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

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Number | INR | Number | INR |
| Equity shares at the commencement of the year | 483,439,910 | 4,834.40 | 483,439,910 | 4,834.40 |
| Issued during the year | - | - | - | - |
| **At the end of the year** | **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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

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

| Name of Shareholder | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Number | Percentage | Number | Percentage |
| APM Terminals Mauritius Limited | 212,738,931 | 44.01% | 212,738,931 | 44.01% |
| ICICI Prudential Mutual Fund | 35,336,063 | 7.31% | 39,936,122 | 8.26% |
| HDFC Mutual Fund | 39,516,488 | 8.17% | 35,915,739 | 7.43% |

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

**d Details of shareholding of promoters:**

| Name of the promoter | As at 31 March 2023 | | | As at 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Number of shares | Percentage of total number of shares | Percentage of change during the year | Number of shares | Percentage of total number of shares | Percentage of change during the year |
| APM Terminals Mauritius Limited | 212,738,931 | 44.01% | 0.00% | 212,738,931 | 44.01% | 0.00% |

**11 Reserves and surplus**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Securities premium [Refer Note- (i) below] | 14,288.87 | 14,288.87 |
| Retained earnings [Refer Note- (ii) below] | 1,659.88 | 1,200.93 |
| **Total reserves and surplus** | **15,948.75** | **15,489.80** |

**(i) Securities premium ***

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 14,288.87 | 14,288.87 |
| Movement during the year | - | - |
| **Closing balance** | **14,288.87** | **14,288.87** |

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

**(ii) Retained earnings**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 1,200.93 | 1,198.72 |
| Net profit for the year | 2,917.80 | 1,932.37 |
| **Items of other comprehensive income recognised directly in retained earnings** | | |
| - Remeasurements of post employment benefit obligation, net of tax | 6.70 | 3.60 |
| **Dividends** | | |
| - Final dividend for the year ended 31 March 2022 | (1,160.26) | (1,160.26) |
| - Interim dividend for the year ended 31 March 2023 | (1,305.29) | (773.50) |
| **Closing balance** | **1,659.88** | **1,200.93** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 12 Other financial liabilities

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Retention monies payable | 108.61 | 55.00 | 65.63 | 29.52 |
| Security deposits received * | 20.88 | 66.51 | 27.55 | 58.53 |
| Capital creditors * | - | 97.75 | - | 108.30 |
| Unclaimed dividend (Refer note below) | - | 9.87 | - | 8.73 |
| Other Security deposit | 88.73 | - | 88.73 | - |
| **Total other financial liabilities** | **218.22** | **229.13** | **181.91** | **205.08** |

**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 - 34

### 13 Employee benefits obligations

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Compensated absences [Refer note (i) below] | - | 46.61 | - | 44.90 |
| Gratuity [Refer note (iii) below] | - | 14.79 | 7.84 | 17.36 |
| Other employee benefits payables | 25.21 | 72.93 | 18.30 | 81.96 |
| **Total employee benefits obligations** | **25.21** | **134.33** | **26.14** | **144.22** |

**(i) Compensated absences**

The leave salary is payable to all eligible employees for each day of accumulated leave on death or on resignation. Amount charged to the Statement of Profit and Loss on account of compensated absences during the year amounts to INR 5.10 million (31 March 2022: INR 6.36 million) and is included in Note 22 - 'Employee benefits expense'. Accumulated current provision for compensated absences aggregates to INR 46.61 million (31 March 2022: INR 44.90 million). The entire amount of the provision of INR 46.61 million (31 March 2022: INR 44.90 million) is presented as current, since the Company does not have an unconditional right to defer settlement for compensated absences.

**(ii) Defined contribution plans**

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 30.69 million (31 March 2022 – INR 28.85 million).

**(iii) Post-employment obligations - Gratuity**

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. Gratuity payments due to employees are processed disregarding the upper limits specified by Income Tax Act, 1961 and The Payment of Gratuity Act, 1972.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

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

| | Present value of obligation | Fair value of plan assets | Net amount |
|---|---|---|---|
| **Balance as at 01 April 2022** | 128.37 | (103.17) | 25.20 |
| Current service cost | 9.94 | - | 9.94 |
| Interest expense / (income) | 8.96 | (7.20) | 1.76 |
| **Total amount recognised in the Statement of Profit and Loss** | **18.90** | **(7.20)** | **11.70** |
| **Remeasurements** | | | |
| (Gain) / loss from change in financial assumptions | (4.99) | - | (4.99) |
| Experience (gain) / loss | (3.47) | - | (3.47) |
| Return on Plan Assets, Excluding Interest Income | - | (0.48) | (0.48) |
| **Total amount recognised in other comprehensive income** | **(8.46)** | **(0.48)** | **(8.94)** |
| Employers contributions | - | (13.17) | (13.17) |
| Liability Transferred In/ Acquisitions | 5.77 | (5.77) | - |
| (Liability Transferred Out/ Divestments) | (1.19) | 1.19 | - |
| Benefit payments | (7.26) | 7.26 | - |
| **Balance as at 31 March 2023** | **136.13** | **(121.34)** | **14.79** |
| **Balance as at 01 April 2021** | 121.65 | (81.38) | 40.27 |
| Current service cost | 9.26 | - | 9.26 |
| Interest expense / (income) | 7.83 | (5.24) | 2.59 |
| **Total amount recognised in the Statement of Profit and Loss** | **17.09** | **(5.24)** | **11.85** |
| **Remeasurements** | | | |
| (Gain) / loss from change in demographic assumptions | 0.07 | - | 0.07 |
| (Gain) / loss from change in financial assumptions | (5.80) | - | (5.80) |
| Experience (gain) / loss | 2.62 | - | 2.62 |
| Return on Plan Assets, Excluding Interest Income | - | (2.40) | (2.40) |
| **Total amount recognised in other comprehensive income** | **(3.11)** | **(2.40)** | **(5.51)** |
| Employers contributions | - | (21.41) | (21.41) |
| Benefit payments | (7.26) | 7.26 | - |
| **Balance as at 31 March 2022** | **128.37** | **(103.17)** | **25.20** |

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

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Present value of funded obligations | 136.13 | 128.37 |
| Fair value of plan assets | (121.34) | (103.17) |
| **Deficit of funded plan (Gratuity)** | **14.79** | **25.20** |

The significant actuarial assumptions were as follows :

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Discount rate | 7.44% | 6.98% |
| Salary growth rate | 8.00% | 8.00% |
| Expected rate of return on plan assets | 7.44% | 6.98% |
| Attrition rate | 5.00% | 5.00% |
| Mortality | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**(iv) Sensitivity Analysis**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Projected Benefit Obligation on Current Assumptions | 136.14 | 128.37 |
| Delta Effect of +1% Change in Rate of Discounting | (9.88) | (9.69) |
| Delta Effect of -1% Change in Rate of Discounting | 11.24 | 11.09 |
| Delta Effect of +1% Change in Rate of Salary Increase | 11.07 | 10.87 |
| Delta Effect of -1% Change in Rate of Salary Increase | (9.92) | (9.69) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (0.46) | (0.77) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.50 | 0.85 |

**Category of assets**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Insurance fund (100%) | 121.34 | 103.17 |
| **Total** | **121.34** | **103.17** |

**(v) 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 2023 | 31 March 2022 |
|---|---|---|
| 1st Following Year | 8.44 | 9.58 |
| 2nd Following Year | 10.82 | 9.38 |
| 3rd Following Year | 9.52 | 10.00 |
| 4th Following Year | 10.96 | 8.34 |
| 5th Following Year | 10.25 | 9.78 |
| Sum of Years 6 To 10 | 73.31 | 59.44 |
| Sum of Years 11 and above | 151.74 | 148.36 |

**14 Taxation**

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

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Current tax** | | |
| Current year | 1,047.01 | 1,085.66 |
| Earlier years | - | (11.61) |
| **Total** | **1,047.01** | **1,074.05** |
| **Deferred tax** | | |
| Current year | (46.16) | 18.59 |
| **Total** | **(46.16)** | **18.59** |
| **Total income tax expense/(credit)** | **1,000.85** | **1,092.64** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**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 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Accounting profit before tax | 3,918.65 | 3,025.01 |
| Applicable tax rate of the reporting entity# | 25.168% | 34.944% |
| Expected total tax expense | 986.25 | 1,057.06 |
| Amount charged in Statement of Profit and Loss | 1,000.85 | 1,092.64 |
| Difference | (14.60) | (35.58) |
| Tax effect of amounts which are (not deductible) /allowable in calculating taxable income: | | |
| (i) Expenditures not deductible for tax purpose | (14.76) | (22.11) |
| (ii) Impact of change in tax rate | - | *(32.89) |
| (iii) Tax credit of earlier years | - | 11.61 |
| (iv) Others | 0.16 | 7.81 |
| **Total** | **(14.60)** | **(35.58)** |

* Due to the remeasurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime.

# Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by ministry of Law and Justice (Legislative Department) on 20th September 2019, domestic Companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax structure') subject to certain conditions. The Company has decided to migrate to the new tax structure from 1st April 2022 and has recognised provision for Income tax for the year ended 31st March 2023 basis the rate prescribed in the new Ordinance.

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Deferred Tax Assets** | | |
| Expenditure deductible on payment basis | 61.46 | 61.19 |
| Lease Liability | 199.93 | 118.49 |
| Defined benefit obligations - under section 43B | 25.92 | 25.58 |
| **Total deferred tax assets** | **287.31** | **205.26** |
| **Deferred Tax Liability** | | |
| On difference between book depreciation and tax depreciation | 1,512.28 | 1,555.13 |
| Right-of-use asset | 181.89 | 100.91 |
| **Total deferred tax liabilities** | **1,694.17** | **1,656.04** |
| **Net deferred tax liabilities** | **1,406.86** | **1,450.78** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

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

| | Expenditure deductible on Payment Basis | Defined benefit obligations - under section 43B | MAT credit entitlement | Lease Liability | Right-of-use asset | On difference between book depreciation and tax depreciation | Total |
|---|---|---|---|---|---|---|---|
| **At 1 April 2021** | **111.73** | **34.46** | **423.57** | **117.10** | **(101.24)** | **(1,592.30)** | **(1,006.68)** |
| **(Charged)/credited:** | | | | | | | |
| - to Statement of Profit and Loss | (50.54) | (6.95) | 11.61 | 1.39 | 0.33 | 37.17 | (6.99) |
| - utilisation of MAT credit# | - | - | (435.18) | - | - | - | (435.18) |
| - to other comprehensive income | - | (1.93) | - | - | - | - | (1.93) |
| **At 31 March 2022** | **61.19** | **25.58** | **-** | **118.49** | **(100.91)** | **(1,555.13)** | **(1,450.78)** |
| **At 1 April 2022** | 61.19 | 25.58 | - | 118.49 | (100.91) | (1,555.13) | (1,450.78) |
| **(Charged)/credited:** | | | | | | | |
| - to Statement of Profit and Loss | 0.27 | 2.58 | - | 81.44 | (80.98) | 42.85 | 46.16 |
| - to other comprehensive income | - | (2.24) | - | - | - | - | (2.24) |
| **At 31 March 2023** | **61.46** | **25.92** | **-** | **199.93** | **(181.89)** | **(1,512.28)** | **(1,406.86)** |

#Utilisation of deferred tax assets on carry forward MAT credit is towards current tax payable and hence not routed through the Statement of Profit and Loss.

**15 Other non-current liabilities**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deferred income on Government Grant | 421.46 | 463.31 |
| **Total other non-current liabilities** | **421.46** | **463.31** |

**16 Trade payables**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Dues to Micro, Small and Medium Enterprises (Refer note - 36) | 17.65 | 12.14 |
| Other than Micro, Small and Medium Enterprises | 515.38 | 373.24 |
| Dues to Related Parties (Refer note - 34) | 126.40 | 59.23 |
| **Total Trade payables** | **659.43** | **444.61** |

**As at 31 March 2023**

| Aging of trade payables: | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | 15.95 | 0.54 | 0.66 | 0.50 | 17.65 |
| Others | 526.40 | - | 104.28 | 11.10 | - | - | 641.78 |
| | **526.40** | - | **120.23** | **11.64** | **0.66** | **0.50** | **659.43** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**As at 31 March 2022**

| Aging of trade payables: | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | 10.98 | 0.66 | 0.33 | 0.17 | 12.14 |
| Others | 370.40 | - | 57.34 | 4.73 | - | - | 432.47 |
| | **370.40** | - | **68.32** | **5.39** | **0.33** | **0.17** | **444.61** |

### 17 Provisions

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Claims (Refer note - 32) | 208.00 | 208.00 |
| **Total provisions** | **208.00** | **208.00** |

### 18 Other current liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deferred income on Government Grant | 48.24 | 57.70 |
| Statutory dues payables | 132.60 | 139.99 |
| Accruals of Incentives and Rebates [Refer note - 18(a)] | 1,151.34 | 803.73 |
| Income received in advance | 0.15 | 0.14 |
| Rebate related liability | 50.56 | 136.65 |
| Advance from customers (contract liabilities) * | 61.19 | 90.15 |
| **Total other current liabilities** | **1,444.08** | **1,228.36** |

* Revenue recognised that was included in advance from customers at the beginning of the period INR 90.15 million (31 March 2022 : INR 54.93 million)

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| At the commencement of the year | 803.73 | 619.00 |
| Accruals made during the year | 1,275.70 | 782.80 |
| Accruals utilised during the year | (928.09) | (598.07) |
| **At the end of the year** | **1,151.34** | **803.73** |

### 19 Revenue from operations

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Revenue with contracts with customers | | |
| Income from port services [Refer Note -19 (a)] | 8,462.54 | 6,882.97 |
| Other operating revenue | 706.96 | 530.69 |
| **Total revenue from operations** | **9,169.50** | **7,413.65** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**19 (a) Timing of recognition**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| At a point in time | 8297.13 | 6712.56 |
| Over a period of time | 165.41 | 170.41 |
| **Total Income from Port services** | **8,462.54** | **6,882.97** |

**19 (b) Reconciliation of revenue recognised with contract price:**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Contract price | 9,885.31 | 7,773.48 |
| Adjustments for: | | |
| Credits/discount | 312.48 | 278.12 |
| Refund liabilities-Incentives and rebates | 1,275.70 | 782.80 |
| **Revenue from continuing operations** | **8,297.13** | **6,712.56** |

**20 Other income**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest income | | |
| - bank deposits | 405.69 | 210.56 |
| - others | 0.63 | - |
| Deferred Income recognised (Govt grant) | 51.31 | 74.68 |
| Service Income from Group company | 49.27 | 21.73 |
| Miscellaneous income | 3.10 | 0.63 |
| **Total other income** | **510.00** | **307.60** |

**21 Operating expenses**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Handling expenses | 1,524.16 | 1,130.65 |
| Waterfront royalty | 274.19 | 234.18 |
| Business support service charges | 64.76 | 51.03 |
| Other direct costs | 58.89 | 49.38 |
| **Total operating expenses** | **1,922.00** | **1,465.24** |

**22 Employee benefits expense**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Salaries, wages and bonus | 669.12 | 663.66 |
| Contribution to provident fund and other funds [Refer note 13(ii)] | 30.69 | 28.85 |
| Gratuity [Refer note 13(iii)] | 11.70 | 11.85 |
| Compensated absences [Refer note 13(i)] | 5.10 | 6.36 |
| Staff welfare | 29.20 | 28.30 |
| **Total employee benefits expense** | **745.81** | **739.02** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 23 Finance costs

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest and finance charges on lease liabilities | 75.64 | 43.46 |
| Others | 3.91 | 4.20 |
| **Total finance costs** | **79.55** | **47.66** |

### 24 Depreciation and amortisation expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Depreciation of property, plant and equipment | 941.95 | 1,071.14 |
| Amortisation of intangible assets | 6.31 | 2.57 |
| Depreciation of right-of-use assets [refer note-3(b)] | 213.28 | 219.00 |
| **Total depreciation and amortisation expense** | **1,161.54** | **1,292.71** |

### 25 Other expenses

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Power and fuel | 316.12 | 248.58 |
| Rent | 0.11 | 1.09 |
| Repairs and maintenance | | |
| - Building | 121.81 | 74.29 |
| - Machinery and equipment | 239.23 | 226.27 |
| - Others | 86.10 | 63.15 |
| Insurance | 178.28 | 52.78 |
| Rates and taxes | 6.45 | 0.08 |
| Travelling | 72.66 | 61.33 |
| Legal and professional fees | 123.62 | 85.37 |
| Directors sitting fees (Refer note - 34) | 3.60 | 4.65 |
| Commission to Directors (Refer note - 34) | 4.13 | 3.89 |
| Expenditure towards Corporate Social Responsibility [Refer note - 25(a)] | 67.27 | 68.76 |
| Payment to auditors [Refer note - 25(b)] | 7.04 | 6.85 |
| Advertisement and sales promotion | 11.09 | 7.49 |
| Communication | 4.01 | 4.15 |
| Loss on sale / disposal of fixed assets (net) | 4.55 | 4.17 |
| Loss on foreign currency transactions and translations (net) | 32.91 | 30.90 |
| Bad Debt Write Off | 7.58 | 3.04 |
| Provisions for inventory (Refer note - 7) | 10.03 | 0.23 |
| Inventory Write Off | 2.91 | - |
| Provisions for doubtful debts [Refer note - 8(a)] | 7.53 | 2.02 |
| Provision for security deposit | 4.23 | - |
| Freight and forwarding | 2.33 | 3.56 |
| Water charges | 35.43 | 21.65 |
| Contract labour | 82.49 | 79.62 |
| Miscellaneous | 48.77 | 51.60 |
| **Total other expenses** | **1,480.28** | **1,105.52** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

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

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Amount required to be spent as per Section 135 of the Act | 67.21 | 68.76 |
| **Amount spent during the year** | **67.27** | **68.76** |
| (i) Construction/ acquisition of any asset | 8.29 | 14.46 |
| (ii) On purposes other than (i) above | 58.98 | 54.30 |
| **Total corporate social responsibility expense** | **67.27** | **68.76** |

**Excludes NIL advance paid (31 March 2022 : INR 2.19 million).**

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | In cash | Yet to be paid in cash | In cash | Yet to be paid in cash |
| (i) Construction/acquisition of any asset | 0.25 | 8.04 | 3.19 | 11.27 |
| (ii) On purposes other than (i) above | 38.96 | 20.02 | 46.57 | 7.73 |

**Corporate social responsibility expenditure:**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Amount required to be spent by the Company during the year | 67.21 | 68.76 |
| Amount of expenditure incurred | 67.27 | 68.76 |
| Amount of shortfall for the year | - | - |
| Amount of cumulative shortfall at the end of the year | - | - |

The Company has incurred INR 67.27 million during the year for Education, Skill Development, Women Empowerment, Livestock Development, Health and Environment, 24x7 Life Support Ambulance, Disaster Relief and Management, Agriculture and Natural Resources Management, etc. in the immediate surrounding villages – Rampara, Bherai, Shiyalbet, Thavi, Divalo, Devpara etc.

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

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Payment to auditors** | | |
| **As auditor** | | |
| Audit fee | 3.26 | 3.26 |
| Tax audit fee | 0.24 | 0.24 |
| Limited review of quarterly results | 1.35 | 1.35 |
| Group Audit fees | 2.13 | 1.99 |
| **Other services** | | |
| Reimbursement of expenses | 0.06 | 0.01 |
| **Total payment to auditor** | **7.04** | **6.85** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**26 Exceptional items**

(a)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Abnormal expenses - Cyclone (Refer note (b) below) | 371.67 | 46.09 |
| **Total Exceptional items** | **371.67** | **46.09** |

**(b)** On 17th May 2021, the Company's port location at Pipavav was hit by cyclone "Tauktae". Due precautions were taken to minimise the impact of the cyclone on the infrastructure at the port and there was no loss of life. However, the operations at the port were disrupted till 1st June 2021 mainly due to the loss of grid power supply. Further, certain portion of the property, plant and equipment required repairs for which the Company had started necessary activities. The Company has incurred ₹ 346.09 million till 31st March 2022. The Company has received interim claims of ₹ 300 million from the insurer against total budgeted expenses that have been intimated by the Company. The net amount of ₹ 46.09 million is disclosed under 'Exceptional Items' for the year ended on 31st March 2022. The amount of ₹ 371.67 million is incurred during the year ended 31st March 2023. The Company will progressively share the details of expenses being incurred with the insurer. Additional expenses will be incurred in due course by the Company and will continue to be disclosed under 'Exceptional Items'.

**27. Fair value measurements**

**(a) Financial instruments by category**

There are no financial assets and liabilities designated at fair value through profit or loss or other comprehensive income. All the Financial instruments are carried at amortised cost.

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial assets at amortised cost** | | |
| **Non- Current** | | |
| Security deposits | 38.98 | 38.55 |
| Receivable from Gujarat Maritime Board | 185.35 | 185.35 |
| **Current** | | |
| Security deposits | 3.02 | 9.36 |
| Fixed deposits of original maturity of more than 12 months | 409.28 | - |
| Loans to employees | 4.73 | 6.34 |
| Trade receivables | 856.20 | 519.95 |
| Cash and cash equivalents | 157.71 | 3.62 |
| Other Bank balances | 8,790.22 | 8,554.21 |
| **Total Financial Assets** | **10,445.49** | **9,317.38** |
| **Financial liabilities at amortised cost** | | |
| **Non- Current** | | |
| Retention monies payable | 108.61 | 65.63 |
| Security deposits received | 20.88 | 27.55 |
| Other Security deposit | 88.73 | 88.73 |
| Lease liabilities | 617.45 | 347.11 |
| **Current** | | |
| Trade payables | 659.43 | 444.61 |
| Retention monies payable | 55.00 | 29.52 |
| Security deposits received | 66.51 | 58.53 |
| Capital creditors | 97.75 | 108.30 |
| Unclaimed dividend | 9.87 | 8.73 |
| Lease liabilities | 176.93 | 123.69 |
| **Total Financial Liabilities** | **1,901.16** | **1,302.40** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**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.

**(b) Fair value hierarchy**

| **As at 31 March 2023** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **Financial assets at amortised cost** | | | | |
| **Non- Current** | | | | |
| Security deposits | - | - | 38.98 | 38.98 |
| Receivable from Gujarat Maritime Board | - | - | 185.35 | 185.35 |
| **Current** | | | | |
| Security deposits | - | - | 3.02 | 3.02 |
| Fixed deposits of original maturity of more than 12 months | - | - | 409.28 | 409.28 |
| Loans to employees | - | - | 4.73 | 4.73 |
| Trade receivables | - | - | 856.20 | 856.20 |
| Cash and cash equivalents | - | - | 157.71 | 157.71 |
| Other Bank balances | - | - | 8,790.22 | 8,790.22 |
| **Total Financial Assets** | - | - | **10,445.49** | **10,445.49** |
| **Financial liabilities at amortised cost** | | | | |
| **Non- Current** | | | | |
| Retention monies payable | - | - | 108.61 | 108.61 |
| Security deposits received | - | - | 20.88 | 20.88 |
| Other Security deposit | - | - | 88.73 | 88.73 |
| Lease liabilities | - | - | 617.45 | 617.45 |
| **Current** | | | | |
| Trade payables | - | - | 659.43 | 659.43 |
| Retention monies payable | - | - | 55.00 | 55.00 |
| Security deposits received | - | - | 66.51 | 66.51 |
| Capital creditors | - | - | 97.75 | 97.75 |
| Unclaimed dividend | - | - | 9.87 | 9.87 |
| Lease liabilities | - | - | 176.93 | 176.93 |
| **Total Financial Liabilities** | - | - | **1,901.16** | **1,901.16** |

| **As at 31 March 2022** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **Financial assets at amortised cost** | | | | |
| **Non- Current** | | | | |
| Security deposits | - | - | 38.55 | 38.55 |
| Receivable from Gujarat Maritime Board | - | - | 185.35 | 185.35 |
| **Current** | | | | |
| Security deposits | - | - | 9.36 | 9.36 |
| Loans to employees | - | - | 6.34 | 6.34 |
| Trade receivables | - | - | 519.95 | 519.95 |
| Cash and cash equivalents | - | - | 3.62 | 3.62 |
| Other Bank balances | - | - | 8,554.21 | 8,554.21 |
| **Total Financial Assets** | - | - | **9,317.38** | **9,317.38** |
| **Financial liabilities at amortised cost** | | | | |
| **Non- Current** | | | | |
| Retention monies payable | - | - | 65.63 | 65.63 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

| **As at 31 March 2022** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Security deposits received | - | - | 27.55 | 27.55 |
| Other Security deposit | - | - | 88.73 | 88.73 |
| Lease liabilities | - | - | 347.11 | 347.11 |
| **Current** | | | | |
| Trade payables | - | - | 444.61 | 444.61 |
| Retention monies payable | - | - | 29.52 | 29.52 |
| Security deposits received | - | - | 58.53 | 58.53 |
| Capital creditors | - | - | 108.30 | 108.30 |
| Unclaimed dividend | - | - | 8.73 | 8.73 |
| Lease liabilities | - | - | 123.69 | 123.69 |
| **Total Financial Liabilities** | - | - | **1,302.40** | **1,302.40** |

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data

**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 global and domestic markets impacting overall country's imports & exports 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 is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost as well as credit exposures to trade customers including outstanding receivables.

Credit risk management: Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's credit risk arises from accounts receivable balances.

Concentration risk: As at the year ended March 31, 2023 and March 31, 2022, two customers are individually exceeding 10% of the Company's total trade receivables.

The 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 single class of financial assets.

The Company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration payment profiles of sales over a period of 72 months before the reporting date and the corresponding historical credit loss experiences within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The expected credit loss is based on the ageing of the days, the receivables due and the expected credit loss rate. In addition, in case of event driven situation as disputes, changes in customer's credit risk history, specific provisions are made after evaluating the relevant facts and expected recovery.

Expected credit loss for trade receivables under simplified approach:

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**For the year ended 31 March 2023:**

| Particulars | Unbilled | Not Due | 0–90 days | 91–180 days | 180–270 days | 271-360 days | More than 360 days | Total |
|---|---|---|---|---|---|---|---|---|
| Carrying amount – trade receivables (considered good) | 140.29 | 261.21 | 345.39 | 96.59 | 14.65 | 10.83 | 8.81 | 877.77 |
| Credit impaired | - | - | - | - | 0.58 | 1.96 | 56.17 | 58.71 |
| Gross carrying amount - trade receivables | 140.29 | 261.21 | 345.39 | 96.59 | 15.23 | 12.79 | 64.98 | 936.48 |
| Expected loss rate | | 1.00% | 0.90% | 4.41% | 12.49% | 16.62% | 90.24% | 1.26 |
| Expected credit loss provision | | 2.61 | 3.12 | 4.26 | 1.83 | 1.80 | 7.95 | 21.57 |
| Loss allowance - Credit impaired | | - | - | - | 0.58 | 1.96 | 56.17 | 58.71 |
| Total Provision | | 2.61 | 3.12 | 4.26 | 2.41 | 3.76 | 64.12 | 80.28 |
| Carrying amount of trade receivables | 140.29 | 258.60 | 342.27 | 92.33 | 12.82 | 9.03 | 0.86 | 856.20 |

**For the year ended 31 March 2022:**

| Particulars | Unbilled | Not Due | 0–90 days | 91–180 days | 180–270 days | 271-360 days | More than 360 days | Total |
|---|---|---|---|---|---|---|---|---|
| Carrying amount – trade receivables (considered good) | 153.57 | 133.21 | 186.75 | 44.75 | 2.08 | 3.87 | 12.30 | 536.53 |
| Credit impaired | - | - | - | - | - | - | 56.17 | 56.17 |
| Gross carrying amount - trade receivables | 153.57 | 133.21 | 186.75 | 44.75 | 2.08 | 3.87 | 68.47 | 592.70 |
| Expected loss rate | - | 0.83% | 0.47% | 0.49% | 44.71% | 65.37% | 88.85% | 2.01 |
| Expected credit loss provision | - | 1.10 | 0.88 | 0.22 | 0.93 | 2.53 | 10.92 | 16.58 |
| Loss allowance - Credit impaired | - | - | - | - | - | - | 56.17 | 56.17 |
| Total Provision | - | 1.10 | 0.88 | 0.22 | 0.93 | 2.53 | 67.09 | 72.75 |
| Carrying amount of trade receivables | 153.57 | 132.11 | 185.87 | 44.53 | 1.15 | 1.34 | 1.38 | 519.95 |

**Reconciliation of loss allowance provision of trade receivables:**

| Particulars | Trade receivables |
|---|---|
| **Loss allowance on 1 April 2021** | 58.16 |
| Increase in loss allowance recognised in profit or loss during the year | 136.15 |
| Receivables written off during the year as uncollectible | 13.55 |
| Unused amount reversed | 108.01 |
| **Loss allowance on 31 March 2022** | **72.75** |
| Increase in loss allowance recognised in profit or loss during the year | 16.16 |
| Receivables written off during the year as uncollectible | - |
| Unused amount reversed | 8.63 |
| **Loss allowance on 31 March 2023** | **80.28** |

During the year, the company made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

(b) Liquidity risk

Liquidity risk is the risk that the Company will fail in meeting its obligations to pay its financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. In respect of its operations, the Company funds its activities primarily through cash generated in operations. Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Based on recent trends observed, profitability, cash generation, cash surpluses held by the Company, the Company does not envisage any material liquidity risks.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

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 | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|
| **As at 31 March 2023** | | | | |
| Trade payables | 16 | 659.43 | - | 659.43 |
| Retention monies payable | 12 | 55.00 | 108.61 | 163.61 |
| Security deposits received | 12 | 66.51 | 20.88 | 87.39 |
| Capital creditors | 12 | 97.75 | - | 97.75 |
| Unclaimed dividend | 12 | 9.87 | - | 9.87 |
| Lease liabilities | 3(b) | 176.93 | 617.45 | 794.38 |
| **As at 31 March 2022** | | | | |
| Trade payables | 16 | 444.61 | - | 444.61 |
| Retention monies payable | 12 | 29.52 | 65.63 | 95.15 |
| Security deposits received | 12 | 58.53 | 27.55 | 86.08 |
| Capital creditors | 12 | 108.30 | - | 108.30 |
| Unclaimed dividend | 12 | 8.73 | - | 8.73 |
| Other payables | 12 | 136.65 | - | 136.65 |
| Lease liabilities | 3(b) | 123.69 | 347.11 | 470.80 |

(c) Market risk

Market risk is the risk that changes in market factors, 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 2023 and 31 March 2022. 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, BHD 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.

(a) Foreign currency risk exposure:

Foreign currency exposure not covered by Forward Contracts as at 31 March 2023:

| **Details** | **USD Exposure** | | **BHD Exposure** | | **EURO Exposure** | |
|---|---|---|---|---|---|---|
| | **INR** | **USD** | **INR** | **BHD** | **INR** | **Euro** |
| Trade Receivables | **407.89** | **4.88** | | | | |
| | *218.99* | *2.89* | - | - | - | - |
| Trade Payables | **120.46** | **1.47** | | | **2.04** | **0.02** |
| | *130.54* | *1.72* | *1.12* | *0.01* | *0.53* | *0.01* |

Note: Amounts in italics represent amounts as at 31 March 2022

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

Sensitivity:

| **Details** | **Impact on profit after tax** | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| **USD sensitivity** | | |
| INR/USD -Increase by 10% (31 March 2022-10%) | **28.74** | 8.84 |
| INR/USD -Decrease by 10% (31 March 2022-10%) | **(28.74)** | (8.84) |
| **BHD sensitivity** | | |
| INR/BHD -Increase by 10% (31 March 2022-10%) | - | (0.11) |
| INR/BHD -Decrease by 10% (31 March 2022-10%) | - | 0.11 |
| **EUR sensitivity** | | |
| INR/EUR -Increase by 10% (31 March 2022-10%) | **(0.20)** | (0.05) |
| INR/EUR -Decrease by 10% (31 March 2022-10%) | **0.20** | 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 Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities. The capital structure of the Company is managed with a view of the overall macro-economic conditions and the risk characteristics of the underlying assets.

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

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

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

**Dividends**

| | **31 March 2023** | **31 March 2022** |
|---|---|---|
| ***(a) Equity shares*** | | |
| (ii) Final dividend for the year ended 31 March 2021 of INR 2.40 per fully paid share | | 1,160.26 |
| (ii) Final dividend for the year ended 31 March 2022 of INR 2.40 per fully paid share | 1,160.26 | |
| (iv) Interim dividend for the year ended 31 March 2022 of INR 1.60 per fully paid share | | 773.50 |
| (iv) Interim dividend for the year ended 31 March 2023 of INR 2.70 per fully paid share | 1,305.29 | |

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

The directors have recommended the payment of a final dividend of INR 3.40 per fully paid equity share (31 March 2022 – INR 2.40). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

**30. Capital and other commitments**

| **Particulars** | **31 March 2023** | **31 March 2022** |
|---|---|---|
| (a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances) | 848.52 | 564.59 |
| (b) Bonds/Undertaking given by the Company under Concessional Duty / Exemption scheme to the Government Authorities (The Company has fulfilled the obligations and is in the process of obtaining confirmation of fulfilment from the authorities) | 2,949.14 | 2,949.14 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 31. Land Lease and other Infrastructure Services

(i) The Company has given a total area of 1,111,813 Square Mtr. (31 March 2022: 1,111,813 Square Mtr.) of land on lease to various customers.

(ii) Income of INR 162.82 million (31 March 2022 INR 176.63 million) for land lease and other Infrastructure Services recognised in Statement of Profit and Loss is included in Other Operating Revenue in Note 19.

(iii) The future minimum lease payments receivable for land lease and other Infrastructure Services under the said non-cancellable operating lease are as follows:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Receivable within one year | 165.10 | 156.35 |
| Receivable between one and five years | 703.59 | 686.46 |
| Receivable more than five years | 93.11 | 275.36 |

### 32. Provisions and Contingent liabilities

(a) Claims against Company not acknowledged as debt aggregates to INR 1,283.14 million (31 March 2022: INR 1,257.07 million). Provisions made in respect of the same aggregates to INR 208.00 million (31 March 2022: INR 208.00 million).

**Movement in provisions**

| | Litigations / Disputes | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| At the commencement of the year | 208.00 | 208.00 |
| Provision made during the year | - | - |
| Provision reversed during the year | - | - |
| Payment made during the year | - | - |
| At the end of the year | 208.00 | 208.00 |

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

(b) Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to INR 113.50 million (31 March 2022: INR 113.50 million).

| In respect of taxation matters not acknowledged as debt | Taxation Matters | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| Income tax matters | 75.84 | 75.84 |
| Service tax matters | 37.66 | 37.66 |
| Total | 113.50 | 113.50 |

(c) The Company had made an application for approval of expansion plan to Gujarat Maritime Board (GMB) on 1st October 2012. The approval was received from GMB vide letter dated 10th April 2015. As per one of the conditions of the approval, the Company had issued a bank guarantee of INR 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB also asked the Company to pay ₹ 337.59 million along with interest thereupon at the rate of 18% per annum towards liquidated damages, and GST on the aforesaid bank guarantee amounting to ₹ 33.36 million alongwith interest thereupon at the rate of 18% per annum, vide their letter dated 27th October 2021. The Company reviewed the terms and conditions of approval and based on the management assessment and external legal expert advice, the Management believes that the amount of bank guarantee is recoverable as well as no liquidated damages are liable to be paid, and has filed a Commercial Suit before the Commercial Court, Rajula in this regard. The Commercial Court, Rajula has directed both the parties to settle the matter through Arbitration process.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**33. Earnings per share**

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| Profit for the year attributable to equity shareholders | **(A)** | 2,917.80 | 1,932.37 |
| *Calculation of weighted average number of equity shares* | | | |
| Number of equity shares at the beginning of the year | | 483,439,910 | 483,439,910 |
| Number of equity shares at the end of the year | | 483,439,910 | 483,439,910 |
| Weighted average number of equity shares outstanding during the year | **(B)** | 483,439,910 | 483,439,910 |
| **Basic and diluted earnings per share (INR)** | **(A/B)** | 6.04 | 4.00 |

**34. Related party transactions**

**(a) List of related parties and their relationship**

| **Relation** | **Party** |
|---|---|
| A. Where control exists | (i) AP Moller Maersk A/S ((Ultimate Holding Company) |
| | (ii) APM Terminals Mauritius Limited, Mauritius # |
| B. Other related parties with whom transactions have taken place during the year: | |
| Fellow subsidiaries: | (i) Maersk Line India Private Limited, India |
| | (ii) GPRO Services India Private Limited, India |
| | (iii) Gateway Terminals India Private Limited, India |
| | (iv) Damco India Private Limited, India* |
| | (v) Maersk A/S |
| | (vi) APM Terminals Medport Tangier |
| | (vii) Maersk Fleet Management and Technology India Private Limited |
| | (viii) APM Terminals Crane & Engineering Services (Shanghai) Co. Ltd |
| | (ix) APM Terminals Management B.V., The Netherlands |
| | (x) APM Terminals Bahrain B.S.C* |
| | (xi) Svitzer Hazira Private Limited |
| | (xii) APM Terminals Crane and Engineering Services Ltd. |
| | (xiii) Suez Canal Container Terminal SAE |
| Associate: | Pipavav Railway Corporation Limited |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

| | |
|---|---|
| C. Executive Directors | Jakob Friis Sorensen (upto 31st December 2022)<br>Girish Aggarwal (from 1st January 2023) |
| D. Non- Executive Directors | Tejpreet Singh Chopra<br>Hina Shah<br>Pradeep Mallick ( upto 29th July 2021)<br>Matangi Gowrishankar (from 3rd August 2022)<br>Jonathan Richard Goldner*<br>Julian Bevis*<br>Timothy John Smith*<br>Keld Pedersen*<br>Soren Brandt*<br>Samir Chaturvedi<br>Avantika Singh ( upto 21st September 2022)<br>Monica Widhani<br>Maarten Degryse*<br>Ranjitsinh Barad, IAS (from 8th February 2023)* |
| E. Key Management personnel | Santosh Breed (Chief Financial Officer)<br>Manish Agnihotri (Company Secretary) |

* No transactions during the year

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### (b) Related party transactions

| Transactions during the period | APM Terminals Mauritius Limited | MAERSK A/S | Gateway Terminals India Private Limited | A.P.Moller - Maersk A/S | APM Terminals Management B.V. | GPRO Services India Private Limited | Svitzer Hazira Private Limited | Maersk Line Fleet Management and Technology India Private Ltd | Pipavav Railway Corporation Limited | Other Affiliates | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income:** | | | | | | | | | | | |
| **Income from port services** | - | **2,087.30** | - | - | - | - | - | - | **0.01** | **1.82** | **2,089.13** |
| | - | *1,700.20* | - | - | - | - | - | - | - | *1.67* | *1,701.87* |
| **Expenses incurred on behalf of others** | - | - | - | - | - | **0.74** | - | **0.16** | - | **0.06** | **0.96** |
| | - | - | - | - | *6.23* | *0.95* | - | *0.06* | - | *0.04* | *7.28* |
| **Service Income from Group company** | - | - | **9.42** | **5.93** | **27.40** | - | - | - | - | **6.52** | **49.27** |
| | - | - | *3.61* | *1.17* | *16.95* | - | - | - | - | - | *21.73* |
| **Expenses:** | | | | | | | | | | | |
| **Professional services received** | - | **(27.68)** | - | **1.56** | - | **(4.30)** | - | - | - | **(1.21)** | **(31.63)** |
| | - | *(24.08)* | - | *(9.36)* | - | *(5.45)* | - | - | - | *(1.96)* | *(40.85)* |
| **Business support service charges** | - | - | - | - | **(64.76)** | - | - | - | - | - | **(64.76)** |
| | - | - | - | - | *(51.03)* | - | - | - | - | - | *(51.03)* |
| **Expenses incurred on the Company's behalf** | - | - | **(4.45)** | **(4.46)** | **(154.56)** | - | **(57.83)** | - | - | **(13.26)** | **(234.56)** |
| | - | - | *(1.70)* | *(3.03)* | *(68.95)* | - | *(9.24)* | - | - | *(14.84)* | *(97.76)* |
| **Manpower cost** | - | - | - | - | - | - | - | - | **(4.25)** | - | **(4.25)** |
| | - | - | - | - | - | - | - | - | *(4.00)* | - | *(4.00)* |
| **Dividend payment** | **(1,084.97)** | - | - | - | - | - | - | - | - | - | **(1,084.97)** |
| | *(850.96)* | - | - | - | - | - | - | - | - | - | *(850.96)* |

| Transactions during the period | APM Terminals Mauritius Limited | MAERSK A/S | Gateway Terminals India Private Limited | A.P.Moller - Maersk A/S | APM Terminals Management B.V. | GPRO Services India Private Limited | Svitzer Hazira Private Limited | Maersk Line Fleet Management and Technology India Private Ltd | Pipavav Railway Corporation Limited | Other Affiliates | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Closing Balances:** | - | - | - | - | - | - | - | - | - | - | - |
| **Trade Receivable** | - | **356.64** | **9.04** | **5.27** | **7.04** | - | - | - | - | **6.65** | **384.64** |
| | - | *172.37* | *5.73* | *1.17* | *2.92* | - | - | - | - | *0.10* | *182.29* |
| **Unbilled Revenue** | - | **44.21** | - | - | - | - | - | - | - | - | **44.21** |
| | - | - | - | - | - | - | - | - | - | - | - |
| **Advance from customers** | - | - | - | - | - | - | - | - | **0.02** | - | **0.02** |
| | - | - | - | - | - | - | - | - | - | - | - |
| **Trade Payable** | - | **61.37** | **6.64** | **2.71** | **41.17** | **1.39** | **(0.13)** | **0.03** | **0.80** | **12.42** | **126.40** |
| | - | *13.28* | *1.70* | *12.95* | *21.68* | *1.30* | - | *0.03* | *0.73* | *7.56* | *59.23* |
| **Capital Creditors** | - | - | - | - | **2.27** | - | - | - | - | - | **2.27** |
| | - | - | - | - | *10.56* | - | *7.82* | - | - | - | *18.38* |
| **Deposit received** | - | **40.00** | - | - | - | - | - | - | - | **1.23** | **41.23** |
| | - | *40.00* | - | - | - | - | - | - | - | *1.23* | *41.23* |
| **Deposit made** | - | - | - | - | - | **2.45** | - | - | - | - | **2.45** |
| | - | - | - | - | - | *2.45* | - | - | - | - | *2.45* |
| **Advance to vendor** | - | - | - | - | - | - | - | - | - | - | - |
| | - | *6.96* | - | - | - | - | - | - | - | - | *6.96* |
| **Accruals of Incentives and Rebates** | - | **86.96** | - | - | - | - | - | - | - | - | **86.96** |
| | - | *66.13* | - | - | - | - | - | - | - | - | *66.13* |
| **Investment** | - | - | - | - | - | - | - | - | **830.00** | - | **830.00** |
| | - | - | - | - | - | - | - | - | *830.00* | - | *830.00* |

Amounts in italics represent amounts as at 31 March 2022

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

| **Name of Non-Executive Directors/Key Managerial personnel** | **Fees for attending Board/Committee meetings** | **Commission** | **Managerial Remuneration** | **Total** |
|---|---|---|---|---|
| Tejpreet Singh Chopra | **0.50**<br>*0.50* | **1.65**<br>*1.65* | - | **2.15**<br>*2.15* |
| Hina Shah | **0.85**<br>*1.00* | **0.83**<br>*0.83* | - | **1.68**<br>*1.83* |
| Pradeep Mallick | -<br>*0.25* | **0.28**<br>*0.83* | - | **0.28**<br>*1.08* |
| Pravin Laheri | - | -<br>*0.28* | - | -<br>*0.28* |
| Samir Chaturvedi | **1.15**<br>*0.95* | **0.83**<br>*0.30* | - | **1.98**<br>*1.25* |
| Monica Widhani | **0.80**<br>*0.50* | **0.55** | - | **1.35**<br>*0.50* |
| Avantika Singh (GMB Nominee) | -<br>*0.10* | - | - | -<br>*0.10* |
| Matangi Gowrishankar | **0.30**<br>- | -<br>- | - | **0.30**<br>- |
| Santosh Breed @ | - | - | **14.76**<br>*12.18* | **14.76**<br>*12.18* |
| Jakob Friis Sorensen @ | - | - | **51.51**<br>*66.79* | **51.51**<br>*66.79* |
| Girish Aggarwal @ | | | **5.15**<br>- | **5.15**<br>- |
| Manish Agnihotri @ | | | **9.52**<br>*8.80* | **9.52**<br>*8.80* |

Amounts in italics represent amounts as at 31 March 2022

@ Key Management personnel who are under the employment of the Company are entitled to the post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

**35. 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".

Accordingly, the segment revenue, segment result, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of charge for depreciation and amortisation during the year are all as reflected in the financial statements as of and for the year ended March 31, 2023.

**Geographical Information:-**

| Particulars | Year ended March 31, 2023 | | | Year ended March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | India | Outside India | Total | India | Outside India | Total |
| Revenue by location of customers | 3,756.66 | 5,412.84 | 9,169.50 | 3,195.20 | 4,218.45 | 7,413.65 |

All non-current assets of the Company are located in India.

The Company has a revenue of INR 2,089.13 million (31 March 2022: INR 1,701.87 million) from related parties representing more than 10% of the total revenue.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

## 36. 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:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 15.58 | 10.44 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 2.07 | 1.70 |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 9.90 | 39.66 |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | 0.37 | 0.54 |
| Further interest remaining due and payable for earlier years | 1.70 | 1.16 |

## 37. Additional regulatory information required by Schedule III

(i) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) to the standalone financial statements, are held in the name of the Company, except for land aggregating INR 24.99 million which 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 has been exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).

(ii) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(vi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

(vii) Financial ratios:

| Ratio | Numerator | Denominator | Current period | Previous period | % Variance | Remarks |
|---|---|---|---|---|---|---|
| (a) Current ratio | Current assets | Current liabilities | 3.64 | 3.87 | -6.08% | - |
| (b) Debt-equity ratio | Borrowings + interest accrued but not due on borrowings | Shareholder's equity | - | - | - | - |
| (c) Debt service coverage ratio | Profit after tax + Interest on borrowings + Non cash expenses – Non cash income | Principal repayments | - | - | - | - |
| (d) Return on equity (%) | Net profit after tax | Average shareholders' equity | 14.20% | 9.51% | 49.30% | The increase is primarily on account of increase in net profit after tax for the current year |
| (e) Inventory turnover ratio | COGS | Average inventory | - | - | - | - |
| (f) Trade receivables turnover ratio | Revenue From Operations | Average trade receivable | 13.33 | 14.78 | -9.86% | - |
| (g) Trade payables turnover ratio | Operating expenses + Other Expenses | Average trade payable | 6.16 | 6.56 | -6.01% | - |
| (h) Net capital turnover ratio | Revenue From Operations | Current assets – Current liabilities | 1.20 | 1.07 | 12.76% | - |
| (i) Net profit (%) | Net profit after tax | Sales | 31.82% | 26.07% | 22.08% | - |
| (j) Return on capital employed (%) | Earnings before interest and tax | Capital employed (Total equity+ lease liabilities + deferred tax liability) | 17.40% | 13.81% | 25.94% | The increase is primarily on account of increase in earnings before interest on tax for the current year |
| (k) Return on investment (%) | Earnings before interest and tax | Average total assets | 15.50% | 12.38% | 25.21% | The increase is primarily on account of increase in earnings before interest on tax for the current year |

(viii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

(x) Loans or advances to specified persons

No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

(xi) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xii) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xiii) Borrowing secured against current assets

The Company does not have any borrowings from banks or financial institutions on the basis of current assets during the current or previous year.

(xiv) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(xv) Utilisation of borrowings availed from banks and financial institutions

The Company has not availed any borrowings from banks or financial institutions during the current or previous year.

**38.** Figures for the previous periods have been reclassified/ regrouped wherever applicable, to confirm with the current period classification. These reclassifications do not have material impact on the standalone financial statements.

As per our report of even date attached.

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration No: 012754N/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

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

**Girish Aggarwal**
*Managing Director*
DIN : 07974838

**Samir Chaturvedi**
*Director*
DIN: 08911552

**Santosh Breed**
*Chief Financial Officer*

**Manish Agnihotri**
*Company Secretary*

Mumbai
24 May 2023

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Gujarat Pipavav Port Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Qualified Opinion**

1. We have audited the accompanying consolidated financial statements of Gujarat Pipavav Port Limited (hereinafter referred to as the "Company") and its associate company [refer Note 34 to the attached consolidated financial statements], which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effect of the matter described in the Basis of Qualified section, 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 March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Qualified Opinion**

3. The consolidated financial statements include the Company's share of total comprehensive income (comprising of profit and other comprehensive income) of INR 213.66 million, based on unaudited financial statements as at and for the year ended March 31, 2023, in respect of its associate company. Our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included for the year ended on March 31, 2023, in respect of this associate company is based solely on such unaudited financial statements of the associate company for the year ended on March 31, 2023, as furnished to us by the Management of the Company. In absence of availability of audited financial statements we are unable to comment on additional adjustments and/disclosure that are required to be made to these consolidated financial statements.

4. 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 the Institute of Chartered Accountants of India 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 is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of matter**

5. We draw attention to Note 32(c) to the consolidated financial statements which describes the associated uncertainty and the necessary steps being taken by the Company based on external legal expert's advice in relation to the recovery of Bank Guarantee amounting to INR 185.35 million encashed by Gujarat Maritime Board ('GMB') on February 13, 2019, and further demand of Rs. 337.59 million alongwith interest thereupon at the rate of 18% per annum towards liquidated damages, and Rs. 33.36 million towards GST alongwith interest thereupon at the rate of 18% per annum, raised by GMB vide their letter dated October 27, 2021. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matter</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 2.29 to the consolidated 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 1275.70 million (Refer note 19 in the consolidated financial statements) and accrual recognized as at March 31, 2023 on account of incentives and rebates amounted to INR 1,151.34 million (Refer note 18 of the consolidated financial statements). Such incentives and rebates are based on contract terms and volume of future sales forecast involving significant management judgement and estimation 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:<br>1. Assessed the appropriateness of accounting policy and related disclosures in the standalone financial statements.<br>2. Understood, evaluated the design and tested the operating effectiveness of internal controls over calculations of rebates and incentives and timing of recognition of the same.<br>3. On a test check basis, verified the credit notes issued during the year in respect of rebates and incentives to customers and compared the same with contractual terms as well as accrual already recognized to assess reasonableness of such accrual recognized.<br>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.<br>5. Performed a sensitivity analysis by reducing the sales forecasts within a reasonably foreseeable range.<br>6. Assessed manual journals posted to revenue to identify unusual items and corroborating the journals entries with supporting documents.<br>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**

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our and other auditor's report thereon.

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

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

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

8. The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Company including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Company and 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 consolidated 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.

9. In preparing the consolidated financial statements, the respective Board of Directors of the Company and 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.

10. The respective Board of Directors of the Company and its associate are responsible for overseeing the financial reporting process of the Company and its associate.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

11. 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.

12. 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated 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 its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. 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.

15. 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.

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that the following remarks in CARO, 2020 report on the standalone financial statements of the Company were included in our audit report dated May 24, 2023 :

| Paragraph number | Comment in the CARO, 2020 report |
|---|---|
| Paragraph (i) (c) | Title deeds of land aggregating Rs. 24.99 Million are not in the name of the Company |
| Paragraph (vii) (a) | Delays in deposit of Statutory dues in respect of provident fund |
| Paragraph (vii) (b) | Statutory dues which have not been deposited on account of any dispute |

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the possible effect of the matter described in the Basis for Qualified Opinion section and the backup of the books of account and other books and papers maintained in electronic mode, has not been maintained on a daily basis on servers physically located in India during the year.

(c) Except for the possible effects of the matter described in the Basis for Qualified Opinion section, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Company as on March 31, 2023, taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act. Also refer paragraph 3 of the Basis of Qualified Opinion section.

(f) With respect to the maintenance of accounts and other matters connected therewith, we draw reference to our comment in paragraph 17 (b) above.

(g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Company and the operating effectiveness of such controls, we refer to Annexure A of this report. Also refer paragraph 3 of the Basis for Qualified Opinion section.

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

i. Except for the possible effects of the matter described in the paragraph Basis for Qualified Opinion, the consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Company and its associate – Refer Note 32 to the consolidated financial statements.

ii. Except for the possible effects of the matter described in the Basis for Qualified Opinion section, the Company and its associate were not required to recognise a provision as at March 31, 2023, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company and its associates did not have any derivative contracts as at March 31, 2023.

iii. Except for the possible effects of the matter described in the Basis for Qualified Opinion section, during the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, and its associate.

iv. (a) The management of the Company have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 38(vii) to the consolidated financial statements)

(b) The Management of the Company have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 38(vii) to the consolidated financial statements)

(c) Except for the possible effects of the matter described in the Basis for Qualified Opinion section, based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our or notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. Except for the possible effects of the matter described in the Basis for Qualified Opinion section, the dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company and its associate, is applicable to the Company and its associate only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

18. Except for the possible effects of the matter described in the Basis for Qualified Opinion section, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 23100681BGXWOU5338

Mumbai
May 24, 2023

# Annexure A to Independent Auditor's Report

Referred to in paragraph 17(g) of the Independent Auditor's Report of even date to the members of Gujarat Pipavav Port Limited on the consolidated financial statements for the year ended March 31, 2023

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Gujarat Pipavav Port Limited (hereinafter referred to as "the Company") and its associate company, 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 with reference to consolidated financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with reference to Consolidated financial statements**

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated 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 consolidated financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Consolidated financial statements**

7. Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Basis for Qualified Opinion**

8. According to the information and explanations given to us and based on our audit, material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements as at March 31, 2023 as the Company's period end financial controls related to ensuring that the financial information of the associate company i.e., Pipavav Railway Corporation Limited (PRCL), included in the consolidated financial statements of the Company, is in accordance with the audited consolidated financial statements of the associate company, did not operate effectively. This could result in material misstatement in the consolidated financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

**Qualified Opinion**

10. In our opinion, the Company and its associate company have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements 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 issued by the ICAI, and except for the possible effects of the material weakness described in the 'Basis for Qualified Opinion' section above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to consolidated financial statements were operating effectively as of March 31, 2023.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2023, and the material weakness affects our opinion on the consolidated financial statements of the Company and we have issued a qualified audit opinion on the consolidated financial statements. [Refer paragraph 3 of our audit report on consolidated financial statements]

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

Alpa Kedia
Partner
Membership Number: 100681
UDIN: 23100681BGXWOU5338

Mumbai
May 24, 2023

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

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

| Particulars | Note No. | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, Plant and Equipment | 3 (a) | 12,899.98 | 13,667.63 |
| Right of use Assets | 3 (b) | 722.72 | 401.33 |
| Capital work-in-progress | 3 (c) | 901.91 | 473.89 |
| Intangible assets | 3 (d) | 8.84 | 13.17 |
| Intangible assets under development | 3 (e) | 43.63 | 16.45 |
| Investments accounted for using the equity method | 4 (a) | 3,154.32 | 2,940.67 |
| Financial Assets | | | |
| Other financial assets | 4 (b) | 224.33 | 223.90 |
| Income tax assets (net) | 5 (a) | 202.87 | 202.87 |
| Other non-current assets | 6 | 6.40 | 6.28 |
| **Total non-current assets** | | **18,165.00** | **17,946.19** |
| **Current assets** | | | |
| Inventories | 7 | 75.95 | 101.81 |
| Financial Assets | | | |
| (i) Trade receivables | 8 (a) | 856.20 | 519.95 |
| (ii) Cash and cash equivalents | 8 (b) | 157.71 | 3.62 |
| (iii) Bank balance other than (ii) above | 8 (c) | 8,790.22 | 8,554.21 |
| (iv) Loans | 8 (d) | 4.73 | 6.34 |
| (v) Other financial assets | 4 (b) | 412.30 | 9.36 |
| Other Current assets | 9 | 230.66 | 186.54 |
| **Total current assets** | | **10,527.77** | **9,381.83** |
| **Total Assets** | | **28,692.77** | **27,328.02** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share capital | 10 | 4,834.40 | 4,834.40 |
| **Other equity** | | | |
| Reserves and surplus | 11 | 18,273.07 | 17,600.47 |
| **Total equity** | | **23,107.47** | **22,434.87** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 3(b) | 617.45 | 347.11 |
| (ii) Other financial liabilities | 12 | 218.22 | 181.91 |
| Employee benefit obligations | 13 | 25.21 | 26.14 |
| Deferred tax liabilities (net) | 14(b) | 1,406.86 | 1,450.78 |
| Other non-current liabilities | 15 | 421.46 | 463.31 |
| **Total non-current liabilities** | | **2,689.20** | **2,469.25** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| (i) Trade payables | | | |
| (a) Total outstanding of Micro, Small and Medium Enterprises | 16 | 17.65 | 12.14 |
| (b) Total outstanding dues other than (a) above | 16 | 641.78 | 432.47 |
| (ii) Lease liabilities | 3(b) | 176.93 | 123.69 |
| (iii) Other financial liabilities | 12 | 229.13 | 205.08 |
| Provisions | 17 | 208.00 | 208.00 |
| Employee benefit obligations | 13 | 134.33 | 144.22 |
| Income tax provisions (net) | 5 (b) | 44.20 | 69.94 |
| Other current liabilities | 18 | 1,444.08 | 1,228.36 |
| **Total current liabilities** | | **2,896.10** | **2,423.90** |
| **Total Liabilities** | | **5,585.30** | **4,893.15** |
| **Total equity and liabilities** | | **28,692.77** | **27,328.02** |

The above Consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date attached.

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration No: 012754N/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

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

**Girish Aggarwal**
*Managing Director*
DIN : 07974838

**Samir Chaturvedi**
*Director*
DIN: 08911552

**Santosh Breed**
*Chief Financial Officer*

**Manish Agnihotri**
*Company Secretary*

Mumbai
24 May 2023

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

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

| Particulars | Note No. | For the year ended 31 Mar 2023 | For the year ended 31 Mar 2022 |
|---|---|---|---|
| Revenue from operations | 19 | 9,169.50 | 7,413.65 |
| Other income | 20 | 510.00 | 307.60 |
| **Total Income** | | **9,679.50** | **7,721.25** |
| **Expenses** | | | |
| Operating expenses | 21 | 1,922.00 | 1,465.24 |
| Employee benefits expense | 22 | 745.81 | 739.02 |
| Finance costs | 23 | 79.55 | 47.66 |
| Depreciation and amortisation expense | 24 | 1,161.54 | 1,292.71 |
| Other expenses | 25 | 1,480.28 | 1,105.52 |
| **Total expenses** | | **5,389.18** | **4,650.15** |
| Profit before share of net profits of investments accounted for using equity method and tax | | 4,290.32 | 3,071.10 |
| Share of net profit /(loss) of associates accounted for using the equity method | 4(a) | 213.62 | 40.92 |
| **Profit before exceptional items and tax** | | **4,503.94** | **3,112.02** |
| Exceptional items | 26 | 371.67 | 46.09 |
| **Profit before tax** | | **4,132.27** | **3,065.93** |
| Tax expense : | | | |
| For the year | | | |
| Current tax expense | 14 (a) | 1,047.01 | 1,085.66 |
| Deferred tax (credit) / expense | 14 (a) | (46.16) | 18.59 |
| For earlier year | | | |
| Current tax expense reversed | 14 (a) | - | (11.61) |
| Total tax expense | | **1,000.85** | **1,092.64** |
| **Profit for the year** | | **3,131.42** | **1,973.29** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| (i) Re-measurement of post-employment benefit obligations | | 8.94 | 5.52 |
| (ii) Share of other comprehensive income of associates | | 0.04 | (0.05) |
| (iii) Less: Income tax relating to (i) above | | (2.24) | (1.92) |
| (iv) Less: Income tax relating to (ii) above | | (0.01) | 0.01 |
| **Other comprehensive income for the year, net of tax** | | **6.73** | **3.56** |
| **Total comprehensive income for the year** | | **3,138.15** | **1,976.85** |
| Earning per equity share [face value per share INR 10 (31 March 2022: INR10 )] | | | |
| Basic earnings per share | 33 | 6.48 | 4.08 |
| Diluted earnings per share | 33 | 6.48 | 4.08 |

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date attached.

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration No: 012754N/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

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

**Girish Aggarwal**
*Managing Director*
DIN : 07974838

**Samir Chaturvedi**
*Director*
DIN: 08911552

**Santosh Breed**
*Chief Financial Officer*

**Manish Agnihotri**
*Company Secretary*

Mumbai
24 May 2023

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

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

**A. Equity share capital**

| | Notes | Amount |
|---|---|---|
| As at 31 March 2021 | | **4,834.40** |
| Changes in equity share capital | 10 | - |
| As at 31 March 2022 | | **4,834.40** |
| Changes in the equity share capital | 10 | - |
| As at 31 March 2023 | | **4,834.40** |

**B. Other equity**

| Particulars | Attributable to owners of Gujarat Pipavav Port Limited | | | |
|---|---|---|---|---|
| | Notes | Reserves and Surplus | | Total Other Equity |
| | | Securities Premium Reserve | Retained Earnings | |
| **Balance at 1 April 2021** | 11 | 14,288.87 | 3,268.51 | 17,557.38 |
| Profit for the year | | | 1,973.29 | 1,973.29 |
| Other Comprehensive Income | | | 3.56 | 3.56 |
| **Total comprehensive income for the year ended 31 March 2022** | | | **1,976.85** | **1,976.85** |
| **Transaction with owners in their capacity as owners:** | | | | |
| Dividends paid | | | (1,933.76) | (1,933.76) |
| **Balance at 31 March 2022** | 11 | 14,288.87 | 3,311.60 | 17,600.47 |
| Profit for the year | 11 | | 3,131.42 | 3,131.42 |
| Other Comprehensive Income | | | 6.73 | 6.73 |
| **Total comprehensive income for the year ended 31 March 2023** | | | **3,138.15** | **3,138.15** |
| **Transaction with owners in their capacity as owners:** | | | | |
| Dividends paid | | | (2,465.55) | (2,465.55) |
| **Balance at 31 March 2023** | | **14,288.87** | **3,984.20** | **18,273.07** |

The above Consolidated Statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date attached.

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration No: 012754N/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

**For and on Behalf of Board of Directors of**
**Gujarat Pipavav Port Limited**
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**Girish Aggarwal**
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**Samir Chaturvedi**
*Director*
DIN: 08911552

**Santosh Breed**
*Chief Financial Officer*

**Manish Agnihotri**
*Company Secretary*

Mumbai
24 May 2023

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

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

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before Income tax | 4,132.27 | 3,065.93 |
| **Adjustments for :** | | |
| Share of (profit)/loss of associate company | (213.62) | (40.92) |
| Deferred income recognised | (51.31) | (74.68) |
| Depreciation and amortisation expense | 1,161.54 | 1,292.71 |
| Finance costs | 79.55 | 47.66 |
| Interest income classified as investing cash flows | (405.69) | (210.56) |
| Loss on disposal of property, plant and equipment | 4.55 | 4.17 |
| Sundry balances written off / (back) | 0.28 | (7.94) |
| Provisions for doubtful debts and inventory | 17.56 | 2.24 |
| Bad Debt Write Off | 7.58 | 3.04 |
| Inventory Write Off | 2.91 | - |
| Foreign currency transactions and translations differences | 8.87 | 0.89 |
| Provision for security deposit | 4.23 | - |
| | **4,748.72** | **4,082.54** |
| **Operating profit before working capital changes** | | |
| (Increase) in trade receivables | (360.23) | (42.92) |
| Decrease in inventories | 12.92 | 2.87 |
| Decrease / (Increase) in loans | 1.61 | (1.43) |
| Decrease in other financial assets | 1.69 | 1.65 |
| (Increase) in other assets | (44.12) | (78.05) |
| Increase in trade payables | 189.20 | 105.16 |
| (Decrease) / Increase in employee benefit obligations | (1.88) | 8.42 |
| Increase in other financial liabilities | 1.03 | 72.36 |
| Increase in other current liabilities | 225.18 | 262.86 |
| | **25.40** | **330.92** |
| **Cash generated from operations** | 4,774.12 | 4,413.46 |
| Income taxes paid | (1,072.75) | (610.31) |
| **Net cash inflow from operating activities** | **3,701.37** | **3,803.15** |
| **Cash flows from investing activities** | | |
| Payments for property, plant and equipment | (578.25) | (511.14) |
| Interest received | 278.54 | 268.64 |
| Placement of fixed deposits with Banks | (27,010.68) | (20,068.27) |
| Proceeds from maturity of fixed deposits with Banks | 26,493.68 | 18,647.26 |
| **Net cash outflow from investing activities** | **(816.71)** | **(1,663.51)** |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

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

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Interest paid | (79.55) | (47.66) |
| Repayment of lease liability | (185.47) | (218.02) |
| Unpaid dividend account | (1.14) | (1.02) |
| Dividends paid to Company's shareholders | (2,464.41) | (1,932.74) |
| **Net cash outflow from financing activities** | **(2,730.57)** | **(2,199.44)** |
| **Net increase/(decrease) in cash and cash equivalents** | **154.09** | **(59.80)** |
| Cash and cash equivalents at the beginning of the financial year | 3.62 | 63.42 |
| Effects of exchange rate changes on cash and cash equivalents | - | - |
| **Cash and cash equivalents at end of the year** | **157.71** | **3.62** |
| | | |
| **Non cash financing and investing activites** | | |
| Acquitions of right of use assets | 534.67 | 223.15 |

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

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Cash and cash equivalents as per above comprise of the following | | |
| Cash and cash equivalents | 157.71 | 3.62 |
| Balance as per statement of cash flows | 157.71 | 3.62 |

The above Consolidated 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/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

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

**Girish Aggarwal**
*Managing Director*
DIN : 07974838

**Samir Chaturvedi**
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*Chief Financial Officer*

**Manish Agnihotri**
*Company Secretary*

Mumbai
24 May 2023

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**1. (A) Company overview**

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

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

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

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

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

The Consolidated financial statements were authorised for issue by the board of directors on May 24, 2023.

**(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 Company.

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.

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, 2023 |
|---|---|---|---|
| 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 Consolidated 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 Consolidated 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 Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value ; and
- defined benefit plans – plan assets measured at fair value

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

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

**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 36 for segment information presented.

**2.4. Foreign currency transactions**

(i) Functional and presentation currency:

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.

(ii) Transactions and balances:

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

**2.5. Revenue recognition**

Company is engaged in providing port services such as marine services, material handling and storage operations. Revenue is recognized from rendering of services at a point in time upon the completion of services as per contract with customers except for revenue from storage operations which is recognised on a time proportion basis. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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.

Rebate and discount is offered to the esteemed customers who achieve a threshold volume specified in individual contracts and are recognized as refund liabilities.

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

Estate income is recognised on lease of office premises as per the contract entered.

**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**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 Consolidated 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 Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

**2.8. Leases**

As a lessee

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

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

**2.9. Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

**2.10. Cash and cash equivalents**

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

**2.11. Exceptional Items**

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

**2.12. Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components.

**2.13. Inventories**

Inventories comprise of stores, spares, loose tools, fuel and lubricants and are held for maintenance and repairs of various assets at the Port. 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 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 weighted average method. 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 necessary to make the sale.

**2.14. 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) Initial recognition and Measurement

At initial recognition, the group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a 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 profit or loss.

Subsequent measurement

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(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. Note 28 details how the Company determines 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

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends

Dividends are recognised in the Consolidated 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.

**2.15. 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.

**2.16. Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method, over the estimated useful life of each asset from the subsequent month of the date of purchase. Assets are depreciated as per useful life specified in Part 'C' of the schedule II of the Act.

The estimated useful life of assets which are those prescribed in Schedule II are as follows:

- Buildings 5 - 60 years
- Computer Software 3 years
- Furniture and Fittings 5 - 10 years
- Motor Vehicles 8 years
- Plant, Machinery and Equipments 3 - 15 years

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

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

| Asset Details | Block of Assets | Technical Estimate in Years |
|---|---|---|
| Ship to Shore Cranes | Plant, Machinery and Equipments | 20 |
| Power Distribution Systems | Plant, Machinery and Equipments | 15 |
| Carpeted Roads | Port Road - External | 20 |
| Jetties | Plant, Machinery and Equipments | 30 |
| Dredging | Dredging | 50 |
| Boundary Wall | Buildings | 20 |
| Old Residential Complex, Marine Office Building, Warehouses and Guest houses | Buildings | 15 |
| Railway sidings | Railway sidings | 30 |

All assets costing individually INR 125,000 or less are depreciated fully in the year of purchase.

The useful lives are reviewed by the management at each reporting date and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/(losses).

In accordance with Concession agreement all contracted immovable and movable assets shall be transferred to and shall vest in GMB at the end of the concession period, for consideration equivalent to the Depreciated Replacement Value (DRV). The DRV needs to be computed as at the date of expiry of the agreement and is therefore currently not determinable. Accordingly, these assets are depreciated based on their estimated useful lives after taking into consideration likely extension of the agreement.

**2.17. Intangible assets**

**(a) 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.

**(b) Internally-generated intangible assets**

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- management's intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognised. Where no internally-generated intangible asset can be recognized, development expenditure is charged to the Consolidated statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

**2.18. Financial Liabilities**

**(a) Classification**

Financial liabilities and equity instruments issued by the entity are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

**(b) Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified at fair value through profit and loss.

**(c) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in the Consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

**(d) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss, unless it is in the nature of equity contribution by parent.

**2.19. Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

**2.20. 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.

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. 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.

**2.21. 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.

**2.22. 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.

**2.23. 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.

**2.24. 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.

**2.25. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2.26. 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.

**2.27. 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.

**2.28. 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.

**2.29. Critical estimates and judgements**

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

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

The areas involving critical estimates or judgements are:

- Estimates of current tax expense and deferred tax expense-Refer Note 5 and 14
- Estimated useful life of Property, Plant and Equipment and Intangible assets-Refer Note 2.16, 2.17, 3(a) and 3(d)
- Estimation of defined benefit obligation-Refer Note 13
- Estimation of fair value of contingent liabilities-Refer Note 32
- Estimation of accruals in respect of incentives and rebates related to sale volume-Refer Note 18 (a)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 3 (a) (i) Property, plant and equipment [1 April 2022 to 31 March 2023]

| Particulars | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2022 | Additions during the year | Transfers during the year | Deductions | As at 31 March 2023 | As at 1 April 2022 | Charge on account of Depreciation for the year | Deductions | As at 31 March 2023 | As at 31 March 2023 |
| Land and site development | 320.37 | - | - | - | **320.37** | - | - | - | - | **320.37** |
| Buildings | 5,768.48 | 46.51 | | 30.34 | **5,784.65** | 1,596.37 | 153.41 | 30.34 | 1,719.44 | **4,065.21** |
| Port Road - External | 734.59 | - | - | - | **734.59** | 351.97 | 33.60 | - | 385.57 | **349.02** |
| Plant, Machinery and Equipments | 9,935.30 | 121.86 | | 7.52 | **10,049.64** | 4,691.47 | 636.02 | 4.28 | 5,323.21 | **4,726.43** |
| Dredging | 3,869.19 | - | - | - | **3,869.19** | 632.28 | 90.48 | - | 722.76 | **3,146.43** |
| Railway sidings | 389.11 | - | - | - | **389.11** | 91.89 | 23.50 | - | 115.39 | **273.72** |
| Furniture, Fittings and Leasehold Improvements | 30.73 | 1.38 | - | 0.11 | **32.00** | 24.59 | 2.27 | 0.11 | 26.75 | **5.25** |
| Motor Vehicles | 25.06 | 9.44 | - | 7.27 | **27.23** | 16.63 | 2.67 | 5.62 | 13.68 | **13.55** |
| **Total** | **21,072.83** | **179.19** | **-** | **45.24** | **21,206.78** | **7,405.20** | **941.95** | **40.35** | **8,306.80** | **12,899.98** |
| Capital work in progress | 473.89 | 1,141.87 | 713.85 | - | **901.91** | - | - | - | - | **901.91** |

**Notes :**

1. Land and site development includes
   - Freehold land of INR 50.55 million
   - Land aggregating INR 24.99 million was purchased during prior years for transferring it in the name of Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land has been exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).
   - Expenditure of INR 244.83 million incurred towards Land Filling and Site development.
2. Refer to note 30 for disclosure of capital commitments for the acquisition of property, plant and equipment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 3(a)(ii) Property, plant and equipment [1 April 2021 to 31 March 2022]

| Particulars | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2021 | Additions during the year | Transfers during the year | Deductions | As at 31 March 2022 | As at 1 April 2021 | Charge on account of Depreciation for the year | Deductions | As at 31 March 2022 | As at 31 March 2022 |
| Land and site development | 320.37 | - | - | - | **320.37** | - | - | - | - | **320.37** |
| Buildings | 5,557.28 | - | 215.01 | 3.81 | **5,768.48** | 1,377.28 | 220.10 | 1.01 | 1,596.37 | **4,172.11** |
| Port Road - External | 734.59 | - | - | - | **734.59** | 301.69 | 50.28 | - | 351.97 | **382.62** |
| Plant, Machinery and Equipments | 9,836.97 | - | 107.90 | 9.57 | **9,935.30** | 4,008.69 | 690.97 | 8.19 | 4,691.47 | **5,243.83** |
| Dredging | 3,869.19 | - | - | - | **3,869.19** | 541.87 | 90.41 | - | 632.28 | **3,236.91** |
| Railway sidings | 233.09 | - | 156.02 | - | **389.11** | 78.11 | 13.78 | - | 91.89 | **297.22** |
| Furniture, Fittings and Leasehold Improvements | 26.04 | 4.99 | - | 0.30 | **30.73** | 22.21 | 2.68 | 0.30 | 24.59 | **6.14** |
| Motor Vehicles | 21.13 | 3.93 | - | - | **25.06** | 13.71 | 2.92 | - | 16.63 | **8.43** |
| **Total** | **20,598.66** | **8.92** | **478.93** | **13.68** | **21,072.83** | **6,343.56** | **1,071.14** | **9.50** | **7,405.20** | **13,667.63** |
| Capital work in progress | 527.77 | 414.57 | 468.45 | - | **473.89** | - | - | - | - | 473.89 |

**Notes :**

1. Land and site development includes
   - Freehold land of INR 50.55 million
   - Land aggregating INR 24.99 million was purchased during prior years for transferring it in the name of Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land has been exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).
   - Expenditure of INR 244.83 million incurred towards Land Filling and Site development.
2. Refer to note 30 for disclosure of capital commitments for the acquisition of property, plant and equipment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**3(b) (i) Leases**

**(i) Amount recognised in the Balance Sheet**

The Balance Sheet shows the following amounts relating to leases:

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Right of Use Assets** | | |
| Land | 52.00 | 61.46 |
| Plant & Machinery | 606.46 | 317.88 |
| Administration Building | 18.48 | 21.99 |
| Containers | 10.57 | - |
| Workshop and Operational Buildings | 35.21 | - |
| **Total** | **722.72** | **401.33** |
| **Lease Liabilities** | | |
| Current | 176.93 | 123.69 |
| Non current | 617.45 | 347.11 |
| **Total** | **794.38** | **470.80** |

Additions to the right-of-use assets during the year were INR 534.67 (31 March 2022 INR 223.15)

**(ii) Amount recognised in the statement of profit and loss**

The statement of profit or loss shows the following amounts relating to leases:

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Depreciation charge of right of use assets** | | |
| Land | 9.46 | 9.46 |
| Plant & Machinery | 193.54 | 203.33 |
| Administration Building | 7.47 | 6.21 |
| Containers | 1.82 | - |
| Workshop & Operational Buildings | 0.99 | - |
| **Total** | **213.28** | **219.00** |
| Interest expenses (Included in finance cost) | 75.64 | 43.46 |
| Expenses relating to short-term lease not included in lease liabilities (Included in operating expenses) | 379.99 | 346.27 |
| Expenses relating to leases of low-value assets that are not included in lease liabilities (Included in operating expenses) | 0.11 | 1.09 |

The total cash outflow for leases for the year was INR 185.47 (31 March 2022 was INR 218.02)

The lease contains variable payment terms that are linked to the movement of the container outside the Port premises during the period. Variable lease payments that depend on movement of the containers are recognised in profit or loss in the period in which the movement occurs. During the current year, there are no container movements.

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Capital work in progress | 901.91 | 473.89 |
| **Total** | **901.91** | **473.89** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**31st March'2023:** Capital work-in-progress mainly comprises of Upgradation of existing liquid jetty to handle VLGC Vessels, Development of Railway Infrastructure for DFC Corridor Compatibility, Upgradation of Fire Fighting System at Liquid Jetty, Installation of Additional Mechanical Bagging Machines for Fertilizer Evacuation, All Port area illumination upgradation, Rail Replacement at RMGC Yard, HP data Storage replacement.

**31st March'2022:** Capital work-in-progress mainly comprises of Development of Railway Infrastructure for Dedicated Freight Corridor (DFC) Compatibility, Construction of Warehouse for Fertiliser Storage, Upgradation of existing liquid jetty to handle VLGC Vessels, Environmental Management System in Fertilizer Shed, etc.

**(a) Aging of CWIP as on 31st March 2023**

| Particulars | Amounts in capital work-in-progress for | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| (i) Projects in progress | 326.69 | 281.00 | 282.01 | 12.21 | **901.91** |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| **Total** | **326.69** | **281.00** | **282.01** | **12.21** | **901.91** |

**(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| **(i) Projects in progress:-** | | | | | |
| Upgradation of existing liquid jetty to handle VLGC Vessels | 447.23 | - | - | - | 447.23 |
| Development of Railway Infrastructure for DFC Corridor Compatibility | 255.47 | - | - | - | 255.47 |
| Upgradation of Fire Fighting System at Liquid Jetty | 64.30 | - | - | - | 64.30 |
| Installation of Additional Mechanical Bagging Machines for Fertilizer Evacuation | 38.09 | - | - | - | 38.09 |
| Rail Replacement at RMGC Yard | 17.27 | - | - | - | 17.27 |
| HP data Storage replacement | 12.84 | - | - | - | 12.84 |
| Construction of pedestrian walkway at Fertilizer Shed | 6.80 | - | - | - | 6.80 |
| Miscellaneous* | 24.89 | - | - | - | 24.89 |
| **Total** | **866.89** | **-** | **-** | **-** | **866.89** |

* Projects amounting to less than INR 5 million are clubbed together

**(c) Aging of CWIP as on 31st March 2022**

| Particulars | Amounts in capital work-in-progress for | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| (i) Projects in progress | 167.35 | 292.55 | 12.40 | 0.00 | **472.30** |
| (ii) Projects temporarily suspended | - | - | - | 1.59 | **1.59** |
| **Total** | **167.35** | **292.55** | **12.40** | **1.59** | **473.89** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**(d) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| **(i) Projects in progress:-** | | | | | |
| Development of Railway Infrastructure for DFC Compatibility | 219.22 | - | - | - | 219.22 |
| Construction of Warehouse for Fertiliser Storage | 18.20 | - | - | - | 18.20 |
| 1200 KVA Rooftop base Solar project | 34.43 | - | - | - | 34.43 |
| Upgradation of CCTV Network | 11.15 | - | - | - | 11.15 |
| Environmental Management System in Fertilizer Shed | 21.82 | - | - | - | 21.82 |
| Upgradation of existing liquid jetty to handle VLGC Vessels | 135.12 | - | - | - | 135.12 |
| Miscellaneous* | 27.67 | - | - | - | 27.67 |
| **Total** | **467.61** | - | - | - | **467.61** |
| **(ii) Projects temporarily suspended:-** | | | | | |
| Development of RORO related facilities | 1.59 | - | - | - | 1.59 |
| **Total** | **469.20** | - | - | - | **469.20** |

* Projects amounting to less than INR 5 million are clubbed together

**3(d) (i) Intangible Assets**

| Particulars | Gross Carrying Amount | | | | Accumulated Amortisation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2022 | Additions during the year | Deductions/ Adjuments during the year | As at 31 March 2023 | As at 1 April 2022 | Charge on account of Amortisation for the year | On Deductions/ Adjuments | As at 31 March 2023 | As at 31 March 2023 |
| Computer Software | 56.95 | 1.98 | - | **58.93** | 43.78 | 6.31 | - | **50.09** | 8.84 |
| **Total** | **56.95** | **1.98** | **-** | **58.93** | **43.78** | **6.31** | **-** | **50.09** | **8.84** |
| Intangible assets under development | 16.45 | 29.16 | 1.98 | **43.63** | - | - | - | - | **43.63** |

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

| Particulars | Gross Carrying Amount | | | | Accumulated Amortisation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2021 | Additions during the year | Deductions/ Adjuments during the year | As at 31 March 2022 | As at 1 April 2021 | Charge on account of Amortisation for the year | On Deductions / Adjuments | As at 31 March 2022 | As at 31 March 2022 |
| Computer Software | 64.43 | 10.48 | 17.96 | **56.95** | 43.76 | 2.57 | 2.55 | **43.78** | 13.17 |
| **Total** | **64.43** | **10.48** | **17.96** | **56.95** | **43.76** | **2.57** | **2.55** | **43.78** | **13.17** |
| Intangible assets under development | - | 26.93 | 10.48 | **16.45** | - | - | - | - | **16.45** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**3(e) (i) Intangible assets under development**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Intangible assets under development | 43.63 | 16.45 |
| **Total** | **43.63** | **16.45** |

**31st March'2023:** Intangible assets under development comprises of Asset Digitalization Project and N4 MVU Stress test OEM cost.

**31st March'2022:** Intangible assets under development comprises of Asset Digitalization Project, Navis N4 Licenses - additional capacity and Bulk TOS (GC TOS) Software implementation.

**(a) Aging of Intangible assets under development as on 31st March 2023**

| Particulars | Amounts in capital work-in-progress for | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| (i) Projects in progress | 27.68 | 15.95 | - | - | **43.63** |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| **Total** | **27.68** | **15.95** | **-** | **-** | **43.63** |

**(b) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| **(i) Projects in progress:-** | | | | | |
| Asset Digitalization Project | 41.36 | - | - | - | 41.36 |
| **Total** | **41.36** | **-** | **-** | **-** | **41.36** |

**(c) Aging of Intangible assets under development as on 31st March 2022**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| (i) Projects in progress | 16.45 | - | - | - | 16.45 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| **Total** | **16.45** | **-** | **-** | **-** | **16.45** |

**(d) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| **(i) Projects in progress:-** | | | | | |
| Asset Digitalization Project | 15.95 | - | - | - | 15.95 |
| **Total** | **15.95** | **-** | **-** | **-** | **15.95** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 4 (a) Interests in Associates

Set out below is the associate of the Company as at 31 March 2023 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 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| Pipavav Railway Corporation Limited | India | 38.78% | Associate | Equity method | * | * | 3,154.32 | 2,940.67 |

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**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Opening carrying amount** | 2,940.67 | 2,899.79 |
| **Profit for the period** | 213.62 | 40.92 |
| Other comprehensive income | 0.04 | (0.05) |
| Income Tax relating to the above | (0.01) | 0.01 |
| **Closing carrying amount** | **3,154.32** | **2,940.67** |

### 4 (b) Other financials assets

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Security deposits - considered good | 38.98 | 3.02 | 38.55 | 9.36 |
| Security deposits - considered doubtful | - | 4.23 | - | - |
| Less: Loss allowance | - | (4.23) | - | - |
| Fixed deposits of original maturity of more than 12 months | - | 409.28 | - | - |
| Receivable from Gujarat Maritime Board (Refer Note 32) | 185.35 | - | 185.35 | - |
| **Total other financials assets** | **224.33** | 412.30 | 223.90 | **9.36** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advance Tax * | 202.87 | 202.87 |
| **Total Current tax assets (net)** | **202.87** | **202.87** |

* Net of provision for tax of INR 5,230.38 million (31 March 2022 : INR 5,230.38 million)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 202.87 | 179.72 |
| Add: Amount transferred from Income tax liability (Refer note 5 (b)) | - | 23.15 |
| Closing Balance | 202.87 | 202.87 |

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Provision for tax # | 44.20 | 69.94 |
| **Total Current tax provisions (net)** | **44.20** | **69.94** |

# Net of Advance tax of INR 1,653.30 million (31 March 2022 : INR 580.55 million)

**Reconciliation of Income tax provisions**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening Balance | 69.94 | 6.62 |
| Add : Amount transferred to Income tax assets | - | 23.15 |
| Add: Current tax payable for the year | 1,047.01 | 1,085.66 |
| Less: Taxes Paid | (1,072.75) | (610.31) |
| Less: Utilisation of MAT credit (Refer Note 14 (b) (ii)) | - | (435.18) |
| Closing Balance | 44.20 | 69.94 |

**6 Other non-current assets**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Capital advances | 6.40 | 6.28 |
| **Total other non-current assets** | **6.40** | **6.28** |

**7 Inventories**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Stores and spares | 75.95 | 101.42 |
| Goods-in-transit - Stores and Spares | - | 0.39 |
| **Total inventories** | **75.95** | **101.81** |

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

Write down of Inventories to net realisable value amounted to INR 10.03 million (As at 31 March 2022 : 0.23 million). These are recognised as an expense (Refer note - 25)

During the financial year ended 31st March 2023, the Company has changed the method of determining cost in measuring Inventory from First-in First-out method (FIFO) to weighted average method. Consequently the change in method has resulted in decrease in the inventory value by INR 3.24 million and corresponding impact on profit for the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**8 (a) Trade receivables**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Trade receivables from contracts with customers-billed | 411.55 | 256.84 |
| Trade receivables from contracts with customers-unbilled | 96.08 | 153.57 |
| Trade receivables from contracts with related parties-unbilled (Refer note - 35) | 44.21 | - |
| Trade receivables from contracts with related parties-billed (Refer note - 35) | 384.64 | 182.29 |
| Loss allowance (Refer note - 28) | (80.28) | (72.75) |
| **Total trade receivables** | **856.20** | **519.95** |

**Break-up of security details**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Trade receivables considered good-unsecured | 839.41 | 480.07 |
| Trade receivables considered good-secured | 16.79 | 39.88 |
| Credit impaired | 80.28 | 72.75 |
| **Total** | **936.48** | **592.70** |
| Loss allowance | (80.28) | (72.75) |
| **Total trade receivables** | **856.20** | **519.95** |

**8 (a) (i) Aging of trade receivables:**

**As at 31 March 2023**

| | Unbilled | Not due | Outstanding for following periods from the due date | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed trade receivables** | | | | | | | | |
| considered good | 140.29 | 261.21 | 431.99 | 21.85 | 0.23 | - | 0.63 | 856.20 |
| which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| credit impaired | - | 2.61 | 7.35 | 3.37 | - | - | - | 13.33 |
| **Disputed trade receivables** | | | | | | | | |
| considered good | - | - | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| credit impaired | | | 0.03 | 2.80 | 1.31 | 1.19 | 61.62 | 66.95 |
| **Total** | **140.29** | **263.82** | **439.37** | **28.02** | **1.54** | **1.19** | **62.25** | **936.48** |

**As at 31 March 2022**

| | Unbilled | Not due | Outstanding for following periods from the due date | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed trade receivables** | | | | | | | | |
| considered good | 153.57 | 133.21 | 229.30 | 2.49 | - | - | 1.38 | 519.95 |
| which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| credit impaired | - | 1.10 | 1.10 | 3.46 | - | - | - | 5.66 |
| **Disputed trade receivables** | | | | | | | | |
| considered good | - | - | - | - | - | - | - | - |
| which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| credit impaired | - | - | - | - | 7.23 | 11.33 | 48.53 | 67.09 |
| **Total** | **153.57** | **134.31** | **230.40** | **5.95** | **7.23** | **11.33** | **49.91** | **592.70** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Cash on hand | - | - |
| Balances with banks | | |
| - In current accounts | 52.71 | 3.62 |
| - In Exchange Earners' Foreign Currency accounts | - | - |
| - Deposits with maturity of less than three months | 105.00 | - |
| **Total cash and cash equivalents** | **157.71** | **3.62** |

Note: There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**8 (c) Other bank balances**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deposits with original maturity of more than three months but less than 12 months | 8,780.35 | 8,545.48 |
| Unpaid dividend account | 9.87 | 8.73 |
| **Total other bank balances** | **8,790.22** | **8,554.21** |

**8 (d) Loans**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Loans to employees - unsecured considered good | 4.73 | 6.34 |
| **Total loans** | **4.73** | **6.34** |

**9 Other current assets**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advance for supplies | 151.66 | 101.03 |
| Prepaid expenses | 13.76 | 28.93 |
| Balances with government authorities | 41.42 | 38.37 |
| Advances to employees | 4.45 | 2.30 |
| Other receivables | 19.37 | 15.91 |
| **Total other current assets** | **230.66** | **186.54** |

**10 Equity share capital**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised share capital** | | |
| 600,000,000 (31 March 2022 : 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 2022 : 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 2023

(All amounts are in INR million, 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 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Number | INR | Number | INR |
| Equity shares at the commencement of the year | 483,439,910 | 4,834.40 | 483,439,910 | 4,834.40 |
| Issued during the year | - | - | - | - |
| **At the end of the year** | **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 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Number | Percentage | Number | Percentage |
| APM Terminals Mauritius Limited | 212,738,931 | 44.01% | 212,738,931 | 44.01% |
| ICICI Prudential Mutual Fund | 35,336,063 | 7.31% | 39,936,122 | 8.26% |
| HDFC Mutual Fund | 39,516,488 | 8.17% | 35,915,739 | 7.43% |

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

**d Details of shareholding of promoters:**

| Name of the promoter | As at 31 March 2023 | | | As at 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Number of shares | Percentage of total number of shares | Percentage of change during the year | Number of shares | Percentage of total number of shares | Percentage of change during the year |
| APM Terminals Mauritius Limited | 212,738,931 | 44.01% | 0.00% | 212,738,931 | 44.01% | 0.00% |

**11 Reserves and surplus**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Securities premium [Refer Note- (i) below] | 14,288.87 | 14,288.87 |
| Retained earnings [Refer Note- (ii) below] | 3,984.20 | 3,311.60 |
| **Total reserves and surplus** | **18,273.07** | **17,600.47** |

**(i) Securities premium reserve ***

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 14,288.87 | 14,288.87 |
| Movement during the year | - | - |
| **Closing balance** | **14,288.87** | **14,288.87** |

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**(ii) Retained earnings**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 3,311.60 | 3,268.51 |
| Net profit for the year | 3,131.42 | 1,973.29 |
| **Items of other comprehensive income recognised directly in retained earnings** | | |
| - Remeasurements of post employment benefit obligation, net of tax | 6.73 | 3.56 |
| **Dividends** | | |
| - Final dividend for the year ended 31 March 2022 | (1,160.26) | (1,160.26) |
| - Interim dividend for the year ended 31 March 2023 | (1,305.29) | (773.50) |
| **Closing balance** | **3,984.20** | **3,311.60** |

**12 Other financial liabilities**

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Retention monies payable | 108.61 | 55.00 | 65.63 | 29.52 |
| Security deposits received * | 20.88 | 66.51 | 27.55 | 58.53 |
| Capital creditors * | - | 97.75 | - | 108.30 |
| Unclaimed dividend (Refer note below) | - | 9.87 | - | 8.73 |
| Other Security deposit | 88.73 | - | 88.73 | - |
| **Total other financial liabilities** | **218.22** | **229.13** | **181.91** | **205.08** |

**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 - 35

**13 Employee benefits obligations**

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Compensated absences [Refer note (i) below] | - | 46.61 | - | 44.90 |
| Gratuity [Refer note (iii) below] | - | 14.79 | 7.84 | 17.36 |
| Other employee benefits payables | 25.21 | 72.93 | 18.30 | 81.96 |
| **Total employee benefits obligations** | **25.21** | **134.33** | **26.14** | **144.22** |

**(i) Compensated absences**

The leave salary is payable to all eligible employees for each day of accumulated leave on death or on resignation. Amount charged to the Statement of Profit and Loss on account of compensated absences during the year amounts to INR 5.10 million (31 March 2022: INR 6.36 million) and is included in Note 22 - 'Employee benefits expense'. Accumulated current provision for compensated absences aggregates to INR 46.61 million (31 March 2022: INR 44.90 million). The entire amount of the provision of INR 46.61 million (31 March 2022: INR 44.90 million) is presented as current, since the Company does not have an unconditional right to defer settlement for compensated absences.

**(ii) Defined contribution plans**

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 30.69 million (31 March 2022 – INR 28.85 million).

(iii) 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 2022** | 128.37 | (103.17) | 25.20 |
| Current service cost | 9.94 | - | 9.94 |
| Interest expense / (income) | 8.96 | (7.20) | 1.76 |
| **Total amount recognised in the Statement of Profit and Loss** | **18.90** | **(7.20)** | **11.70** |
| **Remeasurements** | | | |
| (Gain) / loss from change in financial assumptions | (4.99) | - | (4.99) |
| Experience (gain) / loss | (3.47) | - | (3.47) |
| Return on Plan Assets, Excluding Interest Income | - | (0.48) | (0.48) |
| **Total amount recognised in other comprehensive income** | **(8.46)** | **(0.48)** | **(8.94)** |
| Employers contributions | - | (13.17) | (13.17) |
| Liability Transferred In/ Acquisitions | 5.77 | (5.77) | - |
| (Liability Transferred Out/ Divestments) | (1.19) | 1.19 | - |
| Benefit payments | (7.26) | 7.26 | - |
| **Balance as at 31 March 2023** | **136.13** | **(121.34)** | **14.79** |
| **Balance as at 01 April 2021** | 121.65 | (81.38) | 40.27 |
| Current service cost | 9.26 | - | 9.26 |
| Interest expense / (income) | 7.83 | (5.24) | 2.59 |
| **Total amount recognised in the Statement of Profit and Loss** | **17.09** | **(5.24)** | **11.85** |
| **Remeasurements** | | | |
| (Gain) / loss from change in demographic assumptions | 0.07 | - | 0.07 |
| (Gain) / loss from change in financial assumptions | (5.80) | - | (5.80) |
| Experience (gain) / loss | 2.62 | - | 2.62 |
| Return on Plan Assets, Excluding Interest Income | - | (2.40) | (2.40) |
| **Total amount recognised in other comprehensive income** | **(3.11)** | **(2.40)** | **(5.51)** |
| Employers contributions | - | (21.41) | (21.41) |
| Benefit payments | (7.26) | 7.26 | - |
| **Balance as at 31 March 2022** | **128.37** | **(103.17)** | **25.20** |

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

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Present value of funded obligations | 136.13 | 128.37 |
| Fair value of plan assets | (121.34) | (103.17) |
| **Deficit of funded plan (Gratuity)** | **14.79** | **25.20** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

The significant actuarial assumptions were as follows :

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Discount rate | 7.44% | 6.98% |
| Salary growth rate | 8.00% | 8.00% |
| Expected rate of return on plan assets | 7.44% | 6.98% |
| Attrition rate | 5.00% | 5.00% |
| Mortality | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |

**(iv) Sensitivity Analysis**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Projected Benefit Obligation on Current Assumptions | 136.14 | 128.37 |
| Delta Effect of +1% Change in Rate of Discounting | (9.88) | (9.69) |
| Delta Effect of -1% Change in Rate of Discounting | 11.24 | 11.09 |
| Delta Effect of +1% Change in Rate of Salary Increase | 11.07 | 10.87 |
| Delta Effect of -1% Change in Rate of Salary Increase | (9.92) | (9.69) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (0.46) | (0.77) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.50 | 0.85 |

**Category of assets**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Insurance fund (100%) | 121.34 | 103.17 |
| **Total** | **121.34** | **103.17** |

**(v) 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 2023 | 31 March 2022 |
|---|---|---|
| 1st Following Year | 8.44 | 9.58 |
| 2nd Following Year | 10.82 | 9.38 |
| 3rd Following Year | 9.52 | 10.00 |
| 4th Following Year | 10.96 | 8.34 |
| 5th Following Year | 10.25 | 9.78 |
| Sum of Years 6 To 10 | 73.31 | 59.44 |
| Sum of Years 11 and above | 151.74 | 148.36 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

## 14 Taxation

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

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Current tax** | | |
| Current year | 1,047.01 | 1,085.66 |
| Earlier years | - | (11.61) |
| **Total** | **1,047.01** | **1,074.05** |
| **Deferred tax** | | |
| Current year | (46.16) | 18.59 |
| **Total** | **(46.16)** | **18.59** |
| **Total income tax expense/(credit)** | **1,000.85** | **1,092.64** |

**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 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Accounting profit before tax | 4,132.27 | 3,065.93 |
| Applicable tax rate of the reporting entity# | 25.168% | 34.944% |
| Expected total tax expense | 1,040.01 | 1,071.36 |
| Amount charged in Statement of Profit and Loss | 1,000.85 | 1,092.64 |
| Difference | 39.16 | (21.28) |
| Tax effect of amounts which are (not deductible) /allowable in calculating taxable income: | | |
| (i) Expenditures not deductible for tax purpose | (14.76) | (22.11) |
| (ii) Share of profit in associate (net of dividend income in current year) | 53.76 | 14.30 |
| (iii) Impact of change in tax rate | - | *(32.89) |
| (iv) Tax credit of earlier years | - | 11.61 |
| (v) Others | 0.16 | 7.81 |
| **Total** | **39.16** | **(21.28)** |

* Due to the remeasurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime.

# Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by ministry of Law and Justice (Legislative Department) on 20th September 2019, domestic Companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax structure') subject to certain conditions. The Company has decided to migrate to the new tax structure from 1st April 2022 and has recognised provision for Income tax for the year ended 31st March 2023 basis the rate prescribed in the new Ordinance.

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Deferred Tax Assets** | | |
| Expenditure deductible on payment basis | 61.46 | 61.19 |
| Lease Liability | 199.93 | 118.49 |
| Defined benefit obligations - under section 43B | 25.92 | 25.58 |
| **Total deferred tax assets** | **287.31** | **205.26** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Deferred Tax Liability** | | |
| On difference between book depreciation and tax depreciation | 1,512.28 | 1,555.13 |
| Right-of-use asset | 181.89 | 100.91 |
| **Total deferred tax liabilities** | **1,694.17** | **1,656.04** |
| **Net deferred tax liabilities** | **1,406.86** | **1,450.78** |

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

| | Expenditure deductible on Payment Basis | Defined benefit obligations - under section 43B | MAT credit entitlement | Lease Liability | Right-of-use asset | On difference between book depreciation and tax depreciation | Total |
|---|---|---|---|---|---|---|---|
| **At 1 April 2021** | **111.73** | **34.46** | **423.57** | **117.10** | **(101.24)** | **(1,592.30)** | **(1,006.68)** |
| **(Charged)/credited:** | | | | | | | |
| - to Statement of Profit and Loss | (50.54) | (6.95) | 11.61 | 1.39 | 0.33 | 37.17 | (6.99) |
| - utilisation of MAT credit# | - | - | (435.18) | - | - | - | (435.18) |
| - to other comprehensive income | - | (1.93) | - | - | - | - | (1.93) |
| **At 31 March 2022** | **61.19** | **25.58** | **-** | **118.49** | **(100.91)** | **(1,555.13)** | **(1,450.78)** |
| **At 1 April 2022** | 61.19 | 25.58 | - | 118.49 | (100.91) | (1,555.13) | (1,450.78) |
| **(Charged)/credited:** | | | | | | | - |
| - to Statement of Profit and Loss | 0.27 | 2.58 | - | 81.44 | (80.98) | 42.85 | 46.16 |
| - to other comprehensive income | - | (2.24) | - | - | - | - | (2.24) |
| **At 31 March 2023** | **61.46** | **25.92** | **-** | **199.93** | **(181.89)** | **(1,512.28)** | **(1,406.86)** |

#Utilisation of deferred tax assets on carry forward MAT credit is towards current tax payable and hence not routed through the Statement of Profit and Loss.

**15 Other non-current liabilities**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deferred income on Government Grant | 421.46 | 463.31 |
| **Total other non-current liabilities** | **421.46** | **463.31** |

**16 Trade payables**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Dues to Micro, Small and Medium Enterprises (Refer note - 37) | 17.65 | 12.14 |
| Other than Micro, Small and Medium Enterprises | 515.38 | 373.24 |
| Dues to Related Parties (Refer note - 35) | 126.40 | 59.23 |
| **Total Trade payables** | **659.43** | **444.61** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**As at 31 March 2023**

| Aging of trade payables: | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | 15.95 | 0.54 | 0.66 | 0.50 | 17.65 |
| Others | 526.40 | - | 104.28 | 11.10 | - | - | 641.78 |
| | **526.40** | - | **120.23** | **11.64** | **0.66** | **0.50** | **659.43** |

**As at 31 March 2022**

| Aging of trade payables: | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | 10.98 | 0.66 | 0.33 | 0.17 | 12.14 |
| Others | 370.40 | - | 57.34 | 4.73 | - | - | 432.47 |
| | **370.40** | - | **68.32** | **5.39** | **0.33** | **0.17** | **444.61** |

### 17 Provisions

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Claims (Refer note - 32) | 208.00 | 208.00 |
| **Total provisions** | **208.00** | **208.00** |

### 18 Other current liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deferred income on Government Grant | 48.24 | 57.70 |
| Statutory dues payables | 132.60 | 139.99 |
| Accruals of Incentives and Rebates [Refer note - 18(a)] | 1,151.34 | 803.73 |
| Income received in advance | 0.15 | 0.14 |
| Rebate related liability | 50.56 | 136.65 |
| Advance from customers (contract liabilities) * | 61.19 | 90.15 |
| **Total other current liabilities** | **1,444.08** | **1,228.36** |

* Revenue recognised that was included in advance from customers at the beginning of the period INR 90.15 million (31 March 2022 : INR 54.93 million)

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

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| At the commencement of the year | 803.73 | 619.00 |
| Accruals made during the year | 1,275.70 | 782.80 |
| Accruals utilised during the year | (928.09) | (598.07) |
| **At the end of the year** | **1,151.34** | **803.73** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 19 Revenue from operations

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Revenue with contracts with customers | | |
| Income from port services [Refer Note -19 (a)] | 8,462.54 | 6,882.97 |
| Other operating revenue | 706.96 | 530.69 |
| **Total revenue from operations** | **9,169.50** | **7,413.65** |

### 19 (a) Timing of recognition

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| At a point in time | 8,297.13 | 6,712.56 |
| Over a period of time | 165.41 | 170.41 |
| **Total Income from Port services** | **8,462.54** | **6,882.97** |

### 19 (b) Reconciliation of revenue recognised with contract price:

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Contract price | 9,885.31 | 7,773.48 |
| Adjustments for: | | |
| Credits/discount | 312.48 | 278.12 |
| Refund liabilities-Incentives and rebates | 1,275.70 | 782.80 |
| **Revenue from continuing operations** | **8,297.13** | **6,712.56** |

### 20 Other income

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest income | | |
| - bank deposits | 405.69 | 210.56 |
| - others | 0.63 | - |
| Deferred Income recognised | 51.31 | 74.68 |
| Service Income from Group company | 49.27 | 21.73 |
| Miscellaneous income | 3.10 | 0.63 |
| **Total other income** | **510.00** | **307.60** |

### 21 Operating expenses

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Handling expenses | 1,524.16 | 1,130.65 |
| Waterfront royalty | 274.19 | 234.18 |
| Business support service charges | 64.76 | 51.03 |
| Other direct costs | 58.89 | 49.38 |
| **Total operating expenses** | **1,922.00** | **1,465.24** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### 22 Employee benefits expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Salaries, wages and bonus | 669.12 | 663.66 |
| Contribution to provident fund and other funds [Refer note 13(ii)] | 30.69 | 28.85 |
| Gratuity [Refer note 13(iii)] | 11.70 | 11.85 |
| Compensated absences [Refer note 13(i)] | 5.10 | 6.36 |
| Staff welfare | 29.20 | 28.30 |
| **Total employee benefits expense** | **745.81** | **739.02** |

### 23 Finance costs

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest and finance charges on lease liabilities | 75.64 | 43.46 |
| Others | 3.91 | 4.20 |
| **Total finance costs** | **79.55** | **47.66** |

### 24 Depreciation and amortisation expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Depreciation of property, plant and equipment | 941.95 | 1,071.14 |
| Amortisation of intangible assets | 6.31 | 2.57 |
| Depreciation of right-of-use assets [refer note-3(b)] | 213.28 | 219.00 |
| **Total depreciation and amortisation expense** | **1,161.54** | **1,292.71** |

### 25 Other expenses

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Power and fuel | 316.12 | 248.58 |
| Rent | 0.11 | 1.09 |
| Repairs and maintenance | | |
| - Building | 121.81 | 74.29 |
| - Machinery and equipment | 239.23 | 226.27 |
| - Others | 86.10 | 63.15 |
| Insurance | 178.28 | 52.78 |
| Rates and taxes | 6.45 | 0.08 |
| Travelling | 72.66 | 61.33 |
| Legal and professional fees | 123.62 | 85.37 |
| Directors sitting fees (Refer note - 35) | 3.60 | 4.65 |
| Commission to Directors (Refer note - 35) | 4.13 | 3.89 |
| Expenditure towards Corporate Social Responsibility [Refer note - 25(a)] | 67.27 | 68.76 |
| Payment to auditors [Refer note - 25(b)] | 7.04 | 6.85 |
| Advertisement and sales promotion | 11.09 | 7.49 |
| Communication | 4.01 | 4.15 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Loss on sale / disposal of fixed assets (net) | 4.55 | 4.17 |
| Loss on foreign currency transactions and translations (net) | 32.91 | 30.90 |
| Bad Debt Write Off | 7.58 | 3.04 |
| Provisions for inventory (Refer note - 7) | 10.03 | 0.23 |
| Inventory Write Off | 2.91 | - |
| Provisions for doubtful debts [Refer note - 8(a)] | 7.53 | 2.02 |
| Provision for security deposit | 4.23 | - |
| Freight and forwarding | 2.33 | 3.56 |
| Water charges | 35.43 | 21.65 |
| Contract labour | 82.49 | 79.62 |
| Miscellaneous | 48.77 | 51.60 |
| **Total other expenses** | **1,480.28** | **1,105.52** |

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

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Amount required to be spent as per Section 135 of the Act | 67.21 | 68.76 |
| **Amount spent during the year** | **67.27** | **68.76** |
| (i) Construction/ acquisition of any asset | 8.29 | 14.46 |
| (ii) On purposes other than (i) above | 58.98 | 54.30 |
| **Total corporate social responsibility expense** | **67.27** | **68.76** |

Excludes NIL advance paid (31 March 2022 : INR 2.19 million).

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | In cash | Yet to be paid in cash | In cash | Yet to be paid in cash |
| (i) Construction/acquisition of any asset | 0.25 | 8.04 | 3.19 | 11.27 |
| (ii) On purposes other than (i) above | 38.96 | 20.02 | 46.57 | 7.73 |

**Corporate social responsibility expenditure:**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Amount required to be spent by the Company during the year | 67.21 | 68.76 |
| Amount of expenditure incurred | 67.27 | 68.76 |
| Amount of shortfall for the year | - | - |
| Amount of cumulative shortfall at the end of the year | - | - |

The Company has incurred INR 67.27 million during the year for Education, Skill Development, Women Empowerment, Livestock Development, Health and Environment, 24x7 Life Support Ambulance, Disaster Relief and Management, Agriculture and Natural Resources Management, etc. in the immediate surrounding villages – Rampara, Bherai, Shiyalbet, Thavi, Divalo, Devpara etc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

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

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Payment to auditors** | | |
| **As auditor** | | |
| Audit fee | 3.26 | 3.26 |
| Tax audit fee | 0.24 | 0.24 |
| Limited review of quarterly results | 1.35 | 1.35 |
| Group Audit fees | 2.13 | 1.99 |
| **Other services** | | |
| Reimbursement of expenses | 0.06 | 0.01 |
| **Total payment to auditor** | **7.04** | **6.85** |

**26 Exceptional items**

**(a)**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Abnormal expenses - Cyclone (Refer note (b) below) | 371.67 | 46.09 |
| **Total Exceptional items** | **371.67** | **46.09** |

**(b)** On 17th May 2021, the Company's port location at Pipavav was hit by cyclone "Tauktae". Due precautions were taken to minimise the impact of the cyclone on the infrastructure at the port and there was no loss of life. However, the operations at the port were disrupted till 1st June 2021 mainly due to the loss of grid power supply. Further, certain portion of the property, plant and equipment required repairs for which the Company had started necessary activities. The Company has incurred ₹ 346.09 million till 31st March 2022. The Company has received interim claims of ₹ 300 million from the insurer against total budgeted expenses that have been intimated by the Company. The net amount of ₹ 46.09 million is disclosed under 'Exceptional Items' for the year ended on 31st March 2022. The amount of ₹ 371.67 million is incurred during the year ended 31st March 2023. The Company will progressively share the details of expenses being incurred with the insurer. Additional expenses will be incurred in due course by the Company and will continue to be disclosed under 'Exceptional Items'.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

## 27. Fair value measurements

(a) Financial instruments by category

There are no financial assets and liabilities designated at fair value through profit or loss or other comprehensive income. All the Financial instruments are carried at amortised cost.

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial assets at amortised cost** | | |
| **Non- Current** | | |
| Security deposits | 38.98 | 38.55 |
| Receivable from Gujarat Maritime Board | 185.35 | 185.35 |
| **Current** | | |
| Security deposits | 3.02 | 9.36 |
| Fixed deposits of original maturity of more than 12 months | 409.28 | - |
| Loans to employees | 4.73 | 6.34 |
| Trade receivables | 856.20 | 519.95 |
| Cash and cash equivalents | 157.71 | 3.62 |
| Other Bank balances | 8,790.22 | 8,554.21 |
| **Total Financial Assets** | **10,445.49** | **9,317.38** |
| **Financial liabilities at amortised cost** | | |
| **Non- Current** | | |
| Retention monies payable | 108.61 | 65.63 |
| Security deposits received | 20.88 | 27.55 |
| Other Security deposit | 88.73 | 88.73 |
| Lease liabilities | 617.45 | 347.11 |
| **Current** | | |
| Trade payables | 659.43 | 444.61 |
| Retention monies payable | 55.00 | 29.52 |
| Security deposits received | 66.51 | 58.53 |
| Capital creditors | 97.75 | 108.30 |
| Unclaimed dividend | 9.87 | 8.73 |
| Lease liabilities | 176.93 | 123.69 |
| **Total Financial Liabilities** | **1,901.16** | **1,302.40** |

**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 2023

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

**(b) Fair value hierarchy**

| As at 31 March 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets at amortised cost** | | | | |
| **Non- Current** | | | | |
| Security deposits | - | - | 38.98 | 38.98 |
| Receivable from Gujarat Maritime Board | - | - | 185.35 | 185.35 |
| **Current** | | | | |
| Security deposits | - | - | 3.02 | 3.02 |
| Fixed deposits of original maturity of more than 12 months | - | - | 409.28 | 409.28 |
| Loans to employees | - | - | 4.73 | 4.73 |
| Trade receivables | - | - | 856.20 | 856.20 |
| Cash and cash equivalents | - | - | 157.71 | 157.71 |
| Other Bank balances | - | - | 8,790.22 | 8,790.22 |
| **Total Financial Assets** | - | - | **10,445.49** | **10,445.49** |
| **Financial liabilities at amortised cost** | | | | |
| **Non- Current** | | | | |
| Retention monies payable | - | - | 108.61 | 108.61 |
| Security deposits received | - | - | 20.88 | 20.88 |
| Other Security deposit | - | - | 88.73 | 88.73 |
| Lease liabilities | - | - | 617.45 | 617.45 |
| **Current** | | | | |
| Trade payables | - | - | 659.43 | 659.43 |
| Retention monies payable | - | - | 55.00 | 55.00 |
| Security deposits received | - | - | 66.51 | 66.51 |
| Capital creditors | - | - | 97.75 | 97.75 |
| Unclaimed dividend | - | - | 9.87 | 9.87 |
| Lease liabilities | - | - | 176.93 | 176.93 |
| **Total Financial Liabilities** | - | - | **1,901.16** | **1,901.16** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

| As at 31 March 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets at amortised cost** | | | | |
| **Non- Current** | | | | |
| Security deposits | - | - | 38.55 | 38.55 |
| Receivable from Gujarat Maritime Board | - | - | 185.35 | 185.35 |
| **Current** | | | | |
| Security deposits | - | - | 9.36 | 9.36 |
| Loans to employees | - | - | 6.34 | 6.34 |
| Trade receivables | - | - | 519.95 | 519.95 |
| Cash and cash equivalents | - | - | 3.62 | 3.62 |
| Other Bank balances | - | - | 8,554.21 | 8,554.21 |
| **Total Financial Assets** | - | - | **9,317.38** | **9,317.38** |
| **Financial liabilities at amortised cost** | | | | |
| **Non- Current** | | | | |
| Retention monies payable | - | - | 65.63 | 65.63 |
| Security deposits received | - | - | 27.55 | 27.55 |
| Other Security deposit | - | - | 88.73 | 88.73 |
| Lease liabilities | - | - | 347.11 | 347.11 |
| **Current** | | | | |
| Trade payables | - | - | 444.61 | 444.61 |
| Retention monies payable | - | - | 29.52 | 29.52 |
| Security deposits received | - | - | 58.53 | 58.53 |
| Capital creditors | - | - | 108.30 | 108.30 |
| Unclaimed dividend | - | - | 8.73 | 8.73 |
| Lease liabilities | - | - | 123.69 | 123.69 |
| **Total Financial Liabilities** | - | - | **1,302.40** | **1,302.40** |

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

**The hierarchies used are as follows:**

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

(All amounts are in INR million, 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 global and domestic markets impacting overall country's imports & exports 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 is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost as well as credit exposures to trade customers including outstanding receivables.

Credit risk management: Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's credit risk arises from accounts receivable balances.

Concentration risk: As at the year ended March 31, 2023 and March 31, 2022, two customers are individually exceeding 10% of the Company's total trade receivables.

The 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 single class of financial assets.

The Company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration payment profiles of sales over a period of 72 months before the reporting date and the corresponding historical credit loss experiences within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The expected credit loss is based on the ageing of the days, the receivables due and the expected credit loss rate. In addition, in case of event driven situation as disputes, changes in customer's credit risk history, specific provisions are made after evaluating the relevant facts and expected recovery.

Expected credit loss for trade receivables under simplified approach:

**For the year ended 31 March 2023:**

| Particulars | Unbilled | Not Due | 0–90 days | 91–180 days | 180–270 days | 271-360 days | More than 360 days | Total |
|---|---|---|---|---|---|---|---|---|
| Carrying amount – trade receivables (considered good) | 140.29 | 261.21 | 345.39 | 96.59 | 14.65 | 10.83 | 8.81 | 877.77 |
| Credit impaired | - | - | - | - | 0.58 | 1.96 | 56.17 | 58.71 |
| Gross carrying amount - trade receivables | 140.29 | 261.21 | 345.39 | 96.59 | 15.23 | 12.79 | 64.98 | 936.48 |
| Expected loss rate | | 1.00% | 0.90% | 4.41% | 12.49% | 16.62% | 90.24% | 1.26 |
| Expected credit loss provision | | 2.61 | 3.12 | 4.26 | 1.83 | 1.80 | 7.95 | 21.57 |
| Loss allowance - Credit impaired | | - | - | - | 0.58 | 1.96 | 56.17 | 58.71 |
| Total Provision | | 2.61 | 3.12 | 4.26 | 2.41 | 3.76 | 64.12 | 80.28 |
| Carrying amount of trade receivables | 140.29 | 258.60 | 342.27 | 92.33 | 12.82 | 9.03 | 0.86 | 856.20 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**For the year ended 31 March 2022:**

| Particulars | Unbilled | Not Due | 0–90 days | 91–180 days | 180–270 days | 271-360 days | More than 360 days | Total |
|---|---|---|---|---|---|---|---|---|
| Carrying amount – trade receivables (considered good) | 153.57 | 133.21 | 186.75 | 44.75 | 2.08 | 3.87 | 12.30 | 536.53 |
| Credit impaired | - | - | - | - | - | - | 56.17 | 56.17 |
| Gross carrying amount - trade receivables | 153.57 | 133.21 | 186.75 | 44.75 | 2.08 | 3.87 | 68.47 | 592.70 |
| Expected loss rate | - | 0.83% | 0.47% | 0.49% | 44.71% | 65.37% | 88.85% | 2.01 |
| Expected credit loss provision | - | 1.10 | 0.88 | 0.22 | 0.93 | 2.53 | 10.92 | 16.58 |
| Loss allowance - Credit impaired | - | - | - | - | - | - | 56.17 | 56.17 |
| Total Provision | - | 1.10 | 0.88 | 0.22 | 0.93 | 2.53 | 67.09 | 72.75 |
| Carrying amount of trade receivables | 153.57 | 132.11 | 185.87 | 44.53 | 1.15 | 1.34 | 1.38 | 519.95 |

**Reconciliation of loss allowance provision of trade receivables:**

| Particulars | Trade receivables |
|---|---|
| **Loss allowance on 1 April 2021** | 58.16 |
| Increase in loss allowance recognised in profit or loss during the year | 136.15 |
| Receivables written off during the year as uncollectible | 13.55 |
| Unused amount reversed | 108.01 |
| **Loss allowance on 31 March 2022** | **72.75** |
| Increase in loss allowance recognised in profit or loss during the year | 16.16 |
| Receivables written off during the year as uncollectible | - |
| Unused amount reversed | 8.63 |
| **Loss allowance on 31 March 2023** | **80.28** |

During the year, the company made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will fail in meeting its obligations to pay its financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. In respect of its operations, the Company funds its activities primarily through cash generated in operations. Management monitors the Company’s liquidity position and cash and cash equivalents on the basis of expected cash flows. Based on recent trends observed, profitability, cash generation, cash surpluses held by the Company, the Company does not envisage any material liquidity risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

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 | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|
| **As at 31 March 2023** | | | | |
| Trade payables | 16 | 659.43 | - | 659.43 |
| Retention monies payable | 12 | 55.00 | 108.61 | 163.61 |
| Security deposits received | 12 | 66.51 | 20.88 | 87.39 |
| Capital creditors | 12 | 97.75 | - | 97.75 |
| Unclaimed dividend | 12 | 9.87 | - | 9.87 |
| Lease liabilities | 3(b) | 176.93 | 617.45 | 794.38 |
| **As at 31 March 2022** | | | | |
| Trade payables | 16 | 444.61 | - | 444.61 |
| Retention monies payable | 12 | 29.52 | 65.63 | 95.15 |
| Security deposits received | 12 | 58.53 | 27.55 | 86.08 |
| Capital creditors | 12 | 108.30 | - | 108.30 |
| Unclaimed dividend | 12 | 8.73 | - | 8.73 |
| Other payables | 12 | 136.65 | - | 136.65 |
| Lease liabilities | 3(b) | 123.69 | 347.11 | 470.80 |

(c) Market risk

Market risk is the risk that changes in market factors, 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 2023 and 31 March 2022. 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, BHD 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.

(a) Foreign currency risk exposure:

Foreign currency exposure not covered by Forward Contracts as at 31 March 2023

| Details | USD Exposure | | BHD Exposure | | EURO Exposure | |
|---|---|---|---|---|---|---|
| | INR | USD | INR | BHD | INR | Euro |
| Trade Receivables | **407.89** | **4.88** | | | | |
| | *218.99* | *2.89* | - | - | - | - |
| Trade Payables | **120.46** | **1.47** | | | **2.04** | **0.02** |
| | *130.54* | *1.72* | *1.12* | *0.01* | *0.53* | *0.01* |

Note: Amounts in italics represent amounts as at 31 March 2022

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

(b) Sensitivity:

| Details | Impact on profit after tax | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| **USD sensitivity** | | |
| INR/USD -Increase by 10% (31 March 2022-10%) | **28.74** | 8.84 |
| INR/USD -Decrease by 10% (31 March 2022-10%) | **(28.74)** | (8.84) |
| **BHD sensitivity** | | |
| INR/BHD -Increase by 10% (31 March 2022-10%) | - | (0.11) |
| INR/BHD -Decrease by 10% (31 March 2022-10%) | - | 0.11 |
| **EUR sensitivity** | | |
| INR/EUR -Increase by 10% (31 March 2022-10%) | **(0.20)** | (0.05) |
| INR/EUR -Decrease by 10% (31 March 2022-10%) | **0.20** | 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 Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities. The capital structure of the Company is managed with a view of the overall macro-economic conditions and the risk characteristics of the underlying assets.

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

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

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

**Dividends**

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| ***(a)*** | ***Equity shares*** | | |
| (ii) | Final dividend for the year ended 31 March 2021 of INR 2.40 per fully paid share | | 1,160.26 |
| (ii) | Final dividend for the year ended 31 March 2022 of INR 2.40 per fully paid share | 1,160.26 | |
| (iv) | Interim dividend for the year ended 31 March 2022 of INR 1.60 per fully paid share | | 773.50 |
| (iv) | Interim dividend for the year ended 31 March 2023 of INR 2.70 per fully paid share | 1,305.29 | |

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

The directors have recommended the payment of a final dividend of INR 3.40 per fully paid equity share (31 March 2022 – INR 2.40). 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 2023

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

### 30. Capital and other commitments

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| (a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances) | 848.52 | 564.59 |
| (b) Bonds/Undertaking given by the Company under Concessional Duty / Exemption scheme to the Government Authorities (The Company has fulfilled the obligations and is in the process of obtaining confirmation of fulfilment from the authorities) | 2,949.14 | 2,949.14 |

### 31. Land Lease and other Infrastructure Services

(i) The Company has given a total area of 1,111,813 Square Mtr. (31 March 2022: 1,111,813 Square Mtr.) of land on lease to various customers.

(ii) Income of INR 162.82 million (31 March 2022 INR 176.63 million) for land lease and other Infrastructure Services recognised in Statement of Profit and Loss is included in Other Operating Revenue in Note 19.

(iii) The future minimum lease payments receivable for land lease and other Infrastructure Services under the said non-cancellable operating lease are as follows:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Receivable within one year | 165.10 | 156.35 |
| Receivable between one and five years | 703.59 | 686.46 |
| Receivable more than five years | 93.11 | 275.36 |

### 32. Provisions and Contingent liabilities

(a) Claims against Company not acknowledged as debt aggregates to INR 1,283.14 million (31 March 2022: INR 1,257.07 million). Provisions made in respect of the same aggregates to INR 208.00 million (31 March 2022: INR 208.00 million).

**Movement in provisions**

| | Litigations / Disputes | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| At the commencement of the year | 208.00 | 208.00 |
| Provision made during the year | - | - |
| Provision reversed during the year | - | - |
| Payment made during the year | - | - |
| At the end of the year | 208.00 | 208.00 |

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

(b) Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to INR 113.50 million (31 March 2022: INR 113.50 million).

| In respect of taxation matters not acknowledged as debt | Taxation Matters | |
|---|---|---|
| | **31 March 2023** | **31 March 2022** |
| Income tax matters | 75.84 | 75.84 |
| Service tax matters | 37.66 | 37.66 |
| Total | 113.50 | 113.50 |

(c) The Company had made an application for approval of expansion plan to Gujarat Maritime Board (GMB) on 1st October 2012. The approval was received from GMB vide letter dated 10th April 2015. As per one of the conditions of the approval, the Company had issued a bank guarantee of INR 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB also asked the Company to pay ₹ 337.59 million along with interest thereupon at the rate of 18% per annum towards liquidated damages, and GST on the aforesaid bank guarantee amounting to ₹ 33.36 million alongwith interest thereupon at the rate of 18% per annum, vide their letter dated 27th October 2021. The Company reviewed the terms and conditions of approval and based on the management assessment and external legal expert advice, the Management believes that the amount of bank guarantee is recoverable as well as no liquidated damages are liable to be paid, and has filed a Commercial Suit before the Commercial Court, Rajula in this regard. The Commercial Court, Rajula has directed both the parties to settle the matter through Arbitration process.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

**33. Earnings per share**

| | | For the year ended | For the year ended |
|---|---|---|---|
| | | **31 March 2023** | **31 March 2022** |
| Profit for the year attributable to equity shareholders | **(A)** | 3,131.42 | 1,973.29 |
| *Calculation of weighted average number of equity shares* | | | |
| Number of equity shares at the beginning of the year | | 483,439,910 | 483,439,910 |
| Number of equity shares at the end of the year | | 483,439,910 | 483,439,910 |
| Weighted average number of equity shares outstanding during the year | **(B)** | 483,439,910 | 483,439,910 |
| **Basic and diluted earnings per share (INR)** | **(A/B)** | 6.48 | 4.08 |

**34. Interest in Associate company**

Set out below is the associate of the Company as at 31 March 2023 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 2023 | 31 March 2022 |
| Pipavav Railway Corporation Limited | India | 38.78 | Associate | Equity Method | 3154.32 | 2940.67 |

**35. Related party transactions**

**(a) List of related parties and their relationship**

| Relation | Party |
|---|---|
| A. Where control exists | (i) AP Moller Maersk A/S ((Ultimate Holding Company) |
| | (ii) APM Terminals Mauritius Limited, Mauritius # |
| B. Other related parties with whom transactions have taken place during the year: | |
| Fellow subsidiaries: | (i) Maersk Line India Private Limited, India |
| | (ii) GPRO Services India Private Limited, India |
| | (iii) Gateway Terminals India Private Limited, India |
| | (iv) Damco India Private Limited, India* |
| | (v) Maersk A/S |
| | (vi) APM Terminals Medport Tangier |
| | (vii) Maersk Fleet Management and Technology India Private Limited |
| | (viii) APM Terminals Crane & Engineering Services (Shanghai) Co. Ltd |
| | (ix) APM Terminals Management B.V., The Netherlands |
| | (x) APM Terminals Bahrain B.S.C* |
| | (xi) Svitzer Hazira Private Limited |
| | (xii) APM Terminals Crane and Engineering Services Ltd. |
| | (xiii) Suez Canal Container Terminal SAE |
| Associate: | Pipavav Railway Corporation Limited |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

| | |
|---|---|
| C. Executive Directors | Jakob Friis Sorensen (upto 31st December 2022) |
| | Girish Aggarwal (from 1st January 2023) |
| D. Non- Executive Directors | Tejpreet Singh Chopra |
| | Hina Shah |
| | Pradeep Mallick ( upto 29th July 2021) |
| | Matangi Gowrishankar (from 3rd August 2022) |
| | Jonathan Richard Goldner* |
| | Julian Bevis* |
| | Timothy John Smith* |
| | Keld Pedersen* |
| | Soren Brandt* |
| | Samir Chaturvedi |
| | Avantika Singh ( upto 21st September 2022) |
| | Monica Widhani |
| | Maarten Degryse* |
| | Ranjitsinh Barad, IAS (from 8th February 2023)* |
| E. Key Management personnel | Santosh Breed (Chief Financial Officer) |
| | Manish Agnihotri (Company Secretary) |

* No transactions during the year

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

### (b) Related party transactions

| Transactions during the period | APM Terminals Mauritius Limited | MAERSK A/S | Gateway Terminals India Private Limited | A.P.Moller - Maersk A/S | APM Terminals Management B.V. | GPRO Services India Private Limited | Svitzer Hazira Private Limited | Maersk Line Fleet Management and Technology India Private Ltd | Pipavav Railway Corporation Limited | Other Affiliates | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income:** | | | | | | | | | | | |
| Income from port services | - | **2,087.30** | - | - | - | - | - | - | **0.01** | **1.82** | **2,089.13** |
| | - | *1,700.20* | - | - | - | - | - | - | - | *1.67* | *1,701.87* |
| Expenses incurred on behalf of others | - | - | - | - | - | **0.74** | - | **0.16** | - | **0.06** | **0.96** |
| | - | - | - | - | *6.23* | *0.95* | - | *0.06* | - | *0.04* | *7.28* |
| Service Income from Group company | - | - | ***9.42*** | ***5.93*** | ***27.40*** | - | - | - | - | ***6.52*** | **49.27** |
| | - | - | *3.61* | *1.17* | *16.95* | - | - | - | - | - | *21.73* |
| **Expenses:** | | | | | | | | | | | |
| Professional services received | - | **(27.68)** | - | **1.56** | - | **(4.30)** | - | - | - | **(1.21)** | **(31.63)** |
| | - | *(24.08)* | - | *(9.36)* | - | *(5.45)* | - | - | - | *(1.96)* | *(40.85)* |
| Business support service charges | - | - | - | - | **(64.76)** | - | - | - | - | - | **(64.76)** |
| | - | - | - | - | *(51.03)* | - | - | - | - | - | *(51.03)* |
| Expenses incurred on the Company's behalf | - | - | **(4.45)** | **(4.46)** | **(154.56)** | - | **(57.83)** | - | - | **(13.26)** | **(234.56)** |
| | - | - | *(1.70)* | *(3.03)* | *(68.95)* | - | *(9.24)* | - | - | *(14.84)* | *(97.76)* |
| Manpower cost | - | - | - | - | - | - | - | - | **(4.25)** | - | **(4.25)** |
| | - | - | - | - | - | - | - | - | *(4.00)* | - | *(4.00)* |
| **Dividend payment** | **(1,084.97)** | - | - | - | - | - | - | - | - | - | **(1,084.97)** |
| | *(850.96)* | - | - | - | - | - | - | - | - | - | *(850.96)* |

| Transactions during the period | APM Terminals Mauritius Limited | MAERSK A/S | Gateway Terminals India Private Limited | A.P.Moller - Maersk A/S | APM Terminals Management B.V. | GPRO Services India Private Limited | Svitzer Hazira Private Limited | Maersk Line Fleet Management and Technology India Private Ltd | Pipavav Railway Corporation Limited | Other Affiliates | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Closing Balances:** | - | - | - | - | - | - | - | - | - | - | - |
| Trade Receivable | - | **356.64** | **9.04** | **5.27** | **7.04** | - | - | - | - | **6.65** | **384.64** |
| | - | *172.37* | *5.73* | *1.17* | *2.92* | - | - | - | - | *0.10* | *182.29* |
| Unbilled Revenue | - | **44.21** | - | - | - | - | - | - | - | - | **44.21** |
| | - | - | - | - | - | - | - | - | - | - | - |
| Advance from customers | - | - | - | - | - | - | - | - | ***0.02*** | - | **0.02** |
| | - | - | - | - | - | - | - | - | - | - | - |
| Trade Payable | - | **61.37** | **6.64** | **2.71** | **41.17** | **1.39** | **(0.13)** | **0.03** | **0.80** | **12.42** | **126.40** |
| | - | *13.28* | *1.70* | *12.95* | *21.68* | *1.30* | - | *0.03* | *0.73* | *7.56* | *59.23* |
| Capital Creditors | - | - | - | - | **2.27** | - | - | - | - | - | **2.27** |
| | - | - | - | - | *10.56* | - | *7.82* | - | - | - | *18.38* |
| Deposit received | - | **40.00** | - | - | - | - | - | - | - | **1.23** | **41.23** |
| | - | *40.00* | - | - | - | - | - | - | - | *1.23* | *41.23* |
| Deposit made | - | - | - | - | - | **2.45** | - | - | - | - | **2.45** |
| | - | - | - | - | - | *2.45* | - | - | - | - | *2.45* |
| Advance to vendor | - | - | - | - | - | - | - | - | - | - | - |
| | - | *6.96* | - | - | - | - | - | - | - | - | *6.96* |
| Accruals of Incentives and Rebates | - | **86.96** | - | - | - | - | - | - | - | - | **86.96** |
| | - | *66.13* | - | - | - | - | - | - | - | - | *66.13* |
| Investment | - | - | - | - | - | - | - | - | **830.00** | - | **830.00** |
| | - | - | - | - | - | - | - | - | *830.00* | - | *830.00* |

Amounts in italics represent amounts as at 31 March 2022

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

| Name of Non-Executive Directors/Key Managerial personnel | Fees for attending Board/Committee meetings | Commission | Managerial Remuneration | Total |
|---|---|---|---|---|
| Tejpreet Singh Chopra | **0.50**<br>*0.50* | **1.65**<br>*1.65* | - | **2.15**<br>*2.15* |
| Hina Shah | **0.85**<br>*1.00* | **0.83**<br>*0.83* | - | **1.68**<br>*1.83* |
| Pradeep Mallick | -<br>*0.25* | **0.28**<br>*0.83* | - | **0.28**<br>*1.08* |
| Pravin Laheri | - | -<br>*0.28* | - | -<br>*0.28* |
| Samir Chaturvedi | **1.15**<br>*0.95* | **0.83**<br>*0.30* | - | **1.98**<br>*1.25* |
| Monica Widhani | **0.80**<br>*0.50* | **0.55** | - | **1.35**<br>*0.50* |
| Avantika Singh (GMB Nominee) | -<br>*0.10* | - | - | -<br>*0.10* |
| Matangi Gowrishankar | **0.30**<br>- | -<br>- | - | **0.30**<br>- |
| Santosh Breed @ | - | - | **14.76**<br>*12.18* | **14.76**<br>*12.18* |
| Jakob Friis Sorensen @ | - | - | **51.51**<br>*66.79* | **51.51**<br>*66.79* |
| Girish Aggarwal @ | | | **5.15**<br>- | **5.15**<br>- |
| Manish Agnihotri @ | | | **9.52**<br>*8.80* | **9.52**<br>*8.80* |

Amounts in italics represent amounts as at 31 March 2022

@ Key Management personnel who are under the employment of the Company are entitled to the post employment benefits and other long term employee benefits recognised as per Ind AS-19-'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

**36. 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".

Accordingly, the segment revenue, segment result, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of charge for depreciation and amortisation during the year are all as reflected in the financial statements as of and for the year ended March 31, 2023.

**Geographical Information:-**

| Particulars | Year ended March 31, 2023 | | | Year ended March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | India | Outside India | Total | India | Outside India | Total |
| Segment revenue by location of customers | 3,756.66 | 5,412.84 | 9,169.50 | 3,195.20 | 4,218.45 | 7,413.65 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

Non-current assets of the Company are located in India.

The Company has a revenue of INR 2,089.13 million (31 March 2022: INR 1,701.87 million) from related parties representing more than 10% of the total revenue.

**37. 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:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 15.58 | 10.44 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 2.07 | 1.70 |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 9.90 | 39.66 |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | 0.37 | 0.54 |
| Further interest remaining due and payable for earlier years | 1.70 | 1.16 |

**38. Additional regulatory information required by Schedule III**

(i) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) to the Consolidated financial statements, are held in the name of the Company, except for land aggregating INR 24.99 million which 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 has been exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).

(ii) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(vi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Loans or advances to specified persons

No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

(x) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xi) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xii) Borrowing secured against current assets

The Company does not have any borrowings from banks or financial institutions on the basis of current assets during the current or previous year.

(xiii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(xiv) Utilisation of borrowings availed from banks and financial institutions

The Company has not availed any borrowings from banks or financial institutions during the current or previous year.

**39.** Figures for the previous periods have been reclassified/ regrouped wherever applicable, to confirm with the current period classification. These reclassifications do not have material impact on the consolidated financial statements.

As per our report of even date attached.

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration No: 012754N/ N500016

**Alpa Kedia**
*Partner*
Membership No: 100681

Mumbai
24 May 2023

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

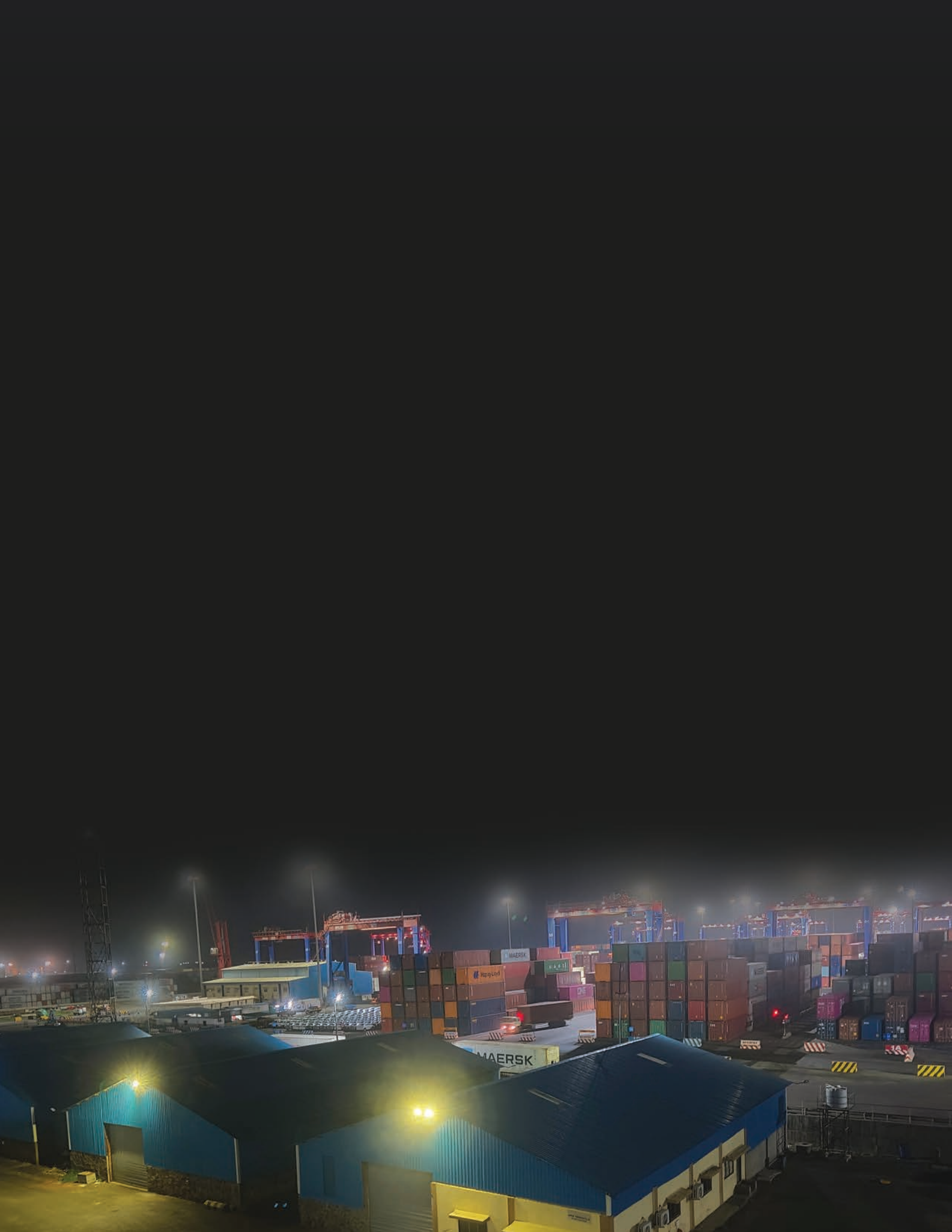
**Girish Aggarwal**
*Managing Director*
DIN : 07974838

**Samir Chaturvedi**
*Director*
DIN: 08911552

**Santosh Breed**
*Chief Financial Officer*

**Manish Agnihotri**
*Company Secretary*

Mumbai
24 May 2023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**Gujarat Pipavav Port Limited**

Pipavav Port, At Post Ramapara- 2 Via Rajula

District Amreli, Gujarat 365 560, India

www.pipavav.com