NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

1. Company overview

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

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

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

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

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

2. Significant accounting policies

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

2.1. Basis of preparation of financial statements

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

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

(iii) Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, is effective for periods beginning on or after April 01, 2018. Ind AS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). Ind AS 115 replaces the previous revenue Standards: Ind AS 18 Revenue and Ind AS 11 Construction Contracts, and the related appendices.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

The standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The core principle in that framework is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the fair value of consideration to which the Company expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company is evaluating the impact of the standard on the financial position and results of operations. As per the transitional provision of the standard, the Company shall apply this Standard using one of the following two methods:

(a) Retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application;

(b) Retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. Company is evaluating the impact of this amendment on its financial statements.

There are no other standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in its financial statements.

2.2. Use of estimates:

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

2.3. Segment reporting

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

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

2.4. Foreign currency transactions

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

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

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

2.5. Revenue recognition

The Company recognises revenue from rendering of services when services are rendered as per the contractual obligations, when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to the entity.

Revenue is measured at the fair value of the consideration received or receivable. The amount disclosed as revenue is exclusive of service tax, goods and service tax (GST), cess and net of trade allowance and rebates wherever applicable.

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

2.6. Government Grant

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

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

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

2.7. Income taxes

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

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

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

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

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

Minimum Alternative Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as deferred tax. The credit available under the said Act in respect of MAT is recognised as Deferred Tax Asset only to the extent there is convincing evidence that the Company will pay income tax in future periods and MAT credit can be carried forward to set-off against the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

normal tax liability. MAT credit recognised as Deferred Tax Asset is reviewed at each Balance sheet date and written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

2.8. Leases

As a lessee

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

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

As a lessor

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

2.9. Impairment

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

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

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

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

2.10. Cash and cash equivalents

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

2.11. Exceptional Items

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

2.12. Inventories

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

2.13. Investment and Other Financial assets

(i) Classification

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

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

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

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

(ii) Measurement

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

Equity instruments

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

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

(iii) Impairment of financial assets

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

(v) Income recognition

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.14. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method, over the estimated useful life of each asset from the subsequent month of the date of purchase. Assets are depreciated as per useful life specified in Part 'C' of the schedule II of the Act. Based on internal technical evaluation following assets have a different useful life than prescribed by schedule II of the Act.

Asset Details	Life as per Schedule II in Years	Technical Estimate in Years
Ship to Shore Cranes	15	20
Power Distribution Systems	10	15
Carpeted Roads	10	20
Jetties	Not defined	30
Dredging	Not defined	50
Boundary Wall	Not defined	20
Old Residential Complex	60	15
Marine Office Building	60	15
Warehouses	30	15
Guest houses	30	15

All assets costing individually INR 125,000 or less are depreciated fully in the year of purchase.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

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The useful lives are reviewed by the management at each reporting date and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/(losses).

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

2.16. Acquired intangible assets

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

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

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

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

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

2.17. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plans:

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

Defined benefit plan:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

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

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

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

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

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

(iii) Other Long term employee benefit obligation

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

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

2.18. Provisions

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

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

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

2.19. Contingent liabilities

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

2.20. Earnings per share (EPS)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

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2.21. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.22. Contributed equity

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

2.23 Investment in Associate company

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

2.24 Financial instruments measured at fair value

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

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

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

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

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

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(All amounts in Rupees Millions, unless otherwise stated)

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

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

Notes :

1 Land and site development includes
- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased during prior years for getting the rail connectivity from nearest station upto the port boundary is registered in the name of our Associate company, Pipavav Railway Corporation Limited, pursuant to Government notification.
- Land aggregating INR 24.99 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).
- Expenditure of INR 244.85 million incurred towards Land Filling and Site development.

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

3(b)(i) Capital work in progress

	As at 31st March 2018
Capital work in progress	323.23
Total	**323.23**

Capital work-in-progress mainly comprises of Container handling Yard Cranes and Container Scanner.

3(c)(i) Intangible Assets

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

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3(a)(ii) Property, plant and equipment [1 April 2016 to 31 March 2017]

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1 April 2016	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2017	As at 1 April 2016	Charge for the year	On Deductions / Adjustments	As at 31 March 2017	As at 31 March 2017
Land and site development	321.86	-	-	321.86	-	-	-	-	**321.86**
Buildings	3,374.55	1,735.55	-	5,110.10	52.08	243.79	-	**295.87**	**4,814.23**
Port Road - External	734.68	-	-	734.68	50.24	50.24	-	**100.48**	**634.20**
Plant, Machinery and Equipment	5,812.83	2,670.99	36.82	8,447.00	743.91	657.06	16.57	**1,384.40**	**7,062.60**
Dredging	3,869.17	-	-	3,869.17	89.25	90.52	-	**179.77**	**3,689.40**
Railway sidings	232.69	-	-	232.69	12.62	13.02	-	**25.64**	**207.05**
Furniture, Fittings and Leasehold Improvements	8.92	2.82	-	11.74	2.89	2.06	-	**4.95**	**6.79**
Motor Vehicles	17.30	6.69	-	23.99	3.88	2.91	-	**6.79**	**17.20**
Total	**14,372.00**	**4,416.05**	**36.82**	**18,751.23**	**954.87**	**1,059.60**	**16.57**	**1,997.90**	**16,753.33**

Notes :

1 Land and site development includes

- Freehold land of INR 50.55 million
- Land aggregating INR 1.47 million purchased during prior years for getting the rail connectivity from nearest station upto the port boundary is registered in the name of our Associate company, Pipavav Railway Corporation Limited, pursuant to Government notification.
- Land aggregating INR 24.99 million was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB).
- Expenditure of INR 244.85 million incurred towards Land Filling and Site development.

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

3(b)(ii) Capital work in progress

	As at 31st March 2018
Capital work in progress	922.21
Total	**922.21**

Capital work-in-progress mainly comprises of Container handling Yard Cranes and New Office Complex.

3(c)(ii) Intangible Assets

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at 1 April 2016	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2017	As at 1 April 2016	Charge for the year	On Deductions / Adjustments	As at 31 March 2017	As at 31 March 2017
Computer Software	21.62	7.49	-	**29.11**	15.00	5.55	-	**20.55**	8.56
Total	**21.62**	**7.49**	**-**	**29.11**	**15.00**	**5.55**	**-**	**20.55**	**8.56**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

4 (a) Investments

	As at 31 March 2018	As at 31 March 2017
Investments in equity instruments (fully paid up) :		
Unquoted		
76,000,010 (31 March 2017 : 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 2018		As at 31 March 2017	
	Non current	Current	Non current	Current
Security deposits	35.96	7.83	35.39	7.63
Total other financials assets	**35.96**	**7.83**	**35.39**	**7.63**

5 (a) Income tax assets (net)

	As at 31 March 2018	As at 31 March 2017
Advance Tax *	114.68	304.16
Total Current tax assets (net)	**114.68**	**304.16**

* Net of provision for tax of INR 2,186.01 million (31 March 2017 : INR 1,440.35 million)

5 (b) Income tax provisions (net)

	As at 31 March 2018	As at 31 March 2017
Provision for tax #	-	47.91
Total Current tax provisions (net)	**-**	**47.91**

Net of Advance tax of Nil (31 March 2017 : INR 687.29 million)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

6 Deferred tax assets

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax		
Current year	662.74	735.20
Total	**662.74**	**735.20**
Deferred tax		
Deferred tax	94.38	892.90
MAT credit utilised/(entitlement)	330.32	(656.91)
Total	**424.70**	**235.99**
Total income tax expense/(credit)	**1,087.44**	**971.19**

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 2018	For the year ended 31 March 2017
Accounting profit before tax	3,072.04	3,470.31
Applicable tax rate of the reporting entity	34.608%	34.608%
Expected total tax expense	1,063.17	1,201.01
Amount charged in Statement of Profit and Loss	1,087.44	971.19
Difference	(24.27)	229.81
Tax effect of amounts which are (not deductible) /allowable in calculating taxable income:		
(i) Expenditures not deductible for tax purpose	(29.83)	(8.46)
(ii) Dividend Received (Adjusted with expense disallowed u/s 14 A)	-	13.03
(iii) Impact of Tax Holiday u/s 80 IA *	-	335.72
(vi) Others	5.56	(110.48)
Total	(24.27)	229.81

* As per the provisions of Indian Tax laws, the Company is eligible for a tax holiday under section 80IA of the Income Tax Act, 1961 for a block of 10 consecutive Assessment years out of the 15 years beginning of port operations. Accordingly, the Company was entitled to tax holiday commencing from 1 April 2007 until 31 March 2017.

b (i) Deferred tax relates to the following :

	As at 31 March 2018	As at 31 March 2017
Expenditure deductible on payment basis	103.07	81.73
Defined benefit obligations	16.64	17.32
MAT credit entitlement	2,006.78	2,333.18
Total deferred tax assets	**2,126.49**	**2,432.23**
On difference between book depreciation and tax depreciation	(2,129.91)	(2,016.18)
Total deferred tax liabilities	**(2,129.91)**	**(2,016.18)**
Net deferred tax (liabilities)/assets	**(3.42)**	**416.05**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

b (ii) Movement in deferred tax assets

	Expenditure deductible on Payment Basis	Defined benefit obligations	On difference between book depreciation and tax depreciation	Total
At 31 March 2017	**81.73**	**17.32**	**(2,016.18)**	**(1,917.13)**
(Charged)/credited:				
- to Statement of Profit and Loss	21.34	0.61	(113.73)	(91.78)
- to other comprehensive income	-	(1.29)	-	(1.29)
At 31 March 2018	**103.07**	**16.64**	**(2,129.91)**	**(2,010.20)**

7 Other non-current assets

	As at 31 March 2018	As at 31 March 2017
Capital advances	62.82	170.96
Total other non-current assets	**62.82**	**170.96**

8 Inventories

	As at 31 March 2018	As at 31 March 2017
Stores and spares	131.92	130.35
Goods-in-transit - Stores and Spares	4.24	25.23
Total inventories	**136.16**	**155.58**

Amounts recognised in Statement of Profit and Loss

Write-downs of inventories including provision for inventory amounts to INR 11.54 million (31 March 2017 : INR 24.96 million). These were recognised as an expense (Refer note - 25) and included in other expenses in Statement of Profit and Loss.

9 (a) Trade receivables

	As at 31 March 2018	As at 31 March 2017
Trade receivables	94.06	156.97
Receivables from related parties (Refer note - 37)	193.05	148.23
Less: Allowance for doubtful debts (Refer note - 28)	(29.55)	(19.47)
Total trade receivables	**257.56**	**285.73**
Break-up of security details		
Secured, considered good	47.36	49.16
Unsecured, considered good	210.20	236.57
Doubtful	29.55	19.47
Total	**287.11**	**305.20**
Allowance for doubtful debts	(29.55)	(19.47)
Total trade receivables	**257.56**	**285.73**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

9 (b) Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017
Cash on hand	0.26	0.05
Balances with banks		
-In current accounts	220.47	137.12
-In Exchange Earners' Foreign Currency accounts	133.78	396.84
Total cash and cash equivalents	**354.51**	**534.01**

9 (c) Other bank balances

	As at 31 March 2018	As at 31 March 2017
Deposits with original maturity of more than three months but less than 12 months *	3,957.94	2,986.47
Unpaid share application money #	-	0.53
Unpaid dividend account	3.02	1.44
Total other bank balances	**3,960.96**	**2,988.44**

* Of the above, bank deposits aggregating INR 9.15 Million (31 March 2017 : INR 21.11 million) is marked lien against bank guarantees issued to customs and other third parties.

Unpaid share application money of INR 0.53 million has been transferred to Investor Education and Protection Fund during the year.

9 (d) Loans

	As at 31 March 2018	As at 31 March 2017
Loans and advances to employees	2.16	2.40
Total loans	**2.16**	**2.40**

10 Other current assets

	As at 31 March 2018	As at 31 March 2017
Advance for supply of goods and services	111.18	67.31
Prepaid expenses	8.17	13.39
Balances with government authorities	32.78	9.97
Other receivables	3.97	0.61
Total other current assets	**156.10**	**91.28**

11 Equity share capital

	As at 31 March 2018	As at 31 March 2017
Authorised share capital		
600,000,000 (31 March 2017 : 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 2017 : 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 STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	INR	Number	INR
Equity shares at the commencement of the period	483,439,910	4,834.40	483,439,910	4,834.40
Issued during the period	-	-	-	-
At the end of the period	**483,439,910**	**4,834.40**	**483,439,910**	**4,834.40**

b Rights, preferences and restrictions attached to equity shares

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

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

Name of Shareholder	As at 31 March 2018		As at 31 March 2017	
	Number	Percentage	Number	Percentage
APM Terminals Mauritius Limited	**207,903,931**	**43.01%**	**207,903,931**	**43.01%**
ICICI Prudential Midcap Fund	**35,005,553**	**7.24%**	**-**	**-**
HDFC Trustee Company Limited - Hdfc Capital Builder Fund	**29,913,819**	**6.19%**	**-**	**-**

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

12 Reserves and surplus

	As at 31 March 2018	As at 31 March 2017
Securities premium reserve [Refer Note- (i) below]	14,288.87	14,288.87
Retained earnings [Refer Note- (ii) below]	1,017.32	1,071.71
Total reserves and surplus	**15,306.19**	**15,360.58**

(i) Securities premium reserve *

	As at 31 March 2018	As at 31 March 2017
Opening balance	14,288.87	14,288.87
Closing balance	**14,288.87**	**14,288.87**

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

(ii) Retained earnings

	As at 31 March 2018	As at 31 March 2017
Opening balance	1,071.71	842.54
Net profit for the year	1,984.60	2,499.12
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligation, net of tax	(2.37)	(0.71)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
Dividends		
- Final dividend for the ended 31 March 2016	-	(918.54)
- Dividend distribution tax on final dividend for the year ended 31 March 2016	-	(186.99)
- Interim dividend for the year ended 31 March 2017	-	(966.88)
- Dividend distribution tax on interim dividend for the year ended 31 March 2017	-	(196.83)
- Final dividend for the ended 31 March 2017	(870.19)	-
- Dividend distribution tax on final dividend for the year ended 31 March 2017	(177.15)	-
- Interim dividend for the year ended 31 March 2018	(821.97)	-
- Dividend distribution tax on interim dividend for the year ended 31 March 2018	(167.31)	-
Closing balance	**1,017.32**	**1,071.71**

13 Other financial liabilities

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Retention monies payable	-	149.28	25.71	98.60
Security deposits received *	27.20	64.63	27.20	65.50
Capital creditors *	-	162.88	-	588.79
Unclaimed dividend (Refer note below)	-	3.02	-	1.44
Unclaimed share application money #	-	-	-	0.53
Other payables*	-	121.89	-	92.07
Total other financial liabilities	**27.20**	**501.70**	**52.91**	**846.93**

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.

Unpaid share application money of INR 0.53 million has been transferred to Investor Education and Protection Fund during the year

* For due to related parties refer note - 37

14 Employee benefits obligations

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Leave obligations [Refer note (i) below]	-	26.54	-	17.68
Gratuity [Refer note (ii) below]	10.91	11.45	5.08	11.34
Other employee benefits payables	7.50	70.25	9.14	50.32
Total employee benefits obligations	**18.41**	**108.24**	**14.22**	**79.34**

(i) Compensated absences

The leave salary is payable to all eligible employees for each day of accumulated leave on death or on resignation or upon superannuation. Amount charged to the Statement of Profit and Loss on account of compensated absences during the year amounts to INR 11.65 million (31 March 2017: INR 7.43 million) and is included in Note 22 - 'Employee benefits expense'. Accumulated current provision for compensated absences aggregates to INR 26.54 million (31 March 2017: INR 17.68 million) (Refer note 14).

(ii) Post-employment obligations - Gratuity

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. Gratuity payments due to employees are processed disregarding the upper limits specified by Income Tax Act, 1961 and The Payment of Gratuity Act, 1972.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

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

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

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

	31 March 2018	31 March 2017
Present value of funded obligations	(56.16)	(50.48)
Fair value of plan assets	33.80	34.06
Deficit of funded plan (Gratuity)	**(22.36)**	**(16.42)**

The significant actuarial assumptions were as follows :

	31 March 2018	31 March 2017
Discount rate	7.56%	7.12%
Salary growth rate	8.00%	8.00%
Expected rate of return on plan assets	7.56%	7.12%
Attrition rate	6.00%	6.00%
Mortality	Indian Assured lives mortality (2006-08)	Indian Assured lives mortality (2006-08)

	31 March 2018	31 March 2017
Projected Benefit Obligation on Current Assumptions	56.16	50.48
Delta Effect of +1% Change in Rate of Discounting	(4.41)	(4.10)
Delta Effect of -1% Change in Rate of Discounting	5.06	4.74
Delta Effect of +1% Change in Rate of Salary Increase	4.99	4.65
Delta Effect of -1% Change in Rate of Salary Increase	(4.43)	(4.11)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.27)	(0.42)
Delta Effect of -1% Change in Rate of Employee Turnover	0.29	0.46

Category of assets	31 March 2018	31 March 2017
Insurance fund (100%)	33.80	34.06
Total	**33.80**	**34.06**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

(iii). Risk exposure :

Though its defined benefits plan, the Company is exposed to a number of risks, the most significant of which are detailed below

Changes in bond yields

A decrease in bond yield will increase plan liabilities, although this will be partially offset by increase in the plan's bond holding

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are invested with the Life Insurance Corporation of India Limited. It is subject to interest rate risk. The Company intends to maintain the above investments in the continuing years.

Maturity Analysis of Projected Benefit Obligation: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting

	31 March 2018	31 March 2017
1st Following Year	3.29	2.85
2nd Following Year	3.37	2.87
3rd Following Year	3.63	3.06
4th Following Year	5.04	5.00
5th Following Year	5.09	4.16
Sum of Years 6 To 10	25.46	22.29

15 Other non-current liabilities

	As at 31 March 2018	As at 31 March 2017
Deferred income on Government Grant	738.86	813.16
Total other non-current liabilities	**738.86**	**813.16**

16 Trade payables

	As at 31 March 2018	As at 31 March 2017
Trade payables	276.04	198.06
Dues to Micro, Small and Medium Enterprises (Refer note - 39)	1.06	0.95
Trade payables to related parties (Refer note - 37)	7.53	57.34
Total Trade payables	**284.63**	**256.35**

17 Provisions

	As at 31 March 2018	As at 31 March 2017
Claims (Refer note - 33)	365.04	366.16
Total provisions	**365.04**	**366.16**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

18 Other current liabilities

	As at 31 March 2018	As at 31 March 2017
Deferred income on Government Grant	74.30	74.30
Statutory dues payables	86.54	4.41
Accruals of Incentives and Rebates *	577.56	535.44
Income received in advance	2.50	3.31
Advance from customers *	175.77	216.31
Total other current liabilities	**916.67**	**833.77**

* For due to related parties refer note - 37

19 Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Income from port services	5,952.78	6,233.20
Other operating revenue	536.22	597.84
Total revenue from operations	**6,489.00**	**6,831.04**

20 Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income		
- banks	223.75	189.38
- others	1.62	0.09
Dividends received from Associate company (Refer note below)	-	38.00
Interest on income tax refund	49.32	36.84
Deferred Income recognised	74.30	74.30
Miscellaneous income	21.46	14.98
Total other income	**370.45**	**353.59**

Note :

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

21 Operating expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Handling expenses	967.49	958.19
Waterfront royalty (Refer note - 34)	124.05	160.46
Business support service charges	48.31	47.00
Other direct costs	45.23	47.23
Total operating expenses	**1,185.08**	**1,212.88**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

22 Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	461.04	424.17
Contribution to provident fund and other funds (Refer note below)	18.61	19.64
Gratuity [Refer note 14(ii)]	7.49	8.00
Leave compensation [Refer note 14(i)]	11.65	7.43
Staff welfare expenses	30.07	24.91
Total employee benefits expense	**528.86**	**484.15**

The Company recognised INR 18.61 million (31 March 2017 : INR 19.64 million) for provident fund contribution in the Statement of Profit and Loss.

23 Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Financial charges	3.48	4.03
Total finance costs	**3.48**	**4.03**

24 Depreciation and amortisation expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment	1,030.79	1,059.60
Amortisation of intangible assets	4.85	5.55
Total depreciation and amortisation expense	**1,035.64**	**1,065.15**

25 Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Power and fuel	253.47	255.72
Rent (Refer note - 32)	20.36	22.04
Repairs		
- Building	14.00	10.48
- Machinery and equipment	240.60	170.23
- Others	55.60	55.28
Insurance	32.28	34.40
Rates and taxes	1.10	1.68
Travelling expenses	72.07	63.39
Legal and professional fees	73.78	70.40
Commission to Directors	3.75	15.00
Expenditure towards Corporate Social Responsibility [Refer note - 25(a)]	86.18	21.37
Payment to auditors [Refer note - 25(b)]	4.93	4.02
Advertisement and sales promotion	10.36	8.18
Communication expenses	6.91	7.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Loss on sale / disposal of fixed assets (net)	1.62	20.15
Loss on foreign currency transactions and translations (net)	27.11	32.73
Provisions for inventory (Refer note - 8)	11.54	-
Provisions for doubtful debts [Refer note - 9(a)]	10.08	-
Provision for claims (Refer note - 33)	-	11.12
Freight and forwarding	1.69	3.34
Water charges expenses	19.81	28.34
Contract labour expenses	59.69	56.93
Write down of Inventories (Refer note - 8)	-	24.96
Miscellaneous expenses	27.42	31.08
Total other expenses	**1,034.35**	**948.11**

25 (a) Corporate Social Responsibility (CSR)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount required to be spent as per Section 135 of the Act	74.48	63.96
Amount spent during the year@	**86.18**	**21.37**
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	86.18	21.37
Total corporate social responsibility expense	**86.18**	**21.37**

@ Excludes advance paid of INR 23.07 million (31 March 2017 : INR 19.06 million). Company has committed to spend INR 46.25 million (31 March 2017 : INR 51.52 million).

25 (b) Details of payment to auditors

	For the year ended 31 March 2018	For the year ended 31 March 2017
Payment to auditor		
As auditor		
Audit fee	3.57	2.25
Tax audit fee	0.21	0.21
Limited review of quarterly results	1.09	1.09
In other capacity		
Other services	-	0.43
Reimbursement of expenses	0.06	0.04
Total payment to auditor	**4.93**	**4.02**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

26. Transfer Pricing

The Company's international transactions with related parties are at arm's length as per the independent accountants' report for the year ended 31 March 2017. Management believes that the Company's international transactions with related parties post 31 March 2017 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expenses and that of provision of taxation.

27. Fair Value of financial assets and liabilities carried at amortised cost

There are no financial assets and liabilities designated at fair value through profit or loss or other comprehensive income. All the Financial instruments carried at amortised cost.

	31 March 2018		31 March 2017	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Financial Assets				
Non- Current Other financial assets				
Security deposits	35.96	35.96	35.39	35.39
Current Other financial assets				
Security deposits	7.83	7.83	7.63	7.63
Loans and advances to employees	2.16	2.16	2.40	2.40
Trade receivables	257.56	257.56	285.73	285.73
Cash and cash equivalents	354.51	354.51	534.01	534.01
Bank balance	3,960.96	3,960.96	2,988.44	2,988.44
Total Financial Assets	**4,618.98**	**4,618.98**	**3,853.60**	**3,853.60**
Financial Liabilities				
Non- Current Other financial liabilities				
Retention monies payable	-	-	25.71	25.71
Security deposits received	27.20	27.20	27.20	27.20
Current Other financial liabilities				
Trade payables	284.63	284.63	256.35	256.35
Retention monies payable	149.28	149.28	98.60	98.60
Security deposits received	64.63	64.63	65.50	65.50
Capital creditors	162.88	162.88	588.79	588.79
Unclaimed dividend	3.02	3.02	1.44	1.44
Unclaimed share application money	-	-	0.53	0.53
Other payables	121.89	121.89	92.07	92.07
Total Financial Liabilities	**813.53**	**813.53**	**1,156.19**	**1,156.19**

Financial instruments carried at amortised cost

Fair value of the current financial assets and current financial liabilities carried at amortised cost is not materially different from the carrying amount. In general, fair value is determined primarily based on the present value of expected future cash flows.

28. Financial risk management

The Company's activities expose it to a variety of financial risks:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Company's financial performance. Risk management is carried out by finance department under policies approved by the Board of Directors.

(a) Credit risk

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

Expected credit loss for trade receivables under simplified approach:

For the year ended 31 March 2018:

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

For the year ended 31 March 2017:

Ageing	Not Due	0-90 Days	90-180 Days	180-270 Days	270-365 Days	> 365 Days	Total
Gross Carrying amount	225.00	55.27	9.87	2.68	0.61	11.77	305.20
Expected credit losses	-	3.95	2.59	0.71	0.45	11.77	19.47
Carrying amount of Trade receivables	**225.00**	**51.32**	**7.28**	**1.97**	**0.16**	**-**	**285.73**

(b) Liquidity risk

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

Maturities of financial liabilities

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

	Notes	Carrying Amount	Payable on Demand	Less than 12 months	More than 12 months
As at 31 March 2018					
Trade payables	16	284.63	-	284.63	-
Retention monies payable	13	149.28	109.50	39.78	-
Security deposits received	13	91.83	64.63	-	27.20
Capital creditors	13	162.88	-	162.88	-
Unclaimed dividend	13	3.02	3.02	-	-
Other payables	13	121.89	-	121.89	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

As at 31 March 2017	Notes	Carrying Amount	Payable on Demand	Less than 12 months	More than 12 months
Trade payables	16	256.35	-	256.35	-
Retention monies payable	13	124.31	64.44	34.16	25.71
Security deposits received	13	92.70	65.50	-	27.20
Capital creditors	13	588.79	-	588.79	-
Unclaimed dividend	13	1.44	1.44	-	-
Unclaimed share application money	13	0.53	0.53	-	-
Other payables	13	92.07	-	92.07	-

As there are no committed credit facilities to meet obligations when due and to close out market positions, the Company is not exposed to liquidity risk.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Company's profit or the value of its holdings of financial instruments. Below sensitivity analyses relate to the position of financial instruments at 31 March 2018 and 31 March 2017. It is assumed that the exchange rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The sensitivity analyses show the effect on profit or loss and equity of a reasonably possible change in exchange rates and interest rates.

Foreign Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primary with respect to USD, AUD and EURO. The Company's business model incorporates assumptions on currency risk and ensures any exposure is covered through the normal business operations. As the functional reporting currency is in INR, the foreign currency risk exists for the Company.

Foreign currency exposure not covered by Forward Contracts as at 31 March 2018:

Details	USD Exposure		AUD Exposure		EURO Exposure	
	INR	USD	INR	AUD	INR	Euro
Receivables/Advance to Vendor	**192.07**	**2.95**	**-**	**-**	**-**	**-**
	141.50	*2.18*	-	-	-	-
Payables	**2.75**	**0.04**	**1.35**	**0.03**	**0.47**	**0.01**
	50.14	*0.77*	-	-	*7.01*	*0.10*
Cash and Bank Balance	**133.78**	**2.05**	**-**	**-**	**-**	**-**
	396.84	*6.12*	-	-	-	-

Amounts in italics represent amounts as at 31 March 2017

Details	Impact on profit after tax	
	31 March 2018	31 March 2017
USD sensitivity		
INR/USD -Increase by 10% (31 March 2017-10%)	32.31	48.82
INR/USD -Decrease by 10% (31 March 2017-10%)	(32.31)	(48.82)
AUD sensitivity		
INR/AUD -Increase by 10% (31 March 2017-NIL)	(0.14)	-
INR/AUD -Decrease by 10% (31 March 2017-NIL)	0.14	-
EUR sensitivity		
INR/EUR -Increase by 10% (31 March 2017-10%)	(0.05)	(0.70)
INR/EUR -Increase by 10% (31 March 2017-10%)	0.05	0.70

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

29. Capital Management

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The Company considers the following components of its Balance Sheet to be managed capital:

1) Share Capital, 2) Share Premium; and 3) Retained Earnings

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

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

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

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

Dividends

		31 March 2018	31 March 2017
(a) Equity shares			
(i)	Final dividend for the year ended 31 March 2016 of INR 1.90 per fully paid share	-	918.54
	Corporate dividend tax on above	-	186.99
(ii)	Final dividend for the year ended 31 March 2017 of INR 1.80 per fully paid share	870.19	-
	Corporate dividend tax on above	177.15	-
(iii)	Interim dividend for the year ended 31 March 2017 of INR 2.00 per fully paid share	-	966.88
	Corporate dividend tax on above	-	196.83
(iv)	Interim dividend for the year ended 31 March 2018 of INR 1.70 per fully paid share	821.97	-
	Corporate dividend tax on above	167.31	-
(b) Dividends not recognised at the end of the reporting period		989.28	-
The directors have recommended the payment of a final dividend of INR 1.70 per fully paid equity share (31 March 2017 – INR 1.80). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.			

30. Traffic guarantee commitment

The Company has entered into tripartite Transportation and Traffic Guarantee Agreement with Pipavav Railway Corporation Limited (PRCL) and Indian Railways, to provide minimum volumes of 3 million metric tonnes for every Financial Year. The Company has consistently met its volume commitment from Financial Year 2010-11 till date and there is no shortfall on account of minimum traffic guarantees to be paid.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

31. Capital and other commitments

(a) Capital commitments on account of Capital expenditure contracted and obligation under Export Promotion Capital Goods ('EPCG') at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31 March 2018	31 March 2017
(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances)	147.10	277.44
(b) Bonds/Undertaking given by the Company under Concessional Duty / Exemption scheme to the Government Authorities (net of obligations fulfilled)	2,949.14	2,692.54

(b) During the year 2005 and prior to AP Moller Maersk group acquiring the complete shareholdings held by the original promoters, SKIL group, the Company had provided commitment of INR 350 million (31 March 2017: INR 350 million) towards consortium lending to a SKIL Group Company, Pipavav Shipyard Limited conditional to fulfilment of certain obligations by Pipavav Shipyard Limited and other parties. This arrangement has been closed and the Company is in the process of seeking discharge from this commitment. IL&FS (lead manager in the consortium) would be releasing the Company of its commitment once it receives a "No Dues certificate" from the Government of Gujarat.

32. Lease

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

(ii) Lease payments of INR 20.36 million (31 March 2017 INR 22.04 million) recognised in Statement of Profit and Loss are shown as "Rent" under Other Expenses in Note 25.

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

Particulars	31 March 2018	31 March 2017
Payable within one year	8.84	18.43
Payable between one and five years	44.56	60.65
Payable more than 5 years	80.46	85.59

(iv) The Company has given a total area of 1,111,813 Square Mtr. (31 March 2017: 1,111,813 Square Mtr.) of land on lease to various customers. The lease is upto 2028 which is the end of the concession period.

(v) Operating lease rental income of INR 262.78 million (31 March 2017 INR 225.98 million) recognised in Statement of Profit and Loss is included in Other Operating Revenue in Note 19.

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

Particulars	31 March 2018	31 March 2017
Receivable within one year	208.07	169.89
Receivable between one and five years	855.11	834.79
Receivable more than five years	1,430.35	1,631.70

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

33. Provisions and Contingent liabilities

Claims against Company not acknowledged as debt aggregates to INR 1,795.12 million (31 March 2017: INR 1,869.30 million). Provisions made in respect of the same aggregates to INR 365.04 million (31 March 2017: 365.04 million).

Above claim includes disputed claim with the associate Company, Pipavav Railway Corporation Limited of INR 699.33 million (31 March 2017: INR 699.33 million). Provision made in respect of this disputed claim is INR 157.04 million (31 March 2017: 157.04 million).

Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to INR 190.11 million (31 March 2017: INR 1.57 million). Provisions made in respect of the same is NIL (31 March 2017: INR 1.12 million).

Movement in provision

	Litigations / Disputes		Taxation Matters	
	31-Mar-18	**31-Mar-17**	**31-Mar-18**	**31-Mar-17**
At the commencement of the year	365.04	355.04	1.12	-
Provision made during the year	-	10.00	-	1.12
Provision reversed during the year	-	-	(1.12)	-
At the end of the year	**365.04**	**365.04**	**-**	**1.12**

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

34. Concession Agreement with Government of Gujarat

Pursuant to the Concession agreement with the Government of Gujarat and Gujarat Maritime Board (GMB) dated 30 September 1998, the Company is entitled towards government assistance and accordingly have discharged its liability towards waterfront royalty subject to the conditions led down in the aforesaid agreement.

35. Earnings per share

		Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year	**(A)**	1,982.23	2,498.41
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		483,439,910	483,439,910
Number of equity shares at the end of the year		483,439,910	483,439,910
Weighted average number of equity shares outstanding during the year	**(B)**	483,439,910	483,439,910
Basic and diluted earnings per share (INR)	**(A/B)**	**4.10**	**5.17**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

36. Interest in Associate company

Set out below is the associate of the Company as at 31 March 2018 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 2018	31 March 2017
Pipavav Railway Corporation Limited	New Delhi	38.78	Associate	Equity Method	830.00	830.00

37. Related party transactions

(a) List of related parties and their relationship

Relation	Party
A. Party with substantial interest and its affiliates	(i) APM Terminals Mauritius Limited, Mauritius (ii) APM Terminals Management (Singapore) Pte Limited, Singapore* (iii) APM Terminals Management B.V., The Netherlands (iv) Maersk Line A/S, Denmark (formerly known as A.P. Moller - Maersk A/S) (v) APM Terminals India Private Limited, India (vi) Maersk Line India Private Limited, India (vii) GPRO Services India Private Limited, India (viii) Maersk Training India Private Limited, India (ix) Gateway Terminals India Private Limited, India (x) APM Terminals Gothenburg Ab, Gothenburg* (xi) Maersk Training Svendborg A/s, Denmark
B. Associate	Pipavav Railway Corporation Limited
C. Directors, Non-Executive Directors and Key managerial personnel	**A) Executive directors** Mr. Keld Pedersen (Managing director) (w.e.f. 1 May 2015) Mr. Prakash Tulsiani (Managing director) (up to 31 March 2015)* **B) Non-Executive directors** Mr. Tejpreet Singh Chopra Ms. Hina Shah Mr. Pradeep Mallick Mr. Pravin Laheri Mr. David Skov – (w.e.f. 2 May 2017)* Mr. Jan Damgaard Sorensen – (w.e.f. 2 May 2017)* Mr. Julian Bevis* **C) Key managerial personnel** Mr. Santosh Breed (Interim Chief Financial Officer) [w.e.f. 2 November 2017) Mr Hariharan Iyer (upto 30 June 2017)

* No transaction during the year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

Transactions during the period	APM Terminals Mauritius Limited	APM Terminals Management B.V.	Maersk Line India Private Limited	Maersk Line A/S	APM Terminals India Private Limited	Pipavav Railway Corporation Limited	Maersk Training India Private Limited	GPRO Services India Private Limited	Other Affiliates	Total
Income from port Services	- -	- -	**0.55** *0.70*	**1,498.60** *1,184.30*	**0.60** *0.11*	- -	- -	- -	- -	**1,499.75** *1,185.11*
Professional services received	- -	- -	**(0.84)** *(2.48)*	**(12.90)** *(21.59)*	- -	- -	- -	**(5.85)** *(6.17)*	- -	**(19.59)** *(30.24)*
Business support service charges	-	**(48.31)** *(47.00)*	-	- -	- -	- -	- -	- -	- -	**(48.31)** *(47.00)*
Stevedoring Charges	-	-	-	-	*(0.01)*	-	-	-	-	*(0.01)*
Expenses incurred on our behalf	-	**(42.75)** *(41.32)*	- -	- -	- -	- -	- -	- -	- *(0.39)*	**(42.75)** *(41.71)*
Expenses incurred on their behalf	- -	- -	**0.08** *0.17*	- -	**0.38** *0.08*	- -	- -	- -	- *0.53*	**0.46** *0.78*
Training Expenses	- -	- -	- -	- -	- -	- -	**(0.17)** *(0.25)*	- -	**(0.43)** -	**(0.60)** *(0.25)*
Manpower cost	- -	- -	- -	- -	- -	**(2.66)** *(2.57)*	- -	- -	- -	**(2.66)** *(2.57)*
Dividend Payment	**727.66** *810.83*	- -	- -	- -	- -	- -	- -	- -	- -	**727.66** *810.83*
Capital Expenditure	- -	**(5.79)** *(44.08)*	- -	- -	- -	- -	- -	- -	- -	**(5.79)** *(44.08)*
Dividend Income	- -	- -	- -	- -	- -	- *38.00*	- -	- -	- -	- *38.00*
Closing balance Receivable	- -	- -	**0.06** *0.37*	**192.07** *147.35*	**0.88** *0.51*	- -	- -	- -	**0.04** -	**193.05** *148.23*
Advance from Customer	- -	- -	- -	**10.09** *9.54*	- -	- -	- -	- -	- -	**10.09** *9.54*
Payable	- -	**45.89** *75.88*	**0.11** *0.18*	**15.73** *10.54*	- -	**2.63** -	**0.10** -	**1.56** *3.46*	- -	**66.02** *90.06*
Deposit received	-	-	-	**40.00** *40.00*	- -	- -	- -	- -	- -	**40.00** *40.00*
Investments	- -	- -	- -	- -	- -	**830.00** *830.00*	- -	- -	- -	**830.00** *830.00*

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

Name of Non-Executive Directors/ Key Managerial personnel	Fees for attending Board/ Committee meetings	Commission	Managerial Remuneration@	Total
Mr. Tejpreet Singh Chopra	**0.60** *0.60*	**1.50** *6.00*	-	**2.10** *6.60*
Ms. Hina Shah	**0.75** *0.95*	**0.75** *3.00*	-	**1.50** *3.95*
Mr. Pradeep Mallick	**1.00** *1.00*	**0.75** *3.00*	-	**1.75** *4.00*
Mr. Pravin Laheri	**1.10** *1.10*	**0.75** *3.00*	-	**1.85** *4.10*
Mr. Keld Pedersen	-	-	**52.54** *33.59*	**52.54** *33.59*
Mr. Santosh Breed	-	-	**2.75** -	**2.75** -
Mr. Hariharan Iyer	-	-	**8.95** *21.22*	**8.95** *21.22*
Mr. Prakash Tulsiani #	-	-	- *9.20*	- *9.20*

Amounts in italics represent amounts as at 31 March 2017

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

Tax on Managerial Remuneration paid on behalf of Mr. Prakash Tulsiani as per agreement.

38. Segment reporting

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

The Company having combined revenue of more than 10% of the total revenue from related parties amounts to INR 1,499.75 million (31 March 2017: INR 1,185.11 million).

39. Other notes

Dues to Micro and Small suppliers

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

	31 March 2018	31 March 2017
Principal amount due to any supplier as at the year end	1.06	0.95
Interest due on the principal amount unpaid at the year end to any supplier	0.02	0.05
Principal amounts paid to the suppliers beyond appointed day during the year	1.46	0.79
Interest paid, other than under Section 16 of the MSMED Act, to supplier beyond the appointed day during the year	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in Rupees Millions, unless otherwise stated)

	31 March 2018	31 March 2017
Interest paid, under Section 16 of the MSMED Act, to supplier beyond the appointed day during the year	-	-
Interest due and payable towards supplier for the payments already made	@	@
Further interest remaining due and payable for earlier years	0.10	0.05

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

40. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

(Amount in INR)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	225,000	21,012	246,012
(+) Permitted receipts	-	-	-
(+) Receipts for non-permitted transactions *	10,500	376,021	386,521
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	235,500	-	235,500
(-) Paid for non-permitted transactions	-	307,326	307,326
Closing cash in hand as on December 30, 2016	**-**	**89,707**	**89,707**

* This pertained to collections in transit on 9 November 2016 and 10 November 2016 which were subsequently deposited in bank account.

41. Figures for the previous periods have been reclassified / regrouped wherever applicable, to conform with the current period classification.

As per our report of even date attached.

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

Priyanshu Gundana
Partner
Membership No: 109553

Mumbai
17 May 2018

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

Keld Pedersen
Managing Director
DIN : 07144184

Pravin Laheri
Director
DIN: 00499080

Santosh Breed
Interim Chief Financial Officer

Manish Agnihotri
Company Secretary

Mumbai
17 May 2018