

27<sup>th</sup> May 2021

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051  Scrip Name: GPPL	<b>BSE Limited</b> 14 <sup>th</sup> Floor, P J Towers, Dalal Street, Fort, Mumbai 400 001  Scrip Code: 533248
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Dear Madam/ Sir,

**Sub: Submission of Audited Standalone & Consolidated Financial Results**

Kindly find enclosed Audited Financial Results of Gujarat Pipavav Port Limited ('the Company') for the year ended 31<sup>st</sup> March 2021 for reference, as follows:

- (i) Standalone Audited Financial Statements comprising Profit & Loss Account, Balance Sheet and Cash Flow Statement with Auditors Report; and
- (ii) Consolidated Financial Statements comprising Profit & Loss Account, Balance Sheet and Cash Flow Statement with Auditors Report;

Pursuant to the provisions of Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, kindly note Price Waterhouse Chartered Accountants LLP, Statutory Auditors of the Company, have issued an Unmodified opinion for the Standalone and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March 2021.

The results have been approved in the Board Meeting of the Company held today and are also available on the Company's website [www.pipavav.com](http://www.pipavav.com)

Further, kindly note the Board of Directors has recommended a Final Dividend of Rs. 2.40 per share on the Equity Share Capital, subject to approval by the Members in the Company's Annual General Meeting scheduled for Friday 13<sup>th</sup> August 2021.

Thank you,

Yours truly,

**For Gujarat Pipavav Port Limited**

**Manish Agnihotri**  
**Company Secretary & Compliance Officer**

# Price Waterhouse Chartered Accountants LLP

## Independent auditors' report

### To the Members of Gujarat Pipavav Port Limited

### Report on the audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Gujarat Pipavav Port Limited ("the Company"), which comprise of the balance sheet as at 31 March 2021, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for opinion

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

#### Emphasis of Matter

4. We draw attention to Note 39 to the standalone financial statements which describes the associated uncertainty and the necessary steps being taken by the Company based on external legal expert in relation to the recovery of Bank Guarantee amounting to INR 185.35 million encashed by Gujarat Maritime Board. Our opinion is not modified in respect of this matter.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its Conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited  
Report on the standalone financial statements as at and for the year ended 31 March 2021

### Key audit matters

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

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

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited  
Report on the standalone financial statements as at and for the year ended 31 March 2021

### Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises of Director's report, Management discussion and analysis, Corporate Governance Report, Business Responsibility Report and Secretarial Audit report but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Statement, which is expected to be made available to us after that date.
7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
9. When we read the Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the standalone financial statements as at and for the year ended 31 March 2021

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

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

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited  
Report on the standalone financial statements as at and for the year ended 31 March 2021

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comments in paragraph 18(b) above.
- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33.
  - ii. The Company has long-term contracts as at 31 March 2021 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at 31 March 2021.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31 March 2021.

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

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

Mumbai  
27 May, 2021

Arunkumar Ramdas  
Partner  
Membership Number: 112433  
UDIN: 21112433AAAACU5260

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 18(g) of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements for the year ended 31 March 2021

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

1. We have audited the internal financial controls with reference to standalone financial statements of Gujarat Pipavav Port Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 18(g) of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements for the year ended 31 March 2021

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### Meaning of Internal Financial Controls with reference to financial statements

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

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mumbai  
27 May, 2021

Arunkumar Ramdas  
Partner  
Membership Number: 112433  
UDIN: 21112433AAAACU5260



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 17 of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements as at and for the year ended 31 March 2021.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, other than self constructed properties, as disclosed in Note 3(a) on Property Plant and Equipment and Note 3(b) on Right of use Assets to the standalone financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of income tax, provident fund, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

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

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at 31 March 2021 which have not been deposited on account of a dispute, are as follows:

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

#Net of amounts paid under protest.

@Including interest and penalty mentioned in the demand

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Refer paragraph 19 of the Independent Auditor's Report on the standalone financial statements.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

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

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

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

Mumbai  
27 May, 2021

Arunkumar Ramdas  
Partner  
Membership Number 112433  
UDIN: 21112433AAAACU5260

**GUJARAT PIPAVAV PORT LIMITED**

Registered Office : Pipavav Port, At Post Rampara-2, Tal. Rajula, Dist. Amreli, Gujarat 365 560.

CIN: L63010GJ1992PLC018106 Tel: 02794 242400 Fax: 02794 242413

Website: www.pipavav.com Email: investorrelationinppv@apmterminals.com

**STATEMENT OF STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED ON 31 MARCH 2021**

(₹ In Million)

Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Year ended
		31/03/2021	31/12/2020	31/03/2020	31/03/2021	31/03/2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	<b>Income</b>					
	a. Revenue from operations	1,934.27	1,984.00	1,619.42	7,334.63	7,353.69
	b. Other Income	94.33	84.34	117.68	442.00	508.67
	<b>Total Income</b>	<b>2,028.60</b>	<b>2,068.34</b>	<b>1,737.10</b>	<b>7,776.63</b>	<b>7,862.36</b>
2	<b>Expenses</b>					
	a. Operating expenses	332.29	384.95	253.85	1,374.60	1,270.72
	b. Employee benefits expense	168.21	187.49	141.48	671.50	566.94
	c. Finance costs	15.05	14.63	19.59	63.10	73.76
	d. Depreciation and amortisation expense	334.63	332.71	338.40	1,334.50	1,314.50
	e. Other expenses	278.27	311.35	219.98	1,067.32	1,049.89
	<b>Total expenses</b>	<b>1,128.45</b>	<b>1,231.13</b>	<b>973.30</b>	<b>4,511.02</b>	<b>4,275.81</b>
3	<b>Profit before tax (1 - 2)</b>	<b>900.15</b>	<b>837.21</b>	<b>763.80</b>	<b>3,265.61</b>	<b>3,586.55</b>
4	<b>Tax expense</b>					
	<b>For the year</b>					
	a. Current tax expense	333.37	297.41	272.27	1,179.68	1,258.95
	b. Deferred tax expense(Refer Note No. 3)	(5.53)	(3.47)	12.55	(18.23)	(596.44)
	<b>For earlier years</b>					
	Current tax expense reversed	(1.35)	-	-	(1.35)	-
	Deferred tax credit	(78.47)	-	-	(78.47)	-
5	<b>Net Profit for the period/year (3 - 4)</b>	<b>652.13</b>	<b>543.27</b>	<b>478.98</b>	<b>2,183.98</b>	<b>2,924.04</b>
6	<b>Other comprehensive income, net of income tax</b>					
	Items that will not be reclassified to profit or loss					
	- Re-measurement of post-employment benefit obligations	2.49	-	(10.04)	(4.94)	(19.55)
	- Less: Tax relating to above	(0.87)	-	3.51	1.73	6.83
	<b>Total other comprehensive income, net of income tax</b>	<b>1.62</b>	<b>-</b>	<b>(6.53)</b>	<b>(3.21)</b>	<b>(12.72)</b>
7	<b>Total comprehensive income for the period/year (5 + 6)</b>	<b>653.75</b>	<b>543.27</b>	<b>472.45</b>	<b>2,180.77</b>	<b>2,911.32</b>
8	<b>Paid-up equity share capital (Face value ₹ 10 per share )</b>	<b>4,834.40</b>	<b>4,834.40</b>	<b>4,834.40</b>	<b>4,834.40</b>	<b>4,834.40</b>
9	<b>Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year</b>					
	Basic and diluted earnings per share (of ₹ 10/- each) (not annualised)	1.35	1.12	0.99	15,487.59	16,014.08
					4.52	6.05

GUJARAT PIPAVAV PORT LIMITED  
STATEMENT OF STANDALONE AUDITED ASSETS AND LIABILITIES AS AT 31 MARCH 2021

(₹ In Million)

Particulars	As at	
	31/03/2021	31/03/2020
	(Audited)	(Audited)
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
a. Property, plant and equipment	14,255.10	15,277.12
b. Capital work in progress	527.77	56.96
c. Right of Use Assets	396.79	544.29
d. Intangible assets	20.67	3.95
e. Investments in associate company	830.00	830.00
f. Financial assets		
Other financial assets	223.88	220.28
g. Income Tax Assets (net)	179.72	156.26
h. Other non-current assets	20.26	0.43
<b>Total non-current assets</b>	<b>16,454.19</b>	<b>17,089.29</b>
<b>2 Current assets</b>		
a. Inventories	104.91	76.09
b. Financial assets		
i. Trade receivables	441.17	459.12
ii. Cash and cash equivalents	63.42	189.70
iii. Bank balances other than (ii) above	7,190.26	6,305.35
iv. Loans	4.91	4.77
v. Other financial assets	52.86	32.37
c. Other current assets	108.48	100.38
<b>Total current assets</b>	<b>7,966.01</b>	<b>7,167.78</b>
<b>TOTAL ASSETS</b>	<b>24,420.20</b>	<b>24,257.07</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	4,834.40	4,834.40
Other equity		
Reserves and surplus	15,487.59	16,014.08
<b>Total equity</b>	<b>20,321.99</b>	<b>20,848.48</b>
<b>2 Liabilities</b>		
<b>I Non-current liabilities</b>		
a. Financial liabilities		
i. Lease liabilities	244.72	395.60
ii. Other financial liabilities	69.20	34.47
b. Employee benefit obligations	40.37	32.13
c. Deferred tax liabilities (net)	1,006.68	493.97
d. Other non-current liabilities	521.01	596.10
<b>Total non-current liabilities</b>	<b>1,881.98</b>	<b>1,552.27</b>
<b>II Current liabilities</b>		
a. Financial liabilities		
i. Trade payables		
Dues to Micro, Small and Medium Enterprises	5.01	1.48
Other than Micro, Small and Medium Enterprises	334.44	296.93
ii. Lease liabilities	220.56	189.26
iii. Other financial liabilities	379.91	169.09
b. Provisions	208.00	208.00
c. Employee benefit obligations	127.10	116.09
d. Income tax provisions (net)	6.62	14.75
e. Other current liabilities	934.59	860.72
<b>Total current liabilities</b>	<b>2,216.23</b>	<b>1,856.32</b>
<b>Total liabilities</b>	<b>4,098.21</b>	<b>3,408.59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24,420.20</b>	<b>24,257.07</b>

**GUJARAT PIPAVAV PORT LIMITED**

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

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

(₹ In Million)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flows from operating activities</b>		
Profit before tax	3,265.61	3,586.55
<b>Adjustments :</b>		
Deferred income recognised	(74.70)	(74.43)
Depreciation and amortisation expense	1,334.50	1,314.50
Finance costs	63.10	73.76
Dividend and interest income classified as investing cash flows	(322.29)	(413.11)
(Profit) / loss on disposal of property, plant and equipment	(4.47)	0.30
Sundry balances written off/ (back) (net)	0.10	(6.52)
Provisions for doubtful debts and inventory / (written back)	(34.69)	-
Bad Debt Write Off	13.55	42.42
Foreign currency transactions and translations differences	2.98	1.54
Provision for claims	-	(7.35)
	<b>4,243.69</b>	<b>4,517.66</b>
<b>Operating profit before working capital changes</b>		
Decrease in trade receivables	28.92	8.64
(Increase) / Decrease in inventories	(21.62)	6.15
(Increase) / Decrease in loans	(0.14)	0.02
(Increase) / Decrease in other financial assets	(24.09)	23.26
(Increase) / Decrease in other assets	(8.10)	36.57
Increase / (Decrease) in trade payables	41.04	(27.05)
Increase / (Decrease) in employee benefit obligations	14.31	(16.77)
Increase / (Decrease) in other financial liabilities	92.07	(123.34)
Increase / (Decrease) in non-current liabilities	-	(149.69)
Increase / (Decrease) in other current liabilities	73.46	(243.70)
	<b>195.85</b>	<b>(485.91)</b>
<b>Cash generated from operations</b>	<b>4,439.54</b>	<b>4,031.75</b>
Income taxes paid	(598.78)	(636.30)
<b>Net cash inflow from operating activities</b>	<b>3,840.76</b>	<b>3,395.45</b>
<b>Cash flows from / (used in) investing activities</b>		
Payments for property, plant and equipment	(454.78)	(147.50)
Proceeds from sale of fixed assets (net)	7.22	0.01
Dividends received from Associate company	38.00	38.00
Interest received	376.26	350.14
Increase in deposits with banks	(976.89)	(1,051.36)
<b>Net cash outflow used in investing activities</b>	<b>(1,010.19)</b>	<b>(810.71)</b>
<b>Cash flows from / (used in) financing activities</b>		
Interest paid	(63.10)	(73.76)
Repayment of lease liability	(188.29)	(157.90)
Dividends paid to Company's shareholders	(2,705.46)	(1,883.95)
Dividend distribution tax paid on dividend	-	(387.55)
<b>Net cash outflow used in financing activities</b>	<b>(2,956.85)</b>	<b>(2,503.16)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(126.28)</b>	<b>81.58</b>
Cash and cash equivalents at the beginning of the period	189.70	108.12
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>63.42</b>	<b>189.70</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
	<b>31 March 2021</b>	<b>31 March 2020</b>
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	63.42	189.70
Balance as per statement of cash flows	63.42	189.70

**GUJARAT PIPAVAV PORT LIMITED****Notes :**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 26th May 2021 and 27th May 2021 respectively.
- 2 The Company has only one reportable business segment, which is "Port Services" and only one reportable geographical segment, which is the port at Pipavav. Accordingly, the Company is a single segment Company in accordance with Indian Accounting Standard 108 "Operating Segment".
- 3 Pursuant to the Taxation Law (Amendment), 2019 issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 which is effective 1st April 2019, domestic Companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.  
  
In previous year, the Company had made an assessment of the impact of the amendment and decided to continue with the existing tax structure until utilization of accumulated minimum alternative tax (MAT) credit. However, in accordance with the accounting standards, the Company had also evaluated the outstanding deferred tax liability, and written back an amount to the extent of ₹ 599.26 million to the statement of profit and loss in the previous year. This was due to the re-measurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime. Consequently, the profit after tax for the year ended March 31, 2021 is not strictly comparable with the corresponding figures for the year ended March 31, 2020.
- 4 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 ₹ 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB also asked the Company to pay GST on the aforesaid bank guarantee amounting to ₹ 33.36 million. The Company reviewed the terms and conditions of approval and based on the management assessment and external legal expert advice, the Management believes that the amount is recoverable and has filed a Commercial Suit before the Commercial Court, Rajula.
- 5 The Company has carried out a detailed assessment of the impact of COVID-19, including the current wave, on its liquidity position and on the recoverability and carrying values of its assets. Based on this assessment the company has concluded that there is no significant impact on its financial results as at 31st March 2021. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.
- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on 13th November, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
- 7 The figures for the quarter ended 31st March 2021 are balancing figures between audited figures in respect of financial year ended 31st March 2021 and the published year to date figures upto the third quarter ended on 31st December 2020.
- 8 The Board of Directors proposes final dividend of ₹ 2.40 per share on 483,439,910 equity shares of face value of ₹ 10 each, aggregating to ₹ 1160 million, for the financial year 2020-21, subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

**For Gujarat Pipavav Port Limited**

Place : Mumbai  
Date : 27 May, 2021

Jakob Friis Sorensen  
Managing Director  
DIN : 08593830

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Gujarat Pipavav Port Limited (hereinafter referred to as the 'Company') and its associate (refer Note (1)(B)) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31 March 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31 March 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its associate in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our opinion.

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# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

### Emphasis of matters

4. We draw attention to Note No. 39 to the consolidated financial statements which describes the associated uncertainty and the necessary steps being taken by the Company based on external legal expert in relation to the recovery of Bank Guarantee amounting to INR 185.35 million encashed by Gujarat Maritime Board. Our opinion is not modified in respect of this matter.
  
5. The audit report on the Consolidated Ind AS Financial Statements of Pipavav Railway Corporation Limited ('PRCL' or 'Associate'), an associate of the Company, issued by the independent firm of Chartered Accountants vide its report dated 21 May 2021 contains the following emphasis of matters, which are reproduced as under:
  - A. Note No. 4 - The physical verification of the intangibles (amortizable) railway assets of PRCL is conducted by the Bhavnagar division of Western Railway who is the custodian of these assets as per railway rules and regulations. The capital costs incurred on development of the assets taken over from the Railways at the beginning of the concessionaire agreement had been grouped into mainly in four categories i.e. Permanent Ways, Formation, Bridge & Buildings and Plant & Machinery. Individual details with regard to the location/cost were not maintained of asset wise for these assets except for Plant & Machinery items. However, details like location and the cost of the assets acquired thereafter had been maintained individually. The quantitative details of these assets are maintained in the computerized system of accounting for fixed assets and it is relied upon. PRCL maintains the book value of these assets in its accounts. Note 4 as described above is reproduced as note 42a to the consolidated financial statements.
  
  - B. Note No. 39.1- Western Railway makes apportionment of freight to the Company using actual distance carried by freight trains and not on the basis of booked route distance (i.e. distance for which freight is charged by Indian Railways). The actual distance carried by freight train differs from the booked route distance where Railways run the freight trains through diverted route due to its operation requirements. The Company has also booked its share of freight earnings worked out on carried route basis. Current Year figure of revenue includes INR 65.86 lakhs being the Company's claims on account of downward calculation of PRCL' share of freight earning by WR due to taking incorrect distance of PRCL line. The same is under reconciliation at the end of WR. Note 39.1 as described above is reproduced as note 42b to the consolidated financial statements.
  
  - C. Note No. 36(ii)(b) - PRCL is registered under GST Act for its registered office at New Delhi and for its office at Bhavnagar. GST Returns are filed as recipients under GST Rules for both offices. We find that GST Returns do not contain the taxable or taxed portion of freight received from Railways as turnover of the month. As per the information provided by PRCL, there is no obligation to pay GST because apportionment of freight is already taxed in the hands of Railways. The share of freight whether taxable in the hands of PRCL is a matter of incidence of GST Law and dependent upon the orders of GST authorities, which is awaited. In that event, of such levy, liability that may arise to PRCL. The Corporation has represented again to the Ministry of Railways vide the representation dated 19 March 2019 for clarification from the Finance Ministry. Ministry of Railways has also represented the same to the Ministry of Finance Government of India. However, there is no significant progress in getting the clarification on the matter. In case the exemption is denied, it will result in additional liability

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## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

of GST from 01 July 2017, which has not been quantified. Note 36(ii)(b) as described above is reproduced as note 42c to the consolidated financial statements.

- D. Note No. 5: The work of the electrification of the PRCL Rail section had been completed on 03 March 2021. In absence of the availability of the final bills and relevant details as well as certain work still remaining incomplete, the amount billed and accounted for to the tune of 274.52 Crores had been capitalised and amortized. Once the final bills are received for the work done as well as for the work under completion by the Corporation from CORE and other parties, the final cost shall be worked out and necessary adjustment in the amount capitalised shall be made accordingly. The additional cost of the project on this account shall be amortized prospectively during the remaining period of the concession. Note 5 as described above is reproduced as note 42d to the consolidated financial statements.
- E. In absence of details, the whole cost of the Electrification cost has been capitalised under one head although it consists of assets of various nature.
- F. The insurance claim for loss of project assets of PRCL section and for loss of profit of Rs. 493.74 Lakhs and Rs. 1159.07 Lakhs on account of floods on the PRCL's section in June, 2015 have now been settled by the Insurance Corporation for Rs. 128.95 Lakhs and Rs. 24.26 Lakhs respectively. The Corporation has accepted these claims under protest and still pursuing with the Insurance Corporation accepting these payments as part payment.
- G. Note No. 4- Western Railway is running additional passenger trains on the PRCL Section to the number of passenger trains running at the time of handing over the line to PRCL. As per the Concession Agreement, Railways has to obtain written consent of the Corporation for running any additional passenger trains on PRCL section. However, Railways has neither sought such consent of the Corporation for running additional passenger trains on the PRCL section nor given any compensation by way of sharing revenue or sharing of additional costs for running of these additional trains. The Corporation has taken up the matter with the Railways and to form a joint committee to work out a methodology to work out access charge payable to PRCL for running on additional passenger trains. However, PRCL has so far not raised any firmed up claim on Railways for the additional costs being incurred by the Corporation due to running of these additional passenger trains on this section. Note 4 as described above is reproduced as note 42a to the consolidated financial statements.
- H. PRCL is formed as Public to Private Service Joint Sector Company of MOR and conferred with the rights of "Railway Administration" under the Railway Act and is bound under the service concession Agreement with the MOR for broad gauge Railway line from Surendranagar to Pipavav Project Railway. Upon expiry of the concession agreement in June 2034, all the assets created in the project area shall be returned back to MOR as per the terms & conditions of the Agreement at the Depreciated Replacement Value (DRV) at that time. These assets are considered as intangible assets and the assets to be maintained at serviceable level during the operation by providing for replacements. MOR controls the residual interest of the assets of the project Railway at the end of the concession Agreement. In absence of any estimate of DRV, the total cost being amortized during the concession period.
- I. Note No. 38.2(i) — Fixed Material Costs: The railways based on the survey conducted every 5 years fixes the annual fixed material costs to be charged on the Corporation. The last survey was conducted in 2015-16 and rates for the period were revised from Rs. 2.03 Crores to Rs. 4.27 crores which were valid up to the financial year 2019-20. As per the initial cost data

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

provided by the Railways, the annual Fixed Material Costs should be Rs. 21.59 Crores. However, data is under discussion and the Corporation has submitted its preliminary observations on the same. Pending the completion of assessment and the revision process, WR has raised bill of Rs. 4.61 Crores on account of Fixed Material Costs for the year and the same has been accounted for.

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

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

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

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

- P. Note No 38.4- Regarding booking of certain costs/adjustments related to the previous years during the year under review. Note 38.4 as described above is reproduced as note 42g to the consolidated financial statements.
- Q. Note No. 38.5- Regarding no insurance cover of the Project Assets of the Corporation since 20 June 2020. The last insurance cover for the Project Assets under Standard Fire and Special Peril Risk Policy was for Rs. 825.36 Crores. Note 38.5 as described above is reproduced as note 42h to the consolidated financial statements.
- R. Our opinion is according to information and explanation given to us by the management and on the basis of Report on Internal Controls Over Financial Reporting (IFCS) issued by Internal Auditors appointed for the purpose of reporting on the Ind AS financial statements.

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

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

### Key audit matters

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

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

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

### Other Information

7. The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and its annexures, Management discussion and analysis, Corporate Governance Report, Business Responsibility Report and Secretarial Audit

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Statement, which is expected to be made available to us after that date.

8. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
9. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
10. When we read the Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.
11. The following paragraph on Other Information was included in the audit report dated 21 May 2021, containing an unmodified audit opinion on the financial statements of Pipavav Railway Corporation Limited, an associate of the Company issued by an independent firm of Chartered Accountants reproduced by us as under:

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

12. The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Company including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

the Company and its associate, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

13. In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its associate are responsible for assessing the ability of the Company and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or its associate respectively or to cease operations, or has no realistic alternative but to do so.
14. The respective Board of Directors of the Company and of its associate are responsible for overseeing the financial reporting process of the Company and of its associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

15. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
16. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and of its

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
17. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  18. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  19. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

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



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

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

### Report on Other Legal and Regulatory Requirements

21. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the backup of books of accounts and other books and papers maintained in electronic mode of the Company has not been maintained on servers physically located in India.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Company as on 31 March 2021 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its associate incorporated in India, none of the directors of the Company and its associate is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comments in paragraph 21(b) above.
  - (g) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and its associate, and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at 31 March 2021 on the consolidated financial position of the Company and its associate—Refer Note 33 to the consolidated financial statements.
    - ii. The Company and its associate had long-term contracts as at 31 March 2021 for which there were no material foreseeable losses. The Company and its associate did not have any derivative contracts as at 31 March 2021.

# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the consolidated financial statements as at and for the year ended 31 March 2021

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate incorporated in India during the year ended 31 March 2021.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company and its associate for the year ended 31 March 2021.
22. The Company and its associate has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Mumbai  
27 May, 2021

Arunkumar Ramdas  
Partner  
Membership Number: 112433  
UDIN: 21112433AAAACT4173

# **Price Waterhouse Chartered Accountants LLP**

## **Annexure A to Independent Auditors' Report**

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

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

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

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

2. The respective Board of Directors of the Company and its associate, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

# **Price Waterhouse Chartered Accountants LLP**

## **Annexure A to Independent Auditors' Report**

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

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### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

### **Opinion**

8. In our opinion, the Company and its associate which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

9. The report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the associate issued by the independent firm of Chartered Accountants vide its report dated 21 May 2021 contains the following opinion, which is reproduced as under:

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

# **Price Waterhouse Chartered Accountants LLP**

## **Annexure A to Independent Auditors' Report**

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

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

### **Other Matters**

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

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

Mumbai  
27 May, 2021

Arunkumar Ramdas  
Partner  
Membership Number 112433  
UDIN: 21112433AAAAC4173

**GUJARAT PIPAVAV PORT LIMITED**

Registered Office : Pipavav Port, At Post Rampara-2, Tal. Rajula, Dist. Amreli, Gujarat 365 560.

CIN: L63010GJ1992PLC018106 Tel: 02794 242400 Fax: 02794 242413

Website: www.pipavav.com Email: investorrelationinppv@apmterminals.com

**STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED ON 31 MARCH 2021**

(₹ In Million)

Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Year ended
		31/03/2021	31/12/2020	31/03/2020	31/03/2021	31/03/2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	<b>Income</b>					
	a. Revenue from operations	1,934.27	1,984.00	1,619.42	7,334.63	7,353.69
	b. Other Income	94.33	84.34	117.68	404.00	470.67
	<b>Total Income</b>	<b>2,028.60</b>	<b>2,068.34</b>	<b>1,737.10</b>	<b>7,738.63</b>	<b>7,824.36</b>
2	<b>Expenses</b>					
	a. Operating expenses	332.29	384.95	253.85	1,374.60	1,270.72
	b. Employee benefits expense	168.21	187.49	141.48	671.50	566.94
	c. Finance costs	15.05	14.63	19.59	63.10	73.76
	d. Depreciation and amortisation expense	334.63	332.71	338.40	1,334.50	1,314.50
	e. Other expenses	278.27	311.35	219.98	1,067.32	1,049.89
	<b>Total expenses</b>	<b>1,128.45</b>	<b>1,231.13</b>	<b>973.30</b>	<b>4,511.02</b>	<b>4,275.81</b>
3	<b>Profit before share of net profits of investments accounted for using equity method and tax (1-2)</b>	<b>900.15</b>	<b>837.21</b>	<b>763.80</b>	<b>3,227.61</b>	<b>3,548.55</b>
4	<b>Share of net profit of associate accounted for using the equity method</b>	<b>1.77</b>	<b>43.97</b>	<b>62.39</b>	<b>73.55</b>	<b>308.38</b>
5	<b>Profit before tax (3+4)</b>	<b>901.92</b>	<b>881.18</b>	<b>826.19</b>	<b>3,301.16</b>	<b>3,856.93</b>
6	<b>Tax expense</b>					
	a. Current tax expense	333.37	297.41	272.27	1,179.68	1,258.95
	b. Deferred tax expense/(credit)(Refer Note No. 4)	(5.53)	(3.47)	12.55	(18.23)	(596.44)
	<b>For earlier years</b>					
	Current tax expense reversed	(1.35)	-	-	(1.35)	-
	Deferred tax credit	(78.47)	-	-	(78.47)	-
7	<b>Net Profit for the period/year (5 - 6)</b>	<b>653.90</b>	<b>587.24</b>	<b>541.37</b>	<b>2,219.53</b>	<b>3,194.42</b>
8	<b>Other comprehensive income, net of income tax</b>					
	Items that will not be reclassified to profit or loss					
	(i) Re-measurement of post-employment benefit obligations	2.49	-	(10.04)	(4.94)	(19.55)
	(ii) Share of other comprehensive income of associate	(0.15)	0.31	(0.55)	0.16	(0.55)
	(iii) Less: Income tax relating to (i) above	(0.87)	-	3.51	1.73	6.83
	(iv) Less: Income tax relating to (ii) above	0.02	(0.05)	0.10	(0.03)	0.10
	<b>Total other comprehensive income, net of income tax</b>	<b>1.49</b>	<b>0.26</b>	<b>(6.98)</b>	<b>(3.08)</b>	<b>(13.17)</b>
9	<b>Total comprehensive income for the period/year (7 + 8)</b>	<b>655.39</b>	<b>587.50</b>	<b>534.39</b>	<b>2,216.45</b>	<b>3,181.25</b>
10	<b>Paid-up equity share capital (Face value ₹ 10 per share )</b>	<b>4,834.40</b>	<b>4,834.40</b>	<b>4,834.40</b>	<b>4,834.40</b>	<b>4,834.40</b>
11	<b>Reserves (excluding Revaluation Reserve)</b>					
	Basic and diluted earnings per share (of ₹ 10/- each) (not annualised)	1.35	1.21	1.12	4.59	6.61

## GUJARAT PIPAVAV PORT LIMITED

## STATEMENT OF CONSOLIDATED AUDITED ASSETS AND LIABILITIES AS AT 31 MARCH 2021

(₹ In Million)

Particulars	As at	As at
	31/03/2021	31/03/2020
	(Audited)	(Audited)
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
a. Property, plant and equipment	14,255.10	15,277.12
b. Capital work in progress	527.77	56.96
c. Right of Use Assets	396.79	544.29
d. Intangible assets	20.67	3.95
e. Investment accounted for using the equity method	2,899.79	2,864.11
f. Financial assets		
Other financial assets	223.88	220.28
g. Income Tax Assets (net)	179.72	156.26
h. Other non-current assets	20.26	0.43
<b>Total non-current assets</b>	<b>18,523.98</b>	<b>19,123.40</b>
<b>2 Current assets</b>		
a. Inventories	104.91	76.09
b. Financial assets		
i. Trade receivables	441.17	459.12
ii. Cash and cash equivalents	63.42	189.70
iii. Bank balances other than (ii) above	7,190.26	6,305.35
iv. Loans	4.91	4.77
v. Other financial assets	52.86	32.37
c. Other current assets	108.48	100.38
<b>Total current assets</b>	<b>7,966.01</b>	<b>7,167.78</b>
<b>TOTAL ASSETS</b>	<b>26,489.99</b>	<b>26,291.18</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	4,834.40	4,834.40
Other equity		
Reserves and surplus	17,557.38	18,048.19
<b>Total equity</b>	<b>22,391.78</b>	<b>22,882.59</b>
<b>2 Liabilities</b>		
<b>I Non-current liabilities</b>		
a. Financial liabilities		
i. Lease liabilities	244.72	395.60
ii. Other financial liabilities	69.20	34.47
b. Employee benefit obligations	40.37	32.13
c. Deferred tax liabilities (net)	1,006.68	493.97
d. Other non-current liabilities	521.01	596.10
<b>Total non-current liabilities</b>	<b>1,881.98</b>	<b>1,552.27</b>
<b>II Current liabilities</b>		
a. Financial liabilities		
i. Trade payables		
Dues to Micro, Small and Medium Enterprises	5.01	1.48
Other than Micro, Small and Medium Enterprises	334.44	296.93
ii. Lease liabilities	220.56	189.26
iii. Other financial liabilities	379.91	169.09
b. Provisions	208.00	208.00
c. Employee benefit obligations	127.10	116.09
d. Income tax provisions (net)	6.62	14.75
e. Other current liabilities	934.59	860.72
<b>Total current liabilities</b>	<b>2,216.23</b>	<b>1,856.32</b>
<b>Total liabilities</b>	<b>4,098.21</b>	<b>3,408.59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,489.99</b>	<b>26,291.18</b>

**GUJARAT PIPAVAV PORT LIMITED**

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

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

(₹ In Million)

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
<b>Cash flows from operating activities</b>		
Profit before tax	3,301.16	3,856.93
<b>Adjustments :</b>		
Share of profit of associate company (net of dividends received)	(35.55)	(270.38)
Deferred income recognised	(74.70)	(74.43)
Depreciation and amortisation expense	1,334.50	1,314.50
Finance costs	63.10	73.76
Interest income classified as investing cash flows	(284.29)	(375.11)
(Profit) / loss on disposal of property, plant and equipment	(4.47)	0.30
Sundry balances written off/ (back) (net)	0.10	(6.52)
Provisions for doubtful debts and inventory / (written back)	(34.69)	-
Bad Debt Write Off	13.55	42.42
Foreign currency transactions and translations differences	2.98	1.54
Provision for claims	-	(7.35)
	<b>4,281.69</b>	<b>4,555.66</b>
<b>Operating profit before working capital changes</b>		
Decrease in trade receivables	28.92	8.64
(Increase) / Decrease in inventories	(21.62)	6.15
(Increase) / Decrease in loans	(0.14)	0.02
(Increase) / Decrease in other financial assets	(24.09)	23.26
(Increase) / Decrease in other assets	(8.10)	36.57
Increase / (Decrease) in trade payables	41.04	(27.05)
Increase / (Decrease) in employee benefit obligations	14.31	(16.77)
Increase / (Decrease) in other financial liabilities	92.07	(123.34)
Increase / (Decrease) in non-current liabilities	-	(149.69)
Increase / (Decrease) in other current liabilities	73.46	(243.70)
	<b>195.85</b>	<b>(485.91)</b>
<b>Cash generated from operations</b>	4,477.54	4,069.75
Income taxes paid	(598.78)	(636.30)
<b>Net cash inflow from operating activities</b>	<b>3,878.76</b>	<b>3,433.45</b>
<b>Cash flows from / (used in) investing activities</b>		
Payments for property, plant and equipment	(454.78)	(147.50)
Proceeds from sale of fixed assets (net)	7.22	0.01
Interest received	376.26	350.14
Increase in deposits with banks	(976.89)	(1,051.36)
<b>Net cash outflow used in investing activities</b>	<b>(1,048.19)</b>	<b>(848.71)</b>
<b>Cash flows from / (used in) financing activities</b>		
Interest paid	(63.10)	(73.76)
Repayment of lease liability	(188.29)	(157.90)
Dividends paid to Company's shareholders	(2,705.46)	(1,883.95)
Dividend distribution tax paid on dividend	-	(387.55)
<b>Net cash outflow used in financing activities</b>	<b>(2,956.85)</b>	<b>(2,503.16)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(126.28)</b>	<b>81.58</b>
Cash and cash equivalents at the beginning of the period	189.70	108.12
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>63.42</b>	<b>189.70</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
	<b>31 March 2021</b>	<b>31 March 2020</b>
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	63.42	189.70
Balance as per statement of cash flows	63.42	189.70



**GUJARAT PIPAVAV PORT LIMITED****Notes :**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 26th May 2021 and 27th May 2021 respectively.
- 2 The consolidated results include share of net profit of associate - Pipavav Railway Corporation Limited (PRCL) accounted for using the equity method.
- 3 The Company has only one reportable business segment, which is "Port Services" and only one reportable geographical segment, which is the port at Pipavav. Accordingly, the Company is a single segment Company in accordance with Indian Accounting Standard 108 "Operating Segment".
- 4 Pursuant to the Taxation Law (Amendment), 2019 issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 which is effective 1st April 2019, domestic Companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions.  
  
In previous year, the Company had made an assessment of the impact of the amendment and decided to continue with the existing tax structure until utilization of accumulated minimum alternative tax (MAT) credit. However, in accordance with the accounting standards, the Company had also evaluated the outstanding deferred tax liability, and written back an amount to the extent of ₹ 599.26 million to the statement of profit and loss in the previous year. This was due to the re-measurement of deferred tax liability that is expected to reverse in future when the Company would migrate to the new tax regime. Consequently, the profit after tax for the year ended March 31, 2021 is not strictly comparable with the corresponding figures for the year ended March 31, 2020.
- 5 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 ₹ 185.35 Million which was encashed by GMB on 13th February 2019. Further, GMB also asked the Company to pay GST on the aforesaid bank guarantee amounting to ₹ 33.36 million. The Company reviewed the terms and conditions of approval and based on the management assessment and external legal expert advice, the Management believes that the amount is recoverable and has filed a Commercial Suit before the Commercial Court, Rajula.
- 6 The Company has carried out a detailed assessment of the impact of COVID-19, including the current wave, on its liquidity position and on the recoverability and carrying values of its assets. Based on this assessment the company has concluded that there is no significant impact on its financial results as at 31st March 2021. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. The management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.
- 7 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on 13th November, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
- 8 The figures for the quarter ended 31st March 2021 are balancing figures between audited figures in respect of financial year ended 31st March 2021 and the published year to date figures upto the third quarter ended on 31st December 2020.
- 9 The Board of Directors proposes final dividend of ₹ 2.40 per share on 483,439,910 equity shares of face value of ₹ 10 each, aggregating to ₹ 1160 million, for the financial year 2020-21, subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

**For Gujarat Pipavav Port Limited**

Place : Mumbai  
Date : 27 May, 2021

Jakob Friis Sorensen  
Managing Director  
DIN : 08593830