

19<sup>th</sup> May 2016

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

**Sub: Submission of Audited financial results and Intimation regarding Dividend**

Kindly find enclosed herewith the following for reference please:

- (i) Audited financial results of the Company for the year ended 31<sup>st</sup> March 2016 on Standalone and on Consolidated basis
- (ii) Auditors Report for the financials on Standalone and on Consolidated basis
- (iii) Form A for Standalone Financial Statements for the year ended 31<sup>st</sup> March 2016
- (iv) Form B for Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2016

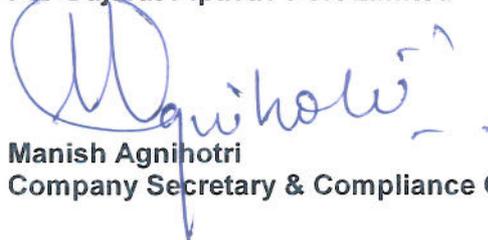
The results have been approved in the Board Meeting of the Company held today and are also available on our website [www.pipavav.com](http://www.pipavav.com)

The Board has also recommended a Maiden Dividend of Rs. 1.90 per share on the Equity Share Capital of the Company subject to the approval by the Members in the Company's Annual General Meeting scheduled for Thursday 11<sup>th</sup> August 2016.

Thank you,

Yours truly,

**For Gujarat Pipavav Port Limited**

  
**Manish Agnihotri**  
Company Secretary & Compliance Officer



**GUJARAT PIPAVAV PORT LIMITED**

Registered Office : Pipavav Port, At Post Uchhaiya via Rajula, Dist. Amreli, Gujarat 365 560.

CIN: L63010GJ1992PLC018106 Tel: 02794 302400 Fax: 02794 302413

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

**STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2016**

*(Rs in lacs)*

Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Fifteen months period ended (refer note 7)
		31/03/2016 (Unaudited)	31/12/2015 (Unaudited)	31/03/2015 (Unaudited)	31/03/2016 (Audited)	31/03/2015 (Audited)
1	<b>Income from operations</b>					
	a. Net Sales / Income from Operations	15,410.39	15,213.06	16,554.03	61,953.01	79,218.81
	b. Other Operating Income	688.11	1,321.96	2,245.96	4,042.44	7,483.90
	<b>Total Income from operations (net)</b>	<b>16,098.50</b>	<b>16,535.02</b>	<b>18,799.99</b>	<b>65,995.45</b>	<b>86,702.71</b>
2	<b>Expenses</b>					
	a. Operating Expenses	2,952.30	2,943.36	3,766.23	13,206.74	18,521.95
	b. Employee benefits expense	747.82	1,283.18	1,225.13	4,710.16	6,173.89
	c. Depreciation and amortisation expense	2,468.54	2,494.62	1,618.79	9,636.12	8,328.65
	d. Other Expenses	2,484.89	2,303.08	2,545.43	10,541.19	11,890.29
	<b>Total Expenses</b>	<b>8,653.55</b>	<b>9,024.24</b>	<b>9,155.58</b>	<b>38,094.21</b>	<b>44,914.78</b>
3	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>7,444.95</b>	<b>7,510.78</b>	<b>9,644.41</b>	<b>27,901.24</b>	<b>41,787.93</b>
4	Other Income (refer note 4)	647.70	648.76	511.67	2,480.45	4,005.33
5	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>8,092.65</b>	<b>8,159.54</b>	<b>10,156.08</b>	<b>30,381.69</b>	<b>45,793.26</b>
6	Finance Costs	4.50	4.54	9.36	15.87	2,585.12
7	<b>Profit from ordinary activities after finance costs and before exceptional items (5-6)</b>	<b>8,088.15</b>	<b>8,155.00</b>	<b>10,146.72</b>	<b>30,365.82</b>	<b>43,208.14</b>
8	Exceptional items [refer note 3 (a), (b) and (c)]	-	-	3,458.17	(6,040.87)	4,480.09
9	<b>Profit from ordinary activities before tax (7-8)</b>	<b>8,088.15</b>	<b>8,155.00</b>	<b>6,688.55</b>	<b>36,406.69</b>	<b>38,728.05</b>
10	Tax Expense* (Deferred Tax expense – refer note 6)	3,104.99	2,825.00	-	12,740.99	-
11	<b>Net Profit from ordinary activities after tax (9-10)</b>	<b>4,983.16</b>	<b>5,330.00</b>	<b>6,688.55</b>	<b>23,665.70</b>	<b>38,728.05</b>
12	Extraordinary items	-	-	-	-	-
13	<b>Net Profit for the period (11-12)</b>	<b>4,983.16</b>	<b>5,330.00</b>	<b>6,688.55</b>	<b>23,665.70</b>	<b>38,728.05</b>
14	Paid up Equity Share Capital (Face Value Rs. 10/- per share)	48,343.99	48,343.99	48,343.99	48,343.99	48,343.99
15	Reserves excluding revaluation reserve				143,292.99	130,734.66
16.i.	Earnings Per Share (before Extraordinary Items) (of Rs. 10/- each) (not annualised)					
	a. Basic	1.03	1.10	1.38	4.90	8.01
	b. Diluted	1.03	1.10	1.38	4.90	8.01
16.ii.	Earnings Per Share (after Extraordinary Items) (of Rs. 10/- each) (not annualised)					
	a. Basic	1.03	1.10	1.38	4.90	8.01
	b. Diluted	1.03	1.10	1.38	4.90	8.01

*(Rs in lacs)*

	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Fifteen months period ended (refer note 7)
	31/03/2016 (Unaudited)	31/12/2015 (Unaudited)	31/03/2015 (Unaudited)	31/03/2016 (Audited)	31/03/2015 (Audited)
* Tax expense consist of :					
Minimum Alternative Tax	1,660.00	1,810.00	1,690.00	7,820.00	7,680.00
Minimum Alternative Tax Credit	(1,660.00)	(1,810.00)	(1,690.00)	(7,820.00)	(7,680.00)
Deferred Tax expense	3,104.99	2,825.00	-	12,740.99	-



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## STATEMENT OF ASSETS AND LIABILITIES

(Rs in lacs)

Particulars	As at	As at
	31 March 2016	31 March 2015
	(Audited)	(Audited)
		(refer note 7)
<b>A Equity and Liabilities</b>		
<b>1 Shareholders' funds</b>		
a. Share Capital	48,343.99	48,343.99
b. Reserves and Surplus	143,292.99	130,734.66
<b>Sub Total - Shareholders' funds</b>	<b>191,636.98</b>	<b>179,078.65</b>
<b>2 Non-current liabilities</b>		
a. Deferred Tax Liabilities (net)	12,740.99	-
b. Other long-term liabilities	1,349.97	2,293.75
c. Long-term provisions	2,418.81	2,427.75
<b>Sub Total - Non-current liabilities</b>	<b>16,509.77</b>	<b>4,721.50</b>
<b>3 Current Liabilities</b>		
a. Trade payables	1,415.09	2,707.74
b. Other current liabilities	15,401.48	10,875.51
c. Short-term provisions	12,801.96	1,668.48
<b>Sub Total - Current liabilities</b>	<b>29,618.53</b>	<b>15,251.73</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>237,765.28</b>	<b>199,051.88</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
a. Fixed assets	173,086.71	140,457.69
b. Non-current investments	8,300.00	8,300.00
c. Long-term loans and advances	21,074.43	17,808.51
d. Other non-current assets	283.64	282.45
<b>Sub Total - Non-current assets</b>	<b>202,744.78</b>	<b>166,848.65</b>
<b>2 Current assets</b>		
a. Inventories	1,289.28	1,348.88
b. Trade receivables	2,935.06	3,559.58
c. Cash and bank balances	28,980.36	24,391.09
d. Short-term loans and advances	1,305.58	2,193.07
e. Other current assets	510.22	710.61
<b>Sub Total - Current assets</b>	<b>35,020.50</b>	<b>32,203.23</b>
<b>TOTAL - ASSETS</b>	<b>237,765.28</b>	<b>199,051.88</b>

## Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors on 18 May 2016 and 19 May 2016 respectively .
- 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 Accounting Standard 17 "Segment Reporting".
- (a) The exceptional item in 3 months ended as of 31 March 2015 of INR 3,458.17 lacs represents one-time cost of syndication fees, structuring fees, commitment fees, legal & administration fees towards cancellation of foreign currency loan sanctioned by International Finance Corporation. Consequent to the cancellation of loan, the charge created on the assets has been released.  
(b) The Company has reviewed the impairment provisions on 30 September 2015 and based on business performance has reversed impairment provision amounting to INR 11,223.56 lacs. Further, in accordance with Accounting Standard-28 on Impairment of Assets, the Company has created a depreciation charge amounting to INR 5,182.69 lacs, resulting into a net gain of INR 6,040.87 lacs. This net impact of INR 6,040.87 lacs has been disclosed as an exceptional item in year ended 31 March 2016.  
(c) The exceptional item for the fifteen months period ended 31 March 2015 of INR 4,480.09 lacs includes INR 1,021.92 lacs, amount paid to the Dredging company as reimbursement of mobilization and other charges and INR 3,458.17 lacs representing one-time cost of syndication fees, structuring fees, commitment fees, legal & administration fees towards cancellation of foreign currency loan sanctioned by International Finance Corporation. Consequent to the cancellation of loan, the charge created on the assets has been released.
- Other income for the fifteen months period ended 31 March 2015, includes INR 1,520.00 lacs being the Dividend received during the quarter ended 30 September 2014, from Associate Company, Pipavav Rail Corporation Limited.
- Pursuant to the enactment of the Companies Act, 2013, effective 1 April 2015, the management has evaluated and reassessed the useful life of its fixed assets. Consequent to this assessment, the charge on account of depreciation for the quarter has increased by INR 761.28 lacs and for the year ended 31 March 2016 has increased by Rs. 2,471.74 lacs, of which INR 217.82 lacs pertains to assets whose life is already exhausted as on 1 April 2015.
- Tax expenses represents deferred tax charge in accordance with Accounting Standard 22 basis assessment of timing difference for the current year. The Company is in a Tax Holiday period until 31 March 2017 under Section 80(IA) of the Income Tax Act, 1961.
- The Company has changed its accounting year from 31 December to 31 March and consequently the previous accounting period is for a period of 15 (fifteen) months beginning from 1 January 2014 to 31 March 2015.
- The Board of Directors in their Meeting held on 19 May 2016 has recommended a Maiden Dividend of Rs. 1.90 per share on the Face Value of Rs. 10 each for Financial Year Ended 31 March 2016, subject to approval of shareholders, in the Annual General Meeting. This Dividend once approved will be paid on or after 16 August 2016.
- The figures for the quarter ended 31 March 2016 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
- Figures for the previous periods have been reclassified, where applicable, to conform with current period presentation.

For Gujarat Pipavav Port Limited



Keld Pedersen  
Managing Director  
DIN : 07144184

Place : Mumbai  
Date : 19 May 2016



**GUJARAT PIPAVAV PORT LIMITED**

Registered Office : Pipavav Port, At Post Ucchahiya via Rajula, Dist. Amreli, Gujarat 365 560.

CIN: L63010GJ1992PLC018106 Tel: 02794 302400 Fax: 02794 302413

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

**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016**

*(Rs in lacs)*

Sr. No.	Particulars	31 March 2016 (Audited)
1	<b>Income from operations</b>	
	a. Net Sales / Income from Operations	61,953.01
	b. Other Operating Income	4,042.44
	<b>Total Income from operations (net)</b>	<b>65,995.45</b>
2	<b>Expenses</b>	
	a. Operating Expenses	13,206.74
	b. Employee benefits expense	4,710.16
	c. Depreciation and amortisation expense	9,636.12
	d. Other Expenses	10,541.19
	<b>Total Expenses</b>	<b>38,094.21</b>
3	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>27,901.24</b>
4	Other Income	2,480.45
5	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>30,381.69</b>
6	Finance Costs	15.87
7	<b>Profit from ordinary activities after finance costs and before exceptional items (5-6)</b>	<b>30,365.82</b>
8	Exceptional items (refer note 6)	6,040.87
9	<b>Profit from ordinary activities before tax (7+8)</b>	<b>36,406.69</b>
10	Tax Expense (Deferred Tax expense – refer note 8)	12,740.99
11	<b>Net Profit from ordinary activities after tax (9+10)</b>	<b>23,665.70</b>
12	Extraordinary items	-
13	<b>Net Profit for the year (11+12)</b>	<b>23,665.70</b>
14	Share of net profit of Associate (refer note 5)	3,167.78
15	<b>Net Profit after share of profit from associate</b>	<b>26,833.48</b>
16	Paid up Equity Share Capital (Face Value Rs. 10/- per share)	48,343.99
17	Reserves excluding revaluation reserve	151,880.41
18.i	Basic and diluted Earnings Per Share before extraordinary items (of Rs. 10/- each)	5.55
18.ii	Basic and diluted Earnings Per Share - after extraordinary items (EPS) (of Rs. 10/- each) (not annualised)	5.55



## STATEMENT OF ASSETS AND LIABILITIES

(Rs in lacs)

Particulars	As at 31 March 2016 (Audited)
<b>A Equity and Liabilities</b>	
<b>1 Shareholders' funds</b>	
a. Share Capital	48,343.99
b. Reserves and Surplus (Refer Note 4)	151,880.41
<b>Sub Total - Shareholders' funds</b>	<b>200,224.40</b>
<b>2 Non-current liabilities</b>	
a. Deferred tax liabilities (net)	12,740.99
b. Other long-term liabilities	1,349.97
c. Long-term provisions	2,418.81
<b>Sub Total - Non-current liabilities</b>	<b>16,509.77</b>
<b>3 Current Liabilities</b>	
a. Trade payables	1,415.09
b. Other current liabilities	15,401.48
c. Short-term provisions	12,801.97
<b>Sub Total - Current liabilities</b>	<b>29,618.54</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>246,352.71</b>
<b>B ASSETS</b>	
<b>1 Non-current assets</b>	
a. Fixed assets	173,086.71
c. Non-current investments (Refer Note 4)	16,887.43
d. Long-term loans and advances	21,074.43
e. Other non-current assets	283.64
<b>Sub Total - Non-current assets</b>	<b>211,332.21</b>
<b>2 Current assets</b>	
a. Inventories	1,289.28
b. Trade receivables	2,935.06
c. Cash and bank balances	28,980.36
d. Short-term loans and advances	1,305.58
e. Other current assets	510.22
<b>Sub Total - Current assets</b>	<b>35,020.50</b>
<b>TOTAL - ASSETS</b>	<b>246,352.71</b>

## Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors on 18 May 2016 and 19 May 2016 respectively .
- 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 Accounting Standard 17 "Segment Reporting".
- The Company holds 38.8% shares in Pipavav Railway Corporation Limited (PRCL). As per the provisions of section 2(6) of the Companies Act, 2013, PRCL is an Associate Company of Gujarat Pipavav Port Limited. Pursuant to applicability of sub section 3 of Section 129 of the Act, to the Company w.e.f. 1 April, 2015, this is the first occasion that the Company has prepared consolidated financial statements for the year 2015-2016 for the group and therefore there are no comparative figures of previous year.
- While preparing consolidated financial statements, for the first time, transitional provisions provided in Accounting Standard (AS) 23 Accounting for Investment in Associates in Consolidated Financials Statements the amount of investment in the associate company as at 1 April 2015 has been accounted for, as per the Equity Method of Accounting had the equity method of accounting been followed since the acquisition of the associate. Consequent to application of such transitional provision; (i) Cost of Investment in the Associate Company of INR 8,300.00 lac includes goodwill of INR 4,004.13 lakhs and (ii) The difference between such value of investment as per equity method and carrying amount of the Investment as at 31 March 2015 amounting to INR 5,419.57 has been adjusted to the opening balance of the retained earnings.
- More than 50% of PRCL's share holding is held by Government/Public Sector Undertaking and it is therefore subject to a CAG Audit and PRCL audited financial statements for the year ended 31 March 2016 are yet to be released. Hence, Company's share of net profit of INR 3,167.78 lacs in respect of the associate company for the year ended 31 March 2016 included in the Consolidated Financial Statement is based on Associate Company's management prepared Financial information for the year ended 31 March 2016. The statutory auditors have qualified their audit opinion on the consolidated financial statement stating that Company's share of net profit of Rs. 3,167.78 lacs in respect of associate company is based on unaudited financial information of the associate.
- The Company has reviewed the impairment provisions on 30 September 2015 and based on business performance has reversed impairment provision amounting to INR 11,223.56 lacs. Further, in accordance with Accounting Standard-28 on Impairment of Assets, the Company has created a depreciation charge amounting to INR 5,182.69 lacs, resulting into a net gain of INR 6,040.87 lacs. This net impact of INR 6,040.87 lacs has been disclosed as an exceptional item in year ended 31 March 2016.
- The Board of Directors in their Meeting held on 19 May 2016 has recommended a Maiden Dividend of Rs. 1.90 per share on the Face Value of Rs. 10 each for Financial Year Ended 31 March 2016, subject to approval of shareholders, in the Annual General Meeting. This Dividend once approved will be paid on or after 16 August 2016.
- Tax expenses represents deferred tax charge in accordance with Accounting Standard 22 basis assessment of timing difference for the current year. The Company is in a Tax Holiday period until 31 March 2017 under Section 80(1A) of the Income Tax Act, 1961.

For Gujarat Pipavav Port Limited



Keld Pedersen  
Managing Director  
DIN : 07144184

Place : Mumbai  
Date : 19 May 2016



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF Gujarat Pipavav Port Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Gujarat Pipavav Port Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
Mumbai - 400 028  
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07



Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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 of and for the year ended 31 March, 2016.

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## Opinion

8. 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 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, 2016, and its profit and its cash flows for the year ended on that date.

## Other Matter

9. The standalone financial statements of the Company for the fifteen months ended 31 March, 2015, were audited by another firm of chartered accountants under the Companies Act, 1956/ Companies Act, 2013 who, vide their report dated 28 May, 2015, expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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.
  - (c) The Balance Sheet, the Statement of Profit and Loss 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited

Report on the Standalone Financial Statements as of and for the year ended 31 March, 2016.

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- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March, 2016 on its financial position in its standalone financial statements – Refer Note 31
  - ii. The Company has long-term contracts as at 31 March, 2016 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at 31 March, 2016.
  - 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, 2016.

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

  
Priyanshu Gundana  
Partner  
Membership Number 109553

Mumbai  
19 May, 2016

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph [12(f)] of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the Standalone financial statements as of and for the year ended 31 March, 2016.

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## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Gujarat Pipavav Port Limited ("the Company") as of 31 March, 2016 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that 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 over financial reporting.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph [12(f)] of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the Standalone financial statements as of and for the year ended 31 March, 2016.

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### Meaning of Internal Financial Controls over Financial Reporting

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

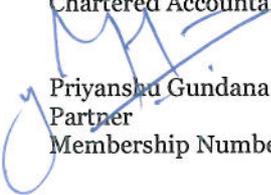
### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
Priyanshu Gundana  
Partner  
Membership Number 109553

Mumbai  
19 May, 2016

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph [11] of the Independent Auditors' Report of even date to the members of Gujarat Pipavav Port Limited on the standalone financial statements as of and for the year ended 31 March, 2016.

- 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 fixed assets (Note 11) to the financial statements, are held in the name of the Company, except for a free hold land of gross and net book value of Rs. 1.47 million registered in the name of Associate Company - Pipavav Railway Corporation Limited.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year.
- 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 generally regular in depositing undisputed statutory dues in respect of professional tax, income tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at 31 March, 2016 which have not been deposited on account of a dispute, are as follows:



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph [11] 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, 2016.

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Name of the statute	Nature of dues	Amount (Rs in million)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Tax deducted at source	6.50	2005-06	Commissioner of Income Tax appeals
Income tax Act, 1961	Tax deducted at source	2.69	2006-07 and 2007-08	Income Tax Appellate Tribunal
Income tax Act, 1961	Tax deducted at source	0.73	2007-08	Assessing Officer
Income tax Act, 1961	Tax deducted at source	5.54	2007-08 and 2008-09	Assessing Officer
Income tax Act, 1961	Tax deducted at source	0.02	2008-09	Assessing Officer
Income tax Act, 1961	Tax deducted at source	0.07	2009-10	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2.27	2010-11	Assessing Officer
Income tax Act, 1961	Tax deducted at source	0.41	2011-12	Assessing Officer
Income tax Act, 1961	Tax deducted at source	0.24	2011-12	Assessing Officer
Income tax Act, 1961	Tax deducted at source	0.49	2012-13	Assessing Officer
Income tax Act, 1961	Tax deducted at source	0.08	2013-14	Assessing Officer

- 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. 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.
- 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 financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph [11] 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, 2016.

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- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



Priyanshu Gundana  
Partner  
Membership Number 109553

Mumbai  
19 May, 2016

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

### To the Members of Gujarat Pipavav Port Limited

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Gujarat Pipavav Port Limited ("hereinafter referred to as the Company") and its associate company (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at 31 March, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its associate in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The Board of Directors of its associate is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
Mumbai - 400 028  
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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 Consolidated Financial Statements

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5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and matter specified in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### Basis for Qualified Opinion

7. (a) The consolidated financial statements include the Company's share of net profit of Rs. 316.78 million based on its unaudited financial statements as at 31 March 2016 in respect of its associate company not audited by us. The financial statements of the associate is pending audit by their auditors. Accordingly, our opinion on the consolidated financial statements insofar as it relates to the aforesaid amount and disclosures included in respect of this associate company is based solely on the financial information of the associate company for the year ended on 31 March 2016 as furnished to us by the Management of the Company.  
  
(b) Further, pending the audit of the associate for the year ended on 31 March 2016 by their auditors, we are unable to report on the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls of the associate company incorporated in India as required to be reported by us.

### Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by 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, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited  
Report on the Consolidated Financial Statements  
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### Other Matter

9. The standalone financial statements of the Company as at 31 March, 2015 and for the fifteen months period then ended and the financial statements of the Associate as at 31 March, 2015 and for the year then ended were audited by other firms of Chartered Accountants who, vide their reports dated 25 May, 2015 and 20 August, 2015 respectively, expressed an unmodified opinion on those financial statements.

Our opinion on the consolidated financial statements above, is not modified in respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and, except for the possible effect of the matter described in the paragraph Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, except for the possible effect of the matter described in the paragraph Basis for Qualified Opinion above, proper books of account as required by law maintained by the Company, and its associate company incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report, except for the possible effect of the matter described in the paragraph Basis for Qualified Opinion above, are in agreement with the relevant books of account maintained by the Company and its associate company incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, except for the possible effect of the matter described in the paragraph Basis for Qualified Opinion above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received, except for the possible effect of the matter described in the paragraph Basis for Qualified Opinion above, from the directors of the Company as on 31 March, 2016 taken on record by the Board of Directors of the Company none of the directors of the Company is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat Pipavav Port Limited  
Report on the Consolidated Financial Statements  
Page 4 of 4

- (f) With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls of the associate company incorporated in India, we are unable to obtain sufficient appropriate audit evidence as described the Basis of Qualification para above. Accordingly, we refer to Annexure A of our report of even date on the stand alone financial statements of the Company with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the possible effect of the matter described in the paragraph Basis for Qualified Opinion above, the consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Company and its associate– Refer Note 31 to the consolidated financial statements.
  - ii. Except for the possible effect of the matter described in the paragraph Basis for Qualified Opinion above, the Company and its associate did not have any material foreseeable losses on long term contracts as at 31 March, 2016.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate company incorporated in India during the year ended March 31, 2016.

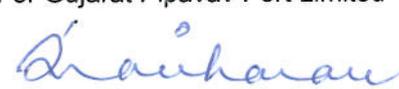
For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N / N500016  
Chartered Accountants



Priyanshu Gundana  
Partner  
Membership Number 109553

Mumbai  
19 May, 2016

**FORM A (for audit report with unmodified opinion)**

1.	Name of the Company:	Gujarat Pipavav Port Limited- Standalone Audited Financial Statement
2.	Annual financial statements for the year ended	31st March 2016
3.	Type of Audit observation	Un-modified
4.	Frequency of observation	Not applicable
5.	To be signed by:	
	<ul style="list-style-type: none"> <li>• CEO/ Managing Director</li> </ul>	For Gujarat Pipavav Port Limited  Keld Pedersen Managing Director DIN: 07144184
	<ul style="list-style-type: none"> <li>• CFO</li> </ul>	For Gujarat Pipavav Port Limited  Hariharan Iyer Chief Financial Officer
	<ul style="list-style-type: none"> <li>• Auditor of the Company</li> </ul>	For Price Waterhouse Chartered Accountants LLP Firm Registration Number: 012754N/ N-500016 Chartered Accountants  Priyanshu Gundana Partner Membership Number 109553
	<ul style="list-style-type: none"> <li>• Audit Committee Chairman</li> </ul>	For Gujarat Pipavav Port Limited  Pravin Laheri, IAS Director DIN:00499080



**FORM B (for audit report with modified opinion)**

1.	Name of the Company:	Gujarat Pipavav Port Limited- Consolidated Audited Financial Statement
2.	Annual financial statements for the year ended	31st March 2016
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Appeared first time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors Report:	<p>Point no. 7(a) and (b) of Independent Auditors' Report on Consolidated Financial Statements</p> <p>7.(a) The consolidated financial statements include the Company's share of net profit of Rs. 316.78 million based on its unaudited financial statements as at 31 March 2016 in respect of its associate company not audited by us. The financial statements of the associate is pending audit by their auditors. Accordingly, our opinion on the consolidated financial statements insofar as it relates to the aforesaid amount and disclosures included in respect of this associate company is based solely on the financial information of the associate company for the year ended on 31 March 2016 as furnished to us by the Management of the Company.</p> <p>(b) Further, pending the audit of the associate for the year ended on 31 March 2016 by their auditors, we are unable to report on the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls of the associate company incorporated in India as required to be reported by us.</p> <p>Management Response: In this connection the Board of Directors would like to state that the Company holds 38.8% shares in Pipavav Railway Corporation Limited (PRCL) and in view of the provisions of Section 2(6) of the Companies Act, 2013, PRCL is an Associate Company. With more than 50% of PRCL's shareholding held by Government/ Public Sector Undertakings, PRCL is required to accomplish Statutory Audit followed with the CAG Audit. As on the date of this Report PRCL's Audited Financial Statements are not available, therefore the Company has prepared its Consolidated Financial Statement based on Unaudited financial statements provided by the PRCL Management.</p>



	Additional comments from the board/audit committee chair:	Nil
5	To be signed by:	
	<ul style="list-style-type: none"> <li>CEO/ Managing Director</li> </ul>	For Gujarat Pipavav Port Limited  Keld Pedersen Managing Director DIN: 07144184
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	For Gujarat Pipavav Port Limited  Hariharan Iyer Chief Financial Officer
	<ul style="list-style-type: none"> <li>Auditor of the Company</li> </ul>	For Price Waterhouse Chartered Accountants LLP Firm Registration Number: 012754N/ N-500016 Chartered Accountants  Priyanshu Gundana Partner Membership Number 109553
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	For Gujarat Pipavav Port Limited  Pravin Laheri, IAS Director DIN:00499080

