

Lifting Global TradeSM

APM TERMINALS

APM Terminals Pipavav
Gujarat Pipavav Port Limited

ANNUAL REPORT 2014-15



CHAIRMAN'S STATEMENT



Dear Shareholders,

For and on behalf of the Board of Directors, I am pleased to present the Company's Annual Report and Financial Statements, which reflecting the change of accounting year end to 31 March, represents a 15 month period ended 31st March 2015. .

Container demand globally rose about 4% in 2014 while EXIM trade in India has shown a slight improvement. Non major ports like your Company have continued to outpace the growth of major ports in India. Congestion free rail linkages, double stack capabilities and minimal deviation for vessels has allowed your Company to carve out a hinterland of its own, with rail connectivity and evacuation as its main strengths.

Your Company reported a net profit of INR 3,872.80 million for the period and EBITDA stood at INR 5,011.67 million. EBITDA margins rose to 57.80%, driven mainly by a substantial improvement in container & dry bulk cargo volumes and realization. The period also saw the commencement of operations of liquid cargo facilities by tank terminal operators, adding a third pillar to the existing container and bulk business. Your Company will continue to pursue growth, productivity and strive to be even more cost conscious.

Safety is a way of life at APM Terminals, with continued focus on elimination of high-risk situations by separation of man and machine, and ongoing safety enhancements throughout the year.

Your Company has invested in building capacities at the port keeping in mind the needs of the business in the vicinity and also the vast hinterland of India's north and west. The new equipment and expansion is necessary to maintain high levels of productivity and the reliable and secure relationships that your Company has with its shippers and clients .Your Company is committed and confident in its ability to execute the project on time and in cost, and well positioned and poised for growth as economy recovers.

During the period, your Company tied up with NYK Auto Logistics to set up a RORO yard at the port designed to handle 250,000 vehicles annually. Through its strategic location, your Company will look to be the preferred gateway for India's burgeoning auto manufacturers and for import of parts and accessories for some of the largest auto manufacturers located in the north and west of India. The future holds immense potential with the ambitious Delhi – Mumbai Industrial Corridor and the development of 24 super industrial nodes on this alignment. The first of these super nodes under development is Dholera, situated in the port's immediate hinterland. The new government holds a lot of promise for industrial growth and your Company is closely monitoring trade growth to capitalize on opportunities as they emerge.

I thank my colleagues on the Board for their guidance and insight. I also take the opportunity to express our sincere appreciation to all our shareholders, suppliers and customers for their unabated support and to our employees for their dedication and professionalism. I look forward to a very exciting and prosperous year ahead for Gujarat Pipavav Port Limited.

Yours faithfully,

Tejpreet Singh Chopra
Chairman

BOARD OF DIRECTORS

Mr. Tejpreet Singh Chopra	Chairman
Mr. A. K. Rakesh, IAS	
Ms. Hina Shah	
Mr. Jan Damgaard Sorensen	
Mr. Julian Bevis	(from 25th July 2014)
Mr. Pradeep Mallick	
Mr. Pravin Laheri, IAS (Retd.)	
Mr. Rizwan Soomar	(from 24th December 2014)
Mr. Keld Pedersen	Managing Director (from 1st May 2015)
Mr. Dinesh Kumar Lal	(upto 24th July 2014)
Mr. Henrik Lundgaard Pedersen	(upto 16th December 2014)
Mr. Prakash Tulsiani	Managing Director (upto 31st March 2015)

CHIEF FINANCIAL OFFICER

Mr. Hariharan Iyer

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Manish Agnihotri

AUDITORS

BSR & Associates LLP
Chartered Accountants, Mumbai

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad- 500032

REGISTERED OFFICE

Pipavav Port, At Post Ucchaiya Via Rajula
Dist. Amreli, Gujarat 365 560
CIN: L63010GJ1992PLC018106
Website: www.pipavav.com
Tel: 02794 302400
Fax: 02794 302413

CORPORATE OFFICE

301, Trade Centre
Bandra Kurla Complex
Bandra (E),
Mumbai 400 098
Tel: 022 30011300
Fax: 022 30011333

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NOTICE is hereby given that the 23rd Annual General Meeting of the Members of Gujarat Pipavav Port Limited (CIN:L63010GJ1992PLC018106) will be held at its Registered Office at Pipavav Port, At Post Ucchaiya via Rajula, District Amreli- 365 560 on Thursday 30th July 2015 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial period ended 31st March 2015 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Jan Damgaard Sorensen (DIN: 06408939), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, pass with or without modification(s) the following Resolution regarding Appointment of Statutory Auditors and fix their remuneration as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, read with the Companies (Audit & Auditors) Rules, 2014 of the Companies Act, 2013, as amended from time to time, M/s Price Waterhouse LLP Chartered Accountants (ICAI Regn. No. 012754N/N500016), be and are hereby appointed as Statutory Auditors of the Company, in place of M/s. B S R & Associates LLP, Chartered Accountants (ICAI Regn. No. 116231W/W-100024), to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 28th Annual General Meeting of the Company, subject to ratification of their appointment by members at every AGM.

RESOLVED FURTHER THAT the Board of Directors (including the Audit Committee) of the Company be and are hereby authorised to fix the remuneration of the Auditors.”

SPECIAL BUSINESS:

4. **Appointment of Mr. Tejpreet Singh Chopra (DIN:00317683) as an Independent Director of the Company**

To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and pursuant to the provisions of Listing Agreement, Mr. Tejpreet Singh Chopra (DIN: 00317683), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from Mr. Tejpreet Singh Chopra under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years upto 29th July 2020.”

5. **Appointment of Ms. Hina Shah (DIN: 06664927) as an Independent Director of the Company**

To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and pursuant to the provisions of Listing Agreement, Ms. Hina Shah (DIN: 06664927), a Non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from Ms. Hina Shah under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years upto 29th July 2020.”

6. **Appointment of Mr. Pradeep Mallick (DIN 00061256) as an Independent Director of the Company**

To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and pursuant to the provisions of Listing

Agreement, Mr. Pradeep Mallick(DIN: 00061256), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from Mr. Pradeep Mallick under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years upto 29th July 2020.”

7. **Appointment of Mr. Pravin Laheri, IAS (Retd.) (DIN: 00499080) as an Independent Director of the Company**

To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and pursuant to the provisions of Listing Agreement, Mr. Pravin Laheri, IAS (Retd.) (DIN: 00499080), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from Mr. Pravin Laheri, IAS (Retd.) under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years upto 29th July 2020.”

8. **Appointment of Mr. Julian Bevis (DIN: 00146000) as a Director of the Company**

To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Julian Bevis (DIN:00146000) who was appointed as an Additional Director of the Company with effect from 25th July, 2014 by the Board of Directors to hold office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 (“the Act”) and Article 109 of the Articles of Association of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from Mr. Julian Bevis proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

9. **Appointment of Mr. Rizwan Soomar (DIN: 02398970) as a Director of the Company**

To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Rizwan Soomar (DIN:02398970) who was appointed as an Additional Director of the Company with effect from 24th December, 2014 by the Board of Directors to hold office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 (“the Act”) and Article 109 of the Articles of Association of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from Mr. Rizwan Soomar proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

10. **Appointment of Mr. Keld Pedersen (DIN:07144184) as a Director of the Company**

To consider and if thought fit, pass with or without modification(s) the following as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Keld Pedersen (DIN:07144184) who was appointed as an Additional Director of the Company with effect from 1st May, 2015 by the Board of Directors to hold office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 (“the Act”) and Article 109 of the Articles of Association of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from Mr. Keld Pedersen proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

11. **Appointment of Mr. Keld Pedersen (DIN: 07144184) as Managing Director of the Company and approve payment of his remuneration**

To consider and if thought fit, pass with or without modification(s) the following as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act and the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 and any other Rules framed there under (including any statutory modification(s) or re-enactment or amendments thereof for the time being in force), pursuant to the recommendation of Nomination and Remuneration Committee and subject to the approval of Central Government, and such other approvals / permissions, if and as may be required, consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Keld Pedersen (DIN: 07144184) as Managing Director of the Company for a period of three years with effect from 1st May, 2015 to 30th April, 2018 on the terms and conditions including those relating to remuneration as set out under the Statement setting out the material facts annexed to this Notice dated 28th May 2015 for Item No. 11.

RESOLVED FURTHER THAT the Board of Directors ("Board") / Nomination and Remuneration Committee of Directors("NRC") of the Company be and is hereby authorised to alter and vary the terms and conditions of the said appointment including authority from time to time to determine the amount of salary, Performance Linked Incentive as also the type and amount of perquisites, other benefits and allowances payable to Mr. Keld Pedersen in such manner as may be agreed to between the Board / NRC and Mr. Keld Pedersen, subject to the limits prescribed under Section 197 and Schedule V to the Act (including any amendment, modification, variation or re-enactment thereof) and to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments and writings as may be required in regard to the said appointment as it may in its sole and absolute discretion deem fit, to give effect to this resolution without being required to seek any further consent or approval of the shareholders."

12. Approval of transactions with Maersk Line A/S

To consider and if thought fit, pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the amendments to Clause 49 VII(E) of the Stock Exchange Listing Agreement effective from 1st October, 2014 governing the Related Party Transactions and all other applicable acts, rules, regulations, guidelines (including any statutory modifications or re-enactment thereof, for the time being in force), approval of the shareholders of the Company be and is hereby accorded for contract(s)/transaction(s) with Maersk Line A/S (including A. P. Moller- Maersk A/S and its affiliates), a related party in accordance with Clause 49 of the Stock Exchange Listing Agreement, the details of which are provided herein below:

Details of contract/transaction with Maersk Line A/S

Nature of Contract/Transaction	Rendering of Services related to Port Operations. These transactions are in the ordinary course of business and are conducted on an arm's length basis.
Period of Contract/Transaction	1st October 2014 to 31st March 2017.
Amount of Contract / Transaction	Based on the past trend as per the details mentioned in the Explanatory Statement, we expect the revenue during each financial year to exceed 10% of the total consolidated turnover of the Company. The exact amount per annum depends on actual volume and vessel calls handled and cannot be estimated.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit and the Board is hereby further authorized to resolve and settle all questions, difficulties or doubts that may arise with regard to the said transaction and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the shareholders."

13. Borrowing powers of the Company

To consider and if thought fit, pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in super session of all the earlier resolutions passed by the shareholders of the Company in this regard, pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be

obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 25,000 Million or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

14. **Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.**

To consider and, if thought fit, pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in super session of all the earlier resolutions passed by shareholders of the Company in this regard, pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks / financial institutions, other investing agencies to secure rupee/foreign currency loans and / or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares and/or rupee/foreign currency convertible bonds and/or foreign currency bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed ₹ 25,000 Million or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution."

By Order of the Board of Directors
For **Gujarat Pipavav Port Limited**

Manish Agnihotri
Company Secretary
ACS 12045

Registered Office:

Pipavav Port, At Post Ucchaiya via Rajula
District Amreli, Gujarat 365560
CIN: L63010GJ1992PLC018106
Mumbai
28th May, 2015

Notes:

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

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

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

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

a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

- b) The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
- c) Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
- d) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- e) Members / Proxies / Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
- f) Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- g) Profile of the Directors seeking appointment / re-appointment, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is annexed to this Notice.
- h) The Register of Members and Share Transfer Books of the Company will remain closed from Friday 24th July 2015 to Thursday 30th July 2015 (both days inclusive).
- i) SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission / transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialised form or to Karvy Computershare Private Limited (Karvy) in case of holdings in physical form, mentioning your correct reference folio number.
- j) Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact Karvy for assistance in this regard.
- k) The Annual Report 2014-15 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.pipavav.com and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com
- l) Members desirous of getting any information about the Accounts of the Company are requested to write to the Company atleast seven days in advance of the Meeting, so that the information can be kept ready at the Meeting.
- m) Voting Options:

E-voting: In compliance with the provisions of Section 108 of Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Pvt Ltd (Karvy), on all resolutions set forth in this Notice.

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

STATEMENT SETTING OUT MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 4 to 7

As per the provisions of Section 149(4) of the Companies Act, 2013 (the "Act") and Clause 49 of Listing Agreement entered into with the Stock Exchanges ("Clause 49"), every listed company shall have at least 1/3rd of its total number of directors as independent directors and Section 149(6) of the Act and Clause 49 II B (1) of Listing Agreement, lays down the criteria for independence.

Mr. Tejpreet Singh Chopra, Ms. Hina Shah, Mr. Pradeep Mallick and Mr. Pravin Laheri, IAS (Retd.), Directors of the Company, have furnished declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria prescribed for independent directors under Section 149(6) of the Act as well as Clause 49.

Keeping in view the vast experience and knowledge of the aforesaid directors, it will be in the interest of the Company to appoint them as Independent Directors.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement and such Independent Directors are independent of the management. Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and are not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In terms of Section 149(11) of the Act, an independent director can hold office for two terms of up to 5 consecutive years each on the board of the company. Whereas, explanation to Section 149(10) and (11) further provides that any tenure of an independent director before commencement of the Act shall not be reckoned while calculating maximum terms of office of Independent Directors under the Act.

Accordingly, it is proposed to appoint Mr. Tejpreet Singh Chopra, Ms. Hina Shah, Mr. Pradeep Mallick and Mr. Pravin Laheri, IAS (Retd.), as Independent Directors of the Company for a period of 5 (Five) consecutive years with effect from the date of this Annual General Meeting, as set out at Item Nos. 4 to 7 of this Notice. Notices, as required under Section 160 of the Act along with the requisite deposit of ₹ 1 lac, have been received from them proposing their respective candidature as Independent Directors of the Company.

Upon the approval of the Members of the Company on the said resolutions, the appointment shall be formalized by way of issuance of the letter of appointment by the Company to the said Independent Directors.

Copy of the draft letter of appointment of all aforesaid directors as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Brief profile of the said Directors, in terms of Clause 49 of the Listing Agreement is provided at the end of this Notice.

The Board accordingly recommends the resolutions at Item Nos. 4 to 7 of this Notice for the approval of the Members.

None of the said Directors are related to any of the Director of the Company.

Other than the Independent Directors themselves and their relatives in the respective resolution, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 4 to 7 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Items no. 8

The Board of Directors appointed Mr. Julian Bevis (DIN:00146000) as an Additional Director of the Company with effect from 25th July, 2014. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") and Article 109 of the Articles of Association of the Company, Mr. Bevis holds office of Director upto the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice pursuant to the Section 160 of the Act, from Mr. Bevis signifying his intention to propose his appointment as a Director of the Company along with requisite deposit of ₹ 1 lac.

Mr. Bevis has over four decades of experience in the Port and Shipping business. He has been with the A. P. Moller Maersk Group since 2005.

A brief profile of Mr. Bevis in terms of Clause 49 of the Listing Agreement, is provided at the end of this Notice.

The Board of Directors is confident that his vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution for your approval.

Except Mr. Julian Bevis and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item No. 8 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Item no. 9

The Board of Directors appointed Mr. Rizwan Soomar (DIN:02398970) as an Additional Director of the Company with effect from 24th December, 2014. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") and Article 109 of the Articles of Association of the Company, Mr. Soomar holds office of Director upto the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice pursuant to the Section 160 of the Act, from Mr. Soomar signifying his intention to propose his appointment as a Director of the Company along with requisite deposit of ₹ 1 lac.

Mr. Soomar has been with the A. P. Moller Maersk Group since 1995 and has held various positions in the Group in India and abroad.

A brief profile of Mr. Soomar in terms of Clause 49 of the Listing Agreement, is provided at the end of this Notice.

The Board of Directors is confident that his vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution for your approval.

Except Mr. Rizwan Soomar and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item No. 9 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Item nos. 10 & 11

The Board of Directors in their meeting held on 31st March 2015, approved the appointment of Mr. Keld Pedersen (DIN: 07144184) as an Additional Director of the Company with effect from 1st May, 2015. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") and Article 109 of the Articles of Association of the Company, Mr. Pedersen holds office of Director upto the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice pursuant to Section 160 of the Act, from Mr. Keld Pedersen signifying his intention to propose his appointment as a Director of the Company along with the requisite deposit of ₹ 1 lac.

The Board also appointed Mr. Keld Pedersen as Managing Director of the Company for a period of three years with effect from 1st May 2015 subject to the approval of shareholders and Central Government, as applicable. He shall not be liable to retire by rotation.

Mr. Pedersen has been with the A. P. Moller Maersk Group since 1987. He started his career as Navigator in the Merchant Fleet and went on to become Captain. Since 1994 he shifted to shore assignments and held various positions within different business segments of A. P. Moller- Maersk Group in various countries. He was the Project and Operations Manager in Cameroon, General Manager- Operations, APM Terminals, Chief Operating Officer at Port of Tanjung Pelepas, Malaysia and Managing Director of APM Terminals Gothenburg before being appointed as Managing Director of Gujarat Pipavav Port Limited.

He has Master Mariner Certificate from Copenhagen Navigation School, Diploma in Economics and Management (Bachelor level) and has undertaken Executive Program at London Business School and IMD Switzerland.

The terms of appointment of Mr. Keld Pedersen as Managing Director of the Company for a period of 3 years from 1st May 2015 are as per the terms and conditions set out below:

Salary & Allowances: INR 1,970,936 per month

Perquisites:

(a) Contribution to Provident Fund as per the applicable laws;

- (b) Annual Performance Bonus as per Company's Rules;
- (c) Completion bonus of INR 12,388,051 at the end of 3 year assignment;
- (d) Company Car, Driver and telephone;
- (e) Medical Insurance for self and family as per Company's Rules;
- (f) Annual leave as per Company's Rules;
- (g) Company provided housing and payment of utility bills at actuals;
- (h) For each full year of assignment, Company paid home leave for self and family by way of two economy class round trip airfares;
- (i) For each full year of assignment, the Company will pay for 5 working days leave for self and family. The air ticket cost will be maximum INR 36,000 per person and a lumpsum allowance of INR 60,756 per leave;
- (j) Costs of international schooling for dependent children at actual;
- (k) Retirement Benefits: Company contribution of INR 106,700 per month, depending upon the exchange rate the amount will be revised annually; and
- (l) Cost of relocation of INR 1,641,386.

In the event of loss or inadequacy of profits during the tenure the Board shall determine the amount of total remuneration payable to Mr. Pedersen and seek Central Government approval, if required.

No sitting fee shall be paid to Mr. Pedersen for attending the Board Meeting.

There is no severance fee payable as per the terms

The above particulars may be treated as an abstract pursuant to Section 190 of the Companies Act, 2013.

Mr. Pedersen is Director in Pipavav Railway Corporation Limited.

Mr. Keld Pedersen is interested/ concerned in the resolution regarding his appointment and terms and conditions.

Name of the Director	Financial interest	Other interest
Mr. Keld Pedersen	Remuneration details as mentioned in the Explanatory Statement of this Notice	None

Apart from the aforesaid persons, none of the other persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons are concerned or interested in the above resolution.

Item no. 12

The Company is engaged in operating and maintaining an all-weather Port at Pipavav, District Amreli, in the State of Gujarat, having multi-cargo and multi-user operations. The Company's Port is one of the principal gateways on the West Coast of India and provides access to shipping lines through international routes as well as for the cargo belt in North and North-West Region of India. In its normal course of business, the Company has entered into transactions with Maersk Line A/S (Related Party to the Company in terms of revised Clause 49 of the Stock Exchange Listing Agreement) for providing port services and operations. The details of transactions with Maersk Line A/S during past four years are as follows:

Particulars	Amount in Rupees Million			
	Year ended 31st Dec 2011	Year ended 31st Dec 2012	Year ended 31st Dec 2013	Period ended 31st March 2015
Revenue from Operations	3,958.54	4,160.33	5,179.35	8,670.27
Revenue from Maersk Line	1,061.13	909.95	898.57	1,910.60
% of Total Revenue from Operations	27%	22%	17%	22%

Considering the past trend, it is expected that the aggregate amount of transactions with Maersk Line A/S would qualify as material transaction in terms of the provisions of the revised Clause 49(VII)(E) of the Stock Exchange Listing Agreement and requires shareholders approval by way of a special resolution. The said transactions have been duly approved by the

Audit Committee and Board of Directors.

Further, disclosures in connection with the related party transaction/contract are:

Name of the Related Party	Maersk Line A/S
Name of the Director or Key Managerial Personnel who are related, if any	None
Nature of relationship	Group Company, a Related Party as per revised Clause 49 of the Stock Exchange Listing Agreement
Nature and Particulars of Contract	Rendering of Services related to Port Operations. These transactions are in the ordinary course of business and are conducted at an arm's length basis.
Material Terms	As a customer Maersk Line A/S shall pay the port related charges as per published tariff and subject to discount based on volume handled.
Monetary Value	The exact amount of contract/transaction per annum depends on volume and vessel calls handled and therefore cannot be estimated. However, based on past actual data as mentioned above, we expect the value of transactions to exceed the threshold limit of 10% of the total consolidated turnover of the Company.
Period of Contract	1st October 2014 to 31st March 2017.

The above Related Party Transaction being in the ordinary course of business, at an arms' length basis and in accordance with the Company's Policy on Related Party Transactions, the requirement of shareholders approval as contemplated under Section 188 of the Companies Act, 2013, is not applicable. However, the said transaction being material Related Party Transaction, shareholders approval is sought under revised Clause 49(VII)(E) of the Stock Exchange Listing Agreement by way of Special Resolution.

Directors recommend, for your approval, the special resolution as set out in Item No. 12 of the Notice.

None of the Directors/ Key Managerial Personnel of the Company/ their respective relatives are interested in the resolution as set out in Item No. 12 of the Notice . Since this matter pertains to the transactions with Related Party as defined under revised Clause 49, none of the Related Parties shall be entitled to vote on the resolution.

Item no. 13

The Company has an existing resolution passed by the shareholders in the meeting held on 23rd June 2009 under Section 293(1)(d) of the Companies Act, 1956, authorising the Board of Directors to borrow monies, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, upto ₹ 25,000 Million .

As per the Circular dated 25 March, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956 was valid upto September 2014. The Company does not have any debt but it is necessary to pass a fresh resolution under Section 180(1)(c) of the Companies Act, 2013 as a Special Resolution, to enable Board of Directors of the Company to borrow monies as may be required, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the paid up capital and free reserves of the Company upto ₹ 25,000 Million or the aggregate of the paid up capital and free reserves of the Company, which ever is higher.

The Board recommends the Resolution at Item No. 13 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned in Item No. 13 of the Notice.

Item no.14

Similar to the resolution under Section 293(1)(d) the Company also has an existing resolution under Section 293(1)(a) of the Companies Act, 1956, approved by the Shareholders in the meeting held on 23rd June 2009 authorising the Board of Directors to create charge / mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders etc., to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the

Company's Bankers in the ordinary course of business) for an amount upto ₹ 25,000 Million.

In view of its validity upto September 2014 under the Circular dated 25 March, 2014 issued by the Ministry of Corporate Affairs, it is proposed to pass a fresh resolution under Section 180(1)(a) of the Companies Act, 2013 as a Special Resolution, to enable Board of Directors of the Company for creation of charge / mortgage / hypothecation for an amount not exceeding ₹ 25,000 Million or the aggregate of the paid up capital and free reserves of the Company, which ever is higher.

The Board recommends the Resolution at Item No. 14 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 14 of the Notice.

By Order of the Board of Directors
For **Gujarat Pipavav Port Limited**

Manish Agnihotri
Company Secretary
ACS12045

Registered Office:

Pipavav Port, At Post Ucchaiya via Rajula
District Amreli, Gujarat 365560
CIN: L63010GJ1992PLC018106

Mumbai

Thursday 28th May, 2015

Profile of the Directors being appointed / re-appointed as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges

Particulars	Mr. Tejpreet Singh Chopra	Ms Hina Shah	Mr. Pradeep Mallick	Mr. Pravin Laheri, IAS (Retd)	Mr. Julian Bevis	Mr. Rizwan Soomar	Mr. Keld Pedersen
Date of Birth	5th December 1969	22nd November 1948	20th November 1942	28th March 1945	28th April 1950	1st June 1971	29th April 1966
Date of Appointment	4th September 2012	30th July 2013	4th September 2012	29th August 2008	25th July 2014	24th December 2014	1st May 2015
Qualification	BA (Hons) in Economics from St. Stephen's College, Delhi University, MBA from Cornell University	Masters in Chemistry apart from various courses in Management	B. Tech IIT Madras, Fellow of the Institution of Engineering & Technology, London, Diploma in Business Management, UK.	Bachelor in Arts and Law, Masters in Science and Economics from University of Wales	Masters from Oxford University	Management Graduate from Chicago Booth School of Business and Diploma from Institute of Chartered Ship Brokers, London	Master Mariner from Copenhagen Navigation School, Diploma in Economics and Management (Bachelor level), Executive Programs from London Business School and IMD Switzerland
Expertise in specific functional areas	Strategic Business Management	CSR activities	Strategic Business Management	Corporate, Labour & Industrial Laws	Business Management	Business Management	Business Management
Directorships in other Public companies in India	SRF Limited	None	Automotive Stampings & Assemblies Ltd; Blue Star Ltd; FOSECO India Ltd;	P. I. Industries Ltd.; Gulmohar Greens Golf & Country Club Ltd; DMCC Oil Terminal (Navlakhi) Ltd.	None	None	Pipavav Railway Corporation Limited
Membership of Committees held in other Public companies in India.	Stakeholders Relationship Committee: SRF Limited	None	Member Audit Committee: 1. Automotive Stampings & Assemblies Ltd 2. Blue Star Ltd 3. FOSECO India Ltd Chairman Stakeholder Relationship Committee FOSECO India Ltd.	None	None	None	None
No. of Equity Shares held in the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note: Membership of Committees refers to Audit Committee and Stakeholders Relationship Committee only.

DIRECTORS' REPORT

To
The Members,
Gujarat Pipavav Port Limited

The Directors are pleased to present the 23rd Annual Report of the Company together with the Audited Statement of Accounts for the fifteen month period ended 31st March, 2015.

1. FINANCIAL STATEMENTS & RESULTS:

Pursuant to the provisions of Section 2(41) of the Companies Act, 2013, the Company has changed its financial year from January- December to April- March. Therefore the financial statements for the period under review are for a fifteen month period from 1st January 2014 to 31st March 2015 and are not comparable.

a. Financial Results

The Company's performance during the fifteen month period ended 31st March, 2015 as compared to the previous financial year, is summarized below:

(₹ In Million)

Particulars	For the fifteen month period ended 31st March, 2015	For the financial year ended 31st December, 2013
Operating Income	8,670.27	5,179.35
Less: Operating Expenditure	3,658.62	2,615.68
Operating Profit	5,011.65	2,563.67
Add: Other Income	400.53	167.61
Profit before Interest, Depreciation, tax and Exceptional Item	5,412.18	2,731.28
Less: Interest	258.51	369.64
Less: Depreciation	832.86	607.81
Profit for the year before Exceptional Item	4,320.81	1,753.83
Add: Exceptional Income	---	163.82
Less: Exceptional Expenditure	448.01	---
Profit Before Tax	3,872.80	1,917.65
Less: Taxes	---	---
Profit after Tax	3,872.80	1,917.65
Balance carried to Balance sheet	3,872.80	1,917.65

b. OPERATIONS:

The Company is engaged in the business of Port Development and Operations at Pipavav Port, Gujarat under the Concession Agreement dated 30th September 1998 from Gujarat Maritime Board. The performance details during the period are as follows:

Particulars	For the fifteen month period ended 31st March, 2015	For the financial year ended 31st December, 2013
Bulk Cargo Handled (In MT)	4,643,675	3,167,586
Containers Handled (In TEUs)	980,689	661,865

The growth in Container volume has been mainly driven by addition of new services and upgradation of the existing services calling at Pipavav Port. The growth in overall container volumes continues to remain

subdued. The movement of ICD volumes through high cube double stack trains has been steadily increasing and continues to be a value proposition for all stakeholders in the trade.

In the case of dry bulk cargo, the volume mainly comprises coal and fertilizer. The increase in rail freight continues to adversely impact the port's coal volumes for upcountry power plants. In the case of liquid cargo, the facility of all the three operators is ready and Year 2015-16 will be their first full year of operation.

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

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. Therefore the audited financial statements of PRCL are yet to be released as on date, so the Company has not consolidated PRCL's financial performance.

d. DIVIDEND:

The Company has accumulated losses of Rs. 1,215.38 Million as on 31st March 2015. In view of the provisions of Companies (Declaration and Payment of Dividend) Rules, 2014, where a Company cannot declare dividend unless the carried forward losses of previous years are set off against its profits of the current year, the Board of Directors has not recommended any dividend for the financial period under review.

e. TRANSFER TO RESERVES:

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

f. REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the period under review.

g. DEPOSITS

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

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

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

i. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the period under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

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

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

k. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the period under review, are in ordinary course of business and at arms' length. Therefore they do not come within the purview of the provisions of Section 188 of the Companies Act, 2013.

The details of these related party transactions are included in Note 34 of the Notes to Accounts.

All the transactions have prior approval of the Audit Committee as per the requirement under the Listing Agreement. One of the existing transactions is with Maersk Line A/S in connection with Income from Port

Operations and is a material transaction in terms of the revised Clause 49 of the Listing Agreement. The Company has initiated the process to seek shareholders' approval in its forthcoming Annual General Meeting as per Clause 49(VII)(E) of the Listing Agreement.

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

The Company has not provided any loans, guarantees and securities during the financial period under review. The Company does not have any investments except its shareholding in the Associate Company namely Pipavav Railway Corporation Limited. There were no fresh investments made in the said Company during the financial period under review.

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

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

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

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

The Company has not issued any sweat equity shares during the period under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

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

The Company has not issued any equity shares under Employees Stock Option Scheme during the period under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

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

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

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Julian Bevis (DIN: 00146000) and Mr. Rizwan Soomar (DIN: 02398970) were appointed as Additional Directors of the Company on 25th July 2014 and 24th December 2014 respectively to hold office upto the date of ensuing Annual General Meeting. The Company has received notice from them along with requisite deposits proposing their respective candidature for appointment as Directors at the ensuing Annual General Meeting.

Mr. Tejpreet Singh Chopra (DIN: 00317683), Ms. Hina Shah (DIN: 06664927), Mr. Pradeep Mallick (DIN: 00061256) and Mr. Pravin Laheri, IAS (Retd.)(00499080) are the existing Independent Directors. The Company proposes to appoint them as Independent Directors under Section 149 of the Companies Act, 2013, for a period of five consecutive years from the date of this Annual General Meeting.

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Jan Damgaard Sorensen (DIN:06408939) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his reappointment.

Mr. Dinesh Lal (DIN:00037142) and Mr. Henrik Lundgaard Pedersen (DIN:06391674) have ceased to be Directors of the Company from 24th July 2014 and 16th December 2014 respectively.

Mr. Prakash Tulsiani (DIN:02590972) resigned as Managing Director of the Company with effect from 31st March 2015 to pursue other career opportunities. The Board has appointed Mr. Keld Pedersen (DIN: 07144184) as Managing Director effective 1st May 2015.

The Board thanks Mr. Lal, Mr. Pedersen and Mr. Tulsiani and places on record its appreciation for their valuable contribution during their tenure on the Company's Board.

b. DECLARATIONS BY INDEPENDENT DIRECTORS:

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

c. PAYMENT OF COMMISSION TO MANAGERIAL PERSONNEL

The Company has not paid any Commission to Managerial Personnel during the financial period under review.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS:

The Board of Directors met seven times during the fifteen month period ended 31st March 2015. The meetings were held in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, on the following dates:

18th February 2014, 17th April 2014, 6th May 2014, 25th July 2014, 4th November 2014, 4th February 2015 and 31st March 2015.

b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the fifteen month period ended 31st March, 2015, the Board of Directors hereby confirms that:

- a. in preparation of the accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for that period;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the accounts of the Company for the fifteen month period have been prepared on a going concern basis;
- e. internal financial controls have been laid down by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of Directors was constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The composition of the Committee is as under:

1. Mr. Pradeep Mallick Chairman, Independent Director
2. Mr. Pravin Laheri, IAS (Retd.) Independent Director
3. Mr. Tejpreet Singh Chopra, Independent Director; and
4. Mr. Rizwan Soomar, Non Independent Director

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

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

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

- b) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary for the position then, while recommending the appointment, the HR Department shall provide the job description to the Committee and justify that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment. In such circumstances, the Committee may call for an expert opinion on the appropriateness of the qualifications and experience of the candidate for the position of the Executive Director.
- c) In case of appointment as a Non-Executive Director, the candidate must have a post graduate degree, diploma or a professional qualification in the field of his practice/ profession/ service and shall have not less than five years of working experience in such field as a professional in practice, advisor, consultant or as an employee. Provided that the Board may waive the requirements of qualification and/ or experience under this paragraph for a deserving candidate.
- d) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.
- e) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
 - i) Criteria/ norms for determining the remuneration of such employees prescribed in the HR Policy.
 - ii) Existing remuneration drawn.
 - iii) Industry standards, if the data in this regard is available.
 - iv) The job description.
 - v) Qualification and experience level of the candidate.
 - vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.
 - vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.
- f) The remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013. They shall not be eligible for any sitting fees for attending any meetings
- g) The Non-Executive Directors shall not be eligible to receive any remuneration/ salary from the Company. However, the Non-Executive Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board/ Shareholders from time to time. They shall also be eligible for reimbursement of out of pocket expenses for attending Board/ Committee Meetings.

d. AUDIT COMMITTEE:

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

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

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges.

During the period under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

The Company Secretary acts as Secretary of the Committee.

e. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

1. Mr. Pradeep Mallick, Chairman, Independent Director,
2. Mr. Tejpreet Singh Chopra, Independent Director and
3. Mr. Prakash Tulsiani, Managing Director (upto 31st March 2015 now replaced by Mr. Keld Pedersen, Managing Director).

The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee.

f. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed the Whistle Blower Policy for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

g. RISK MANAGEMENT POLICY:

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

h. CORPORATE SOCIAL RESPONSIBILITY POLICY:

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

1. Ms. Hina Shah, Chairperson, Independent Director
2. Mr. Pravin Laheri, IAS (Retd.), Independent Director and
3. Mr. Prakash Tulsiani, Managing Director (upto 31st March 2015 now replaced by Mr. Keld Pedersen, Managing Director)

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The Company has initiated activities in accordance with the said Policy.

The CSR Policy of the Company is available on the Company's web-site and can be accessed in the link provided www.pipavav.com

The Company was required to spend Rs. 21.5 Million towards the CSR activities out of which the activities for Rs. 9.2 Million have been completed and for Rs. 12.3 Million the activities are underway as on 31st March 2015.

Annual Report on CSR activities for the financial period under review is attached in Annexure A of this Report.

i. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

The Independent Directors held their meeting to evaluate the performance of the Non Independent Directors and the Board as a whole. Each Board member's contribution, their participation was evaluated and the domain knowledge they bring. They also evaluated the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished.

j. INTERNAL CONTROL SYSTEMS:

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems consisting of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

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

The details under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 regarding the employees will be provided upon request. The copies of Annual Report are being sent to the Members under Section 136 of the Companies Act, 2013 excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company upto the date of the Company's forthcoming Annual General Meeting. Any Member who is interested in a copy of the employees' particulars may write to the Company Secretary.

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

None of the managerial personnel i.e. Managing Director and Whole time Directors of the Company are in receipt of remuneration/commission from the Holding or Subsidiary Company of the Company.

4. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2015:

The observations made by the Statutory Auditors in their report for the financial period ended 31st March 2015 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. SECRETARIAL AUDIT REPORT FOR THE PERIOD ENDED 31ST MARCH 2015:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s Rathi and Associates, Company Secretaries had been appointed to issue Secretarial Audit Report for the fifteen month period ended 31st March 2015.

Secretarial Audit Report issued by M/s Rathi and Associates, Company Secretaries in Form MR-3 for the period under review forms part of this report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

c. APPOINTMENT OF AUDITORS:

M/s B S R & Associates LLP Chartered Accountants (ICAI Regn. No. 116231W/W-100024), the Statutory Auditors of the Company, were reappointed at the Annual General Meeting held on 6th May 2014 to hold office upto the conclusion of the ensuing Annual General Meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the present Auditors are in the office for more than 10 years. It is proposed to rotate the Statutory Auditors in compliance with the requirements under Section 139(2) of the Companies Act, 2013.

The Board recommends the appointment of M/s. Price Waterhouse LLP Chartered Accountants (ICAI Regn. No. 012754N/N500016) as the Statutory Auditors of the Company to hold office from conclusion of the 23rd Annual General Meeting till conclusion of 28th Annual General Meeting. The consent of M/s. Price Waterhouse LLP Chartered Accountants along with certificate under Section 139 of the Act has been obtained to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company.

Necessary resolution for appointment of the M/s. Price Waterhouse LLP Chartered Accountants is included in the Notice of AGM for seeking approval of members.

d. COST AUDITORS:

As per the notification dated 31st December 2014 issued by the Ministry of Corporate Affairs pursuant to the provisions of Section 148 of the Companies Act, 2013, the Company is not required to appoint Cost Auditors.

5. OTHER DISCLOSURES

Other disclosures as per the provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the fifteen month period ended 31st March 2015 made under the provisions of Section 92(3) of the Act is attached as Annexure B which forms part of this Report.

b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is engaged in the business of Port Development and Operations. Considering the nature of business activity, the particulars regarding conservation of energy and technology absorption as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable and have not been included.

The details regarding the foreign exchange earnings and outgo during the period under review are mentioned in Note no 37 (c) and (d) of Notes to Accounts.

c. CORPORATE GOVERNANCE (in terms of Section II of Schedule V):

The Company has adequate profits and therefore the provision of Section II in Schedule V regarding remuneration payable by Companies having no profit or inadequate profit without Central Government approval, is not applicable.

6. ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their continued support and encouragement to the Company. Your Directors also wish to place on record their sincere appreciation of the commitment and enthusiasm of all employees for their significant role in the Company's growth till date.

For and on behalf of the Board

CHAIRMAN
DIN: 00317683

Date: 28th May 2015

Place: Mumbai

Registered Office

Pipavav Port,

At Post Ucchaiya via Rajula

District Amreli 365560

CIN L63010GJ1992PLC018106

TEL No. 02794 302400 Fax No. 02794 302413

Mail investorrelationinppv@apmterminals.com website www.pipavav.com

ANNEXURE A

ANNUAL REPORT ON CSR ACTIVITIES

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

The CSR Policy is stated in the weblink below:

www.pipavav/investor/policies/csr.com

2. The composition of the CSR Committee.
 Ms. Hina Shah, Chairperson, Independent Director
 Mr. Pravin Laheri, IAS (Retd.), Independent Director and
 Mr. Prakash Tulsiani, Managing Director (upto 31st March 2015 now replaced by Mr. Keld Pedersen, Managing Director)
3. Average Net Profit of the Company for last three financial years.
 Rs. 1,076 Million
4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above)
 Rs. 21.5 Million
5. Details of CSR spent during the fifteen month period ended 31st March 2015;
 - (a) Total amount to be spent; Rs. 21.5 Million
 - (b) Amount unspent if any; Nil (Out of total Rs. 21.5 Million, Rs. 9.2 Million has been spent on the activities completed and for the remaining amount of Rs. 12.3 Million the work is underway as of 31st March 2015.
 - (c) Manner in which the amount spent is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs)	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads: (Rs)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent Direct or through implementing agency* (Rs.)
Works Completed							
1	Supply of Education Material, Upgradation of school infrastructure	Education	Shiyal Bet, Jaffrabad Taluka; Bherai, Rampara village Rajula Taluka, District Amreli	1,670,282	1,670,282	1,670,282	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs)	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads: (Rs)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent Direct or through implementing agency* (Rs.)
2	Organising Health Camps, Free OPD and medicine supply, Supply of low smoke stoves, solar street lights, Bio Gas plant	Health	Shiyal Bet, Jaffrabad Taluka; Kumbhariya, Bherai, Rampara village Rajula Taluka, District Amreli	4,371,389	4,371,389	4,371,389	Direct
3	Conducting training for women, creating awareness on women rights	Empowering women	Shiyal Bet, Jaffrabad Taluka; Rampara, Rajula Taluka	86,345	86,345	86,345	Direct and through an NGO Vivekananda Research Training Institute, Rajula
4	Construction of Class rooms, Anganwadi refurbishment, Construction of sanitation units, Repairs of the school building, Erection of Safety equipment in schools	Rural Development Project	Bherai, Rampara in Rajula Taluka; Shiyal bet in Jaffrabad Taluka	3,058,562	3,058,562	3,058,562	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs)	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads: (Rs)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent Direct or through implementing agency* (Rs.)
Works Underway as of 31st March 2015							
1	Construction of Toilet blocks	Sanitation	Shiyal bet, Jaffrabad Taluka; Kumbhariya, Kadiyali, Rajula Taluka	3,475,000	1,695,000	1,695,000	Direct
2	Construction of Road, bund, Crematorium, Anganwadi repair	Rural Development Project	Thavi, Bherai, Kumbhariya, Rajula, Rampara, Rajula Taluka	8,445,721			Direct Work orders have been issued
3	Promotion of Health and Family Welfare activities	Healthcare	Shiyal bet, Jaffrabad Taluka	350,000	63,500	63,500	Direct

* Details of the Implementing Agency:

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

Not applicable

ANNEXURE B

EXTRACT OF ANNUAL RETURN

As on financial period ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L63010GJ1992PLC018106
Registration Date	:	5th August 1992
Name of the Company	:	Gujarat Pipavav Port Limited
Category / Sub-Category of the Company	:	Company having Share Capital
Address of the Registered office and contact details	:	Pipavav Port, At Post Ucchaiya via Rajula, District Amreli, Gujarat 365560
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
Supporting Services for Water Transport	99675	100%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
Pipavav Railway Corporation Limited 1st Floor Jeevan Tara Building (Gate-4), No. 5 Parliament Street, New Delhi 110001	U45200DL2000PLC151199	Associate	38.8%	2(6)

I SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the period				No. of Shares held at the end of the period				% Change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Sub-total(A)(1):									
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.	207,903,931	0	207,903,931	43.01	207,903,931	0	207,903,931	43.01	---
d) Banks / FI									
e) Any other									
Sub-total (A)(2):	207,903,931	0	207,903,931	43.01	207,903,931	0	207,903,931	43.01	---
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	207,903,931	0	207,903,931	43.01	207,903,931	0	207,903,931	43.01	---
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	56,490,452		56,490,452	11.69	53,527,872		53,527,872	11.07	(0.62)
b) Banks / FI	6,267,031		6,267,031	1.30	5,344,478		5,344,478	1.11	(0.19)
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs	163,483,525		163,483,525	33.82	179,150,602		179,150,602	37.06	3.24
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):	226,241,008		226,241,008	46.80	238,022,952		238,022,952	49.24	2.44
(2)Non-Institutions									
a) Bodies Corp.	27,683,265	55,500	27,738,765	5.74	14,549,817	28,000	14,577,817	3.02	(2.72)
i) Indian									
ii) Overseas									
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the period				No. of Shares held at the end of the period				% Change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11,489,847	611,033	12,100,880	2.50	13,121,187	491,481	13,612,668	2.82	0.32
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7,507,905	63,822	7,571,727	1.57	7,886,410	73,826	7,960,236	1.65	0.08
c) Others (specify)	1,588,499	295,100	1,883,599	0.39	1,127,206	235,100	1,362,306	0.28	(0.11)
Sub-total(B)(2):	48,269,516	1,025,455	49,294,971	10.20	36,684,620	828,407	37,513,027	7.76	(2.44)
Total Public Shareholding (B)=(B)(1)+(B)(2)	274,510,524	1,025,455	275,535,979	56.99	274,707,572	828,407	275,535,979	56.99	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	482,414,455	1,025,455	483,439,910	100	482,611,503	828,407	483,439,910	100	

ii. SHAREHOLDING OF PROMOTERS:

Shareholder's Name	Shareholding at the beginning of the period			Share holding at the end of the period			% change in share holding during the period
	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
APM Terminals Mauritius Ltd	207,903,931	43.01	0	207,903,931	43.01	0	0
Total	207,903,931	43.01	0	207,903,931	43.01	0	

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

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

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the period		Shareholding at the end of the period	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Matthews India Fund	18,880,000	3.91%	10,373,564	2.15%
2	Credit Suisse (Singapore) Ltd	17,939,759	3.71%	17,939,759	3.71%
3	Bajaj Allianz Life Insurance Co Ltd	16,499,985	3.41%	7,940,476	1.64%
4	Vanguard International Explorer Fund	15,036,675	3.11%	9,841,063	2.04%
5	Franklin Templeton Investment Fund	12,074,572	2.50%	-	-
6	Smallcap World Fund	10,180,000	2.11%	14,361,367	2.97%
7	ICICI Prudential Discovery Fund	9,981,210	2.06%	9,981,210	2.06%
8	Schroder Asia Pacific Fund	7,325,374	1.52%	-	-
9	Schroder Asian Alpha Plus Fund	7,300,869	1.51%	6,481,228	1.34%
10	Morgan Stanley Asia (Singapore) Pte Ltd	7,124,438	1.47%	547,719	0.11%
11	Matthews Asia Small Companies Fund	6,891,949	1.43%	2,368,308	0.49%
12	SBI Life Insurance Co. Ltd	6,440,488	1.33%	791,000	0.16%

iv. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the period		Cumulative Shareholding during the period	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Prakash Tulsiani, Managing Director (upto 31st March 2015)				
	At the beginning of the period	22,000	--	22,000	--
	Date wise Increase / Decrease in Share holding during the period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	--
	At the End of the period	22,000	--	22,000	--
2	Mr Hariharan Iyer, Chief Financial Officer				
	At the beginning of the period	2655	--	2655	---
	Date wise Increase / Decrease in Share holding during the period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	---	--	---	---
	At the End of the period	2655	--	2655	---

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the period		Cumulative Shareholding during the period	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Mr. Manish Agnihotri, Company Secretary & Compliance Officer				
	At the beginning of the period	--	--	--	--
	Date wise Increase / Decrease in Share holding during the period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	--	--	--	--
	At the End of the period	--	--	--	--

II INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial period	Rs. Mn.	NIL	NIL	Rs. Mn.
i) Principal Amount	3,038.75			3,038.75
ii) Interest due but not paid	NIL			NIL
iii) Interest accrued but not due	NIL			NIL
Total (i+ii+iii)	3,038.75			3,038.75
Change in Indebtedness during the financial period				
• Addition	NIL			NIL
• Reduction	3,038.75			3,038.75
Net Change	(3,038.75)			(3,038.75)
Indebtedness at the end of the financial period				
i) Principal Amount	NIL			NIL
ii) Interest due but not paid	NIL			NIL
iii) Interest accrued but not due	NIL			NIL
Total (i+ii+iii)	NIL			NIL

III REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration		Name of MD/ WTD/ Manager	
		Mr. Prakash Tulsiani*	
		Total Amount	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 28.77 Million	Rs. 28.77 Million
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs. 54.27 Million	Rs. 54.27 Million
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit		
	- others, specify		
5	Others, please specify Performance Bonus	27.18 Million	27.18 Million
	Total (A)	110.22 Million	110.22 Million
	Ceiling as per the Act	193.64 Million	193.64 Million

*For the fifteen month period from 1st January 2014 to 31st March 2015. He has ceased to be Managing Director from 31st March 2015

B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Tejpreet Singh Chopra	Ms. Hina Shah	Mr. Pradeep Mallick	Mr. Pravin Laheri, IAS (Retd.)	
1. Independent Directors					
• Fee for attending board / committee meetings	Rs. 530,000	Rs. 630,000	Rs. 870,000	Rs. 940,000	Rs. 2,970,000
• Commission	---	---	---	---	---
• Others, please specify	---	---	---	---	---
Total (1)	Rs. 530,000	Rs. 630,000	Rs. 870,000	Rs. 940,000	Rs. 2,970,000
2. Other Non-Executive Directors					
• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	
• Commission	Nil	Nil	Nil	Nil	
• Others, please specify	Nil	Nil	Nil	Nil	
Total (2)	Nil	Nil	Nil	Nil	
Total (B)=(1+2)	Rs. 530,000	Rs. 630,000	Rs. 870,000	Rs. 940,000	Rs. 2,970,000
Total Managerial Remuneration	Rs. 530,000	Rs. 630,000	Rs. 870,000	Rs. 940,000	Rs. 2,970,000
Overall Ceiling as per the Act	NA	NA	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	3,805,968	17,197,371	21,003,339
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		---	---	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		---	---	
2	Stock Option		NA	NA	
3	Sweat Equity		NA	NA	
4	Commission		NA	NA	
	- as % of profit				
	- others, specify				
5	Others, please Specify- Bonus		827,162	4,651,241	5,478,403
	Total		4,633,130	21,848,612	26,481,742

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Median Remuneration: Rs. 320,000 p.a.

Managing Director’s Remuneration: Rs. 110.22 Million

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

Name of Director/ KMP	Percentage increase in remuneration
Mr. Hariharan Iyer, CFO	5.5%
Mr. Manish Agnihotri, Company Secretary and Compliance Officer	14%

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

11.59%

The number of permanent employees on the rolls of the Company: 523

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

SECRETARIAL AUDIT REPORT

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

FOR THE FIFTEEN MONTHS PERIOD ENDED 31ST MARCH 2015

To
The Board of Directors
Gujarat Pipavav Port Limited
Mumbai

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Gujarat Pipavav Port Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the fifteen months period ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Gujarat Pipavav Port Limited ("the Company") as given in Annexure I, for the fifteen months period ended on 31st March, 2015, according to the provisions of:
 - (i) The Companies Act, 1956 (the Old Act) and the rules made thereunder for the period upto 31st March 2015;
 - (ii) The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014;
 - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
 - (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - ii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the fifteen months period under report:-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

-
- v. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings were not attracted to the Company under the fifteen months period under report.
4. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure II.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s);

During the fifteen months period under report, the Company has complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. However, as per the provisions of Section 149 of the Companies Act, 2013, the appointment of Independent Directors is yet to be formalized with the approval of shareholders. The changes in the composition of the Board of Directors that took place during the period under report were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under report, the Company has not undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

JAYESH M. SHAH
PARTNER
Membership No. FCS 5637
COP: 2535

Mumbai

Dated: 28th May 2015

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st December 2013.
3. Minutes of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee, Stakeholders' Relationship Committee and CSR Committee along with Attendance Register for meetings held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Policies on:
 - Related Parties Transactions,
 - Material Subsidiaries,
 - Whistle Blower,
 - Corporate Social Responsibility,
 - Risk Management Policy & Framework,
 - Nomination & Remuneration,
 - Code of Conduct for Independent Directors and
 - Internal Financial Controls;
6. Statutory Registers viz.
 - Register of Directors & KMP
 - Register of Directors' Shareholding
 - Register of Employee Stock Options
 - Register of loans, guarantees and security and acquisition made by the Company
 - Register of Renewed and Duplicate Share Certificate
7. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013.
9. Intimations received from directors under the prohibition of Insider Trading Code.
10. e-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
11. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
12. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines and for Overseas Direct Investments made by the Company.
13. E-mails evidencing dissemination of information related to closure of trading window;
14. E-mails evidencing notice of Board and Committee meetings circulated to Board and Committee members;
15. Internal Code of Conduct for prevention of Insider Trading by Employees / Directors / Designated Persons of the Company;
16. Documents filed with Stock Exchanges;

ANNEXURE - II

List of applicable laws to the Company

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

Registered office:

Pipavav Port, At Post Ucchaiya Via Rajula

Dist. Amreli, Gujarat – 365 560

Corporate office:

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

Ports:

1. Pipavav Port, At Post Ucchaiya, Via Rajula, Dist. Amreli, Gujarat – 365 560

Under the Major Group and Head

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

MANAGEMENT DISCUSSION AND ANALYSIS

For Fifteen month period ended March 31, 2015

Introduction

The Company has changed its accounting year from Calendar year (CY) January-December to Financial Year (FY) April-March effective 1 April 2015. In view of this, the current financial year is for a period of fifteen month i.e 1 January 2014 to 31 March 2015 and the figures are not comparable with the figures for the year ended 31 December 2013.

The following discussion and analysis of the financial performance and activity of Gujarat Pipavav Port Limited is intended to provide an analysis of the business and the financial statements for the fifteen month period under review, with selected comparative information for the year ended 31 December 2013. This section has been prepared by Management of Gujarat Pipavav Port Limited (referred to as "APM Terminals Pipavav" or "the Company") and should be read in conjunction with the financial statements and the notes thereon, which follow the section.

The financial statements have been prepared on going concern basis and on accrual basis, under the historical cost convention and in accordance with Indian GAAP, the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006, issued by Government of India and the relevant provisions of the Companies Act, 1956 as adopted by us.

Background

APM Terminals Pipavav, India's first private sector port, operates as an all-weather port located on the southwest coast of Gujarat; at a distance of 140 kms southwest of Bhavnagar and around 160 nautical miles Northwest of Mumbai. The port lies on the important maritime trade routes which connect India with international destinations such as the Middle East, Africa, Europe, etc. The port has Container capacity of approximately 850,000 TEUs per annum, Bulk Cargo capacity of approximately 4 to 5 million metric tons per annum depending on cargo mix and Liquid Cargo capacity of approximately 2 million metric tons per annum.

APM Terminals is the Lead Promoter and holds 43.01% of the total shareholding of the Company. APM Terminals operates a Global Terminal Network with 20,600 professionals serving 65 active port and terminal facilities and 135 inland services operations in 58 countries around the globe. The Company provides port management and operations to over 60 shipping companies which serve the world's leading importers and exporters of containerized, dry bulk, liquid bulk, general cargo and other commodities. In 2015, APM Terminals won the Lloyd's List North American Maritime "Port Operator of the Year" Award and has once again been recognized as the industry's standard-setter in terminal productivity.

Economy & Port Sector

According to IMF, there has been a marginal pickup in global economic growth in the past year. While high income countries continue to deal with legacy issues lingering from the global financial crisis, US and UK being exceptions, the emerging economies have lost much of their dynamism. China is undergoing a carefully controlled slowdown while the Indian economy continued to demonstrate resilience in the face of tepid global recovery in FY15.

The monsoons in India in the past year ended with a deficit of 12%, lowest in 5 years. Manufacturing growth was gradual, however the change in Government at the centre and policy announcements such as "Make in India" coupled with policy initiatives to reform the supply side and infrastructure bottle necks, hold promise for significant growth in the future. Coal and fertilizer imports surged ahead in 2014 buoyed by increased demand and softer commodity prices. There were significant reforms made by the government to aid local coal production, including coal block auctions and fast tracking of rail evacuation infrastructure.

Container volumes at India's major ports grew 6.7% during the fiscal year 2014-15. Container trade continues to be dominated by the west coast ports which account for two-thirds of the total container volumes in India. In the past few years, non-major ports have witnessed faster growth in cargo handling than major ports due to the capacity constraints at most major ports, with terminals at JNPT operating much above their designed capacities. The Non major ports have an edge over Major ports due to better draft, larger handling and evacuation capacity.

Operations Review

Container volume throughput in the fifteen month period ended 31 March 2015 was 980,689 TEUs compared to 661,865 TEUs handled for the year ended 31 December 2013. The increase in volume is a result of a new service, upsizing of vessels and improvement of existing services. The period in review was witness to shipping lines continuing to pursue economies of scale by upscaling and coming together to form alliances.

The Bulk volumes at Pipavav continue to be driven primarily by Coal and Fertilizer. The existing rail freight differential issues

accentuated by every hike in rail freight continue to affect dry bulk volumes, especially coal cargo. While there has been incremental growth for Coal volumes during the period ended 31 March 2015, the growth was mainly driven on account of a lower base during the year ended 31 December 2013. The port has been able to attract ~30% higher fertilizer volumes on back of improvement in operational efficiency parameters. Minerals and other commodities have broadly remained unchanged. The outlook for coal and fertilizer continues to be strained due to rail freight differential issues and dependency on regulatory mechanisms respectively.

On Liquid cargo front, two of the terminals were commissioned in 2014 while the third terminal got commissioned in March 2015. The global crash in oil prices impacted the consumption and storage patterns resulting in a slow ramp up of liquid cargo volumes during the period ended 31 March 2015. FY 2015-16 is expected to be the first full year of operations for all the three terminals.

The Inland Container Depots are key to the growing EXIM market due to their proximity to India's major consumption centres and the industrial belt of North India. Therefore, container movement by rail between port and ICD has become a key indicator of port activity in recent times. With the up gradation of its rail infrastructure and addition of rail sidings and three rail mounted gantry cranes, the port has increased its operational reliability and provided a safe working environment. During the 15 month period, the port handled 682,627 TEUs by rail constituting nearly 70% of the total container volumes. The number of high cube double stack trains handled has also steadily increased, offering faster evacuation, optimizing route capacity; thus reducing transportation costs for all the stakeholders.

Expansion

The Company is investing approximately INR 4,600 million to expand its container handling capacity from 0.85 million TEUs to 1.35 million TEUs, in line with growth trends. The project entails purchasing of three Post Panamax cranes with spreaders to replace existing old cranes, dredging at berth pockets, purchasing of four Rubber Tyre Gantry (RTG) cranes with Spreaders, phased development of container yard, internal roads and gate complex. The port has the ability to further scale up its seaside and landside infrastructure depending on business requirements.

Financial Review

The Company's revenue from operations consists of income from port services and other operating income. Total revenue from operations for the 15 month period ended March 31, 2015 was Rs. 8,670.27 million as compared to Rs. 5,179.35 million for the year ended December 31, 2013.

Income from port services consists of income from marine services, container & cargo handling; storage services as well value-added port services. Income from port services totaled Rs. 7,921.88 million for the 15 month period ended March 31, 2015, driven mainly by an increase in container and bulk volumes, improvement in realization as a result of tariff revision, start of liquid operations and favourable exchange rate.

Other operating income comprises lease rentals from sub-leasing of land to various Port users, duty benefits under the Serve from India Scheme (SFIS) and other incidental income from operations. Other operating income for the 15 month period ended March 31, 2015 was INR 748.39 million, which includes duty benefit of INR 133.12 million realized under SFIS.

Total expenditure consists of operational expenses, employee benefits, finance costs, depreciation and other expenses. The Company incurred a total expenditure of INR 4,749.99 million for the 15 month period ended March 31, 2015 as against INR 3,593.13 million in year ended 31 December 2013.

Operating expenses primarily include equipment hire charges, handling expenses, waterfront royalty and other direct costs. Operating expenses totaled INR 1,852.20 million for the 15 month period ended March 31, 2015 as compared to INR 1,320.31 million in the year ended 31 December 2013. The increase has been on account of higher volumes and commodity mix for bulk cargo.

EBITDA amounted to INR 5,011.66 million for the 15 month period ended March 31, 2015 compared to INR 2,563.67 million in the previous year ended 31 December 2013. Higher container and bulk volumes, better realization and continued operational efficiencies helped EBITDA margins to expand by 800 basis points as compared to the previous year

Dividend Income

The Company received INR 152.00 million as interim dividend from PRCL during the 15 month period ended March 31, 2015 compared to INR 38.00 million received during the previous year ended December 31, 2013.

Apart from dividend income, Other Income consists of interest on short-term bank deposits, gain or loss from foreign exchange and other miscellaneous income. The current period included interest income of INR 228.73 million for the 15 month period ended March 31, 2015 compared to INR 97.94 million in the previous year ended 31 December 2013.

Debt prepayment

In August 2014, the Company prepaid its entire outstanding Indian Rupee debt of INR 2,930 million to Infrastructure Development Finance Company (IDFC) to become a debt free company

Borrowing costs decreased from INR 369.64 million for the year ended December 31, 2013 to INR 258.51 million for the 15 month period ended March 31, 2015 on account of debt prepayment.

Exceptional Items

- a. Based on current business performance and cash flows, the Company decided to fund its ongoing expansion plan through internal accruals. Consequently, the Company has cancelled the Foreign Currency Loan sanctioned by International Finance Corporation, initially of USD 152 million in April 2013; which was later reduced to USD 60 million in July 2014, without any drawdown. An amount INR 345.82 million representing one-time cost of syndication fees, structuring fees, commitment fees, legal & administration fees in connection with the said loan has been fully written off in the 15 month period ended March 31, 2015.
- b. In January 2014, the Company paid INR 102.19 million towards mobilization and other services in relation to the dredging activity undertaken as part of the port expansion project. Consequent to the revision of the port expansion plan, this amount was fully written off and forms part of exceptional items in the 15 month period ended March 31, 2015. Accordingly, a total amount of INR 448.01 million has been disclosed as an exceptional item in the 15 month period ended March 31, 2015.
- c. During the previous year ended 31 December 2013, the Company re-assessed the technical feasibility and future usability of its fixed assets. Based on this physical assessment and considering the business performance, the Company reversed a net impairment provision amounting to INR 524 million. Further, in accordance with Accounting Standard-28 on Impairment of Assets, the Company created a depreciation charge amounting to INR 232 million on these assets, resulting into a net gain of INR 292 million. Further on basis of future usability, the Company has written off /scrapped assets amounting to INR 128 million. Consequently, the net impact of INR 164 million towards impairment reversal, depreciation charge on impairment reversal and assets written off / scrapped has been disclosed as an exceptional item in the year ended 31 December 2013.

The Company moved into a Minimum Alternate Tax (MAT) regime during the previous year ended 31 December 2013. The Company paid MAT of INR 768 million for the fifteen month ended 31 March 2015. An equivalent MAT tax credit has been claimed resulting in nil impact to the net result of the Company.

Net Profit for the 15 month period ended March 31, 2015 increased to INR 3,872.80 million compared to INR 1,917.65 million for the year ended December 31, 2013. The increase in Net Profit has been primarily due to higher volumes, improvement in realization, effective cost optimisations, start of liquid operations and dividend of PRCL which was partially offset by exceptional item relating to one-time finance and dredging costs in the 15 month period ended March 31, 2015.

Risk Management and Internal Control

The Company has set up a Risk Committee which is responsible for advising the Board on high-level risk related matters. The Committee oversees the identification, mitigation and monitoring of the Company's material risks and exposures. The Committee meets on a quarterly basis to identify risks and opportunities, establish likelihood and ensure appropriate controls are in place. The risk register provides a consistent and measurable management assurance metric on the broad risks involved and its impact on Company's objectives. The Risk Register is also reviewed by the Audit Committee and minutes of the Risk Committee are presented to the Board every quarter.

The Board has the overall responsibility to maintain a sound and effective internal control environment. The Company has put in place an internal control framework that encompasses both robust internal controls, and an efficient and effective internal control monitoring and reporting system. The Audit Committee on behalf of the Board reviews the adequacy and integrity of the Company's internal control system. A firm of independent auditors is retained to provide regular assurance

APM Terminals Group's initiatives, the Audit Questionnaire (AQ) and Internal Control Manual are the overarching framework that sets out the Company's approach to internal controls. It aims to bring in a certain discipline and consistency in the way activities are carried out on a daily basis. Looking at fraud prevention and reliable reporting through the lens of finance, these provide guidance to all departments on the minimum required controls in relation to a process flow. The Company was rated the best amongst all the APM Terminals in the Asia Pacific Region.

In order to ensure the protection of the interests of all stakeholders, the management periodically evaluates internal controls for its effectiveness and incorporates fraud prevention measures into the system. To ensure proper administration of the control activities, the Control Manual Checklist forms part of the annual Audit Plan is overseen by the Company's Internal Auditors, Mukesh M Shah & Co. Chartered Accountants, reporting to the Audit Committee.

Health, Safety, Security and Environment (HSSE)

APM Terminals is committed to improving safety performance at its terminals and inland locations. The Group's commitment to Safety has four underlying fundamental principles – Safety is the license to operate; has no hierarchy, it means no compromise; and all companies should be actively committed to it. Facilities where APM Terminals has operational control have implemented global operational standards for safety, a set of minimum controls developed to manage the top five risks identified to be related to 90% of the most serious incidents and fatalities occurring in APM Terminals: Transportation, Suspended loads & lifting, Working at height, Stored energy, and Control of contractors.

The Company ensures safety at its facility by regular initial and refresher safety training. It focuses on giving supervisory personnel the tools to be able to safely lead and supervise. This is done through training employees in safety matters, communicating safety to workers, enforcing safety by setting an example, reinforcing safety rules and regulations and encouraging positive behavior towards safety. All APM Terminals Pipavav employees undergo safety education and training before beginning to work in a facility.

Contractors are an important part of ensuring clients expectations are being met through service delivery, maintenance of equipment and specialized services. However, they do present a risk. The Company also ensures that all contractors have an in-depth understanding of the importance of improving safety performance and are well integrated into the APM Terminals goal of incident free way of working.

Corporate Social Responsibility (CSR)

APM Terminals sees CSR as an integrated part of the way the Company does business. The Company engages with all relevant stakeholders to strengthen relations with local communities and support community development.

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

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

During the 15 month period ended 31 March 2015,

- The Company installed domestic bio gas units and constructed household toilets across 3 villages.
- The medical centre inside the port premises is open for all the nearby villagers for free medical treatment and medicines apart from the port employees and their families. The Company also conducts health and eye checkup camps for the villagers wherein children and ladies were examined by the doctors and appropriate treatment given.
- The Company has been identified as a model Company and recognized by the state government on the successful completion of sanitation works under the Swachh Bharat mission.

A detailed report on CSR activities of the Company is included in the Director's Report.

Like every year, the Company and its employees' association with Shri Amreli Muk Badhir School (School for students with hearing impairment) continues by way of providing financial and social support in making them self-dependent.

Outlook

The International Monetary Fund (IMF) outlook for 2015-16 expects United States to consolidate its recovery seen over the past year and have positive impact on global markets with low oil prices also helping consumers. However, there still is limited visibility on the European economy and a slowdown seen in China could adversely affect the global economy. India is expected to grow at 6.3% in 2015 and 6.5% in 2016; whilst China's projected growth rate in 2016 is lower at 6.3%. According to Crisil, inflation in India is expected to come down to 5.8% and current account deficit to 1% of GDP in fiscal 2016, given a normal or near-normal monsoon. Industrial activity in India is expected to accelerate with the government's agenda to boost manufacturing, and the "Make in India" future strategy for the Indian economy. The growth might not find support if the fragile and tepid recovery in developed countries continues to weaken external demand.

The shipping industry is still heavily stressed by serious level of overcapacity in the short and medium term. Alliances by shipping lines to share large vessels on some of the busiest trade routes will have a cascading effect on the vessels plying on the Indian subcontinent. Indian ports need to adopt newer infrastructure and have the necessary draft in order to cater to larger ships. West Coast ports are in the midst of a major capacity expansion programme with PSA International constructing the fourth terminal at JNPT having an annual capacity of 4.8 million TEUs expected to be operational in phases by 2018-19.

The Dedicated Freight Corridor, one of the largest infrastructure projects undertaken by the Indian Railways will increase rail transit capacity, help ease traffic congestion and reduce emissions. The government is also looking to revive coastal shipping and the relaxation of Cabotage laws will be essential to allow co-loading of domestic and EXIM cargo on coastal vessels, providing the much needed incentive to domestic ship owners. The state of Gujarat is emerging as an automobile hub with auto manufacturers setting up plants with an installed capacity that could go upto 1.46 million vehicles and 3 million two wheelers in three to four years. In view of this, the Company has subleased land to NYK Auto Logistics to set up a RO-RO yard at the port with annual designed capacity of 250,000 vehicles. The yard is expected to be commissioned by the second quarter of FY16. The port will continue to cater to the needs of businesses in the vicinity especially agri-produce and reefer cargo; as also to the vast hinterland of India's North and West.

Human Resources/ Industrial Relations

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

The survey score of APM Terminals Pipavav places it at the top quartile global average of APM Terminals. The Management encourages its employees to provide feedback in all the areas in order to carry out improvements on an ongoing basis.

Cautionary Statement

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

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreement with Stock Exchanges)

The Directors present the Corporate Governance Report of Gujarat Pipavav Port Limited (“the Company” or “APM Terminals Pipavav”) for the fifteen month period ended 31st March 2015.

The Company’s philosophy on Corporate Governance

The Company strives to follow highest standards of ethics, transparency and integrity as its philosophy on Corporate Governance while conducting business. It is also in line with the Core Values followed by its promoter APM Terminals.

The Company has adopted Code of Conduct for its employees including the Managing Director. The Company has also adopted Code of Conduct for its Non-Executive Directors. The Code for Prevention of Insider Trading and the Whistle Blower Policy has been updated. The Company is in compliance with the requirements of Guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.

Board of Directors

The Company’s Board of Directors comprises total 9 Directors, out of which 1 is an Executive Director, 4 Independent Directors (including the Chairman of the Board) and 4 Non-Executive Non-Independent Directors (including the nominee of Gujarat Maritime Board “GMB”). The Independent Directors also include a woman Director. The composition is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

None of the Directors of the Company is a Member of more than 10 Committees or Chairman of more than 5 Committees across the Companies in which they hold Directorships.

None of the Directors is related to any other Director on the Company’s Board.

Mr. Julian Bevis Non-Executive Non-Independent Director joined the Board with effect from 25th July 2014. Mr. Rizwan Soomar Non-Executive Non-Independent Director joined with effect from 24th December 2014.

The details regarding the Directors seeking Appointment at this Annual General Meeting are mentioned in the Notice convening the meeting and its Explanatory Statement.

The name and category of Directors on the Board, their attendance at Board Meetings, number of directorships and committee chairmanship/ membership held by them in Audit Committee and Stakeholders Relationship Committee is given below:

Name	Category	No. of Board Meetings attended during fifteen month period ended 31st March 2015		Whether attended last AGM	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies		Number of shares held as of 31st March 2015
		Held	Attended			Chairman	Member	
Mr. Tejpreet Singh Chopra Chairman DIN:00317683	Independent Non-Executive	7	7	Yes	1	Nil	Nil	Nil
Mr. A. K. Rakesh, IAS DIN: 00063819	Non- Independent Non-Executive (GMB Nominee)	7	Nil	No	7	Nil	Nil	Nil
Ms. Hina Shah DIN:06664927	Independent Non-Executive	7	5	Yes	Nil	Nil	Nil	Nil
Mr. Jan Damgaard Sorensen DIN: 06408939	Non- Independent Non-Executive	7	4	Yes	Nil	Nil	Nil	Nil
Mr. Julian Bevis* DIN: 00146000	Non- Independent Non-Executive	4	3	NA	Nil	Nil	Nil	Nil
Mr. Pradeep Mallick DIN:00061256	Independent Non-Executive	7	7	Yes	3	1	3	Nil

Name	Category	No. of Board Meetings attended during fifteen month period ended 31st March 2015		Whether attended last AGM	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies		Number of shares held as of 31st March 2015
		Held	Attended			Chairman	Member	
Mr. Pravin Laheri, IAS (Retd.) DIN: 00499080	Independent Non-Executive	7	7	Yes	3	Nil	Nil	Nil
Mr. Rizwan Soomar** DIN: 02398970	Non- Independent Non-Executive	2	2	NA	Nil	Nil	Nil	Nil
Mr. Dinesh Lal# DIN: 00037142	Non- Independent Non-Executive	3	Nil	No	2	Nil	Nil	3100
Mr. Henrik Lundgaard Pedersen## DIN: 06391674	Non- Independent Non-Executive	5	4	Yes	Nil	Nil	Nil	Nil
Mr. Prakash Tulsiani ^ DIN: 02590972	Managing Director	7	7	Yes	1	Nil	Nil	22000

* Mr. Julian Bevis was appointed effective 25th July 2014

** Mr. Rizwan Soomar was appointed effective 24th December 2014

Mr. Dinesh Lal ceased to be Director effective 24th July 2014

Mr. Henrik Lundgaard Pedersen ceased to be Director effective 16th December 2014

^ Mr. Prakash Tulsiani ceased to be Managing Director effective 31st March 2015 and the Company has appointed Mr. Keld Pedersen as Managing Director effective 1st May 2015

Other Directorships do not include Directorships of Private Limited Companies, Alternate Directorships, Directorships in Section 8 Companies and in the Companies incorporated outside India.

Committees refer to Audit Committee and Stakeholders' Relationship Committee only.

The Board of Directors met 7 times during the fifteen month period from 1st January 2014 to 31st March 2015 on: 18th February 2014, 17th April 2014, 6th May 2014, 25th July 2014, 4th November 2014, 4th February 2015 and 31st March 2015. The details on matters mentioned in Annexure IA of Clause 49 of Listing Agreement are provided to the Directors for consideration at the Board Meetings.

Except payment of sitting fees to Independent Directors, the Company does not have any pecuniary relationship with the Non- Executive Directors.

Various Committees of the Board of Directors

1. Audit Committee

The Audit Committee of the Company is constituted as per the provisions of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 177 of the Companies Act, 2013. The Committee comprises 4 Non- Executive Directors out of which 3 including the Chairman are Independent.

The Audit Committee held discussions with the Statutory Auditors as well as Internal Auditors regarding the Company's accounts, its internal control systems and reviewed the quarterly reports of Internal Auditor. The Committee also reviewed the matters mentioned under Clause 49 III (D).

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

The Members of Audit Committee have requisite financial, legal and management expertise. During the period 5 Audit Committee Meetings were held on: 18th February 2014, 5th May 2014, 23rd July 2014, 3rd November 2014 and 3rd February 2015. The necessary quorum was present at the Meetings.

The details of composition of Audit Committee and the meetings attended by Directors are as follows:

Name	Category	No. of Committee Meetings during the fifteen month period ended 31st March 2015	
		Held	Attended
Mr. Pravin Laheri, IAS (Retd), Chairman	Non- Executive Independent	5	5
Ms. Hina Shah	Non- Executive Independent	5	3
Mr. Jan Damgaard Sorensen	Non- Executive Non- Independent	5	4
Mr. Pradeep Mallick	Non- Executive Independent	5	5

The Chairman of Audit Committee briefs the Board about deliberations of the Audit Committee Meetings.

2. Nomination and Remuneration Committee

In view of the requirements under Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, the existing Remuneration Committee has been renamed as Nomination and Remuneration Committee of the Company.

The Committee's activities include:

- (i) Approving the candidates for appointment of Directors and Key Managerial Personnel;
- (ii) Determine the remuneration to Directors, Key Managerial Personnel and other employees of the company;
- (iii) Determine the Board's diversity, criteria for independence, qualification, experience and other positive attributes for appointing Directors;
- (iv) Determine the Training requirements of Independent Directors; and
- (v) Performance Evaluation of Directors

The composition of the Nomination and Remuneration Committee and details of the Meeting are:

Name	Category
Mr. Pradeep Mallick, Chairman	Non- Executive Independent
Mr. Tejpreet Singh Chopra	Non- Executive Independent
Mr. PravinLaheri, IAS (Retd.)	Non- Executive Independent
Mr. Rizwan Soomar*	Non- Executive Non- Independent

*Mr. Rizwan Soomar was appointed Member effective 4th February 2015 in place of Mr. Henrik Lundgaard Pedersen

The Nomination and Remuneration Committee held its Meeting on 18th February 2014 and 31st March 2015.

All members of the Committee attended the Meetings held during the period under review

Remuneration Policy

The remuneration payable to the Managing Director, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013. He shall not be entitled to any sitting fees.

The remuneration details of Managing Director are reviewed and discussed by the Nomination and Remuneration Committee. The Chairman of the Committee presents the details to the Board along with the Committee's recommendation, for approval. The Board's approval is subject to the Shareholders approval.

The Company does not pay any remuneration to its Non- Executive Directors except sitting fee paid to Independent Directors. A sitting fee of ₹ 20,000 was paid for attendance at each of the Board and Committee Meetings. The Board of Directors in the meeting held on 25th July 2014 approved the increase in sitting fees to ₹ 100,000 per meeting for Audit Committee Meeting and Board Meeting and ₹ 50,000 for attending the other Committee Meetings.

Details of payments made to Independent Directors

Name	Sitting Fees for attending Board and Committee Meetings during fifteen month period ended 31st March 2015
Mr. Tejpreet Singh Chopra, Chairman	₹ 530,000
Ms. Hina Shah	₹ 630,000
Mr. Pradeep Mallick	₹ 870,000
Mr. Pravin Laheri, IAS (Retd.)	₹ 940,000

Managing Director

Name	Salary (₹ Million)	Perquisites & Allowances (₹ Million)	Performance Bonus (₹ Million)
Mr. Prakash Tulsiani	28.77	54.27	27.18

Mr. Tulsiani has ceased to be Managing Director of the Company effective 31st March 2015

3. Stakeholders' Relationship Committee

In view of the requirements under Section 178 of the Companies Act, 2013 read with Clause 49 (VIII)(E) the Shareholders Grievance Committee of the Company has been renamed as Stakeholders Relationship Committee. The Committee is set up for redressal of complaints of all security holders of the Company. The composition of the Committee is:

Name	Category
Mr. Pradeep Mallick- Chairman	Non-Executive Independent
Mr. Tejpreet Singh Chopra	Non-Executive Independent
Mr. Prakash Tulsiani	Managing Director

The Committee was reconstituted in the Board Meeting on 4th November 2014 in view of the changes in the Board. Mr. Pradeep Mallick was included as Chairman and Member of the Committee in place of Mr. Pravin Laheri and Mr. Tejpreet Singh Chopra was included in place of Mr. Dinesh Lal and Mr. Prakash Tulsiani was added as Member.

Mr. Tulsiani has ceased to be Managing Director effective 31st March 2015. He is replaced by Mr. Keld Pedersen Managing Director from 1st May 2015, as Member of the Committee.

The details of complaints received, cleared/ pending during the fifteen month period ended 31st March 2015 is given below:

Nature of Complaint	No. of complaints received	No. of complaints cleared	No. of complaints pending
Status of application lodged in IPO	0	0	0
Non-receipt of refund order	0	0	0
Non-receipt of securities	0	0	0
Non-receipt of dividend	1	1	0
Non-receipt of annual reports	12	12	0
TOTAL	13	13	0

The complaints received above were redressed immediately by the Company therefore no meeting was held during the period.

There were no pending requests for share transfer/dematerialisation of shares as of 31st March 2015.

- (a) Name & Designation of Compliance Officer: Mr. Manish Agnihotri, Company Secretary & Compliance Officer
- (b) Email Id for correspondence: manish.agnihotri@apmterminals.com; investorrelationinppv@apmterminals.com

4. Corporate Social Responsibility (CSR) Committee

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

The composition of the Committee and details of the meetings are:

Name	Category
Ms. Hina Shah- Chairperson	Non-Executive Independent
Mr. Pravin Laheri, IAS (Retd.)	Non-Executive Independent
Mr. Prakash Tulsiani	Managing Director

Mr. Tulsiani has ceased to be Managing Director effective 31st March 2015. He is replaced by Mr. Keld Pedersen, Managing Director from 1st May 2015, as Member of the Committee.

The CSR Committee held its meetings on 8th July 2014 and 17th December 2014. All member of the Committee attended the meetings.

5. Risk Management Committee

In view of the provisions under Clause 49(VI) of the Listing Agreement requiring majority Committee members to be members of the Board, the Board in the meeting held on 4th November 2014 reconstituted its existing Risk Management Committee to make it a Board Sub-committee. The Committee continues to review the potential risk areas and steps to mitigate those risks. The Minutes of the Risk Committee Meeting are presented to the Audit Committee and to the Board. The composition of the Committee and details of the meetings are:

Name	Category
Mr. Julian Bevis- Chairman	Non-Executive Non-Independent
Mr. Prakash Tulsiani	Managing Director

Mr. Tulsiani has ceased to be Managing Director effective 31st March 2015. He is replaced by Mr. Keld Pedersen Managing Director from 1st May 2015, as Member of the Committee.

The Risk Committee Meetings have been held on 4th February 2014, 17th April 2014, 3rd July 2014, 10th October 2014 and 11th December 2014.

Independent Directors’ Meeting

Separate meeting of Independent Directors was held on 4th February 2015, inter alia, to discuss and evaluate the performance of Non Independent Directors and the Board as a whole, the management and the quality, content, timelines of flow of information in order to enable the Board to effectively and reasonably perform its duties.

All Independent Directors attended the meeting.

Code of Conduct:

The Company has adopted separate Code of Conduct for all employees including Managing Director and for Non-executive Directors. As an annual practice, the Company receives confirmation of compliance of the Code from all its employees and from Non-executive Directors. The Code of Conduct for Employees and for Non-executive Directors is available on the Company’s website.

Whistle Blower Policy

The Board of Directors approved the Whistle Blower Policy that provides a formal mechanism for all employees of the Company to make disclosure at the designated email id about suspected fraud or unethical behaviour. The policy also provides for direct access to the Chairman of Audit Committee through his personal email id.

Subsidiary Companies

The Company does not have any subsidiary.

Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the fifteen month period ended 31st March 2015 were in the ordinary course of business and on an arm's length basis. The details are included in the Notes to financial statements of the Annual Report. These transactions do not attract the provisions of Section 188 of the Companies Act, 2013. All the transactions have prior approval of the Audit Committee as per the requirement under the Listing Agreement. One of the existing transactions is with Maersk Line A/S in connection with Income from Port Operations and is a material transaction in terms of the revised Clause 49 of the Listing Agreement. The Company has initiated the process to seek shareholders' approval in its forthcoming Annual General Meeting.

6. Details of General Meetings

Location and time of meetings held during last 3 years

Meeting	Date	Time	Venue
AGM	3rd May 2012	2:00 PM	Pipavav Port, At Post Ucchaiya via Rajula, DistAmreli, Gujarat
AGM	2nd May 2013	2:00 PM	Pipavav Port, At Post Ucchaiya via Rajula, DistAmreli, Gujarat
AGM	6th May 2014	2:00 PM	Pipavav Port, At Post Ucchaiya via Rajula, DistAmreli, Gujarat

All resolutions were passed by a show of hands.

The details of Special Resolutions passed by show of hands are:

Meeting	Special Resolution Passed	Summary of the Resolution
AGM on 3rd May 2012	Yes	Increase in Investment limit by Foreign Institutional Investors (FIIs) under the Portfolio Investment Scheme.
AGM on 2nd May 2013	Yes	Remuneration to Managing Director Mr. Prakash Tulsiani
AGM on 6th May 2014	Yes	Re-appointment of Mr. Prakash Tulsiani as Managing Director and approve his Remuneration.

There were no resolutions proposed by Postal Ballot

7. Disclosures

(i) Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

(ii) Compliance with Accounting Standards

The Company has followed the Accounting Standards in the preparation of its financial statements. The significant accounting policies that have been consistently applied are mentioned in the Notes to Financial Statements.

(iii) Internal Controls

As part of the global policy of APM Terminals, the Company follows certain internal control systems and procedures. The adequacy and effectiveness of these controls is reviewed by the internal auditors which is an external agency and reports directly to the Audit Committee.

(iv) CEO CFO Certification

The CEO CFO certificate stating that the financial statements do not contain any untrue statement and these represent true and fair view of the Company's affairs, is enclosed as part of the Annual Report.

(v) Share Transfer System

The share transfer requests for physical shares are processed and approved within the prescribed time limit of

fifteen days subject to compliance with all the necessary requirements.

(vi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has neither issued any such instruments nor are they outstanding during the period under review.

(vii) Undelivered Share Certificates as per Clause 5A of the Listing Agreement

The Company is not holding any undelivered share certificates.

8. Means of Communication

The Company submits its Quarterly Results to the Stock Exchanges and publishes them in the newspapers. They are also displayed on the website www.pipavav.com

The Company arranges conference calls and meets the institutional investors/ analysts from time to time. The presentation made during the conference calls is submitted to the Stock Exchanges and is displayed on the website www.pipavav.com The transcript of the conference calls is displayed on the website www.pipavav.com

9. Secretarial Audit for Reconciliation of Capital

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

General Shareholder Information

Annual General Meeting	
Date and Time	Thursday 30th July 2015 at 2.00 P. M.
Venue	Pipavav Port, At Post Ucchaiya via Rajula
Date of book closure	24th July 2015 to 30th July 2015 (both days inclusive)
Listing on Stock Exchanges	The BSE Limited and the National Stock Exchange of India Limited

The particulars of appointment of Directors seeking appointment are included in the Notice convening the Annual General Meeting.

The Company has changed its financial year from January- December to April- March. Therefore the financial statements enclosed in the Annual Report are for fifteen month period from 1st January 2014 to 31st March 2015.

The Company has paid annual listing fees to both the Stock Exchanges.

Stock Code:

Stock Exchange	Equity
BSE	533248
NSE	GPPL

Market Information:

The monthly high and low prices and volumes of your Company's shares at BSE Limited and National Stock Exchange (NSE) for the fifteen month period ended 31st March 2015 are given as follows:

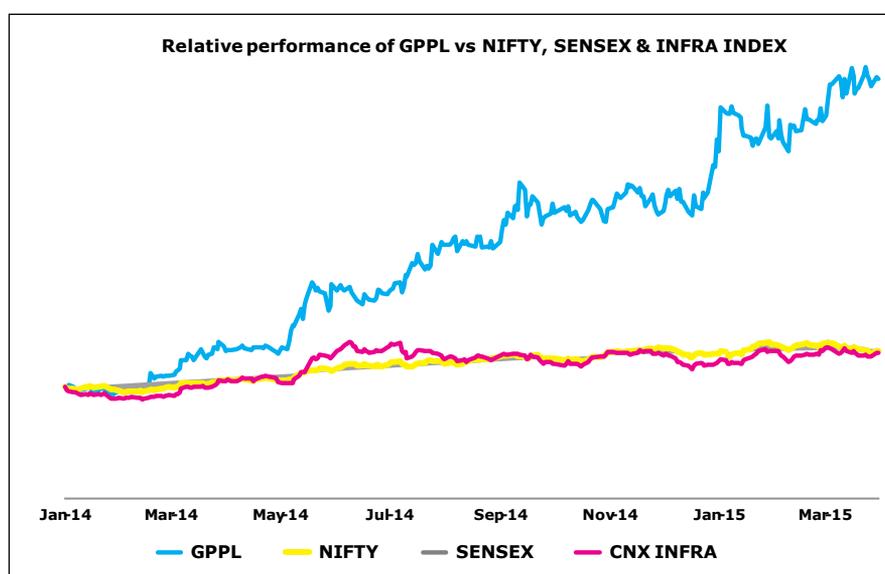
Month	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Jan-2014	65.65	58.45	1434586	65.45	58.80	7217265
Feb-2014	73.40	59.50	2647667	73.55	60.00	17146148
Mar-2014	90.10	70.05	7377222	90.45	69.65	21308649
Apr-2014	92.00	81.70	5402175	91.95	81.50	19503892
May-2014	128.40	83.20	11745387	129.85	83.00	45922046
June-2014	126.45	110.00	2264467	126.30	110.00	10869934
July-2014	154.80	112.00	6599844	154.65	112.10	32469760
Aug-2014	154.45	141.20	2693351	154.70	140.60	17437007
Sep-2014	182.00	143.10	4319466	182.40	142.65	24060700
Oct-2014	172.30	155.70	1506223	172.30	155.60	11152761
Nov-2014	184.40	161.55	2626014	184.80	161.10	17042207
Dec-2014	211.00	156.65	5295741	210.70	155.10	27218514
Jan- 2015	236.80	197.25	11584160	237.30	197.25	39104148
Feb- 2015	227.50	193.90	6228488	227.50	194.10	19252021
Mar- 2015	254.30	215.00	7138359	254.45	214.25	30732577

Note:

High and low are in rupees per traded share.

Volume is the total monthly volume of trade in Gujarat Pipavav Port Ltd shares on BSE &NSE

The Chart below shows the comparison of your Company's share price movement vis-à-vis the movement of the NSE Nifty, BSE Sensex and Infrastructure Index during 1st January 2014 to 31st March 2015.



Distribution of Shareholder holdings:

The distribution pattern of shareholding of your Company as on 31st March, 2015 by ownership and size class, respectively, is as follows:

	31-Mar-15		31-Dec-13	
	No. of Equity Shares	Shares Held (%)	No. of Equity Shares	Shares Held (%)
A Promoter and Promoter Group				
Bodies Corporate	207,903,931	43.01%	207,903,931	43.01%
Total A:	207,903,931	43.01%	207,903,931	43.01%
B Public Shareholding				
Foreign Institutional Investors	179,150,602	37.05	163,483,525	33.81
Mutual Funds /UTI	53,527,872	11.06	56,490,452	11.68
Bodies Corporate	14,577,817	3.02	27,738,765	5.74
Financial Institutions/ Banks/Venture Capital Funds	5,344,478	1.11	6,267,031	1.30
Individuals				
(i) Individuals holding nominal share capital upto ₹1 lakh	13,612,668	2.82	12,100,880	2.50
(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	7,960,236	1.65	7,571,727	1.57
Trusts	8806	0.00	2118	0.00
Non-Resident Indians	1,175,993	0.24	986,235	0.20
Clearing Members	177,507	0.04	895,246	0.19
Total B :	275,535,979	56.99%	275,535,979	56.99%
GRAND TOTAL (A+B) :	483,439,910	100.00%	483,439,910	100.00%

Registrar & Share Transfer Agents:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad- 500032

The company's shares are held in dematerialised form with NSDL and CDSL to the extent of 99.83% and 0.17% in physical form as of 31st March 2015.

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

Address for correspondence: Gujarat Pipavav Port Limited
301, Trade Centre,
Bandra Kurla Complex,
Bandra (East),
Mumbai- 400 098
Tel: 022- 300 11 300
Fax: 022- 300 11 333
Email: manish.agnihotri@apmterminals.com
investorrelationinppv@apmterminals.com

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Gujarat Pipavav Port Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Pipavav Port Limited ('the Company') for the fifteen months period beginning from 1 January 2014 and ended 31 March 2015, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **BSR & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Mumbai
28 May 2015

N Sampath Ganesh

Partner

Membership No 042554

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

We, Keld Pedersen, Managing Director and Hariharan Iyer, Chief Financial Officer, of Gujarat Pipavav Port Limited (the Company), certify to the Board that:

- A. We have reviewed the financial statements and cash flow statement for the fifteen months period ended 31st March 2015 and to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the fifteen months period ended 31st March 2015 are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D.
1. There has not been any significant change in internal control over financial reporting during the fifteen months period;
 2. There has not been any significant change in accounting policies during the fifteen months period requiring disclosure in the notes to the financial statements; and
 3. We are not aware of any instance during the fifteen months period of significant fraud with involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Hariharan Iyer
Chief Financial Officer

Keld Pedersen
Managing Director

Place: Mumbai

Date: 28th May 2015

INDEPENDENT AUDITORS' REPORT

To the Members of
Gujarat Pipavav Port Limited

Report on the financial statements

We have audited the accompanying financial statements of Gujarat Pipavav Port Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the period beginning from 1 January 2014 and ended on 31 March 2015 ('the period'), and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under Section 133 of the Companies Act, 2013 (which has superseded Section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards 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.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015;
- b. in the case of the statement of profit and loss, of the profit for the period ended on that date; and
- c. in the case of the cash flow statement, of the cash flows for the period ended on that date.

Report on other legal and regulatory requirements

1. The Ministry of Corporate Affairs ('MCA') had on 1 April 2014, vide its General Circular No. 07/2014, 'Dissemination of information with regards to the provisions of the Companies Act, 2013 as notified till date vis-a-vis corresponding provisions of the Companies Act, 1956', identified such sections of the Companies Act, 1956 that would cease/continue to have effect from 1 April 2014.

Accordingly, in terms of the aforesaid Circular, our reporting in respect of section 227(3)(f) of the Companies Act, 1956, and clauses (iii), (v)(a) and (b), (vi), (viii), (xiv),(xviii) of the Companies (Auditor's Report) Order, 2003 ('the Order')

(dealing with sections 49,58A, 58AA, 209(1)(d) and 301 of the Companies Act, 1956) is only for the period beginning from 1 January 2014 till 31 March 2014 since as per the aforementioned MCA Circular these sections have ceased to have effect from 1 April 2014.

2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
3. As required by Section 227(3) of the Act, we report that:
 - a. we have 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 accounts as required by law have been kept by the Company so far 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 balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under Section 133 of the Companies Act, 2013 (which has superseded Section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013); and
 - e. on the basis of written representations received from the directors of the Company as on 31 March 2015, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified during 1 January 2014 till 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **BSR & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Mumbai
28 May 2015

N Sampath Ganesh
Partner
Membership No 042554

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT —31 MARCH 2015

(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the period were not substantial, and therefore, do not affect the going concern assumption.
2. (a) The inventory of stores and spare parts, fuel and lubricants, except goods-in-transit has been physically verified by management during the period. In our opinion, the frequency of such physical verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained till 31 March 2014 under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to the purchase of inventories and fixed assets and with regard to the services rendered. The activities of the Company do not involve sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained till 31 March 2014 under that Section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 0.5 million with any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records till 31 March 2014 under Section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Provident Fund, Profession tax, Income tax, Works Contract tax, Value added tax, Wealth tax, Service tax, Customs duty and other material statutory dues have been generally regularly deposited during the period by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Investor Education and Protection Fund and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Profession tax, Income tax, Works Contract tax, Value added tax, Wealth tax, Service tax,

Customs duty and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of Income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Period to which the amount relates	Amount in Rs. Million	Forum where dispute is pending
Income tax Act, 1961	Tax deducted at source	2005-06	6.50	Commissioner of Income Tax appeals
Income tax Act, 1961	Tax deducted at source	2006-07	0.92	Income Tax Appellate Tribunal
Income tax Act, 1961	Tax deducted at source	2007-08	15.05	Income Tax Appellate Tribunal
Income tax Act, 1961	Tax deducted at source	2007-08	0.02	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2007-08	11.58	Assessing officer
Income tax Act, 1961	Tax deducted at source	2008-09	10.58	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2008-09	0.03	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2009-10	1.31	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2009-10	0.05	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2010-11	2.02	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2010-11	0.14	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2011-12	9.57	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2011-12	0.24	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2012-13	16.31	Assessing Officer
Income tax Act, 1961	Tax deducted at source	2013-14	3.18	Assessing Officer

10. The Company has accumulated losses at the end of the period aggregating Rs 1,215.39 million which is not in excess of 50% of its net worth. The Company has not incurred cash losses in the period or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions. The Company did not have any outstanding debentures or dues from banks during the period.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/ society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has provided commitment of Rs 350 million towards consortium lending to Pipavav Shipyard Limited conditional to fulfillment of certain obligations by Pipavav Shipyard Limited and other parties. The Company is in the process of seeking discharge from this commitment.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we are of the opinion that funds raised on short term basis have not been used for long-term investment.

18. The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Act till 31 March 2014.
19. According to the information and explanations given to us, the Company did not have any outstanding debentures during the period.
20. The Company has not raised any money by public issues during the period.
21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **BSR & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Mumbai
28 May 2015

N Sampath Ganesh
Partner
Membership No 042554

BALANCE SHEET AS AT 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	Note	31 March 2015	31 December 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	4,834.40	4,834.40
Reserves and surplus	4	13,073.47	9,200.67
		17,907.87	14,035.07
Non-current liabilities			
Long-term borrowings	5	-	2,819.37
Other long-term liabilities	6	140.65	118.25
Long-term provisions	7	242.78	238.66
		383.43	3,176.28
Current liabilities			
Trade payables	8	689.80	472.09
Other current liabilities	9	757.24	814.94
Short-term provisions	10	166.85	167.90
		1,613.89	1,454.93
TOTAL		19,905.19	18,666.28
ASSETS			
Non-current assets			
Fixed assets			
	11		
Tangible assets		13,372.26	13,553.34
Intangible assets		20.94	24.62
Capital work in progress		652.57	1,061.18
Non-current investments	12	830.00	830.00
Deferred tax assets (net)	13	-	-
Long-term loans and advances	14	1,780.85	561.68
Other non-current assets	15	28.24	10.98
		16,684.86	16,041.80
Current assets			
Inventories	16	134.89	119.98
Trade receivables	17	355.96	343.63
Cash and bank balances	18	2,439.11	2,023.07
Short-term loans and advances	19	219.31	96.79
Other current assets	20	71.06	41.01
		3,220.33	2,624.48
TOTAL		19,905.19	18,666.28
Significant accounting policies	2		
The notes referred above form an integral part of the financial statements			

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
28 May 2015

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

Keld Pedersen
Managing Director
DIN: 07144184

Hariharan Iyer
Chief Financial Officer

Mumbai
28 May 2015

Pravin Laheri
Director
DIN: 00499080

Manish Agnihotri
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	<i>Note</i>	For the Fifteen months ended 31-Mar-15	For the Year ended 31-Dec-13
Income			
Revenue from operations	21	8,670.27	5,179.35
Other income	22	400.53	167.61
Total revenue		9,070.80	5,346.96
Expenses			
Operating expenses	23	1,852.20	1,320.31
Employee benefits expense	24	617.39	420.54
Finance costs	25	258.51	369.64
Depreciation and amortisation	11&27	832.86	607.81
Other expenses	26	1,189.03	874.83
Total expenses		4,749.99	3,593.13
Profit before exceptional item and tax		4,320.81	1,753.83
Exceptional Items	27	448.01	(163.82)
Profit before tax		3,872.80	1,917.65
Tax expense:			
Current tax		-	-
Minimum Alternative Tax		768.00	176.00
Minimum Alternative Tax Credit		(768.00)	(176.00)
Deferred tax	13	-	-
Net profit after tax		3,872.80	1,917.65
Earnings per equity share (INR) before exceptional and extraordinary items	33		
- Basic		8.94	3.63
- Diluted		8.94	3.63
Face value of INR10 each [2013: ₹ 10 each]			
Earnings per equity share (INR) after exceptional and extraordinary items	33		
- Basic		8.01	3.97
- Diluted		8.01	3.97
Face value of INR10 each [2013: ₹ 10 each]			
Significant accounting policies	2		
The notes referred above form an integral part of the financial statements			

As per our report of even date attached

For **B S R & Associates LLP**
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Company Secretary

CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	For the Fifteen months ended	For the Year ended
	31-Mar-15	31-Dec-13
A Cash flows from operating activities		
Net profit before tax	3,872.80	1,917.65
Adjustments :		
Depreciation	832.86	607.81
Interest expenses & Bank charges	261.53	374.25
Interest income	(230.15)	(98.74)
Dividend income	(152.00)	(38.00)
Loss on sale of fixed assets (net)	0.90	1.72
Exceptional items (refer note 27)	448.01	(163.82)
Sundry balances written back (net)	(2.16)	(3.41)
Write offs / provisions for current assets, loans and advances	21.87	46.51
Unrealised exchange loss/ (Gain) (net)	(3.36)	4.82
Operating profit before working capital changes	5,050.31	2,648.78
Adjustment for:		
Decrease/(Increase) in inventories	(36.05)	(5.47)
Decrease/(Increase) in trade receivables	(13.06)	21.41
Decrease/(Increase) in loans and advances, other non-current and current assets	(55.96)	291.46
Decrease/(Increase) in trade payables, other current liabilities and provisions	294.65	167.06
Cash generated from operations	5,239.89	3,123.24
Income taxes paid (net of refund)	(804.54)	(223.32)
Net cash generated from operating activities	4,435.35	2,899.92
B Cash flow from investing activities		
Purchase of fixed assets (tangible and intangible fixed assets, capital work in progress), including capital advances (refer note 27)	(1,137.33)	(908.69)
Grant received (refer note 11)	105.99	
Proceeds from sale of fixed assets	0.29	0.46
Interest income	192.98	75.79
Decrease/(Increase) in Bank deposits (including earmarked balances)	(1,387.11)	(925.77)
Dividend Income	152.00	
Net cash (used in) investing activities	(2,073.18)	(1,758.21)
C Cash flow from financing activities		
Repayments of borrowings (Refer Note 5)	(3,038.75)	(168.03)
Share issue expenses	-	-
Finance cost paid	(276.80)	(376.11)
Net cash (used in) financing activities	(3,315.55)	(544.14)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	0.01	-
Net increase in cash and cash equivalents	(953.37)	597.57
Cash and cash equivalents, at beginning of period	1,108.28	510.70
Cash and cash equivalents, at end of period	154.91	1,108.28

Notes to cash flow statement

- 1 Components of cash and cash equivalents:

Cash on hand	0.30	0.17
Balances with banks:		
- Current accounts	64.61	110.61
- Deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	90.00	997.50
	154.91	1,108.28

- 2 The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards.
The notes referred above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
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Manish Agnihotri
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

1. Company overview

- i. Gujarat Pipavav Port Limited, ("the Company") was incorporated on 5 August 1992 to construct, operate and maintain an all-weather port at Pipavav, District Amreli, in the State of Gujarat.
- ii. The port is designed to handle bulk, container and liquid cargo and to provide port services such as marine services, material handling and storage operations.
- iii. The Company has entered into a 30 year Concession Agreement with Government of Gujarat and Gujarat Maritime Board ("GMB") dated 30 September 1998 to engage in the business of developing, constructing, operating and maintaining the port on a BOOT (Build Own Operate Transfer) basis.
- iv. During the year 2005, AP Moller-Maersk group together with certain financial investors acquired the complete shareholdings held by the original promoter viz. SKIL group, on receipt of approval from Government of Gujarat, and Gujarat Maritime Board. Accordingly, AP Moller-Maersk group became the key promoter of the Company under the Concession agreement.
- v. Pursuant to the approval of the shareholders of the Company in an extra ordinary general meeting held on 17 November 2009, the Company has issued and allotted through Initial Public Offering (IPO) 108,695,652 equity shares of ₹ 10 each at a premium of ₹ 36 per share aggregating to a total of ₹ 5,000 million to all categories of investors. The issue was made in accordance with the terms of the Company's prospectus dated 30 August 2010 and the shares got listed on 9 September 2010 on Bombay Stock Exchange and National Stock Exchange.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1. Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 ("the Act") which as per the clarification issued by the Ministry of Corporate Affairs continue to apply under Section 133 of the Companies Act, 2013 (which has superseded Section 211 (3C) of the Act w.e.f. 12 September 2013) and other accounting principles generally accepted in India, to the extent applicable. All figures, unless otherwise stated, are Rupees in million.

The Board of Directors vide their resolution dated 4 November 2014 has approved the change in financial year of the Company from January-December to April-March effective 1 April 2015. In view of this, the current financial year is for a period of fifteen months i.e 1 January 2014 to 31 March 2015 ("period") and, accordingly, the figures for the current period are not comparable with figures for the year ended 31 December 2013 ("previous year") presented in the Statement of Profit and Loss, Cash Flow Statement and Notes to the Financial Statements.

2.2. Use of estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India (Indian GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3. Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realised within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a Liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations the operating cycle is defined as 12 months.

2.4. Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Tangible fixed assets under construction are disclosed as capital work in progress and advances paid for the same are disclosed under long term loans and advances.

Tangible fixed assets acquired wholly or partly with specific grant/subsidy from government, are recorded at the net acquisition cost to the company.

Depreciation is provided on the straight-line method, over the estimated useful life of each asset as determined by the management from the subsequent month of the date of purchase. The rates of depreciation prescribed in Schedule XIV to the Act are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on following has been provided at the following rates which are higher than the corresponding rates prescribed in Schedule XIV of the Act:

Expenditure on roads constructed on land not owned by the Company - over the remaining concession period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

- Dredging - at 2% p.a.
- Second hand Quay Cranes - First 5 years at 15% p.a. and next five years at 5% p.a.
- Freehold land is not depreciated.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

All assets costing individually ₹ 125,000 or less shall be depreciated fully in the year of purchase.

Till the year ended 31 December 2013, Plant and Equipment and Furniture and Fixtures costing individually ₹ 5,000 or less were depreciated fully in the year of purchase. In order to reflect a more appropriate presentation of the financial statements, the Company has changed this accounting estimate from 31 December 2013, whereby all assets irrespective of their classification costing individually ₹ 125,000 or less shall be depreciated fully in the year of purchase. Had the Company continued to follow the earlier accounting estimate the profit before tax for the fifteen months period 31 March 2015 would have been higher by ₹ 13 million (31 December 2013 : ₹ 23 million).

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

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of profit and loss.

Acquired intangible assets

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

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

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

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

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

2.5. Impairment

Tangible and intangible fixed assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the Statement of profit or loss.

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

2.6. Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of profit and loss over the lease term.

Assets given by the Company under operating lease are included in fixed assets. Lease income from operating leases is recognized in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognized as expenses.

2.7. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of profit and loss.

2.8. Inventories

Inventories comprise of stores, spares, loose tools, fuel and lubricants. These are carried at the lower of cost and net realisable value.

In determining the cost, first-in-first-out ('FIFO') basis method is used. Systematic provisioning is made for inventories held for more than a year.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

2.9. Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia,

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans:

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

Defined benefit plan:

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

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of profit and loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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

Compensated absences

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

2.10. Revenue recognition

Revenue from operations is recognised as and when services are performed, the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of service tax and education cess wherever applicable.

Interest income is recognised on a time proportion basis at the applicable interest rates.

Income from export incentives such as Served from India Scheme are recognized as other operating income provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under this scheme.

Dividend income is recognised when the right to receive payment is established.

2.11. Foreign currency transactions

Foreign currency transactions are recorded in Indian rupees using the rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period are recognized

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

in the Statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date; the resultant exchange differences are recognised in the Statement of profit and loss.

Exchange difference arising on the forward exchange contracts entered into to hedge the foreign currency risk of existing assets and liabilities is recognized in the Statement of profit and loss.

Premium/Discount in respect of forward contracts, are recognized over the life of contract, and exchange difference arising on renewal or cancellation of forward exchange contracts are recognized in the Statement of profit and loss.

2.12. Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

2.13. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

In case of certain litigations, legal opinions are obtained as necessary to support management estimates.

2.14. Earnings per share (EPS)

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

2.15. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current tax is based on the results for the year ended 31 March, in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Minimum Alternative Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognized as current tax. The credit available under the said act in respect of MAT is recognized as an asset only when there is certainty that the company will pay income tax in future periods and MAT credit can be carried forward to set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each Balance sheet date and written down to the extent the aforesaid certainty no longer exists.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

31 March 2015 31 December 2013

3 SHARE CAPITAL

Authorised share capital

600,000,000 (31 December 2013 : 600,000,000) equity shares of INR10 each	6,000.00	6,000.00
	<u>6,000.00</u>	<u>6,000.00</u>

Issued, subscribed and paid up share capital

483,439,910 (31 December 2013 : 483,439,910) equity shares of INR 10 each, fully paid-up	4,834.40	4,834.40
	<u>4,834.40</u>	<u>4,834.40</u>

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

Particulars	31 March 2015		31 December 2013	
	Number	INR	Number	INR
Equity shares at the commencement of the period	483,439,910	4,834.40	483,439,910	4,834.40
Issued during the period	-	-	-	-
At the end of the period	483,439,910	4,834.40	483,439,910	4,834.40

b. Rights, preferences and restrictions attached to equity shares

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

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

c. Equity shares held by Associate

Name of Shareholder	Relationship	31 March 2015		31 December 2013	
		Number	Amount	Number	Amount
APM Terminals Mauritius Limited	Party with substantial interest	207,903,931	2,079.04	207,903,931	2,079.04

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

Name of Shareholder	Relationship	31 March 2015		31 December 2013	
		Number	Percentage	Number	Percentage
APM Terminals Mauritius Limited	Party with substantial interest	207,903,931	43.01%	207,903,931	43.01%

As per the record of the Company, including it's registers of members.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	31 March 2015	31 December 2013
4 RESERVES AND SURPLUS		
(a) Securities premium account	14,288.86	14,288.86
	-	-
	<u>14,288.86</u>	<u>14,288.86</u>
(b) (Deficit) (profit and loss balance) statement of profit and loss		
At the commencement of the period	(5,088.19)	(7,005.84)
Profit for the period	3,872.80	1,917.65
At the end of the period	<u>(1,215.39)</u>	<u>(5,088.19)</u>
Total	<u><u>13,073.47</u></u>	<u><u>9,200.67</u></u>
5 LONG-TERM BORROWINGS		
Term loans		
Rupee Term Loans (Secured)		
- From financial institutions	-	2,819.37
Total	<u>-</u>	<u>2,819.37</u>
Current maturities of Long-term borrowings	-	*219.38

*Amount disclosed under other current liabilities (refer note 9)

Notes :

(i) Nature of security on rupee term loan :

(a) In 2012, the Company had borrowed Indian Rupee Loan from IDFC Ltd., which was secured by creating a first charge on :

- immovable properties forming part of Project Assets,
- movable properties forming part of Project Assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles,
- charge on cash flows, book debts, receivables and any other revenue of whatsoever nature and wherever arising, present and future pertaining to the project,
- all intangibles including but not limited to goodwill, uncalled capital present and future pertaining to project,
- right, title or interest, benefit, claims and demands in project documents including but not limited to Insurance Contract, letter of credit, guarantees, performance bond provided by any party, and
- Trust and Retention Account including all sub-accounts, Debt service reserve account and all other bank accounts of the Company.

The rate of interest was around 11.00% p.a. This loan was repayable over a period of 12 years in quarterly installments starting from September 2012 upto March 2023 as per repayment schedule.

The Company prepaid the entire loan outstanding of INR 2,930 million as on August 1, 2014 to IDFC Limited and the charge on the assets has been released.

(b) The Company was initially sanctioned External Commercial Borrowing (ECB) Loan by International Finance Corporation; of USD 152 million in April 2013; which was later reduced to USD 60 million in July 2014. Based on current business performance and cash flows, the Company has decided to fund its ongoing expansion plan through internal accruals and has cancelled the ECB loan without any disbursements. The management is in the process of completing formalities for release of the charge on the assets pledged. (Refer note 27)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	31 March 2015	31 December 2013
6 OTHER LONG-TERM LIABILITIES		
Retention monies payable	50.25	33.95
Security deposits received	90.40	84.30
Total	140.65	118.25
7 LONG-TERM PROVISIONS		
Provision for employee benefits:		
Gratuity (refer note 32)	2.92	-
Compensated absences (refer note 32)	11.48	10.29
Employee related payables	22.38	8.39
	36.78	18.68
Others provisions		
Provision for claims (refer note 31)	206.00	219.98
	206.00	219.98
Total	242.78	238.66
8 TRADE PAYABLES		
Trade payables	688.34	470.51
Dues to Micro, Small and Medium Enterprises [refer note 37(f)]	1.46	1.58
Total	689.80	472.09
9 OTHER CURRENT LIABILITIES		
Current maturities of long - term borrowings*		
Rupee Term Loans (Secured)		
from financial institutions (refer note 5)	-	219.38
Payables towards capital expenditures	302.09	171.11
Statutory payables		
- Payable towards tax deducted at source	16.01	6.92
- Payable towards service tax	27.57	65.04
- Payable towards contribution to provident fund	0.74	0.69
- Payable towards work contract tax	0.59	0.13
- Payable towards value added tax and profession tax	0.10	0.53

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	31 March 2015	31 December 2013
9 OTHER CURRENT LIABILITIES (CONTINUED)		
Interest accrued but not due	-	15.29
Advances from customers	217.31	179.96
Security deposits received	0.55	2.91
Employee related payables	50.73	43.46
Retention monies payable	28.39	32.37
Other payables **#	107.56	69.37
Income received in advance	5.60	7.78
Total	<u>757.24</u>	<u>814.94</u>
*Total current maturities of long term borrowings ₹ Nil (31 December 2013: ₹ 219.38 million). For details refer note 5.		
**Includes amounts payable towards administrative and other indirect costs.		
#Of the above ₹ 0.50 million is towards unclaimed share application money (31 December 2013 ₹ 0.50 million). There are no amounts due to be credited to Investor Education and Protection Fund.		
10 SHORT-TERM PROVISIONS		
Provision for employee benefits:		
Gratuity (refer note 32)	9.29	9.66
Compensated absences (refer note 32)	0.52	1.20
	<u>9.81</u>	<u>10.86</u>
Others Provisions		
Provision for tax*	-	-
Provision for claims (refer note 31)	157.04	157.04
	<u>157.04</u>	<u>157.04</u>
Total	<u>166.85</u>	<u>167.90</u>

*Net of Advance tax of ₹ 943.99 million (31 December 2013: ₹ 176 million)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY: INDIAN RUPEES IN MILLION)

11 FIXED ASSETS [1 JANUARY 2014 TO 31 MARCH 2015]

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION / IMPAIRMENT						N ET BLOCK As at 31 March 2015		
	As at 1 January 2014	Additions during the period	Deductions/ Adjustments during the period	As at 31 March 2015	As at 1 January 2014		Charge on account of		As at 31 March 2015			
					Depreciation	Impairment	Depreciation for the period	Impairment for the period	Adjustments (Depreciation) for the period	Adjustments (Impairment) for the period	Depreciation	Impairment
11 A Tangible Fixed Assets												
Land and site development	321.86	-	-	321.86	-	-	-	-	-	-	-	-
Buildings	4,453.33	557.07	-	5,010.40	541.64	358.20	328.30	-	0.34	-	869.60	358.20
Plant, Machinery and Equipments	9,422.55	69.01	2.34	9,489.22	3,019.36	871.92	344.42	-	1.91	-	3,361.87	871.92
Dredging	4,411.78	-	-	4,411.78	539.29	-	110.34	-	-	-	649.63	-
Railway sidings	337.57	-	-	337.57	81.74	-	23.14	-	-	-	104.88	-
Furniture, Fittings and Leasehold Improvements	45.91	1.24	0.02	47.13	35.90	-	4.74	-	0.02	-	40.62	-
Motor Vehicles	17.55	6.36	2.35	21.56	9.16	-	2.63	-	1.25	-	10.54	-
Sub Total - A	19,010.55	633.68	4.71	19,639.52	4,227.09	1,230.12	813.57	-	3.52	-	5,037.14	1,230.12
11 B Intangible Fixed Assets												
Computer Software	159.62	15.61	-	175.23	135.00	-	19.29	-	-	-	154.29	-
Sub Total - B	159.62	15.61	-	175.23	135.00	-	19.29	-	-	-	154.29	-
Grand Total (A + B)	19,170.17	649.29	4.71	19,814.75	4,362.09	1,230.12	832.86	-	3.52	-	5,191.43	1,230.12
Tangible Capital work in progress - C	1,060.61	570.99	979.03	652.57								652.57
Intangible Capital work in progress - D	0.57	15.04	15.61	-								-
Grand Total (C+D)	1,061.18	586.03	994.64	652.57								652.57

NOTES TO THE FINANCIAL STATEMENT FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015 (CONTINUED)

(CURRENCY: INDIAN RUPEES IN MILLION)

11 FIXED ASSETS [1 JANUARY 2013 TO 31 DECEMBER 2013] (CONTINUED)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION / IMPAIRMENT						NET BLOCK		
	As at 1 January 2013	Additions during the period	Deductions/ Adjustments during the period (refer note 27)	As at 31 December 2013	As at 1 January 2013		Charge on account of		As at 31 December 2013		As at 31 December 2013	
					Depreciation	Impairment	Depreciation for the year (refer note 27)	Impairment for the year (refer note 27)	Adjustments (Depreciation) for the year	Adjustments (Impairment) for the year (refer note 27)	Depreciation	Impairment
11 A Tangible Fixed Assets												
Land and site development	323.55	0.20	1.89	321.86	-	52.77	-	-	-	52.77	-	321.86
Buildings	3,836.74	730.70	114.11	4,453.33	464.00	537.77	100.38	107.75	22.74	287.32	541.64	358.20
Plant, Machinery and Equipments	8,779.25	729.43	86.13	9,422.55	2,463.39	1,163.57	600.77	-	44.80	291.65	3,019.36	871.92
Dredging	4,412.03	-	0.25	4,411.78	451.04	-	88.28	-	0.03	-	539.29	-
Railway sidings	249.43	88.14	-	337.57	69.92	-	11.82	-	-	-	81.74	-
Furniture, Fittings and Leasehold Improvements	49.37	3.40	6.86	45.91	34.62	-	8.12	-	6.84	-	35.90	-
Motor Vehicles	20.04	-	2.49	17.55	9.54	-	1.89	-	2.27	-	9.16	-
Sub Total - A	17,670.41	1,551.87	211.73	19,010.55	3,492.51	1,754.11	811.26	107.75	76.68	631.74	4,227.09	1,230.12
11 B Intangible Fixed Assets												
Computer Software	151.03	15.88	7.30	159.62	113.05	-	28.99	-	7.04	-	135.00	-
Sub Total - B	151.03	15.88	7.30	159.62	113.05	-	28.99	-	7.04	-	135.00	-
Grand Total (A + B)	17,821.44	1,567.76	219.03	19,170.17	3,605.56	1,754.11	840.25	107.75	83.72	631.74	4,362.09	1,230.12
Tangible Capital work in progress - C	1,567.76	1,045.29	1,552.44	1,060.61								
Intangible Capital work in progress - D	9.53	4.26	13.22	0.57								
Grand Total (C+D)	1,577.29	1,049.55	1,565.66	1,061.18								

Notes :

- Land and site development includes
 - Freehold land of ₹ 50.55 million (31 December 2013: ₹ 50.55 million)
 - Land aggregating ₹ 1.47 million (31 December 2013: ₹ 1.47 million) purchased during prior years for getting the rail connectivity from nearest station upto the port boundary is registered in the name of our joint venture rail company, Pipavav Railway Corporation Limited, pursuant to Government notification.
 - Land aggregating ₹ 24.99 million (31 December 2013: ₹ 24.99 million) was purchased during prior years for handing it over to Government of Gujarat, pursuant to the order issued by Hon'ble Supreme Court. This land will be exchanged with the land located inside the port premises which does not form part of the current Concession with Gujarat Maritime Board (GMB). Buildings includes expenditure of ₹ 348.82 million (31 December 2013: ₹ 348.82 million) incurred during prior years for development of roads on land not owned by the Company in order to provide better road connectivity.
- In accordance with the concession agreement GMB has to approve capital cost incurred with respect to port development. Approval for capital expenditure incurred is in progress.
- Building includes road capitalised during the period, net of grant ₹ 200 million of which 105.99 million was received during the period (31 December 2013: ₹ 94.01 million). The grant received in 2013 was disclosed under 'Capital work in progress'
- The Company in accordance with AS-10, Accounting for fixed assets, has disclosed assets retired from active use and held for sale under 'other current assets' at its realisable value of ₹ 0.6 million against Gross Block of ₹ 16.94 million and Accumulated Depreciation of ₹ 12.49 million.
- Tangible Capital work in progress included expenditure of ₹ 345.83 million (31 December 2013: ₹ 277.53 million) towards borrowing costs which has been fully written off in the current period (Refer Note 27).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

31 March 2015 31 December 2013

12 NON CURRENT INVESTMENTS

(Valued at cost unless stated otherwise)

Non trade investments: Unquoted

Investment in Equity Shares

76,000,010 (31 December 2013 : 76,000,010) equity shares of ₹ 10 each of Pipavav Railway Corporation Limited, fully paid up.	830.00	830.00
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Total	830.00	830.00
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13 DEFERRED TAX ASSETS, (NET)

Deferred tax (liability) / asset

Tax effect of items constituting deferred tax assets

Unabsorbed depreciation carried forward	2,969.16	3,485.03
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Tax effect of items constituting deferred tax assets	2,969.16	3,485.03
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Tax effect of items constituting deferred tax liability

On difference between book depreciation and tax depreciation	2,782.34	2,832.62
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Impairment	(418.08)	(418.08)
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Tax effect of items constituting deferred tax liability	2,364.26	2,414.54
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Net deferred tax asset	604.90	1,070.49
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Net deferred tax (liability) / asset (restricted to *)	-	-
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* Deferred tax asset is recognized only to the extent of deferred tax liability, as this amount is considered to be virtually certain of realisation. The deferred tax assets of ₹ 604.90 (31 December 2013: ₹ 1070.49) are not recognized, as they are not considered to be virtually certain of realization.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

31 March 2015 31 December 2013

14 LONG-TERM LOANS AND ADVANCES

Secured and considered good

- Capital advances** - 5.66

Unsecured and considered good

- Capital advances **479.29** -

- Security deposits **22.69** 25.03

- Prepaid expenses - 56.66

- Advance Tax*** **334.87** 298.33

- MAT Credit Entitlement **944.00** 176.00

Other loans and advances, unsecured

- Considered doubtful **11.28** 11.78

- Less: Provision for doubtful loans and advances **(11.28)** (11.78)
Total **1,780.85** 561.68

Current maturities of long term loans & advances ***123.25** ***10.97**

* Amount disclosed under Short-term loans & advances (refer note 19)

Note:

** Secured against bank guarantee

***Net of Provision for tax of ₹ 943.99 million (31 December 2013: ₹ 176 million)

There are no amounts due to be credited to Investor Education and Protection Fund

15 OTHER NON-CURRENT ASSETS

Unsecured, considered good

Bank Deposits (refer note a) **27.91** 10.21

Interest accrued but not due on fixed deposits **0.33** 0.77
Total **28.24** 10.98

(a) Held as lien with bank against bank guarantees issued to customs and other third parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	31 March 2015	31 December 2013
16 INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Stores and spares	124.14	107.26
Fuel and lubricants	10.75	12.72
Total	134.89	119.98
17 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered good	6.66	21.15
Unsecured, Considered doubtful	14.58	21.82
Less: Provision for doubtful receivables	(14.58)	(21.82)
(A)	6.66	21.15
Other Trade receivables		
Secured	46.10	
Unsecured Considered good	303.20	322.48
Unsecured, Considered doubtful	3.32	6.01
Less: Provision for doubtful receivables	(3.32)	(6.01)
(B)	349.30	322.48
Total (A + B)	355.96	343.63

Note:

Trade receivables (unsecured, considered good) include due from A.P. Moller - Maersk A/S of ₹ 175.22 million (31 December 2013: ₹ 193.76 million) and APM Terminals India Private Limited - ERS of ₹ 0.82 million (31 December 2013: NIL).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	31 March 2015	31 December 2013
18 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	0.30	0.17
Balances with banks		
in current accounts*	64.61	110.61
in deposit accounts (with original maturity of 3 months or less)**	90.00	997.50
Other bank balances		
Others (Bank deposit with maturity more than 3 months but less than 12 months)*	2,284.20	914.79
Total	<u>2,439.11</u>	<u>2,023.07</u>
*Of the above ₹ 0.50 million is towards unclaimed share application money (31 December 2013 ₹ 0.50 million).		
** Of the above bank deposits aggregating ₹ 27.91 million is marked lien against bank guarantees.		
There are no amounts due to be credited to Investor Education and Protection Fund.		
Details of bank balances/deposits		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	154.61	1,108.11
Bank deposits due to mature more than 3 months but less than 12 months of the reporting date included under 'Other bank balances'	2,284.20	914.79
Bank deposits due to mature more than 3 months but less than 12 months held as lien of the reporting date included under 'Other non-current assets' (refer note 15)	17.70	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 15)	10.21	10.21
Total	<u>2,466.72</u>	<u>2,033.11</u>
19 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good, unless otherwise stated		
Current portion of long-term loans and advances		
SFIS receivable	123.25	10.97
Advance for supply of goods and services	34.26	24.08
Trade deposit	4.24	4.23
Loans and advances to employees	2.72	4.01
Prepaid expenses	14.03	31.94
CENVAT credit receivable	33.07	19.16
Security deposit	7.74	2.40
Total	<u>219.31</u>	<u>96.79</u>
	31 March 2015	31 December 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

20 OTHER CURRENT ASSETS

(Unsecured, Considered good unless otherwise stated)

Interest accrued on fixed deposits	62.69	25.08
Asset held for sale (at lower of cost and net realisable value (refer note 11))	0.56	3.30
Other receivables	7.81	12.63
Total	71.06	41.01

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	Fifteen months ended 31-Mar-15	Year ended 31-Dec-13
21 Revenue from operations		
Income from port services	7,921.88	4,736.50
Other operating revenue	748.39	442.85
Total	<u>8,670.27</u>	<u>5,179.35</u>
22 Other income		
Interest income		
- banks	228.73	97.94
- others	1.42	0.80
Exchange gain (31 December 2013: Net of exchange loss of ₹ 11.31 million)	-	16.44
Sundry balance written back [net of sundry balances written off of NIL (31 December 2013: ₹ 0.72 million)]	2.16	3.41
Dividend income	152.00	38.00
Miscellaneous income [net of lease rental expense of ₹ 0.67 million (31 December 2013 : ₹ 0.67 million)]	16.22	11.02
Total	<u>400.53</u>	<u>167.61</u>
23 Operating expenses		
Equipment hire charges	600.53	398.24
Handling expenses	920.80	706.11
Waterfront royalty	171.25	109.73
Business support service charges	63.42	42.78
Other direct costs	96.20	63.45
Total	<u>1,852.20</u>	<u>1,320.31</u>
24 Employee benefits expense		
Salaries, wages and bonus	558.44	382.32
Contribution to provident fund and other funds	19.16	14.48
Provision of gratuity	5.84	3.36
Provision for compensated absences	6.87	1.41
Staff welfare expenses	27.08	18.97
Total	<u>617.39</u>	<u>420.54</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

	Fifteen months ended 31-Mar-15	Year ended 31-Dec-13
25 Finance costs		
Interest expense on:		
- term loans	187.82	351.56
- others	70.69	18.08
Total	258.51	369.64
26 Other expenses		
Power and fuel	373.13	266.64
Rent	24.14	18.22
Repairs		
- Building	24.94	33.64
- Machinery and equipment	241.85	168.53
- Others	84.93	69.24
Insurance	46.21	38.79
Bank Charges	3.02	4.61
Rates and taxes	1.54	3.41
Travelling expenses	110.15	72.56
Legal and professional fees	80.04	57.73
Payment to auditors (refer note 36)	7.74	6.20
Advertisement and sales promotion	19.38	10.65
Communication expenses	8.42	8.95
Printing and stationery	7.21	3.74
Loss on sale of fixed assets [net of gain on sale of fixed assets of ₹ 0.99 million (31 Dec 2013; ₹ 0.81 million)]	0.90	1.72
Exchange Loss [net of exchange gain of ₹ 7.29 million]	33.01	-
Bad debts written off	10.67	20.31
Reversal / provisions for current assets [net of provisions reversal of ₹ 9.94 million (31 Dec 2013; ₹ 45.34 million)]	11.20	26.20
Provision for claims	-	0.54
Freight and forwarding	7.41	6.15
Water charges	17.26	11.64
Contract labour expenses	31.87	22.00
Miscellaneous expenses	44.01	23.36
Total	1,189.03	874.83

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

27. Exceptional items

During the current period, an amount of ₹ 448.01 million has been disclosed in the Statement of profit and loss account as exceptional item which includes:

- a) Fees paid to International Finance Corporation (IFC) amounting to ₹ 345.82 million representing one-time cost of syndication fees, structuring fees, commitment fees, legal & administration fees.

In 2012, the Company was sanctioned External Commercial Borrowing (ECB) Loan of USD 152 Million by IFC for port expansion. Consequent to the revised project expansion plan approved by the Board in its meeting dated 17 April 2014, the original loan amount was reduced to USD 60 million in July 2014. Based on strong business performance over the years and cash generation, the Company concluded that the expansion project can be funded entirely through internal accruals and the Board in its meeting dated 31 March 2015 approved cancellation of the entire loan arrangement. Accordingly, the Company has cancelled the loan without any disbursement and fees paid to IFC has been fully written off as an exceptional item in this period. The Company is in the process of completing formalities for release of the charge on the assets.

- b) Reimbursement of mobilization and other charges amounting to ₹ 102.19 million paid to the Dredging Company.

In January 2014, the Company paid the above amount towards mobilization and other services in relation to the dredging activity undertaken as part of the port expansion project. Consequent to the revision in the said port expansion plan approved by the Board in its meeting dated 17 April 2014, this amount was fully written off as an exception item in this period.

In 2013, the Company re-assessed the technical feasibility and future usability of its fixed assets. Based on this physical assessment and considering the current business performance and the financial projections for the foreseeable future, the Company has, reversed a net impairment provision amounting to ₹ 524 million (net of additional impairment provision of ₹ 108 million). Further, in accordance with Accounting Standard-28 on Impairment of Assets, in order to bring the carrying value of the assets to its current realisable value that would have been determined had no impairment been recognized in the prior accounting years, the Company has created a depreciation charge amounting to ₹ 232 million, resulting into a net gain of ₹ 292 million. Further on basis of future usability, the Company has written off /scrapped assets amounting to ₹ 128 million in the previous year. Consequently, the net impact of impairment reversal, depreciation charge on impairment reversal and assets written off/ scrapped amounting to ₹ 164 million has been disclosed as an exceptional item in the previous year.

28. Taxation

a) *Transfer Pricing*

The Company's international transactions with related parties are at arm's length as per the independent accountants' report for the year ended 31 March 2014. Management believes that the Company's international transactions with related parties post 31 March 2014 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expenses and that of provision of taxation.

b) *Tax Holiday*

As per the provisions of Indian Tax laws, the Company is eligible for a tax holiday under section 80IA of the Income Tax Act, 1961 for a block of 10 consecutive Assessment years out of the 15 years beginning of port operations. Accordingly, the Company is entitled to tax holiday commencing from 1 April 2007 until 31 March 2017. Minimum Alternative Tax will apply after lower of unabsorbed book loss or depreciation is adjusted against book profits during the years of tax holiday.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

29. Traffic guarantee commitment

The Company has entered into Transportation and Traffic Guarantee Agreement with PRCL to provide minimum volumes of 3 million metric tonnes in every Financial Year. The Company has already met the commitment for the year 2013-14 and 2014-15, and there is no shortfall to be paid to PRCL.

The total claim till date is ₹ 699.33 million (31 December 2013: ₹ 699.33 million) which the Company has disputed. The liability, if any, is accordingly not currently determinable.

30. Capital and other commitments

Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 2,355.76 million (31 December 2013: ₹ 182.13 million)

Export Promotion Capital Goods Commitments

The Company had imported capital goods at concessional rate of import duty under Export Promotion Capital Goods ('EPCG') scheme by executing a legal undertaking in favour of Government of India with an obligation to export goods / services and realize foreign exchange to the extent of ₹ 36.26 million by 2017 (31 December 2013: ₹ 41.29 million by 2017) and ₹ 40.95 million by 2018 (31 December 2013: ₹ 498.11 million by 2018). Income arising out of handling container and bulk vessels owned by foreign shipping lines are considered as deemed exports and consequently form export obligations of the Company for the said EPCG commitment.

Lease Commitments

The Company's leasing arrangement is in respect of a non-cancellable operating lease for office premises. The future minimum lease payments payable under the said non-cancellable operating lease for rented premises are as follows:

Particulars	15 months ended 31 March 2015	31 December 2013
Payable within one year	8.55	-
Payable between one and five years	32.77	-
Operating lease rentals debited to the Statement of Profit and Loss	12.33	10.91

The Company entered into a 30 year Concession Agreement with Government of Gujarat and Gujarat Maritime Board (GMB) dated 30 September 1998 to engage in the business of developing, constructing, operating and maintaining the port on a BOOT (Build Own Operate Transfer) basis. The Concession Agreement requires the Company to pay GMB a lease rental annually ₹ 10.74 million (31 December 2013: ₹ 7.06 million) with an escalation in every three years. Also during the 15 month period ending 31 March 2015, as per High Court Order on special civil application no. 3016, the company is required to pay ₹ 1.22 million (31 December 2013: ₹ Nil) to Rampara – 2 Gram Panchayat for land bearing survey no. 42/B, calculated at the equivalent rate of lease rent payable to GMB every year.

The Company has given a total area of 1,111,813 Square Mtr. (31 December 2013: 1,111,813 Square Mtr.) of land on lease to various customers. The lease is upto 2028 which is the end of the concession period.

During the year 2005 and prior to AP Moller Maersk group acquiring the complete shareholdings held by the original promoters, SKIL group, the Company had provided commitment of ₹ 350 million (31 December 2013: ₹ 350 million) towards consortium lending to a SKIL Group Company, Pipavav Shipyard Limited (formerly Pipavav Ship Dismantling & Engineering Limited) conditional to fulfilment of certain obligations by Pipavav Shipyard Limited and other parties. The Company is in the process of seeking discharge from this commitment. IL&FS (lead manager in the consortium) would be releasing the Company of its commitment once it receives a "No Dues certificate" from the Government of Gujarat.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

31. Provisions and contingent liabilities

Claims against Company not acknowledged as debt aggregates to ₹ 1,823.14 million (31 December 2013: ₹ 1,750.91 million). Provisions made in respect of the same aggregates to ₹ 355.03 million (31 December 2013: ₹ 355.21 million).

Other contingent liabilities in respect of taxation matter not acknowledged as debt aggregates to ₹ 38.27 million (December 2013: 52.07 million). Provisions made in respect of the same aggregates to ₹ 8.00 million (31 December 2013: 21.80 million)

Movement in provisions

	15 months ended 31 March 2015	31 December 2013
At the commencement of the period	377.01	377.91
Provision made during the period	0.32	8.80
Provision reversed during the period	(14.30)	(9.70)
At the end of the period	363.03	377.01

32. Disclosure pursuant to Accounting Standard – 15 (Revised) Employee Benefits

a. The Company recognised ₹ 19.16 million (31 December 2013: ₹ 14.48 million) for provident fund contribution in the Statement of profit and loss.

b. Gratuity (Defined benefit plan)

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

c. Long term compensated absence (Long term employment benefit)

The leave salary is payable to all eligible employees for each day of accumulated leave on death or on resignation or upon superannuation. Compensated absence debited to Statement of profit and loss during the period amounts to ₹ 6.87 million (31 December 2013: ₹ 1.41 million) and is included in Note 24 - 'Employee benefits expenses'. Accumulated non-current provision for leave encashment aggregates ₹ 11.48 million (31 December 2013: ₹ 10.29 million) and current provision aggregates ₹ 0.52 million (31 December 2013: ₹ 1.20 million).

Payment for compensated absences aggregates ₹ 6.31 million (31 December 2013: ₹ 1.49 million).

d. The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements based on actuarial valuations being carried out as at 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

- i) Change in the present value of defined benefit obligations:

Defined Benefit Plan - Gratuity

	15 months ended 31 March 2015	31 December 2013
Defined benefit obligation, beginning of the period	29.19	26.27
Current Service cost	5.91	5.13
Interest cost	3.47	2.17
Actuarial (gain) / loss	0.18	(3.28)
Benefit paid	(1.58)	(1.10)
Liability Transferred In	-	-
(Liability Transferred Out)	-	-
Defined benefit obligation, end of the period	37.17	29.19

- ii) Change in fair value of plan assets:

	15 months ended 31 March 2015	31 December 2013
Fair value of plan asset, beginning of the period	19.55	15.41
Expected return on plan assets	2.15	1.33
Employer's contribution	3.28	4.58
Benefit paid	(1.58)	(1.10)
Actuarial (loss) / gain	1.57	(0.67)
Transfer from other company	-	-
(Transfer to other company)	-	-
Fair value of plan assets at the end of the period	24.97	19.55

- iii) Net gratuity cost for the 15 month period ended 31 March 2015

	15 months ended 31 March 2015	31 December 2013
Service cost	5.91	5.13
Interest on defined benefit obligation	3.47	2.17
Expected return on plan assets	(2.15)	(1.33)
Net actuarial loss / (gain) recognised during the period	(1.39)	(2.61)
Net gratuity cost	5.84	3.36

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

iv) Actual return on plan assets

	15 months ended 31 March 2015	31 December 2013
Expected return on plan assets	2.15	1.33
Actuarial (loss) / gain on plan assets	1.57	(0.67)
Actual return on plan assets	3.72	0.66

v) Balance sheet reconciliation

	15 months ended 31 March 2015	31 December 2013
Net liability, beginning of the period	9.66	10.88
Gratuity cost as above	5.84	3.36
Employer's contribution	(3.28)	(4.58)
Amount recognised in balance sheet – current	9.29	-
Amount recognised in balance sheet – non current	2.92	9.66

vi) Experience adjustment

	15 months ended 31 March 2015	2013	2012	2011	2010
Experience adjustment on liability	(6.75)	(0.43)	3.38	(2.57)	(0.65)
Experience adjustment on asset	1.57	(0.67)	0.02	(0.88)	0.51

vii) Category of assets

	15 months ended 31 March 2015	31 December 2013
Insurer managed funds (100%)	24.97	19.55

viii) Assumptions used in accounting for the gratuity plan

	15 months ended 31 March 2015	31 December 2013
Discounting rate	7.92%	9.50%
Salary escalation rate	8.00%	8.00%
Expected rate of return on plan assets	7.92%	8.80%
Attrition rate	4.00%	4.00%
Mortality	Indian Assured Lives Mortality (2006-08)	LIC (2006-08) Ultimate Table

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The contribution expected to be made by the Company during the financial year 2015-16 will be ₹ 9.29 million (31 December 2013: ₹ 5.13 million)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

33. Earnings per share

		15 months ended 31 March 2015	31 December 2013
Profit for the period before exceptional and extraordinary items	(A)	4,320.81	1753.83
Profit for the period after exceptional and extraordinary items	(B)	3,872.80	1917.65
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the period		483,439,910	483,439,910
Number of equity shares at the end of the period		483,439,910	483,439,910
Weighted average number of equity shares outstanding during the period	(C)	483,439,910	483,439,910
Basic and diluted earnings per share before exceptional and extraordinary items (₹)	(A/C)	8.94	3.63
Basic and diluted earnings per share after exceptional and extraordinary items (₹)	(B/C)	8.01	3.97

34. (A) List of related parties and their relationship

Relation	Party
A. Party with substantial interest and its associates	(i) APM Terminals Mauritius Limited (ii) APM Terminals B.V. (iii) APM Terminals Management (Singapore) Pte Ltd (iv) APM Terminals Management B.V. (v) AP Moller – Maersk A/S (vi) APM Terminals India Private Limited (vii) APM Terminals India Pvt. Ltd – Transportation Division (viii) Maersk Line India Pvt. Ltd. (ix) APM Terminals India Pvt. Ltd – ERS Division (x) Safmarine Container Lines N.V. (xi) Damco Denmark A/S
B. Key management personnel	Managing director Mr. Prakash Tulsiani (Resigned w.ef. 31 March 2015)
C. Associate	Pipavav Railway Corporation Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

34. (B) Related party transactions

Transactions during the period	APM Terminals Management (Singapore) Pte Ltd	APM Terminals Management B.V.	AP Moller - Maersk A/S	APM Terminals India Private Limited	Pipavav Railway Corporation Limited	Other Affiliates	Total
Income from port services	-	-	1,910.60	6.01	-	-	1,916.61
Professional services rendered/received	-	-	898.57	-	-	4.47	903.04
Business support service charges	-	63.42	(10.62)	(5.56)	-	-	(16.18)
Expenses incurred on our behalf	-	(36.57)	-	(2.45)	-	-	(36.57)
Expenses incurred on their behalf	-	(41.38)	-	0.32	-	(2.36)	(43.74)
Training expenses	(0.49)	-	-	(0.04)	-	-	(0.53)
Manpower cost	-	(3.05)	-	-	(2.43)	(0.58)	(3.63)
Capital expenditure	-	(0.88)	-	-	(1.51)	-	(2.43)
Dividend Income	-	(6.63)	-	-	152.00	-	(1.51)
Closing balance	-	-	-	-	38.00	-	(6.63)
Receivable	-	-	166.08	0.85	-	0.32	38.00
Advance from Customers	-	-	184.79	-	-	0.67	167.25
Payables	-	(51.24)	-	0.17	-	-	(185.46)
Investments	-	(2.20)	-	(0.40)	-	-	(51.53)
	-	-	-	-	830.00	-	(2.60)
	-	-	-	-	830.00	-	830.00

Managerial Remuneration paid to Mr. Prakash Tulsiani ₹ 110.22 million (31 December 2013: ₹ 46.27 million)

Amounts in italics represent amounts as at 31 December 2013.

The amount in excess of 10% of the total related party transactions is disclosed separately.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

35. Segment reporting

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 single segment company in accordance with Accounting Standard 17 "Segment Reporting" notified in Companies (Accounting Standard) Rules, 2006.

36. Payment to auditors (excluding service tax):

As auditor	For the 15 months ended 31 March 2015	31 December 2013
- Statutory audit	2.16	1.57
- Tax audit	1.06	0.79
- Limited review of quarterly results	1.64	1.09
In other capacity		
- Taxation matter*	1.07	1.23
- Other matter*	0.54	0.05
- Other services	1.16	1.32
Reimbursement of expenses	0.11	0.15
Total	7.74	6.20

* These fees are paid to an affiliate member firm of the statutory auditors

37. Other notes

a) CIF value of imports

	For the 15 months ended 31 March 2015	31 December 2013
Capital goods	12.19	25.90
Spares	56.17	21.30

b) Value of imported and of indigenous spares consumed and percentage of each to total consumption

	For the 15 months ended 31 March 2015		31 December 2013	
	%	₹ in million	%	₹ in million
Spares consumed of which		109.14		83.74
Imported	40%	43.90	27%	22.55
Indigenous	60%	65.24	73%	61.19

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

c) Expenditure in foreign currency (on accrual basis)

	For the 15 months ended 31 March 2015	31 December 2013
Borrowing Cost	93.82	253.73
Consultancy fees	49.76	64.18
Legal fees*	0.55	5.26
Travelling	0.14	2.11
Sitting fees	-	0.06
Other Expenses*	152.67	63.62
	296.94	388.96

* Borrowing cost of ₹ 93.82 million (31 December 2013: ₹ 253.73 million), Consultancy fees of ₹ NIL (31 December 2013: ₹ 6.87 million), Legal fees of ₹ 0.55 million (31 December 2013: ₹ 5.26 million) and Other Expenses of ₹ 2.08 million have been capitalised or are under Capital work in progress.

d) Earnings in foreign exchange (on accrual basis)

	For the 15 months ended 31 March 2015	31 December 2013
Deemed foreign currency receipts	6,181.58	3,630.67

e) Exposure in Foreign Currency

Foreign currency exposure not covered by Forward Contracts as at 31 March 2015:

(₹ in million)

Details	USD Exposure		EURO Exposure		GBP Exposure		SGD Exposure	
	₹	USD	₹	Euro	₹	GBP	₹	SGD
Receivables/ Advance to Vendor	629.17	10.08	0.02	0.01	0.01	0.00@	-	-
	(196.47)	(3.11)	(1.70)	(0.02)	-	-	-	-
Payables	2.97	0.05	2.83	0.04	-	-	-	-
	(2.75)	(0.04)	(0.48)	(0.01)	-	-	(0.95)	(0.02)
Cash and Bank balance	0.68	0.01	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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

Amounts in italics represent amounts as at 31 December 2013.

f) Dues to Micro and Small suppliers

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

37. Other notes (Continued)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2015

(CURRENCY : INDIAN RUPEES IN MILLION)

f) Dues to Micro and Small suppliers (Continued)

(₹ in million)

	For the 15 months ended 31 March 2015	31 December 2013
Principal amount due to any supplier as at the period end	1.46	1.58
Interest due on the principal amount unpaid at the period end to any supplier	-	-
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-	-
Payment made to the enterprises beyond appointed date under Section 16 of MSMED	2.33	10.67
Amount of interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the period but without adding the interest specified under MSMED	-	0.27
The amount of interest accrued and remaining unpaid at the end of each accounting period	0.05	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED	-	-

- g) Prior year figures aggregating ₹ 4.61 million have been reclassified from "Finance Costs" to "Other expenses" to conform to the current year's presentation.
- h) Information with regard to other matters specified in revised schedule VI of the Act, is either NIL or not applicable to the Company for the period.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
28 May 2015

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

Keld Pedersen
Managing Director
DIN: 07144184

Hariharan Iyer
Chief Financial Officer

Mumbai
28 May 2015

Pravin Laheri
Director
DIN: 00499080

Manish Agnihotri
Company Secretary

Gujarat Pipavav Port Limited

(CIN: L63010GJ1992PLC018106)

Regd Office: Pipavav Port At Post Ucchaiya via Rajula Dist. Amreli- 365 560

Tel: 02794 302400 Fax: 02794 302413

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

ATTENDANCE SLIP

23rd Annual General Meeting Thursday 30th July 2015 at 2:00 P. M.

Regd. Folio No. / DP ID & Client ID*	
No. of Equity Shares held	
Name of the Shareholder	
Name of the Proxy	

I/We hereby record my/ our presence at the 23rd Annual General Meeting of the members of the Company held on Thursday 30th July 2015 at 2:00 PM at Pipavav Port, At Post Ucchaiya via Rajula, District Amreli- 365 560.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, please sign here

If Proxy, please sign here

Note: This form should be signed and handed over at the Meeting venue

***Applicable for members holding shares in electronic mode**

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual general meeting of the company, to be held on the Thursday 30th day of July 2015 at 2:00 p.m. at Pipavav Port At Post Uchhaiya via Rajula Dist. Amreli-365 560 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No	Particulars
Ordinary Business	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial period ended 31st March 2015 and the Reports of the Board of Directors and the Auditors thereon.
2	To appoint a Director in place of Mr. Jan Damgaard Sorensen (DIN: 06408939), who retires by rotation and being eligible, offers himself for re-appointment.
3	To appoint M/s Price Waterhouse LLP Chartered Accountants (ICAI Regn. No. 012754N/N500016) as Statutory Auditors from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 28th Annual General Meeting and fix their remuneration.
Special Business	
4	To appoint Mr. Tejpreet Singh Chopra (DIN:00317683) as an Independent Director of the Company for a period of five consecutive years.
5	To appoint Ms. Hina Shah (DIN: 06664927) as an Independent Director of the Company for a period of five consecutive years.
6	To appoint Mr. Pradeep Mallick (DIN 00061256) as an Independent Director of the Company for a period of five consecutive years.
7	To appoint Mr. Pravin Laheri, IAS (Retd.) (DIN: 00499080) as an Independent Director of the Company for a period of five consecutive years.
8	To appoint Mr. Julian Bevis (DIN: 00146000) as a Director of the Company
9	To appoint Mr. Rizwan Soomar (DIN: 02398970) as a Director of the Company
10	To appoint Mr. Keld Pedersen (DIN:07144184) as a Director of the Company
11	To approve appointment of Mr. Keld Pedersen (DIN: 07144184) as Managing Director of the Company and payment of his remuneration
12	To approve the Related Party Transaction with Maersk Line A/S in terms of the revised Clause 49 of the Listing Agreement for the period from 1st October 2014 to 31st March 2017
13	To authorize the Board of Directors to borrow monies that may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 25,000 Million or the aggregate of the paid up capital and free reserves of the Company, whichever is higher
14	To authorize the Board of Directors to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit for which the charge is to be created, shall not, at any time exceed Rs. 25,000 Million or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

Signed this..... day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)

<p>Please affix Re. 1/- Stamps and sign across</p>
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Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





APM TERMINALS

2014-15

APM Terminals Pipavav
Gujarat Pipavav Port Limited
Port of Pipavav, Post Uchaiya via Rajula,
District Amreli, Gujarat 365 560, India.
www.pipavav.com